

FINAL REPORT

# INTEGRATED FRAMEWORK SIMULATION



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FINAL REPORT



SEPTEMBER 7-8, 2005

## DISCLAIMER

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Integrated Framework Participants

Addis Ababa, Ethiopia

September 7- 8, 2005

## FOREWORD

Since its humble beginning comprising only a few pilot countries, the Integrated Framework (IF) has grown considerably. By the end of 2005 more than 20 Least Developed Countries are expected to have finalized a Diagnostic Trade Integration Study, identifying how the Governments can best integrate trade in their national development strategies. Another seven countries have started out on the process and six more are under consideration.

This huge interest among the recipient states tells us how vital it is that the IF activities are continued. The recent Aid for Trade initiative based on the proposal of an enhanced IF and endorsed by the ministers in the joint World Bank and IMF Development Committee is a clear sign of a donor commitment that follows up on the requests from development partners.

We continuously learn from experiences in the implementation of the IF and employ efforts to improve operational aspects where needed. In this regard an innovative event like the IF Simulation Exercise is of great value. The high number of participants representing a full variety of stakeholders in the trade-and-development community, coming from Governments, the private sector, and agencies proves that we can count on the know-how resources from many sides in the coming restructuring of the IF. Besides the necessary funding, a wealth of constructive ideas will be needed if we are to succeed further.

It is hardly an easy task we have in front of us. To achieve more trade-related growth in the Least Developed Countries through a better integration of these countries in the international trade system many complex issues must be addressed. This will require plenty of hard, creative work from experienced persons in the field as well as in Governments. To this end, I am happy that we can now draw upon the insights gained from the IF Simulation Exercise in Addis Ababa. In fact, the multitude of insightful comments on trade and development issues referred to in this report from the exercise, reminds us that it is in the active exchange of experience and new ideas that not only multilateral collaboration but also indeed trade and business thrive.

Henrik Rée Iversen

Ambassador, Chairman of the IF Steering Committee





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## EXECUTIVE SUMMARY

Since its inception in 1997 and restructuring in 2000, the Integrated Framework (IF) has focused primarily on improving the coordination and mainstreaming of trade capacity assistance to the Least Developed Countries and assessing their technical needs. Now, the IF and its many stakeholders recognize an imminent need to advance the IF process toward tangible acts of implementation – that is, coordinated strategies and activities that result in quantifiable development outcomes and results.

Toward this end, the IF Working Group and the IF Steering Committee, gave their support to an innovative hands-on Simulation Project to examine the challenges of implementation. During a two-day Simulation Workshop held in Addis Ababa on September 7-8, 2005, representatives of IF stakeholders engaged as active strategists seeking to explore a wide range of approaches and recommendations for improving IF implementation.

### **Five significant challenges facing the IF emerged from the Simulation, including:**

**Ownership** of the IF process. At the heart of this challenge is the necessity, along with the difficulty, of assuring broad representation and active participation of IF stakeholders.

**Coordination** among IF stakeholders. Throughout the IF process, the ability of

IF stakeholders to collaborate is critical. Conflicting interests and external demands, however, tend to divide rather than unify participants.

**Operational** factors that affect the IF process. These factors relate to the challenges that arise in the ways in which reports, data, and other inputs into the process are prepared, disseminated and adopted.

**Resource** constraints. This set of challenges refers to the need, throughout the IF process, for sufficient human and financial resources.

**Private Sector** engagement. To date, private sector involvement in the IF process remains largely unrealized.

Continued efforts to respond to the five core areas developed at the IF Simulation are essential if the IF is to meet its goal of helping LDCs become integrated into the international trading system, thereby making progress toward alleviating poverty. As illustrated throughout this report, most of the identified constraints are interdependent and require collective and simultaneous attention.

The IF Simulation Project contributes to this process by providing stakeholder-vetted recommendations for improving implementation effectiveness and results.

# I. THE CHALLENGE: IMPROVING IMPLEMENTATION OF IF PRIORITIES

Like so many of the Least Developed Countries it serves, the Integrated Framework (IF) today faces new challenges that reflect the ever-changing realities of trade and development. Since its inception in 1997 and restructuring in 2000, the IF has focused primarily on improving the coordination and mainstreaming of trade capacity assistance, chiefly from the macro-perspective of the world's primary multilateral institutions. The IF has constructed a number of systems to meet the need for increased coherence in the work of the world's trade and development community, including the IF Steering Committee and an expanded IF Working Group.<sup>1</sup> Now, the IF and its many stakeholders have arrived at the stage of implementation – that is, coordinated strategies, initiatives, and projects that result in quantifiable development outcomes and results.

At least three factors contribute to this current emphasis on strengthened mechanisms of implementation. First, a critical mass of Least Developed Countries (LDCs) participating in the IF – fifteen countries as of July 15, 2005 – has completed a Diagnostic Trade Implementation Study (DTIS), which includes the development of an Action Matrix (Phase I), and a National Validation Conference, which is charged with adopting the Action Matrix recommendations (Phase II). These countries have thus moved into Phase III – the Implementation stage – of their respective IF plans. To this end, they are urgently looking to the IF community for guidance on how sustained, trade-related development can be achieved, as derived in particular from programmatic successes and failures. There are currently no formal IF mechanisms for documenting progress, gathering and disseminating best practices, or recommending improvements for future implementation efforts. Learning from other

countries' DTIS reports and commensurate Action Matrices is difficult even for those LDCs that are motivated to do so, because findings are often not widely disseminated, and the studies and matrices vary widely in scope, structure, format, and level of detail.

It is not only Phase III stakeholders that seek direction on implementation but also countries starting and looking toward the IF process. As of 19 August 2005, six countries were in the advanced stage of the DTIS process (Benin, Chad, Laos, Rwanda, Sao Tome and Principe, Tanzania), and, based upon Technical Reviews, the IF Working Group has agreed to start the DTIS process with seven more countries (Angola, Burkina Faso, Uganda, Niger, Maldives, Gambia, Sierra Leone). These countries wish to undertake the DTIS process in a way that maximizes their ultimate ability to implement reforms that will yield significant development benefits. Even countries that are just beginning the IF Process (Central African Republic, Equatorial Guinea, Sudan, Comoros, Haiti, Democratic Republic of Congo) and those who have recently applied to the IF (Liberia, Vanuatu, Afghanistan) need as clear a vision as possible for how the considerable effort of the IF Process can yield the outcomes they hope to achieve.

Second, the current stage of the IF represents a critical opportunity for dissemination and sharing of insights about implementation of IF-sponsored reforms. In order to maximize the benefits of the IF, solid information about the results that IF activities are achieving, and field-tested and stakeholder-vetted recommendations for improving implementation effectiveness and results are needed. Guided in significant part by the insights and recommendations developed at the IF Simulation as discussed in this

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<sup>1</sup> *The IF's core membership is comprised of the International Monetary Fund, the International Trade Center, the United Nations Commission for Trade and Development, the United Nations Development Programme, the World Bank, and the World Trade Organization. The day-to-day management of the IF is conducted by the Integrated Framework Working Group (IFWG), formerly called the Inter-Agency Working Group (IAWG). The IFWG is chaired by the WTO, and consists of representatives of the six core agencies, the OECD Secretariat, and two special representatives each from least-developed and donor countries. The IFWG's responsibilities include exchange of information; coordination of events; resource management of the IF Trust Fund when the IFWG is performing IFTF functions; and monitoring and evaluation of field-level operations. The Integrated Framework Steering Committee (IFSC) oversees the work of the IFWG and provides policy direction, assesses progress, and ensures total transparency in the IF process. The IFSC is a tripartite arrangement with representatives from Agencies, Donors and LDCs. All WTO Members and Observers can participate in the IFSC.*

report, support in Gevena and the field can help LDCs in realizing tangible benefits from the IF.

Third, there does not yet exist a mechanism to connect into a self-reinforcing network the increasing number of stakeholders and skilled practitioners who are leading a variety of trade capacity-building activities in IF countries. A variety of donors, agencies and LDCs are engaged in trade capacity-building efforts with considerable commitment and varying degrees of success. These projects and initiatives typically operate independently, however, and they often have insufficient knowledge about the others' efforts and potential receptivity to sharing lessons learned, resources, and other forms of support. The IF has not yet established mechanisms that enable individual projects and their leaders to be known to IF leadership and to one another or to coalesce into a "network of champions" which collectively advances sound implementation practices. Such an organized but decentralized network could play a critical role in developing and sustaining ongoing improvements to IF implementation within specific countries or across the entire IF community.

With these factors in mind, the IF Working Group and IF Steering Committee, supported an outline of a clear scope of inquiry for an IF Simulation that would complement other reviews of the IF by focusing specifically on the issue of implementation. As detailed in Section II of this report, the IF Simulation conducted on September 7-8, 2005 was a two-day interactive exercise that enabled thoughtfully selected IF stakeholders to explore a wide range of approaches for improving IF implementation and to develop recommendations to which they

were solidly committed. The IF Simulation's inquiry operated within a careful definition of IF implementation. Namely, the term "IF implementation" means **the process of ensuring that an LDC's identified Action Matrix priorities are realized through specific actions that produce tangible benefits and results.** Implementation actions may include new government initiatives or technical assistance projects launched as a result of the outcomes of a Validation Conference, as well as steps that IF stakeholders are already taking in response to a given priority.

To address the transition from Action Matrix priorities to results, the IF Simulation focused on Phase III (Implementation) of the IF Process that commences at the conclusion of a Validation Conference. Although this focus yielded a substantial amount of insight, it also revealed that effectiveness of implementation is determined in significant part by decisions and actions taken during the earlier phases of the IF Process. Consequently, the IF Simulation traced several Phase III observations back to their root causes in earlier IF Process phases.

Although the scope of the IF Simulation extends beyond Phase III of the IF Process, it does not expand to include issues not directly related to implementation. For example, the IF Simulation did not seek to analyze the structure and effectiveness of the pre-Phase III IF Process. In addition, although the IF Simulation identified specific ways that the IF's institutional orientation impacts implementation effectiveness, a comprehensive evaluation of the IF as an institution or the effectiveness with which the IF's internal structures and procedures are being realized was explicitly beyond its scope.

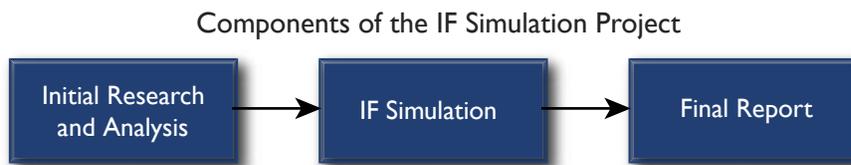
Phase III (Implementation) IF Countries			
1. Benin	5. Ethiopia	9. Malawi	13. Nepal
2. Burundi	6. Guinea	10. Mali	14. Rwanda
3. Cambodia	7. Lesotho	11. Mauritania	15. Senegal
4. Djibouti	8. Madagascar	12. Mozambique	16. Yemen
			17. Zambia

*Note: Countries that have undertaken a DTIS and a Validation Workshop are considered to have moved into Phase III of the IF Process. Eritrea has taken a pause from the IF Process and therefore is not listed in this table or following lists. A more detailed summary of the progress of all countries in the IF process is included in Appendix 1.*

Source: Integrated Framework Working Group

## II. THE APPROACH: A SIMULATION OF IMPLEMENTATION

The IF Simulation constitutes the principal event in an initiative to consolidate IF implementation experiences to date and generate practical approaches to enhance future implementation efforts. The initiative consisted of three major components, illustrated in the diagram below, that were chosen to achieve objectives of realism, creativity, and stakeholder commitment:



Several preliminary research and analysis activities gathered a uniquely comprehensive collection of insights about IF implementation, informed several key design decisions for the simulation event, and yielded a number of useful outputs for use in the simulation and this final report. The IF Simulation event itself was a two-day interactive exercise that enabled thoughtfully selected IF stakeholders to explore a wide range of approaches for improving IF implementation and develop recommendations to which they were solidly committed. The final synthesis of findings from the initial research and analysis and from the IF Simulation has produced this report for use both as a technical reference and as a practical aid for those seeking to implement its recommendations.

### What is a Simulation and Why Develop One to Address IF Implementation?

A simulation is an interactive exercise that takes participants into an alternate environment that reflects real-world issues and conditions, but also allows for changes and modifications in order to explore actions and decisions. A simulation is not a scripted role-playing exercise, but rather an open-ended process that provides participants with an environment that is conducive to the development of new ideas and strategies. It provides participants the freedom to explore creative or inexact concepts

and to test their impacts and ramifications without the penalties or surprises that real-life often presents.

In addition, the series of “moves,” or action phases, that take place during a simulation are designed to reflect the most important and challenging real-world decision-points at which multiple stakeholders have the opportunity to communicate about and

collaborate toward strategies that will address the key issues before them. Simulation is a well established methodology that has been widely used by corporations and a variety of agencies in the United

States and elsewhere to address a variety of the most challenging strategic issues. The IF Simulation reflects one of the first applications of this approach to a complex, multinational development challenge.

