

Enhanced Integrated Framework

Evaluation of the Enhanced Integrated Framework

Final Evaluation Report

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ACRONYMS

AAAA	Addis Ababa Action Agenda
AfCFTA	African Continental Free Trade Area
AfT / A4T	Aid for Trade
ASEAN	Association of Southeast Asian Nations
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Coronavirus Disease 2019
DF	Donor Facilitator
DTIS/U	Diagnostic Trade Integration Study/Update
DTIS AM	DTIS Action Matrix
EAC	East African Community
ECOWAS	Economic Community of West African States
EIF	Enhanced Integrated Framework
ES	Executive Secretariat
EU	European Union
FCAS	Fragile and Conflict-Affected Situations
FDI	Foreign direct investment
FGD	Focus group discussion
FP	Focal Point
ICT	Information and communication technology
IMF	International Monetary Fund
IPoA	Istanbul Programme of Action
ITC	International Trade Centre
Lao PDR	Lao People's Democratic Republic
LDCs	Least Developed Countries
MEL	Monitoring, evaluation and learning
MIE	Main Implementing Entity
MIS	Management Information System
MOU	Memorandum of Understanding
MSMEs	Micro, small and medium-sized enterprises
MTR	Mid-term Review

NDPs	National Development Plans
NIAs	National Implementation Arrangements
NIU	National Implementation Unit
NSC	National Steering Committee
NTFC	National Trade Facilitation Committee
PIFS	Pacific Islands Forum Secretariat
PPP	Public-private partnership
PRSPs	Poverty Reduction Strategy Papers
RECs	Regional Economic Communities
RwF	Rwandan Franc
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SIDS	Small Island Developing States
TFM	Trust Fund Manager
ToR	Terms of Reference
TRTA	Trade-related technical assistance
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
VfM	Value for Money
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization

EXECUTIVE SUMMARY

Complex trade environment and the least developed countries

The complex, global trade environment is rapidly evolving, with a declining overall trade trend that started even before the coronavirus disease (COVID-19) pandemic, and fuelled by growing trade tensions, supply chain disruptions and rising protectionism, followed by a recent resurgence of global trade and increased economic activity. Least developed countries (LDCs) account for only around 2% of total trade in goods and services globally, and have also grown at a slower rate than the rest of the world, over time. They also stand to lose the most from new potential waves of infection, with lagging vaccination timetables and continued weaknesses in services trade, with many highly indebted economies particularly impacted in the aftermath of the pandemic. An estimated 84 million people moved back into extreme poverty in 2020 as a result of COVID-19, with women being disproportionately affected.¹ The International Monetary Fund (IMF) considers that low-income countries cannot cope with the current crisis on their own and risk losing a decade of progress.

Enhanced Integrated Framework

The Enhanced Integrated Framework (EIF)—a unique global partnership between the LDCs, donors and partner agencies—is dedicated to supporting the LDCs to use trade as a tool for economic growth and poverty reduction. Phase 1 of support ran from 2009 to 2015, with Phase 2 due to end in 2023.²

Evaluation Approach and Methods

This evaluation was commissioned to assess the results of the EIF throughout Phase 1 and 2, with a view to capturing lessons learned for the future of mobilising trade-related technical assistance (TRTA) for LDCs. It sought to answer the following overall evaluation questions:

- A. Relevance: How relevant is the EIF to the trade-related capacity development needs and priorities of the LDCs, as well as recently graduated countries?
- B. Coherence: How coherent is the EIF's programme logic?
- C. Effectiveness: To what extent is the EIF producing results?
- D. Efficiency: Does the EIF show an efficient use of time and resources?
- E. Impact: What intended and unintended impacts can be observed as a consequence of the EIF programme?
- F. Sustainability: Are the results achieved by the EIF at the programme and country levels likely to be sustainable?

The main evaluation audience is the EIF Board and the broader constituent groups, namely the LDC group, partner agencies and donors.

The evaluation employed a generative approach to causality to capture the complexity of the evolving contributing factors to EIF's objectives and projects from Phase 1 to Phase 2. The theory-based use of contribution analysis traced the main pathways to the twin EIF goals through a mixed methods approach. The evaluation used a suite of diverse data collection and analysis tools at the programme-level and across the portfolio, as well as through summary case studies covering 25 countries (half of the entire portfolio), with more in-depth review of a subset of 12 countries. Primary data collection included three bespoke electronic surveys (e-surveys) deployed to the EIF constituencies globally and in supported countries, as well as to staff working at the EIF Executive Secretariat (ES) and Trust Fund

¹ Gay, D. (2021, August 27). *A critical reflection on international support for least developed countries*. un.org/ldc5/sites/www.un.org/ldc5/files/a_critical_reflection_on_isms_for_ldcs_-_toward_ldc-v_conference_-_daniel_gay.pdf

² The EIF's long-standing mission is centred on supporting LDCs. Over the course of the programme, some LDCs have graduated from the LDC status. To date, there are 46 LDCs and 5 recently graduated countries participating in the EIF programme. Henceforth, "participating countries", "recipient countries", or "countries" (as appropriate to the context) referred to in this report cover both LDCs and recently graduated countries.