For three primary reasons, the challenge of improving IF implementation is suitable for application of the simulation approach. First, a simulation uses experiential learning to engage all participants in understanding and addressing complex issues, even when the participants have the very diverse backgrounds and perspectives of the IF stakeholders. Second, the unscripted nature of a simulation allows participants to uncover counter-intuitive results, internalize deeper appreciation for key issues, and build personal commitment to insights and solutions. Third, by highlighting key decisions and challenges in a limited exercise, simulations compress time and space and, through the use of distinct thematic moves, render major themes or long-term implications much more apparent and salient. Although the traditional “report and conference” approach can convey a large quantity of information, it often achieves only limited buy-in from its audience. In contrast, **the effect of a simulation is to engage participants as active strategists seeking to develop practical solutions toward which they collectively feel a genuine commitment.**

## Initial Research and Analysis

In order for the IF Simulation to yield practical and useful findings, it was essential that it be grounded in the real experience and challenges of IF implementation. To meet this standard, the project team did the following:

- Reviewed the DTIS and Action Matrices associated with each of the 15 countries in Phase III of the IF Process;
- Reviewed several IF-related assessments, including the *Evaluation of the Revamped Integrated Framework For Trade-related Technical Assistance to the Least-Developed Countries*, Capra International Inc. and Trade Facilitation Office Canada (November 2003); *Integrated Framework for Trade-Related Technical Assistance Addressing Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs: Case Study*, Manmohan Agarwal and Jozefina Cutura (2004); *Review of the Integrated Framework for Technical Assistance for Trade Development of Least Developed Countries*, Sarath Rajapathirana, Charles Lusthaus, Marie-Hélène Adriene (June 6, 2000); and
- Conducted in-person and telephone interviews with many IF stakeholders from the LDC governments and domestic business communities, donors, agencies and the international private sector (see Appendix 2), in order to test interpretations of these reports' findings and to supplement them with additional "ground truth" and expert opinion about implementation challenges, best practices, and potential recommendations for future improvements.

Analysis of the data gathered through these research activities yielded a number of useful outputs and informed several key simulation decisions, including the following:

- **A composite Action Matrix:** Subjective secondary analysis, reviewed with a variety of IF stakeholders, clarified the similarities and differences between the 15 Action Matrices that have been produced to date. This analysis yielded a composite Action Matrix containing a super-set of all of the types of initiatives undertaken in the Phase III countries. This composite Action Matrix, in addition to serving as a useful starting point for teams making implementation decisions during the simulation event, can serve as a template for reviewing the implementation priorities in the current Phase III countries, as well as for developing a new Action Matrix in a country still undergoing the DTIS process. This matrix can also serve as a template for donors and IF stakeholders to allow them to plan and coordinate at a very early stage for areas that will need to be addressed later on. This composite Action Matrix is set forth in Appendix 3.
- **Compilation of IF best practices:** The analysis of various secondary reports and interviews with leading IF implementers yielded a unique compilation of IF implementation best practices. For example, the analysis revealed the nature and importance of the role of implementation **champions**, a concept that was included in the simulation and is discussed in depth in Section III of this Report. This information about best practices informed simulation design, and is a potentially valuable resource for current and future IF implementation project designers and managers and for donors, agencies and IF countries.
- **Preliminary evaluation of IF innovations:** Analysis of certain IF innovations, such as Window II funding,<sup>2</sup> provided new and current insights about the results of such experimentation. These insights in turn enabled the incorporation of these innovations into the simulation so that their potential could be explored in the risk-

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<sup>2</sup> The Integrated Framework Trust Fund (IFTF) was established under the financial regulations and rules of the UNDP for the receipt and administration of funds and for mobilizing additional resources needed to enhance the program activities of the Integrated Framework. Within the IFTF is a special account – referred to as Window II – created for the purpose of providing some “bridging funding” for priority projects set forth in an Action Matrix developed by a participating LDC. Limited to no more than \$1 million (US), Window II funds are available to those LDCs approaching or entering the implementation phase of their IF process. Allocation of funds is guided by the Window II Terms of Reference (May 21, 2003), set forth at [www.integratedframework.org/files/trustfund\\_window2\\_tor\\_21may03.pdf](http://www.integratedframework.org/files/trustfund_window2_tor_21may03.pdf).

free, non-binding simulation environment more fully than real-world experience has so far made possible.

- **Selection of representative countries for use as the context for the simulation:** Although exploring implementation challenges for all countries would be optimal, it was necessary to narrow down the number of countries within the simulation so that the activity would benefit from sufficient focus. Initial analysis suggested that the trade environment and overall national context of three countries (Malawi, Mozambique, and Senegal) were sufficiently representative of the experiences of the 15 implementing countries. Malawi served as an example of a land-locked economy; Mozambique, a post-conflict economy; and Senegal of an advanced LDC.
- **Contributions to participants’ simulation materials:** The initial analysis provided the specific information and realism contained in a variety of materials participants used throughout the simulation, including briefing books and action templates.

## IF Simulation

Following the completion of the initial research and analysis activities, the IF Simulation itself took place on September 7-8, 2005 at the UNECA Conference Centre in Addis Ababa, Ethiopia. Sixty-five leaders from various agencies, donor and government organizations, as well as the private sector, were selected to participate. The IF identified each participant from among more than 200 individuals recommended by their peers as among the best thought and practice leaders with respect to IF implementation.

The IF Simulation had three specific objectives: (1) to explore implementation-phase concepts and actions through use of the resources, knowledge, and experiences of IF partners, including the private sector; (2) to help IF partners explore and understand implementation expectations; and (3) to foster the commitment of LDCs, the private sector, and IF core institutions and other technical assistance agencies to implementation-phase planning. During

## IF Simulation Participants

LDC Government and Private Sector	
Burundi	Mali
Chad	Mozambique
Djibouti	Rwanda
Ethiopia	Senegal
Guinea	Tanzania
Laos	Uganda
Lesotho	Yemen
Madagascar	Zambia
Malawi	

Donors and Agencies	
United States	United Kingdom
Sweden	UNDP
Denmark	ITC
Switzerland	The World Bank
Norway	UNCTAD
Netherlands	WTO

International Private Sector
Cisco
Coca-Cola
Federal Express
First Indo-Ethiopia
Microsoft

the IF Simulation’s four “moves” or action phases, participants were assigned to stakeholder teams to address a variety of implementation challenges and opportunities.

In Move 1, eight distinct teams, representing the key IF stakeholders, worked from the composite Action Matrix, their briefing materials, and, most importantly, their personal experiences, to develop Action Matrix priorities. At the end of Move 1, each of the teams (consisting of Donors & Agencies, International Business, Malawi Government, Malawi Local Private Sector, Mozambique Government, Mozambique Local Private Sector, Senegal Government, and Senegal Local Private Sector) shared their priorities in a plenary briefing.

In Move 2, each LDC Local Private Sector Team was combined with its LDC Government Team to

form one united LDC Team for each of the three countries. In negotiation sessions, the LDC teams and representatives from the Donors & Agencies and International Business teams wrestled with shared implementation priorities and explored a variety of questions relating to creating an effective implementation environment, including: Which actions should be implemented? Why? What are the roles of the government, the domestic and international private sectors, and the donors and agencies? Who is the so-called “champion” of implementation? How will Window II funding be applied? Each country team ultimately took ownership for an implementation agenda, while the Donors & Agencies and International Business teams committed to specific ways of helping the country teams create effective conditions for implementation of their priorities.

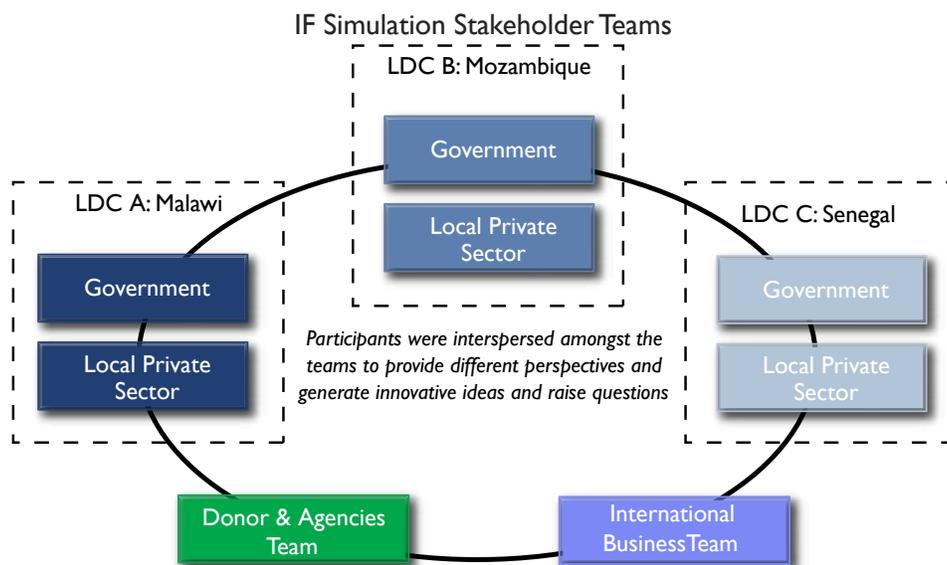
In Move 3, the teams were challenged with developing a detailed project implementation plan to address one priority from the country’s implementation agenda. Each of the three LDC Teams developed project plans and refined them with input from the Donors & Agencies and International Business teams. The ultimate project plans that the LDC teams produced addressed many of the issues that arise in real-world IF project implementation: project objectives and technical descriptions; specific roles or actions of the stakeholders, champion and implementing bodies;

estimated cost, duration, and possible funding options; and ways of addressing both enablers of and barriers to implementation success.

In Move 4, the five teams stepped away from the “play” of the simulation and, drawing upon the shared experiences of the first three Moves as well as from personal experience, developed recommendations to address a variety of issues in real-world situations. These issues included aligning donor and country priorities; incorporating the private sector’s input and resources in IF implementation; identifying the root cause barriers to implementation and identifying breakthrough opportunities to address these challenges; sharing key insights; and providing specific steps for making IF implementation more effective in the real world.

### Final Report

This report blends insights from the initial research and analysis with the outcomes of the IF Simulation to set forth one set of insights and recommendations. The conclusions here are intended to complement existing IF assessment reports in two ways. First, this report focuses on the challenges and opportunities associated with implementing Action Matrix priorities. Second, this report encompasses the breadth of experiences and perspectives of IF stakeholders.



### III. THE RESULTS: INSIGHTS AND RECOMMENDATIONS

The first set of challenges concerns **ownership** of the IF process. At the heart of this matter is the necessity, along with the difficulty, of assuring broad representation and active and meaningful participation of IF stakeholders.

The second set of challenges involves **coordination** among IF stakeholders. Throughout the IF process, the ability of IF stakeholders to collaborate is critical. Conflicting interests and external demands, however, tend to divide rather than unify participants.

The third set of challenges focuses on **operational** factors that affect the IF process. These issues relate to the ways in which reports, data, and other inputs into the process are prepared and disseminated.

The fourth set of challenges refers to the need, throughout the IF process, for sufficient human and financial **resources**.

The fifth set of challenges specifically concerns the **private sector** and its potential contributions, largely unrealized to-date, within the IF process.

As recognized and explored at the IF Simulation, the challenges do not arise sequentially. In some instances, they are relevant only at specific stages of the IF process; in others, their impact is felt throughout. Nevertheless, each of these challenges significantly impacts the IF process. As a result, the resolution of constraints in only one area will not be sufficient for IF implementation to proceed. **All of these factors play an important, complementary, and interlocking role, which must be present for successful IF implementation to occur.**

#### A. Challenge

Among the fundamental insights that the IF Simulation defined and explored is that, in the context of the IF implementation process, effective and sustainable reform can take place only with the full and active participation of those most affected. Cognizant of past failures of development efforts that have sought to identify and impose

#### The Ownership Challenge

- Country Ownership
- Asymmetrical Ministerial Authority
- IF Focal Point
- Political Timing
- Linkage between the IF and the PRSP

solutions without the input of local stakeholders, the IF requires that governments and other national stakeholders actually lead the process through which their countries' needs are identified and responses are proposed and implemented. In fact, the technical review that is carried out by the IFWG prior to the acceptance of an LDC into the IF process is partially predicated on the country's commitment to a participatory process which includes government, the private sector, and civil society. Likewise, donors and agencies are expected to have made a similar ongoing commitment to the IF.

As highlighted at the IF Simulation, however, evidence of ownership has rarely matched initial expectations. In most cases, absence of ownership is due to insufficient political leadership. Although political leadership refers generally to the commitment and will of government players behind the process, it more directly implicates the presence of a "champion" who is charged with directing the IF process nationally. A champion is an individual (or a small but well coordinated group of people) who thoroughly understands the IF process, as well as the ways through which it can be leveraged to both promote internal economic reforms and increase external development assistance. The lack of such a driving force behind the national IF process constitutes a critical shortcoming in many of the countries where the process has been launched.

#### Country Ownership

Notwithstanding an initial commitment by the government in most IF countries to engage all

national stakeholders in the IF process, few of those stakeholders ultimately understand the IF process or view it as an important and meaningful contributor to national development. Despite the IF's requirement that a National IF Steering Committee be established (or that an existing consultative mechanism be adapted for use throughout the IF process), most national committees have turned out to be ad hoc entities, lacking in adequate support from their governments to carry out their mandate of coordinating the IF process domestically. During the Simulation, participants repeatedly expressed the view that successful implementation in their respective countries would be significantly enhanced if all the "players" were as involved as was the case during the IF Simulation.

Cambodia was discussed at the IF Simulation as a strong example of the importance of high-level participation and commitment by a single "champion." Former Minister Sok Siphana, who also served as the IF Focal Point, was instrumental in raising awareness about the IF process, in particular Cambodia's Action Matrix recommendations, within both his country and the donor community. Minister Siphana has actively promoted necessary reforms, advocated on behalf of implementation activities, and developed relationships with the local private sector. Due to the strong charisma, intervention and activism of one individual – who clearly worked with the support of his government – the IF process was taken seriously by all potential stakeholders as they sought to become integrated into Cambodia's trade development community.

Ethiopia also detailed the benefit of its experience in high-level government ownership of IF issues. Ethiopia's Action Matrix initially included approximately 100 proposed reforms, an overly ambitious agenda in light of time and resource availability. In a methodical process coordinated by the Ethiopian government, these 100 recommendations were gradually reduced to 45 key points. The reduction in recommendations was based on criteria established and supported by national stakeholders, who now hold greater

understanding of where they may play a role in continuing to develop Ethiopia's environment for trade.

### **Asymmetrical Ministerial Authority**

In most countries, the IF is regarded solely as a Ministry of Trade or Commerce responsibility, a view that contributes to incomplete government ownership. The origins of the IF within the WTO, and the IF's general focus on trade-related technical assistance, has resulted in this assumption that the IF falls primarily, if not exclusively, within the agenda of the Ministry of Trade or Commerce. Such a narrow view fails to appreciate the vital place of trade capacity in the context of other national development priorities which themselves involve a much broader group of governmental actors. For example, Action Matrix recommendations, which were reinforced by the IF Simulation, often suggest activities requiring the engagement of other areas of government, including the Ministries of Agriculture, Transportation, or Finance. (See Appendix 3).

Ministries wield varying, often unpredictable degrees of authority, influence, and skill. Typically, the Ministry of Finance is one of the strongest governmental entities, due to its control over the national budget. In contrast, the Ministries of Trade or Commerce often holds more limited access to resources that can assist in effecting change. Moreover, institutional, human, and technological capacities are not often found to the same degree throughout all ministries. The well organized and powerful Ministries, such as the Ministry of Finance, tend to hold the strongest sets of resources, and they typically use these resources to perpetuate imbalances in status and influence. This situation often persists as professional capacity within weaker Government ministries does not remain for long periods of time; rather, the strongest, most effective individuals take their competence and institutional memory away when they depart for better, more satisfying employment opportunities.

The effect of the situation of the IF portfolio within the Ministry of Trade or Commerce is that other branches of a national government often do not consider themselves as integral to the IF process or

the IF process as relevant to their own work. Thus, in most participating states, Ministry of Finance officials are not involved in the IF process in a meaningful fashion. Without the commitment of these officials—and their active participation—the nation’s political attention, certainly at the full Cabinet-level, is usually lacking. Moreover, when the time comes for discussion of IF implementation, resources that are at the command of the Ministry of Finance are not made available, as Finance officials have not been at the table during the deliberations about national priorities. Furthermore, because donors are often directed to Ministry of Finance representatives on other matters of development, their collective knowledge about the specifics of IF implementation or experiences with the IF process falls far short of its potential.

One response to this asymmetry of governmental resources and authority, considered by some participants at the IF Simulation, is to suggest that Ministries of Finance take the lead role in the IF process. Although this may be the appropriate answer in certain instances, it also can undermine one of the potential benefits resulting from the IF process, namely, a strengthened and more effective Ministry of Trade.

The IF Simulation revealed that Mozambique has addressed the issue of ministerial imbalance by assigning a variety of senior officials from across the government to participate in the National Steering Committee. This action provided that a broad range of government ministries would be involved throughout the IF process, that issues would be discussed from multiple perspectives, and that decisions would reflect coordination and intra-ministerial support.

As further highlighted at the IF Simulation, due to strong interest and leadership in the IF process from the highest levels down, Tanzania’s government has permitted a strong, individual “champion of reform” to evolve. The champion holds dual positions in the Ministry of Trade and the President’s Office for Planning and Privatization, which enhances

his ability to coordinate IF-related issues among government structures. Not only is the champion well versed in the potential benefits of the IF process for Tanzania from the trade and planning perspectives, he also is passionate about the process and uses his positions to reach out to and leverage other governmental entities and opportunities.

### IF Focal Point

The next point underscored by the IF Simulation is that absence of government ownership over the IF process is often specifically found at the level of the IF Focal Point. Customarily, the Focal Point is an individual who both works within the responsible Ministry and is charged with serving as a liaison to all of the stakeholders in the IF. Although individual IF Focal Points often exhibit great dedication to the IF process and to the mission of enhancing trade capacity generally, they regularly lack sufficient authority to carry out their work in a meaningful, effective fashion. Rather, they often must perform their jobs against a backdrop of inadequate support from other government officials and minimal or non-existent resources. As a consequence, they lack sufficient capacity to act as a clearinghouse for information, to facilitate interactions among stakeholders at all stages of the IF, and, during the implementation stage, to serve as an effective intermediary between the government and donors.

The ability of IF Focal Points to perform their jobs effectively requires that they are sufficiently empowered by their own governments. Simulation participants, several of whom themselves serve as an IF Focal Point, testified to the importance of this point. Empowerment implies, most importantly, access to resources and other motivating tools from the earliest stages of the IF process. Examples from Tanzania and Cambodia illustrate the importance of an IF Focal Point who carries sufficient influence and resources to persuade others to act. These individuals have not only actively championed the IF, but they also have been sufficiently senior in their respective governments to carry the necessary authority and accountability to effectively move the process forward.

## Political Timing

The IF process often finds itself operating in an atmosphere of political uncertainty and governmental change. For example, anticipation of upcoming elections tends to place significant reform agendas on hold. Changes within government, whether through an election or cabinet shuffle, can be expected to interfere with an IF process, as priorities and commitments change with the entry and departure of various key personnel.

The fact that political change and uncertainty generally detracts from or even halts the IF process is evidence for the need for greater institutionalization of the IF process in each country which transcends political influences. Broad country ownership of the process—as opposed to the narrower political ownership typical in many countries—would mitigate the problem of IF-related reforms becoming vulnerable to political maneuverings.

National leaders who lack understanding of how the IF process can have a meaningful impact on a country's development agenda are more likely to be unconcerned or take limiting actions when political developments affect the process. On the other hand, strong and supportive leadership, both from within government agencies and wide-ranging national stakeholders can help minimize any interference of political events on the development of a DTIS and later with IF implementation.

## Linkage between the IF and the PRSP

In Mozambique, strong leadership by the Trade Minister proved crucial to completing the DTIS before Presidential elections in December 2004. In turn, USAID, as the Lead Donor, worked with the IF's national stakeholders and the DTIS report team to ensure that the DTIS and National Validation Conference were completed prior to the election and included a wide range of public and private stakeholders from across the country. After the election, stakeholders reconvened along with the new government representatives to re-validate the

Action Matrix and to allow the process to move forward without any significant delay.

In the spirit of increased country ownership over the economic reforms in their midst, the World Bank Group and the IMF determined that nationally owned, participatory poverty reduction strategies should provide the basis for all World Bank and IMF concessional lending. Key to this commitment is the development of Poverty Reduction Strategy Papers (PRSPs) by recipient countries, no less often than every three years.<sup>3</sup> PRSPs are expected to adhere to five core principles. First, the strategies should be *country-driven*, involving broad-based participation by civil society and the private sector in all operational steps. Second, the strategies should be *results-oriented*, focusing on outcomes that benefit the poor. Third, the strategies must be *comprehensive* in recognizing the multidimensional nature of poverty. Fourth, the strategies must be *partnership-oriented*, involving coordinated participation of development partners (bilateral, multilateral, and non-governmental). Finally, the strategies must be based on a *long-term perspective* for poverty reduction. As of September 2005, around 70 countries have presented completed PRSPs to the World Bank/IMF Boards or launched the process to develop a PRSP.

Extensive discussion at the IF Simulation underscored the insufficient linkage that currently exists between the DTIS outcomes and the PRSPs. In most countries, the PRS process is distinct from the IF process, despite the fact that mainstreaming of trade issues into the PRSP constitutes a key element of a comprehensive PRSP document.<sup>4</sup> The IF process was conceived to be supportive of the PRSP and not independent of it; however, in most countries, a meaningful linkage between the two initiatives has yet to materialize.

This disconnect between the PRSP and the IF process has important long-term ramifications. During the IF Simulation, participants specifically commented on the administrative difficulties that

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<sup>3</sup> See World Bank, *PRSP Sourcebook (December 16, 2004)*.

<sup>4</sup> *Ibid.* at Chapter 13, *Trade Policy*.

arise from the separation of IF actions from the PRSP process, in particular the lost opportunities for ownership of the IF when it is not viewed as a key part of the PRSP. They asserted that the recommendations the two documents have in common hold a better chance of implementation if the IF Action Matrix were better incorporated into PRSPs. Participants further noted that greater coordination between the efforts would likely compel IF countries to more effectively assess their trade priorities in the larger context of a national development strategy. Finally, IF Simulation participants noted that donor support tends to be more responsive to PRSP-defined priorities because they are viewed as having broad national development implications and impacts.

Indeed, from the donor's perspective, more effective incorporation of the IF Action Matrix recommendations into the PRSP would serve a number of purposes as donors look first to the PRSP in determining their overall assistance to a country. Currently, in developing their plans for trade-related assistance, donors and agencies have, on the one hand, the PRSP priorities, and, on the other, Action Matrix recommendations. Rather than this bifurcated view of the national environment for trade, donor decision-making would be facilitated by the consolidation into a single, more efficient and effective document that underscores the vital importance of trade in a country's overall development strategy. Country ownership of the IF process would similarly be enhanced in light of improved donor response and resource allocation.

## B. Coordination

The IF Simulation confirmed that coordination is the lifeblood of a sound IF process. To take root and achieve results, the IF process must necessarily capture, understand, and organize the perspectives and actions of a wide variety of stakeholders. Participants at the IF Simulation emphatically stressed the importance of including of all stakeholders in the IF process, asserting that careful coordination is a critical component of developing relevant and comprehensive implementation

### The Coordination Challenge

- Interministerial Coordination
- Building Deeper Consensus
- Managing Expectations/Maintaining Realism
- Donor Coordination and Response
- Information Flow

approaches. They further emphasized that the suggestions, concerns, and views of stakeholders both inside and outside government, including ministries, the private sector, civil society, the donor community, and others must be continuously heard, analyzed, and considered. IF Simulation participants confirmed, however, that insufficient coordination is endemic throughout all phases of the IF process.

#### Interministerial Coordination

The process of interministerial coordination in trade is ad hoc or non-existent in most LDCs. Hence, their built-in mechanisms of coordination and consultation typically prove insufficient to deal with the demands of the DTIS process and IF implementation. Namely, the comprehensive nature of the IF process requires early and extensive collaboration among the full range of government ministries and their respective officials to capture the complete national picture. During the DTIS, coordination is required to ensure that ministries and other key stakeholders sufficiently understand the focus, objectives, and data requirements of the study. In addition, the DTIS phase presents a critical opportunity for cross-government "buy-in" and commitment from all stakeholders, which sets the stage for greater organization and dedication in the later phases.

Once the implementation stage is reached, the damage caused by an absence of early coordination becomes clear. It may be especially evident in competitive or otherwise non-productive relationships that arise among government ministries. Or, if a broad consensus concerning

national priorities was never fully obtained, a plan for sequencing and implementation of reform is hindered from the start. Further, if certain stakeholders were not engaged early in the process, they may abstain from the entire plan and choose instead to pursue other means of accomplishing their discrete goals, or, worse, actively block those activities that they simply do not like. Finally, those ministries that are engaged in the IF process but which neglected to consult their colleagues in the first place may, for their part, adopt those implementation activities that are the least contentious, rather than the most effectual. These situations arose during the IF Simulation on a number of occasions, as decisions taken during earlier moves were revisited in later ones. This highlighted the need for a reliable consensus to emerge within government, achievable only through an effective interministerial process.

As Sierra Leone has embarked on its diagnostic study, it has attempted to address this issue from the outset. Namely, the Minister of Trade has promoted the establishment of a subcommittee of Cabinet personnel to focus on the IF and to coordinate the validation of forthcoming recommendations. Having studied several other countries where the DTIS has been completed, the Minister has come to appreciate and act on the need for assistance and cooperation from Cabinet colleagues throughout DTIS development and the remainder of the IF process.

### **Building Deeper Consensus**

The IF Simulation further demonstrated that, although each IF country has established some mechanism for assembling the comments of national stakeholders, there rarely is a clear synthesis of views emanating from these consultations. In particular, participants showed how the Validation Conference—designed to be the culmination of the diagnostic phase of the IF at which national priorities are determined—often does not end conclusively. Rather, because stakeholder consultations at the early stages of the process were often perfunctory (if they occurred at all), the Validation Conference typically serves only as an initial step toward reaching meaningful

national consensus. Thus, consensus at the Validation Conference tends to be illusory or superficial as stakeholders agree in principle that the recommendations are important, but find themselves unprepared to address how the recommendations specifically relate to the national plan, the PRSP, or other institutional or individual development agendas.