Manager (TFM). The number of stakeholder interviews totalled 140+ for the in-country component and 60+ for the global component.

Evaluation Conclusions

EIF Results

Relevance: *How relevant is the EIF to the trade-related capacity development needs and priorities of the LDCs, as well as recently graduated countries?*

EIF-participating countries continued to need support to transform their economies and integrate into the rapidly evolving global trade system, even more so, following the COVID-19 crisis. Based on the review of the literature and economic analysis, the countries' (especially LDCs') need for support was indisputable. Despite the focus of the Sustainable Development Goals (SDGs), the Istanbul Programme of Action (IPoA) and the Addis Ababa Action Agenda (AAAA) on the LDCs, their share of global manufacturing exports continued to lag. LDCs also stood to lose the most from the COVID-19 crisis and its aftermath.

Alignment with national priorities and needs was a major achievement of the EIF, and this was fully aligned with its guiding principle of promoting country ownership. Relevance was the best performing area assessed across the evaluation, based on the EIF monitoring data, survey responses and the country case studies (with an overall average results score of 3.6/5.0 from case study assessments), with alignment with government priorities and needs being very strong. All of the EIF monitoring data, evaluation survey responses and assessment across the case studies indicated the alignment of the EIF with government objectives and needs. Based on the country case studies, representing half of the entire EIF portfolio, 100% of the EIF countries demonstrated EIF alignment with national priorities and needs—as defined through the integration of trade into national development plans (NDPs), introduction of national trade policies and strategies, as well as mainstreaming of trade in sector-specific plans. Alignment with government priorities was one of two areas that was assessed as “*high*” (average score of 4.4/5.0) across all of the summary and in-depth case studies. Based on EIF reporting, nearly all EIF countries successfully completed the Diagnostic Trade Integration Studies/Updates (DTIS/U) and mainstreamed trade. Country-level analysis validated that trade-related objectives were comprehensively included in national development policies and sector strategies. Coordination and decision-making structures were also increasingly absorbed into government functions, at least in higher-capacity environments that also demonstrated the political will to prioritise trade issues.

The standard EIF offer of the DTIS/U, National Implementation Arrangements (NIAs) and funded projects generally served the highly differential circumstances and needs of the EIF countries. However, there were several cases, notably among the most fragile and conflict-affected states (FCAS) where more flexible and tailored approaches would have been more beneficial. While good progress in increasing the flexibility of the programme, particularly under Tier 2, was acknowledged, many interviews continued to characterise the EIF as a “one-size-fits-all” approach. The needs of the already or soon graduating economies and those of the “least-developed of the least-developed” could not be met with the same set of analytical tools, structures, processes, and financial solutions, despite the best efforts of EIF staff.

The EIF was less effective in engaging with the private sector and civil society in its honest broker function, especially with a view to recognising the particular challenges of more vulnerable groups, such as women and women-owned SMEs. EIF results monitoring data and the case studies confirmed that over 80% of EIF countries established the requisite coordination structures. While the importance of the private sector was recognised in the Phase 2 Compendium, and representatives were included in the coordination mechanisms, the systematic representation of private sector views and reflection of their specific needs in trade-related reforms continued to challenge the EIF. All of the EIF monitoring data and evaluation survey responses distinguished the high level of alignment with government versus the lower level of alignment with private sector needs. Chambers of commerce did not necessarily represent the views of the largely informal MSME sector and these associations have not yet acted as MIEs. MSMEs were nevertheless an important, final beneficiary of EIF Tier 2 projects.

Despite more recent efforts to promote inclusiveness and mainstream gender, the EIF portfolio overall was less successful in meeting the particular needs of more vulnerable groups (e.g. women). Gender mainstreaming was found to be less successful across the portfolio because the approach mainly focused on gender disaggregated data, rather than strategically identifying and addressing the real problems that women traders face. Given that most of the gender requirements were relatively new within the history of the EIF, since 2019, results remained unclear. The exceptions were more recent Tier 2 projects and multi-country projects with the specific thematic objectives, including the “Empower Women, Power Trade” and “SheTrades” (managed by the International Trade Centre [ITC]). Both the global and country surveys indicated that engagement with civil society was substantially lower than engagement with the government.