The tenuousness of the consensus becomes evident when efforts are made to move into implementation phase of these purportedly validated Action Matrix recommendations. For example, the sequencing of implementation activities often re-opens a debate as resource constraints demonstrate that all priorities are neither equal, nor likely to be funded. In some cases, as concrete resources appear to be forthcoming from the donor community, stakeholders' priorities actually shift. In addition, in an environment of unreliable consensus, unruly or self-serving competition for these limited resources can become more pronounced.

### **Managing Expectations/Maintaining Realism**

Another result of poor coordination, explored at the IF Simulation, is the significant misunderstandings that can arise. From the earliest days of the IF, LDCs have assumed that considerable additional resources would be made available once they had concluded the DTIS process. Donors and agencies, on the other hand, have always viewed the IF as a means of improving coordination and action among all parties with the goal of generating more efficient use of limited resources by donors, agencies and LDCs. This dissonance of expectations continues to affect the relationship between the LDCs and the donor and agency community.

As in most relationships, more frank, multi-level exchanges between donors and government, the private sector, and civil society can improve the dialogue about objectives and possible outcomes. Participants in the IF Simulation noted that the ability to explore implementation issues together illuminated these different expectations and helped to bring focus away from differences and toward solutions and additional sharing. Such dialogue

is necessary not only at the earliest stages of the IF, but throughout the entire process. When the implementation stage is reached, prior establishment and nurturing of a candid relationship between the donor community and IF stakeholders can yield dividends. Namely, all parties will have likely developed a clearer set of expectations and realism about the resources that are available.

Although the IF has undertaken some pre-DTIS initiatives in the past to familiarize countries about what to expect, evidence suggests that much more needs to be done. Sierra Leone, on the cusp of its DTIS study, may be one of the first beneficiaries of a new approach toward educating stakeholders more extensively about the process and its outcomes. Namely, UNCTAD is organizing and convening a National Launch Workshop prior to the execution of the DTIS. In addition, Sierra Leone has been afforded the opportunity to learn from others' experiences with the IF by, among other preparatory activities, sending a two-person delegation on a study tour to Rwanda. With sufficient resources, and assuming successful outcomes, both of these approaches could easily be replicated in the future for IF countries embarking on the IF process.

### Donor Coordination and Response

The IF Simulation confirmed that, although donors and agencies have made strides toward better coordination throughout the IF process, coordination often breaks down as the focus on implementation intensifies.

Preliminarily, in-country donor coordination is rarely formal and is more customarily based on the leadership of an individual donor mission director. The identification of a Lead Donor within the IF process is intended to address this weakness; however, in most IF countries, the Lead Donor emerges well after the process has begun. Thus, early opportunities to establish expectations and enhance relationships are frequently missed.

Another important aspect of donor coordination concerns the differences among donors and agencies, their priorities, and their project cycles. Although all

donors and agencies support the principles of the IF, some donors provide only budgetary support, while others are predisposed to support specific initiatives such as private sector development, agricultural development projects, or other types of assistance. Such policy directives typically are developed at the donors' headquarters, where professionals there often are not sufficiently informed about the IF process and dynamics. As a result, appropriate alignment of donor and agency priorities and country strategies against the Action Matrix recommendations, which is at the heart of the IF implementation process, cannot be fully executed.

Early identification and strengthening of the role of the Lead Donor could enhance the effectiveness of *all* donors and the overall implementation of the IF process. Specifically, leadership early in the process would improve overall understanding of substantive donor constraints and the extent of donor resources available. Greater communication by the donors of this contextual background to the recipient country could further strengthen stakeholder consensus around the Action Matrix recommendations, and, in turn, Phase III implementation. Indeed the donors also need a champion to shepherd the IF process in the country

The IF Simulation brought forth different approaches to the matter of inadequate donor coordination. In Ethiopia, USAID organizes regular meetings of government counterparts, donors, representatives from the private sector and consultants. These meetings are used to share information about the status of IF issues and to strategize collectively on the best way of completing the DTIS report on time and with maximum Ethiopian ownership. The meetings now focus intensively on addressing implementation issues and accomplishing objectives.

In Tanzania, officials involved in the IF process have taken a different path. They believe that there is an inherent risk associated with having a single donor leading the process. Thus, the country will institute a system in which the role of Lead Donor will rotate among all of the relevant donors, thereby promoting

broader donor participation and involvement in key decisions and actions.

Another concern relating to donor coordination raised at the IF Simulation is that Geneva-based and headquarter-based donors and agencies tend not to be fully aware of the status of the IF process in any given country. During the IF Simulation, this was ascribed to the discontinuity of individuals involved at different stages of the IF process. (Appendix 1 contains the most recent update to the IFWG on the status of IF activities.) These relationships are equally important to those developed in-country; accordingly, they need to be fostered. Although no formal IF mechanism exists to address this issue, Mozambique's IF team demonstrated the value of building these relationships by continually liaising with the IFWG in Geneva and reporting on the status of the IF to USAID, which has served as the Lead Donor from the launch of the process.

### Information Flow

The large number of stakeholders in an IF process, both at the national level and the donor and agency level, demands an efficient yet continuous flow of information. Sharing draft reports, communiqués, and other procedural information, however, generally takes place in an ad hoc fashion. Moreover, information-flow across national borders is almost non-existent. In fact, LDC participants at the IF Simulation remarked that the event was a novel experience that was particularly useful to them as a means of directly sharing timely experiences and best practices with counterparts from other countries.

There are a number of ways to enhance the flow of relevant material. The IF website, [www.integratedframework.org](http://www.integratedframework.org), and the WTO website [www.wto.org](http://www.wto.org), facilitate some official communications from the IFSC and IFWG to IF stakeholders. The IF website should be expanded to include additional content. With respect to less formal communications within and among IF countries and stakeholders, informal networks such as listservs (internet communication tools that offer members the opportunity to post suggestions or questions to a large number of people at the same time) could

### The Operations Challenge

- LDC Stakeholder Engagement
- Managing the Scope of the Mandate
- DTIS Redesign
- Action Matrix
- Project Plans
- Validation Conference
- Window II Funding

facilitate the exchange of information on IF best practices and other experiences. The IF Secretariat could be strengthened to also provide this role.

## C. Operations

In the context of the IF process, the term “operations” refers to processes and procedures that serve as inputs to the various phases of the IF process and which lead to the outcomes of trade-related technical assistance. The IF Simulation revealed that, in many segments of the IF process, improved design or more effective procedures would mitigate the obstacles to implementation.

### LDC Stakeholder Engagement

The initial challenge facing the IF process is that of overcoming reluctance by stakeholders to embrace the IF model of development. Certain DTIS reports are syntheses of previous work or studies; accordingly, some national stakeholders are skeptical about their ultimate value. Indeed, stakeholder commitment to actively pursuing implementation can be significantly diminished if they perceive relatively little that is new in terms of enhancing trade capacity and development.

The experience of Sierra Leone suggests that the timing of the IF in any given country should be assessed carefully. Numerous factors, including national policy review exercises, must be considered to assure that IF activity takes place when a country and its donors are most receptive to a new approach to development. Because neither the government of Sierra Leone nor donors have yet developed a clear country strategy, there is extensive interest in the

results of the DTIS by all stakeholders within the country.

### Managing the Scope of the Mandate

Notwithstanding the consolidation of the IF's focus pursuant to its reorganization in 2000, DTIS studies continue to address a wide range of issues, many of which are not traditionally viewed as trade-related (e.g., social issues, HIV/AIDS, labor markets). This approach, in turn, spurs concern that the scope of the DTIS and ensuing implementation efforts may be overly broad. Although most stakeholders appreciate the significant interrelationships between these issues and more typical trade-related matters (including trade policy, trade facilitation, and supply-side issues), some observers recommend a further narrowing of the IF's mandate exclusively to trade. Participants at the IF Simulation concluded that, although the DTIS reports should continue to be broad in reach, the implementation stage of the IF process can help LDCs integrate and prioritize interventions.

Namely, although development professionals will continue to debate the wisdom of comprehensive versus targeted efforts and question the sequencing of development assistance, the IF process is sufficiently flexible to respond to different approaches in different countries. For example, in Mauritania, the DTIS process has focused narrowly on fisheries issues. As such, fisheries have benefited by a greater amount of attention from national stakeholders.

Guinea has also pursued a targeted approach following completion of its DTIS. It has received financing from Window II for three focused projects drawn up at the National Validation Conference in October 2003. All three projects take place in collaboration with IF partners, including the ITC. These projects are all currently operational and aim at strengthening the following: (a) Guinea's capacity in agricultural exports; (b) Guinea's institutions for foreign trade; and (c) Guinea's negotiation capacity, in view of greater country participation in the multilateral trading system.

### DTIS Redesign

The preparation of DTIS reports has evolved such that each DTIS will typically have the following components:

- A review and analysis of the country's macroeconomic environment and economic performance
- A review and analysis of export performance
- A description and assessment of the country's investment climate
- An assessment of the international policy environment (multilateral and regional integration) and specific constraints that exports of the country face in international markets
- An assessment of a small number of key sectors believed to have significant potential for expansion in output and trade in benefit of the poor
- An assessment of national capacity (public and private) to formulate and implement trade policy
- A pro-poor trade integration strategy

Notwithstanding efforts to standardize DTIS content, each DTIS remains distinct in format, tone, and depth, depending on country circumstances. This lack of consistency decreases their usefulness across countries and in fact contributes to inadequate levels of acceptance or agreement. Furthermore, Terms of Reference for the DTIS evolve in the early stages of consultations between the DTIS Team Leader and country stakeholders, often a lengthy process that erodes commitment by stakeholders who expect quicker action or results. Additionally, despite the great depth of analysis and effort undertaken in the DTIS process, the resulting reports are not widely disseminated. In fact, most IF stakeholders are exposed only to the summary report and the Action Matrix, rather than the comprehensive DTIS review.

### Action Matrix

Action Matrices vary considerably in their form and content, thus exacerbating the difficulties inherent

in implementation. The Action Matrices vary with respect to:

- Specificity of recommendations
- Sequencing/Timing of recommendations
- Involvement of counterpart governmental or private sector organizations
- The extent to which each recommendation requires technical assistance or other resources from donors for its implementation

Lack of harmonization weakens the implementation process. For example, intermediate steps requiring both technical assistance and policy reform are often omitted in favor of leaving vital details until later, when reform projects are designed. This absence of specificity hinders the direct translation of recommendations into project design that might facilitate the process of implementation. Lack of detail is particularly damaging when IF Focal Points or other relevant stakeholders are not experienced in project design or institutional development and require greater guidance from the Matrix. As noted at the IF Simulation, the existence of Action Matrix standards could prevent such challenges from hindering implementation.

Although there has been some effort by the IFWG to further harmonize the Action Matrices, more needs to be done. Malawi's draft Integrated Framework Master Matrix of May 2004 could serve as a useful example or template for future matrices. In Malawi, the DTIS took place at the same time as a national growth strategy initiative, as well as other trade-related efforts. Accessing financial support from IF Window II, the IF Focal Point advised the Government to undertake a consultancy to review all these different initiatives for the purpose of developing an integrated and comprehensive Action Matrix. The resulting Master Matrix is consistent with the DTIS, but even more comprehensive.

### Project Plans

As emphasized at the IF Simulation, the transformation of DTIS Action Matrix recommendations into "implementable" projects constitutes one of the most significant hurdles that

IF countries must overcome. Even when priorities are agreed upon and project funding is available, whether through Window II or other sources, the absence of effective project design has delayed or precluded timely implementation. Donors and local stakeholders recognize the need for well designed projects; however, no clear mechanism exists for improving upon this function, nor is there agreement about who should do so. IF country stakeholders typically do not have sufficient technical knowledge or resources to carry out the project design task, and, similarly, most donors do not have sufficient technical knowledge on trade, nor have allocated the resources necessary to complete such designs.

To remedy these problems, project design that is sufficiently thorough, responsive, and forward-thinking can take place through a variety of approaches. The IF's Window II funding, which in many countries has been under-used, was created to bridge the gap from DTIS to implementation but has not been used for this purpose. In recognition of this particular need, UNDP has taken steps to encourage the use of these funds for this purpose. In Mali, USAID, in its role as Lead Donor, committed funding to employ individuals to design projects that could be subsequently implemented by any members of the donor community.

In the longer term, certain alterations to the IF process could address the shortcomings in project design. DTIS reports, in addition to their diagnostic components, might serve as the vehicle through which project designs are created. (Since DTIS teams usually consist of development professionals with specific expertise in a variety of substantive trade-related areas, the additional resources necessary for project design to be included in DTIS reports might not be prohibitive.) Another possibility would be to strengthen the Secretariat or to create a new unit—a suggestion raised in a previous IF assessment—so that it can take on the task of preparing project profiles and providing templates and sample Terms of Reference that would more rapidly and successfully propel the process of

implementing technical assistance at the IF country level.

### Validation Conference

As discussed earlier, National Validation Conferences, which are intended to be the culmination of the IF diagnostic stage at which national priorities are determined, too often yield an unreliable consensus about Action Matrix priorities. This weakness is attributable not only to ineffective or minimal consultations with stakeholders throughout the early stages of the IF process, but also to the fact that draft DTIS reports are rarely shared until just before the Conference, thus precluding IF stakeholders from “digesting” and reflecting on the results of the diagnostic analysis. The solution here continues to be that of ongoing communication: rather than regarding the validation process as a one-time event to be completed at a single sitting, leaders in the IF process must treat validation of the DTIS and the Action Matrices as an ongoing process that can only be effectively accomplished through continual consultations and more timely sharing of preliminary DTIS drafts and other essential information. Indeed, as confirmed at the IF Simulation, effective validation can occur only when truly representative groups of IF stakeholders come together in support of the Action Matrix priorities, which involves broad participation from all corners of the government, including both political and senior bureaucratic representation.

### Window II Funding

Misunderstanding about Window II financing, including how it may be used, how it should be accessed, and the speed with which approved projects have been funded, has resulted in significant dissatisfaction over Window II financing procedures in general. Prior to the IF Simulation, the IFWG was aware of these issues and in late April 2005 issued revised guidelines and procedures for Window II initiatives. These revisions were incorporated into the IF Simulation design. Thus, IF Simulation participants were encouraged to assume that receipt of “bridge funding” between the dissemination of the DTIS and the re-alignment of donor priorities

would not be a constraint within the Simulation context.

In fact, major strides have been taken toward improving awareness of and access to Window II financing. UNDP, which is responsible for administering Window II, recently enlarged its staff to more effectively administer the program and to provide more detailed assistance to IF countries, particularly with respect to project design and assisting in preparing funding requests. Success in this area will not only provide valuable technical assistance to IF countries, but will also support LDCs in their efforts to work with donors on broader and longer term projects consistent with implementation of their Action Matrices.

## D. Resources

Resource constraints are unavoidable in any development effort. As explored at the IF Simulation, constraints manifest themselves in a variety of ways. Donors often find that the magnitude of a country’s needs may be overwhelming and a re-orientation of the donor’s country assistance strategy toward Action Matrix recommendations is perceived as coming at the price of abandoning or sharply restricting their own priorities. Moreover, within most LDCs, human resources are finite. Financial constraints often prevent competent, committed individuals from participating fully in IF endeavors.

### The Resources Challenge

- Human Resources
- Financial Resources

### Human Resources

Participants at the IF Simulation discussed the critical concern that human resources capable of carrying forward IF implementation in LDCs are vastly insufficient. IF Focal Points, though capable, are typically overwhelmed by an assortment of responsibilities, with the consequence that the IF

rarely receives sufficient and sustained attention. Trade associations and individual businesses that might otherwise participate in the IF process are similarly subject to limitations in capacity and time, with very few endowed with suitable knowledge about trade and development issues to contribute effectively.

Malawi's use of Window II financing has endeavored to respond to the human resource shortfall. Successful application for Window II financing allowed Malawi to hire a trade advisor to provide the government with timely advice on trade policy negotiations at both the regional and multilateral level. This advisor also assists the government in its pursuit of donor support for implementation of Action Matrix recommendations.

In the longer term, these human resource constraints can only be addressed through increased training and educational efforts for individuals in all trade-related institutions. The WTO, for example, regularly offers Geneva-based training courses for LDC trade officials. This and similar offerings by other donors, while enormously helpful, benefit only a small number of individuals within stakeholder communities and there can be significant turnover after elections. Further more the private sector has not been tapped to contribute to this process. The effectiveness of the IF, and in fact, all trade-related technical assistance efforts will depend on the prospect for these efforts to be significantly expanded.

### Financial Resources

Specific discussion about financial resources allocated to the IF process were not included in the mandate of the IF Simulation. Not surprisingly, however, funding arose regularly as a fundamental concern among all IF stakeholders.

There is a clear need for better donor and agency coordination so that less ambiguity exists around the availability of funding to support development interventions. Improved coordination in this regard would also respond directly to one of the basic tenets of the IF, that of greater efficiency in the utilization

of limited development resources through the elimination of duplicative technical assistance efforts.

The broad desire for additional resources for IF implementation efforts relate, in large measure, to the difficulties inherent in the inevitable trade-offs that take place when donors and governments shift resources from one set of priorities to another. This problem is exacerbated by the current disconnect between the IF and PRSP processes. Judgments by national stakeholders seem to be premised on the belief that these initiatives come with distinct and unlimited funding. Donors, of course, comprehend that, in reality, they are inextricably linked to each other.

Given that true consensus on national priorities is rare, most stakeholders see more resources as the only way to address this conundrum. To the extent that a refined IF process can facilitate the process by which stakeholders reach a meaningful consensus on national priorities, however, the need for additional resources can be mitigated. Eventually, as a closer linkage between the IF and PRSP initiatives (with transparency about the available resources) is achieved, improved decision-making about financial resource availability and allocation would result.

## E. Private Sector

The IF Simulation emphasized the vital importance of the private sector. Namely, the private sector warrants specific attention because the integration of IF countries into international trading systems is ultimately a test of whether businesses can engage profitably in commercial activities between and among developed and developing nations.

### The Private Sector Challenge

- Acknowledging Opportunity
- Weak Public/Private Consultation

### Acknowledging Opportunity

From its inception, the IF has encouraged private sector participation at the IF country level. Country

ownership of the IF process demands that not only key government stakeholders be deeply engaged, but also that local private sector representatives participate throughout all stages of the process. Although some level of private sector participation has been evident in most of the IF countries, meaningful interaction between the private sector and individual governments requires further development.

Moreover, absent from the IF's efforts vis-à-vis the private sector to date has been the engagement of the multinational or international business community. To some extent, these entities are peripherally active in that they already are directly or indirectly invested in a specific LDC. For the great number of firms that have yet to develop any presence in the IF countries, however, their interests and potential contributions to national development strategies remain untapped.

Furthermore, most international businesses appear to be uninformed about the IF. Those that hold some familiarity with the issues are skeptical about its relevance to their business activities. It is thus clear that the IF institutions have not sufficiently engaged international business in ways beneficial both to the IF countries and to the businesses themselves. Opportunities in this area warrant far greater consideration and experimentation than have taken place to date.

### **Weak Public/Private Consultation**

The absence of effective consultation between governments and the private sector parallels the deficiencies of consultation within the governments themselves. Furthermore, the tradition of consultation is not well enshrined, as most LDCs do not have any institutionalized process of public/private dialog. Dialog that does take place typically depends on personal rather than institutional relationships.

Nonetheless, in Malawi, the DTIS process reinvigorated the domestic business community and led to the creation of a National Action Group (NAG) which has been working with government

on national policy priorities. Other countries have similarly engaged consultative processes for other specific purposes and re-tasked them for use by the IF process.

With respect to international businesses, the IF process still has not considered critical issues of international traders and investors as actively as it has included the concerns of local businesses. Although most LDC governments are eager to attract foreign direct investment, their efforts are sporadic and often carried out primarily within the portfolio of an investment promotion agency which may not be participating actively in the IF process. As a result, too few linkages have developed between the IF and the international private sector, which has not been pursued as an integral development partner by other key stakeholders. Questions that are crucial for private sector development and directly concern international businesses are not raised and, consequently, go unanswered. These questions relate to domestic consumer and financial markets, political stability, and the process of internal economic and political reform. The development of linkages to the international private sector would yield valuable inputs for the IF process.

International business also has an interest in participating in the IF process. The involvement of the private sector could serve to overcome obstacles to a given business' commercial interests within a particular country of operation. The IF process can encourage the pursuit of business-friendly objectives by promoting a productive exchange among national stakeholders and the business community. Although business interests may be narrowly focused and profit-oriented, they nevertheless may provide an essential perspective that is absent from many DTIS assessments.

There are a number of ways in which international business could participate and enrich the IF process, including the following:

- Assisting and facilitating a structured public-private dialogue
- Participating in informal mechanisms as a means of advocacy for private sector concerns

(conferences, lobbying, submission of positions papers)

- Use of national trade offices and foreign missions in support of business-friendly economic reforms
- Ensuring that international business is part of the IF Validation Conferences so that national priorities and subsequent implementation are consistent with business concerns
- Donors and LDCs can work together to encourage the participation of both local and international partners.

## F. Institutional Issues

Continued efforts to respond to the five core areas of interest developed at the IF Simulation are essential if the IF is to meet its goal of helping LDCs become integrated into the international trading system, thereby making progress toward alleviating poverty. As illustrated throughout this chapter, most of these constraints are interdependent and require collective and simultaneous attention.

Although a discussion of institutional issues are beyond the scope of this report, the IF's future institutional form was discussed by Simulation participants, and will affect how the themes outlined in this document are addressed. Therefore, it is necessary here to touch upon the institutional evolution of the IF. There are currently three

discernable trends within which the IF might advance:

1. The IF continues primarily as a coordinating entity during the initial phases of the IF, focusing on completion of the diagnostic study which subsequently serves as the foundation for LDC to take action and for donors and agencies to implement technical assistance efforts. This assumes that the IF's institutional role with respect to implementation continues to be limited.
2. The IF modestly expands its mandate to play a more "hands-on" role of facilitating and coordinating technical assistance from the donor community to the IF countries. Such a more visible leadership role in the implementation stage would require, however, that the IF have sufficient resources as well as the authority, and associated accountability, to ensure that technical assistance is delivered effectively to recipients.
3. The IF's mandate significantly expands, subsequently acquiring an apparatus through which IF implementation support funds flow. This would also require resources as well as signature authority and accountability for funds as well as the assurance of quality of technical assistance to complete these goals.

Any of these future scenarios for the IF are compatible with responding to the five issues detailed in this chapter.



## IV. THE NEXT STEPS: DELIVERING ON IMPLEMENTATION

Through a variety of actions, the IF community can embrace the insights and recommendations of the IF Simulation and realize improvements in IF implementation, within and across the various IF countries. The IF Steering Committee and IF Working Group should take the lead in disseminating the instant findings and, in particular, begin nurturing a new network of IF implementation champions. LDC countries and other stakeholders should incorporate specific findings into current or future IF implementation efforts without waiting for, or necessarily needing, authorization from the IF leadership in Geneva. IF stakeholders in Geneva and in the field should reach out to the new network of IF implementation champions as vital resources, as well as support the expansion and continuity of this network.

In fact, the IF Steering Committee and the IF Working Group are poised to establish a clear mandate for improving IF implementation throughout the IF community. First, the Simulation findings will be highlighted and discussed at the October 17 workshop for Sierra Leone. Next, the final report will be presented to the IF Working Group and the IF Steering Committee on October 24 – October 26, and then shared more broadly with the IF community through a variety of communication channels, including posting on the IF’s website. Third, members of the IF Working Group are expected to identify specific findings that they may personally champion in their own organizations and the countries in which they are most active. Fourth, the IF Working Group can promote basic mechanisms to maintain communication with and among the new network of IF implementation champions, especially those in the private sector. These steps will not only yield direct results, they will create the context in which others in the IF community may implement more of this report’s findings through “bottom up” efforts in their own countries and organizations.

Other stakeholders in the IF community who are not members of the IF Steering Committee

or IF Working Group can and should take the initiative to use this report’s findings to improve current and future implementation efforts. Similarly, stakeholders should by no means expect all leadership and accountability for improving IF implementation to rest with the IF Steering Committee or IF Working Group. Those involved in IF implementation efforts – especially, but definitely not limited to the implementation champions – may use the checklists and summaries in Appendix 4 to self-diagnose the root causes of impediments to implementation and develop new approaches for addressing them. Ultimately, the improvement of implementation, like the implementation of Action Matrix priorities themselves, is the responsibility of all IF stakeholders: LDCs, donors, agencies, and the private sector.

Although all stakeholders in the IF community are encouraged to experiment with this report’s findings, it is likely that most of these efforts will initially be led by current implementation champions. Consequently, it is important that the 65 thought and practice leaders who participated in the IF Simulation view themselves, and are viewed by the IF community, as valuable resources to the entire IF undertaking. IF stakeholders should reach out to these implementation champions directly or through the IF Working Group. Champions may assist with an ongoing initiative by sharing their experience and insight, bolstering commitment of other implementation leaders, or applying their creativity to design improvements to various specific implementation challenges. Over time, following their recommendations should also help to give rise to new champions whose leadership can enhance a country’s or organization’s implementation efforts as identified in the country’s Action Matrix. A complete list of the IF Simulation participants is provided in Appendix 5.

The IF Simulation effort was an important step toward reinvigorating and furthering the IF Process as it moves into the implementation phase. The results of the IF Simulation will enable the IF

to spread best practices to current and future implementation efforts. Ultimately, this activity will help to ensure that all IF stakeholders, but especially the LDCs, share best practices to enable the IF process to produce better prioritized and more widely shared trade capacity-building priorities; that these priorities are more consistently and effectively translated into specific actions; and that these actions yield a greater number and higher quality of tangible development benefits and results.



## OPENING REMARKS

By Dr Kipkorir Aly Azad Rana, Chairman of the Integrated Framework Working Group.  
Delivered at the IF Simulation Exercise, Addis Ababa, 7–8 September 2005

I would like to start by thanking the organizers of this remarkable and innovative event, Anne Simmons-Benton, USAID and the people from Booz Allen and Hamilton, as well as our host, the Government of Ethiopia and the ECA. I would also like to thank the others who have made this event possible, in particular DFID, the Governments of Denmark and Norway as well as the IF Secretariat, and the IF Agencies. I see that this Exercise has managed to gather an impressive IF audience and this, in itself, is a success.