Due to a proactive management response by the ES and TFM, the EIF largely managed to avoid major negative consequences of COVID-19 for the programme. The ES and TFM worked together to establish a Joint Task Force to design and implement the EIF Business Continuity Plan. Through this, EIF management was able to identify the programmatic risk presented by the COVID-19 pandemic and strengthened risk management processes at all levels to identify and mitigate risks.

Effectiveness and Impact: *To what extent is the EIF producing results and what intended and unintended impacts can be observed as a consequence of the EIF programme?*

Aid for Trade (AfT) overall had great potential to increase trade, investment and even industrial performance. A doubling of total AfT was found to be associated with a 4.7% increase in total trade (i.e. exports and imports of goods and services) of AfT recipients, on average and holding all other factors constant. The potential impact of AfT was nevertheless characterised by regional differentials, including among EIF-participating countries. Accordingly, EIF-participating Asian economies tended to benefit more through merchandise and services exports, while their African counterparts saw relative gains through agricultural performance.

The EIF already demonstrated some trade-related effects, based on the overall economic analysis and case studies. A doubling of EIF aid was linked to around a 20% increase in total exports of countries with stronger economies having average and above average export volumes. There was also regional variance in the impact of EIF support, with African countries generally seeing relative gains in goods exports and Asian countries benefiting more from services exports. Further, EIF disbursements were linked to improvements in logistics performance and the value-added content of exports, especially for the more dynamic economies in Asia. The results of this global economic analysis were also generally reflected across the individual case studies in Africa and Asia.

The EIF made steady progress in improving the trade environment in most of the supported countries, including through improved understanding of trade opportunities and challenges via the DTIS/U, the establishment of trade-related decision-making and coordination structures through the NIAs, the mainstreaming of trade across NDPs and sector strategies, and the introduction of new trade-related policies. The EIF exceeded all of its targets on related indicators—performance that was confirmed by the global and country survey responses and case studies. While a quarter of trade policy reforms could be traced directly to EIF’s influence, most frequently the EIF contributed to these reforms with others. The implementation of reforms, including the recommendations of the DTIS/U and action matrix (AM), continued to be resource-constrained in most of the 25 case study countries. FCAS countries particularly struggled to transform DTIS/U findings into related trade policy reforms.

The opportunities provided by regional programming through their inclusion as a priority theme in EIF Strategy 2 were not yet fully implemented. The EIF only supported a total of 16 regional projects, accounting for 4% of the total EIF operational budget. These were largely multi-country interventions rather than ones promoting regional integration, with the exception of the trade facilitation projects. As regional programming was only introduced in Strategy 2, it was a relatively new modality, so for many projects, 2020 was the first year of operation. Almost all of the case study countries demonstrated a limited EIF contribution to regional objectives. Under the effectiveness criteria, “contribution to regional objectives” recorded the lowest average score at 3.2/5.0. Regional or sub-regional integration efforts or trade agreements were nevertheless supported through existing institutional capacity support projects, namely through facilitation of meetings and workshop participation.

There was good progress on increasing productivity and market access through the support EIF provided to build the productive capacity of recipient countries, even indications of impact on job creation and income generation for more vulnerable groups, especially through agricultural value chains. Overall, agri-business and value chain support projects accounted for the lion's share (65% or 58 out of 89) of EIF's productive capacity support, with African countries benefiting the most. 70% of the country survey respondents either agreed or strongly agreed that the EIF delivered results in agri-business. Value-chain support was particularly effective in four country case studies: Burkina Faso, Cambodia, Malawi, and Zambia. However, it was extremely clear that support to building productive capacities required strong collaboration and partnership based on the unique value proposition of different agencies (e.g. familiarity with given sectors, work on trade facilitation, digital trade and e-commerce).

Coherence: *How coherent is the EIF's programme logic? Does the EIF collaborate effectively?*

Country ownership was strongly promoted by the EIF, with greater challenges in upholding the partnership principle. Country projects were very well aligned with EIF goals (with an overall average score of 4.2/5.0), but coordination with other trade-related support was more challenging. The unique value proposition of the EIF was its promotion of country ownership and partnership, which was increasingly reflected in its mission. Based on a review of the evolution of the EIF strategy over time, the network analysis, case studies, and interviews, it was observed that the LDC empowerment principle grew particularly strong, while the partnership principle was more challenging to uphold, both at the global and country levels. In approximately half of the case studies, coordination was limited to the establishment of the requisite formal structures, namely donor coordination committees and the Donor Facilitator (DF) function, with evidence of duplication of efforts in a number of countries.