Ladies and Gentlemen, the one element which links us all is our commitment to the Integrated Framework. And we are not alone in this. At Doha, WTO Ministers recognized the Integrated Framework as a viable instrument for LDCs' trade development. The Integrated Framework has been called an example of the new aid framework in that it is country-based, "owned" by the country and it brings together the main multilateral providers of trade-related support and assistance. It also provides a more coherent approach for bilateral donors to work together. It is a concrete and working example of the new thinking about development assistance. The IF is about building capacity to make trade—or should I say, doing business—work for development. The IF relies on trade being mainstreamed into a country's overall development strategy.

The IF can be credited with having greatly contributed to increased knowledge of trade issues in the countries where it is being implemented. The diagnostic phase of the IF has helped to raise in-country awareness of the range of complementary reforms needed for trade integration and has facilitated a dialogue on trade and growth across Ministries and with the private sector. Many donors see the IF as a very successful common framework for interventions on trade-related areas. The IF has enabled a more fluid dialogue on trade among LDCs, donors, and trade-related agencies and stakeholders in LDCs. In short, the overall concept

of partnerships towards a common objective among LDCs, agencies and donors has proven its merits.

Now, the IF is at a critical juncture. It has entered the stage of implementation, of translating the diagnostic phase into concrete tangible projects. The IF has also greatly expanded from three countries in 2002, to 35 in 2005, with more LDCs requesting to join. Both factors have understandably led to a number of challenges in the IF's implementation. The IFWG and the IFSC—the IF management and oversight structures—have recognized these challenges. For example, DTIS matrixes identify many capacity-building needs to address trade integration but these are sometimes left unaddressed due to the slow process of mainstreaming trade into national development plans and limited resources. Parts of Action Matrixes are often not implemented due to lack of donor awareness and inadequate implementation plans for the matrix. In some cases, the private sector has not been involved enough in the process.

The IF has gained political momentum and exposure. The recent Ministerial Declarations both from the African countries and from the LDCs make reference to the IF. The LDC Livingstone Declaration calls upon the relevant WTO bodies and the Sixth WTO Ministerial Conference to agree on strengthening the effectiveness of the Integrated Framework.

I do not have to convince you that we all collectively have a shared responsibility to continue to make the IF work, to improve on its implementation and to allow it to fully achieve its objectives. We must, therefore, address the challenges facing the IF and thereby strengthen its effectiveness. Success in doing so cannot but reflect positively on the preparations for and the outcome of the Sixth WTO Ministerial Conference in Hong Kong, China. Not succeeding is not an option.

Against this background and conscious of the increasing political visibility of the IF, the growing expectations and the links with the DDA process, one of the IF donor representatives, the US, took the initiative in April of this year to propose to do an IF Simulation exercise. The Simulation exercise would help us—all IF stakeholders—to find innovative ways to face the challenges posed by the implementation of the IF and to make it run smoother.

It was easy for me to say this last phrase. But I would like to pause here a minute to let you reflect on the consequences which an improved and smoother implementation of the IF could have on the capacity of LDCs to integrate into the global economy and the positive impact this might have on the preparations and possible outcome of the Hong Kong Ministerial Conference. I do not have to remind you that a positive outcome of the Hong Kong Ministerial in itself is a crucial stepping stone for LDCs' integration into the global economy.

As with all new initiatives – and we have the best example in the IF itself – a first reaction to the proposal to do a Simulation Exercise might have been a little lukewarm, a “wait-and-see” attitude. But, I must congratulate in particular Anne Simmons-Benton and USAID and praise them for their unfaltering persistence, which has brought us here, today, committed to make the Simulation a reality and make the event a success.

I would now like to say a few words about the Exercise itself. What is its objective and what are its expectations?

The objective of the Integrated Framework Simulation exercise is to enable developing country partners to work with donors and the private sector to reach the full potential of the Integrated Framework, including increased engagement of the private sector in IF implementation. Over the next two days, we will explore ways of better utilizing our combined resources, knowledge and experiences to accelerate the pace and quality of implementing IF initiatives. We will reflect on, and perhaps rethink, our assumptions about the roles donors, countries and the international private sector should play

in IF implementation efforts to ensure the best outcomes for all. I believe this exercise will also help us to recommit ourselves, and through us our peers with whom we work day-to-day, to demonstrate leadership where each of us can achieve our goals and build upon the benefits the IF process is already delivering.

I will leave it to those who speak after me to describe in detail our activities for the next two days. However, let me comment about expectations for the simulation. First, I would like to say that with each conversation and activity, we should all strive to develop practical insights and recommendations for improving the IF. This is not the time for long speeches, but for learning, experimentation and creativity that will yield specific improvements we can all take back to our day-to-day jobs. Second, if we are doing our jobs right, we will tackle some very challenging, and even sensitive, issues. As we do, we should focus on collaboration, not negotiation, to find common ground and better solutions to the challenges that we face. Third, the simulation has no one right answer we are meant to discover, nor is there a secret strategy that our facilitators will try to get us to follow. This is an open-ended exercise, and we are all free to take our discussions in any direction we wish. But with this freedom comes the responsibility to deliver new insights and recommendations that will help improve the efforts of all those who work on IF initiatives in every country where the IF is and will be active.

With these words I would like to wish us all a successful two days and I will now give the floor to the organizers.

I thank you.

## ACKNOWLEDGMENTS

USAID proposed this project and funded the background research, the Simulation exercise, and the production of this final report. Anne Simmons-Benton, of USAID and one of two donor representatives to the IF Working Group, provided technical leadership throughout the project and provided the link to the LDC Group, the IF Working Group and the other Donors. Nick Klissas and John Ellis provided additional assistance with the effort.

The Least Developed Country Group at the World Trade Organization supported this project and gave valuable insight into the formation of the project.

The UK's Department for International Development (DFID) and the Ministry of Foreign Affairs of the Government of Norway, provided funds to enable the LDC participants in the Simulation to travel to Addis Ababa from their home countries and participate in the event. Eleanor Fuller of the UK provided great leadership and supported the concept through the process. The Government of Denmark also offered to provide funding for the event.

Ambassador Henrik Ree Iversén, Chair of the IFSC Steering Committee, Dr. Kipkorir Aly Azad Rana, Chair of the IFWG, and Mr. Alberto Campeas, Director of the Development Division of the WTO supported the concept and provided assistance throughout the preparation of the event.

Annet Blank of the WTO IF Secretariat provided technical insight throughout the effort. In addition, Annet and others from the WTO (Panos Antonakakis, Maika Oshikawa and Taufiqur Rahman) provided invaluable coordinating assistance between the core project team and the WTO.

Leen Solleveld of the World Bank assisted the research effort by sharing his personal IF experiences and his records concerning IF implementation in many different IF countries.

Niklas Strom from the Swedish Mission in Geneva and one of two donor representatives to the IF Working Group provided early leadership to help guide Simulation development.

Massi Sahami and others from UNCTAD provided valuable insight and perspective throughout the process and facilitated the funding by other donors for participant travel.

Francesco Geoffroy of the International Trade Center provided input and assisted the team in ensuring that key local private sector participants attended.

Cisco Systems, Coca Cola, Microsoft, Lucent, First Indo-Ethiopian and Federal Express provided input into the preparation for the Simulation and/or participated at their own expense.

David Luke and Sari Laaksonen of the United Nations Development Programme provided information from the field perspective.

The event was held at the UNECA conference center in Addis Ababa, and the center's staff provided comprehensive logistical support for the event.

Chris Lutaaya and Hortense Mbea provided French interpretation services during the Simulation. Ben Idrissa Ouedraogo (UNECA), Remi Lang (UNECA), Mamo E. Mihretu (Ministry of Trade and Industry, Ethiopia), Million Habte (Ministry of Trade and Industry, Ethiopia), Dessalegn Yigzaw (Ministry of Trade and Industry, Ethiopia), Henok Assefa (Ethiopian Chamber of Commerce) and Shimelis Fekadu (Environmental Protection Agency, Ethiopia) served as rapporteurs during the Simulation. Harssema Solomon provided excellent logistical and administrative assistance.

The firm of Booz Allen Hamilton served as the lead consultant for this project. The core team of Amy Allen, Joe Babiec, Mark Belcher, Marc Busch, Sarah Ezzy, Paul Fekete, Mark Frost, Andrew Mayoock, Kim Nastasi Klein, Raymond Saner, Emad Tinawi, Nicole Weepie and Erving Williamson led the initial research, facilitated the Simulation, and drafted the final report. Erin Endean, Lance Graef and Ashok Menon from Nathan Associates lent their insights and perspectives to the initial research activities, and Ashok Menon participated in the Simulation event in Addis Ababa.

## APPENDIX I: IF INDIVIDUAL COUNTRY PROGRESS AS OF OCTOBER 19, 2005

DTIS Completed							
	Main Mission	Workshop	Implementation Meeting	Consultative Group/Round Table	PRSP	PRSP Progress Report	Comments
Burundi	3/2003	12/2003	9/2005 (TBC)	TBS	12/2004		Project proposals prepared
Cambodia	8/2001	11/2001		2/2004	12/2002	Mid 2004	Action Matrix being implemented; Gov't prepared updated list of TRCB activities (September 2003)
Djibouti	7/2003	5/2004	TBS	TBS	3/2004		UNDP DTIS Lead Agency- Action Matrix being implemented
Ethiopia	11/2002	11/2003	6/2004	TBS	9/2002	12/2003	Implementation Plan approved by Nat. Steering Committee (June 2004); Council of Ministers Approval pending.
Guinea	12/2002	10/2003	TBS	2005/2006	7/2002	12/2004	Final DTIS approved by government Dec 2003
Lesotho	3/2002	2/2003	TBS	TBS	Spring, 2005		DFID program in execution
Madagascar	7/2001	7/2003	1/ 2004 5/2004 9/2005 (TBC)	TBS	7/2003	Fall 2004	Final DTIS approved by government September 2003; Concrete project proposals in preparation
Malawi	4/2002	9/2003	Summer 2005	2005	8/2002	8/2003	DTIS approved by government (Feb 2004); Concrete project proposals in preparation following an advisory mission in December 2004
Mali	3/2003	11/2004	TBS	1-2/2004	2/2003	Mid 2004	Project proposals in preparation
Mauritania	7/2001	11/2001	11/2002	12/2004	2/2001	6/2002 6/2003 7/2004	Priority projects identified. Project preparation discussions with donors in progress.
Mozambique	Spring 2004	9/2004			3/2004		USAID actively involved in follow up. Project proposals in preparation
Nepal	9/2002	6/2003	11/2003	TBS	11/2003	11/2004	Final DTIS approved by government October 2003; Discussed during pre-consultations Nepal Development Forum (April 2004)
Senegal	2/2002	12/2002	6/2003	6/2003	5/2002	Fall 2004	Priority sectors identified. Project implementation in preparation
Yemen	5/2002	6/2003	12/2003	TBS	5/2002	Mid 2004	Revised DTIS/matrix approved by council of ministers 6/2004; Integration into PRSP in progress. Netherlands actively involved in follow up

TBS: To be scheduled; TBC: To be confirmed

DTIS IN PREPARATION		
	Main mission	Workshop
Benin	April 2004	October 13-14, 2005 (TBC)
Chad	May 2004	October 28-29, 2005; November 2-3, 2005
Lao PDR	March 2005	
Rwanda	November 2004	September 13, 2005 (TBC)
Sao Tome and Principe	October 2004	September 2005 (TBC)
Tanzania	November 2004	November 7-8, 2005
Zambia	June 2004	July 8-10, 2005
TBC: To be confirmed		

NEW COUNTRIES	
	Preparatory mission
Angola	September 2005 (jointly with TPR mission)
Burkina Faso	June 27-30, 2005
Gambia	September 2005 (TBC)
Maldives	July 2005
Niger	September 2005 (TBC)
Sierra Leone	July 4-8, 2005 (pre-DTIS Workshop October 17-19 2005)
Uganda	May 16-20, 2005

Source for Tables: IF Working Group

## APPENDIX 2: BACKGROUND RESEARCH AND ANALYSIS CONTACTS

Preparations for the IF Simulation included an extensive outreach effort to gather implementation insights, experiences and recommendations from a wide variety of IF stakeholders. The stakeholders included IF focal points, LDC government and business leaders, DTIS team leaders, and other key people from the agencies, donor organizations, countries and international corporations listed below. This outreach was conducted through in-person and telephone interviews and through email exchanges. We are grateful to those who shared their time and knowledge.

### IF Countries

Burundi  
Cambodia  
Djibouti  
Ethiopia  
Lesotho  
Malawi  
Mali  
Mozambique  
Nepal  
Rwanda  
Senegal  
Tanzania  
Uganda  
Yemen  
Zambia

### IF Agencies

IMF  
International Trade Center (ITC)  
UNCTAD  
UNDP  
World Bank  
WTO

### IF Donors

CIDA  
Denmark  
DFID  
Finland  
Norway  
SECO  
SIDA  
The Netherlands  
USAID

### International Private Sector

Cisco  
Coca Cola  
Federal Express  
First Indo-Ethiopian  
Lucent  
Microsoft

## APPENDIX 3: COMPOSITE ACTION MATRIX

This Action Matrix represents a super set of the activities represented within the action matrices of the 15 countries that have completed their DTIS and Action Matrices. The composite Action Matrix was used in the IF Simulation by teams to prioritize activities for three representative countries.

Composite Action Matrix		Primary Responsible Agencies
1	Macroeconomic Environment: Increase Macroeconomic Stability	
a	Enhance government revenues and decrease dependency on import duties by implementing a value-added tax (VAT)	Ministry of Finance
b	Improve government efficiency through a public finance reform program	Ministry of Finance
c	Mitigate currency volatility through a foreign exchange reform program	Ministry of Finance / Central Bank
2	Trade Policy: Develop Trade Policy and Trade Administration Capacity	
a	Improve policy coordination by institutionalizing an interministerial coordination committee and public-private consultative procedures	Ministry of Trade/Finance / Sectoral Ministries / Private Sector
b	Build capacity toward greater WTO compliance and more efficient trading system through institutional capacity-building and legal and regulatory reform	Ministry of Trade / Sectoral Ministries
c	Increase trade liberalization through tariff reform and administration of uniform low duties	Ministry of Finance/Trade / Customs Agency
3	Trade Facilitation: Enhance the Efficient Management of Import/Export Procedures and Operations	
a	Reorganize customs agency to improve administrative efficiency, improve import/export procedures, and address other key issues such as corruption	Ministry of Finance / Customs Agency
b	Institute comprehensive border-agency reform at targeted border crossings to improve administrative efficiency for all border crossing procedures (e.g., customs, law enforcement, health, agriculture)	Ministry of Finance / Customs Agency
c	Improve physical infrastructure of border crossings to create greater efficiency in movement of goods and people	Ministry of Finance / Customs Agency
4	Investment Facilitation: Improve Investment Climate	
a	Create or improve the primary investment strategy institution	Investment Promotion Agency / Ministry of Finance/Trade
b	Strengthen commercial legal environment through revision of key laws and regulations and improvement of regulatory institutions	Ministry of Justice / Court System
c	Create one-stop shop for company registration and other procedures to promote foreign and domestic investment	Ministry of Justice / Ministry of Trade
5	Business Facilitation: Improve Business Climate	
a	Strengthen private sector associations, including capacity for member services and public policy advocacy	Private Sector
b	Develop land reform/land use rights program to increase access to credit and facilitate business environment generally	Ministry of Justice/Finance
c	Implement competition policy reform, including creation of competition institution	Ministry of Justice/Trade/ Finance
d	Create or improve commercial adjudicative infrastructure (e.g., courts, arbitration centers)	Ministry of Justice / Private Sector

6	Export Facilitation: Develop Export Promotion Capacity	
a	Create or improve export promotion institution	Export Promotion Agency / Ministry of Trade/Finance
b	Develop or improve targeted export promotion services, such as export trade information system for exporting community	Export Promotion Agency / Ministry of Trade
7	Standards Compliance: Help Industry Meet International Standards	
a	Promote understanding and implementation of SPS standards to improve export market development opportunities	National Standards Organization / Sectoral Ministry
b	Improve understanding and implementation of issues related to Technical Barriers to Trade (TBT) along with quality standards (e.g., ISO)	National Standards Organization / Sectoral Ministries / Private Sector
8	Sector Improvements: Develop Targeted Economic Sectors	
a	Services: Tourism, Financial Services, Health Care, Telecommunications	Sectoral Ministries
b	Agriculture: Cotton, Livestock, Fisheries, Horticultural, Coffee/Tea, Tobacco, Grains	Sectoral Ministries
c	Manufacturing: Textiles/Apparel, Handicrafts, Light Manufacturing, Woodworking	Sectoral Ministries
9	Infrastructure: Develop Key Infrastructure Service Sectors and/or Infrastructure Points to Reduce Input Costs	
a	Develop transportation and logistics services through regulatory reform or private-sector development support (e.g., express courier, port operations, shipping lines, air transport, trucking)	Ministry of Transportation/ Trade
c	Improve access to competitively-priced telecommunications services through regulatory or private-sector development support	Ministry of Post and Telecommunications / Telecommunications Regulatory Authority
b	Increase access to competitively priced energy through an energy reform program	Ministry of Energy/Trade
d	Improve, build and maintain key infrastructure components (e.g., ports, airports, rail system, road system)	Ministry of Transportation/ Public Works
10	Social Programs: Improve Social Safety Net	
a	Provide trade adjustment assistance for affected sectors (e.g., food security, agriculture labor adjustment)	Ministry of Labor/Finance / Sectoral Ministries
b	Implement or reform labor code and regulations	Ministry of Labor

*Note: This Action Matrix is a composite based on the fifteen completed IF action matrices to date. It is created to serve as a tool for the purpose of the Simulation. Accordingly, this Action Matrix represents ten overall categories that are generally found in IF Action Matrices. Accompanying these categories are sample projects that support these overall categories and represent the priorities that LDC face in implementing the Action Matrices. This may be useful to donors, agencies and LDCs (Government and private sector) in the forecasting some of the areas that will need work so that they can cooperate as early as possible in the process.*

## APPENDIX 4: SUMMARIES OF INSIGHTS AND RECOMMENDATIONS

Ownership and Championing the IF Process		
Issue	Description	Best Practices or Recommendations
Country Ownership	There is an absence of national political and senior bureaucratic leadership who can serve as champions of the IF process.	<ul style="list-style-type: none"> <li>(Cambodia) Personal, highly visible engagement of Sok Siphana raised awareness and mobilized broader government commitment</li> <li>(Ethiopia) By involving stakeholders in process of consolidating 100 initial Action Matrix recommendations to 45 final priorities built stakeholder commitment</li> <li>(Mozambique) Involving stakeholders across the country and the private sector in the Validation Conference helped create country ownership despite a change in government</li> <li>(Simulation) Countries need to identify a champion early on with sufficient authority</li> </ul>
Asymmetrical Ministerial Authority	There is an absence of broad participation from key government ministries, in particularly the Finance Ministry. This lack of participation in the early stages of the IF often creates bottlenecks during the implementation stage.	<ul style="list-style-type: none"> <li>(Mozambique) Senior government officials assigned to National Steering Committee, ensuring engagement of broad range of ministries in IF Process</li> <li>(Tanzania) Minister of Trade is strong IF champion, serves as IF Focal Point, exploits dual position in President's Office for Planning and Privatization to coordinate IF-related issues within government</li> </ul>
IF Focal Point	IF Focal Points have insufficient support from other government officials and minimal or non-existent resources and authority to carry out their IF-related duties.	<ul style="list-style-type: none"> <li>(Tanzania, Cambodia) IF Focal Points are government officials sufficiently senior to command the authority, accountability necessary to move IF implementation forward</li> <li>(Simulation) Provide IF Focal Points with resources to sustain leadership role through implementation</li> </ul>
Political Timing	Elections, Cabinet shuffles, and other political events often delay or prevent implementation of the IF Action Matrix.	<ul style="list-style-type: none"> <li>(Mozambique) Trade Minister used tension of upcoming presidential elections to complete DTIS and Validation Conference before elections; convened new government and other stakeholders after election to re-validate Action Matrix and enable implementation to proceed</li> </ul>
Linkage Between the IF and the PRSP	Timely integration of DTIS outcomes into the PRSP would improve donor response.	<ul style="list-style-type: none"> <li>(Simulation) Seek inclusion of the Action Matrix into PRSP as soon as possible following the Validation conference</li> </ul>

Coordination		
Issue	Description	Best Practices or Recommendations
Interministerial Coordination	Coordination and consultative mechanisms within governments are insufficiently responsive to the demands of the IF's multidisciplinary process.	<ul style="list-style-type: none"> <li>(Sierra Leone) Minister of Trade has undertaken several study tours to other countries where DTIS completed and is pushing to establish a special IF-focused cabinet subcommittee to import best practices</li> </ul>
Building Deeper Consensus	Consultative processes among IF stakeholders are superficial.	<ul style="list-style-type: none"> <li>(Simulation) Creation of a national implementation committee to serve as a venue for the ongoing process of developing and maintaining consensus among national stakeholders</li> </ul>
Managing Expectations/ Maintaining Realism	There is ongoing tension between donors and recipient nations about the level of resources available through the IF.	<ul style="list-style-type: none"> <li>(Sierra Leone) Convening a National Launch workshop to educate stakeholders about IF process and outcomes</li> </ul>
Donor Coordination and Response	Donors do not sufficiently communicate among themselves and often are not fully invested in the IF process. This results in a diminished response to IF country expectations for donor resources and technical assistance interventions.	<ul style="list-style-type: none"> <li>(Simulation) Donors need a champion to move the process forward among the donor community</li> <li>(Simulation) Donors should identify during the DTIS process the types and levels of funding they are potentially willing to provide to support Action Matrix priorities</li> <li>(Ethiopia) Donor-Government-Private Sector working forum established to manage DTIS progress now used to manage implementation progress</li> <li>(Mozambique) Frequent liaison with IFWG in Geneva has kept country informed about and able to influence Geneva-based IF issues and discussions</li> <li>(Tanzania) At country's request, role of Lead Donor will rotate among donors to ensure all donors remain engaged</li> </ul>
Information Flow	Ownership, coordination, and participation in the IF process requires an efficient flow of IF-related information.	<ul style="list-style-type: none"> <li>(Simulation) Make greater use of IF web site to facilitate communication between IFSG/IFWG and IF stakeholders</li> <li>(Simulation) Employ listservs, blogs and other Internet tools to facilitate exchange of information about IF best practices, IF country implementation experiences</li> </ul>

Operations		
Issue	Description	Best Practices or Recommendations
LDC Stakeholder Engagement	Disinterested stakeholders are reluctant to embrace the IF process.	<ul style="list-style-type: none"> <li>(Simulation) Greater awareness of the IF process will result in the emergence of champions who recognize the ways in which the IF can be leveraged toward national development priorities</li> <li>(Sierra Leone) Emphasizing status as post-conflict country to engage donor interest</li> </ul>
Managing the Scope of the Mandate	The IF process is overly ambitious and unfocused.	<ul style="list-style-type: none"> <li>(Simulation) Use Validation Conference to establish priorities</li> <li>(Mauritania) Implementation can be narrowed as with focus on fisheries issues to match stakeholder priorities</li> <li>(Guinea) Used Window II financing used to address three projects designed at National Validation Conference</li> </ul>
DTIS Redesign	Variability in DTISs precludes efficiencies among IF countries	<ul style="list-style-type: none"> <li>(Simulation) More broadly disseminate DTIS findings</li> <li>(Simulation) Include cost, or cost-benefit analyses as part of DTIS process in order to facilitate prioritization at the Validation Conference</li> <li>Include private sector in process</li> </ul>
Action Matrix	Harmonization of Action Matrices would promote integration with PRSPs and facilitate translation to project design and implementation.	<ul style="list-style-type: none"> <li>(Malawi) Coordinated between DTIS process and National Growth Strategy initiative to produce one master Action Matrix addressing the objectives and needs of both efforts</li> <li>(Simulation) Make the Action Matrix suitable for managing implementation by including explicit expectations of results/objectives, champions and accountability, resource requirements, timing, and other implementation guidelines</li> <li>(Simulation) Employ the composite Action Matrix included in this report as a template to guide initial discussions about country priorities</li> </ul>
Project Plans	“Implementable” projects are dependent on good project design, which has not been a component of the IF process.	<ul style="list-style-type: none"> <li>(Simulation) The IF’s Window II funding should be utilized more effectively for project design initiatives</li> <li>(Mali) USAID, as the Lead Donor, committed funding for project design</li> </ul>
Validation Conference	Validation Conferences rarely yield a reliable consensus about national priorities.	<ul style="list-style-type: none"> <li>(Simulation) The Validation Conference should compel stakeholders to collectively prioritize Action Matrix priorities for implementation and explicitly plan to ensure an effective implementation environment (e.g., clear champions, explicit roles for stakeholders, etc.)</li> <li>(Simulation) Validation of priorities is an ongoing process, heavily dependent on broad stakeholder participation</li> </ul>
Window II Funding	Window II is underutilized and there is dissatisfaction with procedures and disbursements.	<ul style="list-style-type: none"> <li>(UNDP) UNDP is implementing improvements with respect to the administration of Window II funds</li> <li>(Simulation) IFWG should improve awareness of Window II funding among stakeholders and increase access to funds</li> </ul>

Resources		
Issue	Description	Best Practices or Recommendations
Human Resources	Human capacity is limited and there is a lack of continuity between the diagnostic and implementation stages by IF human resources.	<ul style="list-style-type: none"> <li>• (Malawi) Window II funds used to hire trade advisor to provide government with timely advice on trade policy negotiations and pursuit of donor support for implementation of Action Matrix recommendations</li> <li>• (Simulation) IF Team Leaders should continue in their role facilitating relationships among IF stakeholders</li> </ul>
Financial Resources	Financial resources should be expanded to address needs identified in the IF process.	<ul style="list-style-type: none"> <li>• (Simulation) Resources should be devoted to strengthening the IF and the IF Focal Point</li> <li>• (Simulation) Better donor and agency coordination would remove ambiguity about what financial resources are available</li> <li>• (Simulation) Pooled funding at the country level would allow for a quick-start to implementation</li> <li>• (Ethiopia) DAG pooled fund model</li> </ul>

Private Sector		
Issues	Description	Best Practices or Recommendations
<ol style="list-style-type: none"> <li>1. Acknowledging Opportunity</li> <li>2. Weak Public/Private Consultation</li> </ol>	Local and international private sector is an overlooked resource whose inclusion can significantly improve the IF process.	<ul style="list-style-type: none"> <li>• (Malawi) DTIS process re-invigorated domestic business community, leading to creation of National Action Group to coordinate with government on national policy priorities</li> <li>• (Simulation) IFWG and IFSC should establish direct relationships with international corporations with trade interests in IF countries</li> <li>• (Simulation) Donor funds should be used throughout the IF process to support private sector's ability to be a competent counterpart to government</li> <li>• (Simulation) Include international business in Validation Conferences to incorporate their priorities and seek commitments of support for implementing specific initiatives</li> <li>• (Simulation) Doanors and countries need to incorporate private sector(local and internatinal) in ongoing consultative meetings</li> </ul>

## APPENDIX 5: IF SIMULATION PARTICIPANT LIST

### LDC Government Participants in the IF Simulation

Country	Name	Title/Organization
Burundi	Dr. Nkanagu Gervais	Director General du Commerce/Burundi
Chad	Mr. Djimadoumbaye Madibaye	Directeur Adjoint du Commerce
Djibouti	Mr. Hassan Doualeh	Permanent Representative of Djibouti to the WTO
Guinea	Mr. Mohamed Said Fofana	Directeur National du Commerce et de la Concurrence, Guinea; BP 13 Conakry
Lao PDR	Mrs. Khemmani Pholsena	Director General of Foreign Trade Dept., Ministry of Commerce
Lao PDR	Mr. Phouvieng Phongsa	Official, Ministry of Commerce, Lao PDR
Malawi	Mr. Jollam Innocent Banda	Principal Economist, Ministry of Trade and Private Sector Development
Malawi	Mr. Gershom Jere	Director of Planning, Ministry of Trade and Private Sector Development
Mali	Mr. Mohamed Sidibe	Ministry of Industry and Trade Projet Cadre Integre Coordinator National
Mozambique	Mr. Luis Eduardo Siteo	National Director for International Relations, Ministry of Industry and Trade
Rwanda	Mr. Edouard Bizumuremyi	Trade Expert, Rwanda Mission in Geneva
Senegal	Mr. Magate Ndoye	Ministere du Commerce/ Coordannateur CENEX
Tanzania	Mr. Bede Lyimo	Assistant Director, Multilateral Trade Section
Uganda	Mr. Peter Elimu Elyetu	Principal Commercial Officer, Ministry of Tourism, Trade and Industry
Yemen	Mr. Nagib Hamim	Advisor to the Minister of Industry and Trade on WTO Affairs
Zambia	Mr. Mathias Daka	Deputy Permanent Representative, Zambia Mission to Geneva
Zambia	Mr. Philip Osafo-Kwaako	ODI Trade Research Fellow, Zambia, Ministry of Commerce,

### LDC Domestic Private Sector Participants in the IF Simulation

Country	Name	Title/Organization
Burundi	Mr. Stanislas Habonimana	Administrateur de la Chamber de Commerce d'Industrie, President Administrateur, RUGOFARM S.A.
Djibouti	Mr. Mohamed Omar Dabar	Secretary general de la chambre de commerce
Lesotho	Mr. Simon Phafane	President, Chamber of Commerce and Industry

## LDC Domestic Private Sector Participants in the IF Simulation (cont.)

Country	Name	Title/Organization
Mali	Mr. Daba Traore	General Secretary, Mali Chamber of Commerce
Malawi	Mr. Simon Itaye	Managing Director, Packaging Industries, Ltd.
Malawi	Mr. Chancellor Kaferapanjira	Chief Executive, Malawi Confederation of Chambers of Commerce and Industry
Mozambique	Mr. Kekobad Patel	Vice President, Associação Industrial de Moçambique
Tanzania	Mr. Harpreet Duggal	Group Manager Corporate Planning, Sumaria Group Tanzania Ltd
Tanzania	Mr. Thomas Michael Kimbunga	Chief of Library, Services, Information & Communication Technology, Confederation of Tanzania Industries
Tanzania	Mr. Mike Laiser	Director General, Small Industrial Development Organization (SIDO)
Tanzania	Mr. Elibariki Mmari	Managing Director, J.A.E. (T) Ltd Leather, Association of Tanzania
Uganda	Dr. Evarist Mugisa	Managing Director, Premium Consulting Limited
Zambia	Mr. Justin M. Chisulo	Acting CEO, Zambia Association of Chambers of Commerce and Industry
Zambia	Mr. Luke Mbewe	Chief Executive, Zambia Export Growers Association
Zambia	Dr. Silane K. Mwenechanya	Coordinator, Zambia Business Forum

## International Private Sector Participants in the IF Simulation

Name	Title/Organization
Mr. Peter De Benedictis	Federal Express
Ms. Sara Foryt	ICT for Development Consultant, Emerging Markets, Microsoft, West, East and Central Africa
Mr. Felicitos Reyes	General Manager, EABSC Coca Cola
Mr. Adrianto Yuliar Salam	Sales and Marketing Manager, First Indo-Ethiopia
Mr. Solomon Shiferaw	Public Affairs and Communications Manager, EABSC Coca Cola
Mr. Agus Widjaja Tanzil	General Manager, First Indo-Ethiopia
Mr. Thomas Yieke	Regional Accounts Director, Cisco Systems Ltd.

## Local Implementers Participating in the IF Simulation

Name	Title/Organization
Mr. Russell Brott	USAID, Emerging Markets Development Advisor
Mr. Michael Klesh	USAID/Ethiopia, Senior Agribusiness/Private Sector Advisor
Mr. Marc Mazairac	Ambassade des Pays Bas, Yemen, Embassy of the Netherlands
Mr. Ashok Menon	Nathan Associates
Mr. Grant B. Taplin	Rwanda DTIS Mission Leader, World Bank Consultant

## Donor and Agency Participants in the IF Simulation

Name	Title/Organization
Ms. Corazon Alvarez	UNCTAD
Ms. Annet Blank	Counsellor, Head, LDC Unit, WTO IF Secretariat
Mr. Christian Bundegaard	Attache, Permanent Mission of Denmark to the UN in Geneva
Mr. Jean-Pierre Cuendet	Programme Manager, State Secretariat for Economic Affairs, SECO
Ms. Eleanor Fuller	Policy Analyst, International Trade Department, DFID
Mr. Francesco Geoffroy	Chief, Interregional Programmes, ITC
Ms. Sari Laaksonen	Programme Officer, UNDP
Mr. Frans Lammersen	Principal Administrator, OECD Development Assistance Committee
Mr. David Luke	UNDP
Mr. Marcel Namfua	Inter-Regional Advisor, Special Programme for LDCs, UNCTAD
Dr. Kipkorir Aly Azad Rana	Deputy Director General, World Trade Organization, and Chair of the IFWG
Ms. Masoumeh Sahami	SP/LDC, UNCTAD
Ms. Anne Simmons-Benton	USAID, Senior Trade Advisor and IF Donor Coordinator
Mr. Leen Solleveld	Advisor, World Bank, Trade Department, Poverty Reduction & Economic Management
Mr. Niklas Strom	Swedish Mission in Geneva and IF Donor Coordinator

## APPENDIX 6: SUMMARY OF FEEDBACK FROM IF SIMULATION PARTICIPANTS

Following the IF Simulation, all participants were asked to provide feedback to five specific Simulation-related questions. The following is a compilation of those questions, summaries of the responses, and relevant quotes.

### 1) What new knowledge of IF implementation did you gain from the Simulation?

IF Simulation participants indicated they had developed a greater awareness of the complexity of the IF process. For some, this event served as an introduction to the IF, while others had assumed they understood the relevant pieces, but had not really explored all the aspects or activities that implementation encompasses. The IF witnessed as a process, and not a program, was a new perspective for many. This new awareness helped the participants to better appreciate the differences in perspectives of the various entities, and the need to coordinate and better align expectations and possibilities. Numerous comments described the need to better align priorities of a country from an inclusive aspect—government, private sector, and donors and agencies working together.

“A better understanding of the country level problem and differences between the donors and the countries.”

“... need to be inclusive when deciding priorities; otherwise things do not move.”

“IF implementation needs to take into account the priorities of not only the government but also the private sector and donors.”

“... all priorities of the country can form part of the IF process.”

“As a private sector player from an LDC, I was exposed to [the] IF for the very first time.”

### 2) What learnings or insights will you apply in your organization or country?

The majority of participants responded that involvement of all stakeholders, both in setting

priorities and during the implementation process, is necessary for success. All stakeholders can provide insights and dialogue to the process that might have been otherwise overlooked and can help to rectify or address past problems or oversights. This is particularly relevant to the inclusion of the private sector. The IF Simulation participants repeatedly commented on the value of private sector involvement as a rational means to strengthen coordination and message among entities, but also because of their unique outlook towards priorities and useful projects.

Participants also noted the need for a greater focus toward developing projects that are both concrete and relevant. This is especially applicable when considering the transition between DTIS and implementation activities.

Comments included:

“Do more in organizing the private sector so that it can contribute better to the IF and other policy related dialogue.”

“Let people know IF exists and what role our organization can play.”

“IF implementation needs to involve all stakeholders (private sector, donor, civil society, etc.) to take into success and rectify failures as soon as possible.”

“Need to be more results-oriented in the implementing priorities.”

“The need to focus on what is critical in terms of what is . . . doable and least-cost if failure is to be avoided.”

### 3) What is the most important IF implementation issue that you must address when you return from the Simulation?

Five common themes were reflected in the actions participants expressed interest in pursuing upon their return from the Simulation: (a) inclusion of all stakeholders; (b) ensuring of champions for Action Matrix priorities, (c) translation of Action Matrix

priorities into actionable implementation projects, (d) integration of IF results into PRSPs and relevant national plans, and (e) review of resources, such as Window II funding.

### **Inclusion of all stakeholders**

“Ensure effective, wide-ranging stakeholder participation in the DTIS process and its implementation.”

“Creating public-private sector forum to follow up IF implementation.”

### **Champions**

“The need for having a champion that can spearhead the implementation of priority action and ensure close coordination with other actors.”

“The need for a champion who should be a specific person not a position.”

### **Action Matrix priorities to projects**

“Translation of IF Action Matrix into implementable project proposals with involvement of all stakeholders (donors, private sector and government).”

### **Integration of IF into PRSP and national plans**

“Review the Nation’s IF to ensure currency and push the issues into national development plan.”

“Integration of IF results, i.e. DTIS and Action Plan, need to be integrated into the PRSP process.”

### **Window II Funding**

“Using the funding available to address some of the issues.”

### **4) Overall, how valuable was the Simulation experience for you?**

Participants responded positively to the value of the Simulation, and specifically pointed out several key learnings or takeaways from the event. First, many commented on the networking and information sharing value of the experience. The ability to learn firsthand about the challenges and experiences of other countries was noted to be of particular use,

especially to those new to the IF or who are not ordinarily included in the process, such as the private sector. The interactive nature of the IF Simulation promoted information-sharing and creative decisions among participants who might otherwise not have had an opportunity to interact outside this forum. The IF Simulation experience was also considered valuable because it highlighted the distinct, but important roles of all the various stakeholders. The IF Simulation exposed the unique value different groups can provide to help the government in their IF process, particularly the private sector and the donors and agencies.

“High networking with counterparts from other countries.”

“Excellent value. Experiential learning from other countries’ participants.”

“Very good as a model and that, though this was a simulation, it was taken as real and issues discussed were in the same vein.”

“Fantastic, directly this IF Simulation as contributed a lot of important experience that I never found outside.”

“Very valuable in terms of highlighting the role of stakeholders in the IF process including the donors and private sector. Very valuable in terms of project formulation.”

“More than I expected in terms of material provided, knowledge sharing, interactions, experience from other participants.”

“Very valuable, in terms of highlighting the role of stakeholders in the IF process including the donors & private sector.”

### **5) What follow-on activities to the Simulation do you recommend? How would you like to participate in these activities?**

Across the board, IF Simulation participants felt that additional simulations, conferences, or events should be conducted to foster continued engagement of stakeholders, as well as to share best practices and update IF processes. Many participants suggested

various country-level events to address pre-DTIS and post-DTIS issues, or to review country ownership and implementation priorities. Others suggested that annual, bi-annual, or other reoccurring events should be held to follow up on progress made during this event, as well as to foster increased information sharing among returning and new participants. These events could offer discussion activities around implementation processes across different countries, explore mainstreaming of IF into national plans and/or the PRSP, and continue to engage participation of all stakeholders.

In addition, several participants felt other direct activities should be conducted to maintain momentum and engage key stakeholders from across LDCs, donors and agencies, and the private sector. For example, continued documentation of detailed best practices, sent to IF members perhaps on a quarterly basis could help keep individuals engaged and share ways to overcome common challenges. Additionally, the development of “project design manuals” or templates on how to traverse the project design process were indicated as helpful, particularly for those individuals or countries new to implementation. Lastly, production

and dissemination of an IF proceedings manual, was suggested to help address and overcome IF implementation process issues.

“Share this experience from this workshop with all who will be involved to implement the IF activities in my country and others.”

“... make a simulation on only solutions to challenges facing implementation phase and to look at ways of strengthening this ‘IF Family.’ ”

“As a private sector I personally would ... contribute actively in the IF program in my country. This should not [be] the last of the IF, but the beginning of a new, effective way of running the IF programs.”

“Increased information-sharing among country teams to keep discussions alive.”

“Exchange of information on best practices of IF implementation.”

“Sharing of project formulation/project design manuals . . . training program of IF Focal Point on project design formulation.”

“Produce proceedings manual and use it to revise the implementation process of IF.”

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