The EIF strategy grew more ambitious over time from Phase 1 to Phase 2, without a related adjustment in its mandate, clear division of labour with its partners, or increase in internal resources. While the new thematic priorities were officially approved by the partnership through the decision of the Board and were included in the EIF Strategic Plan 2019 – 2022, many of the interviewees questioned the rapid growth in thematic focus areas and Tier 2 activities, while the EIF budget stagnated. In fact, while the original funding target for Phase 2 was \$274 million, the actual budget for Phase 2 was revised down to \$141 million to match donor commitments. The budget for project allocations from Phase 1 to Phase 2 was reduced by 33%. While Phase 1 did not have clearly defined areas or themes of focus, with the implementation of Phase 2 there was a growing focus on global value chains, regional integration, poverty and inclusiveness (e.g. MSMEs), gender equality, and environmental objectives, including on climate change. The EIF also extended its focus to technology, notably e-commerce, as well as support for graduating LDCs on investment promotion. While good results were demonstrated in productive sector interventions, based on interview data, partner agencies did not consider that the EIF, through its recognised niche in trade-mainstreaming and brokering function, brought added-value in this or a number of the other, new thematic areas. The ambition for the programme was adjusted in the short-term by revising the anticipated targets enabled by the reduction of maximum budget thresholds for Tier 2 projects. A more detailed strategy process to revisit what was feasible given the available resources or to discuss what areas would need to be cut to increase strategic focus was not conducted until the Medium Term Strategic Plan for 2019-22. By 2019, most of the Phase 2 portfolio was, however, already allocated to projects. The role and division of labour with the partner agencies also evolved over time, but was not explicitly reviewed and adjusted. The partner agencies, in particular, felt that the EIF had expanded its focus beyond the partnership's original institutional strengthening mandate.

While donor coordination and dialogue mechanisms were established in many countries as planned, their engagement has not been broadly successful over time. Achieving the required synergy with other trade-related interventions was one of the main challenges of the EIF, despite the establishment of donor coordination structures in recipient countries. Based on the surveys and interviews, the role of the DF was particularly challenging to deploy, with success depending largely on the commitment of and resources available to the individual and donor organisation responsible.

EIF Model

Effectiveness: *How effective and efficient are the EIF's governance structures and operational mechanisms at both the programme and country levels?*

While the role of the Board grew more strategic since Phase 1, it was not successful in holding the EIF accountable for performance, nor was it effective in providing strategic guidance to the EIF. The ES and TFM took the lead on the substantive design and delivery of the programme, with the Board playing a more responsive, assurance-based role. The division of roles and responsibilities, as well as the power and capacity balance between the three constituencies on the EIF Board was not fully equilibrated, notably with the countries lacking sufficient stature. Issues remained with the Board's mandate and functions. Almost half of the respondents to the global survey either disagreed with or were not able to comment on the effectiveness of the EIF's strategic planning function. One partner agency prescribed that the challenges in strategic leadership between the Board and the management were due to the result of the EIF governance structure, which they suggested should be revisited.

The leadership gap was compounded by the EIF Steering Committee not fulfilling its planned strategic advisory mandate. Beyond being consulted as part of the Medium Term Strategic Plan 2019-22 development, the Steering Committee was not substantively engaged to provide strategic advice and guidance. While it did serve as a useful platform for knowledge-sharing, strategic input and the promotion of internal learning were constrained by the ambitious agenda, number of participants and formal structure of the meetings.

Both the ES and TFM structures and procedures were considered appropriate, based on document review, survey responses and global level interviews, though staff from both institutions felt that the dual structure and division of labour should be revisited in the future, also with a view to achieve better Value for Money (VfM).

Global operational mechanisms throughout the project cycle were generally considered appropriate by design, but burdensome in their implementation by some countries, with remaining needs particularly in the areas of monitoring, learning, risk management, financial management, and VfM. These remaining areas for improvement were identified through the analysis of related documentation, the surveys, the country case studies, and interviews, including the focus group discussions (FGDs) with ES and TFM staff.

The ES and TFM attempted to balance high standards with efficiency in the planning process, with the average time required for project approval significantly reduced from its Phase 1 baseline through Phase 2, as reported by the EIF's VfM tracker. Based on interviews and in-depth country case studies, the overall project approval cycle was still described as onerous and often protracted.

EIF MEL capacity was substantially strengthened from Phase 1 to Phase 2 through the EIF management's concerted effort. Nonetheless, areas for improvement remained, including with regard to both the availability and quality of data. While improvements were made and new tools, such as data collection toolkits, more comprehensive reporting templates and the results database were introduced and rolled out, data verification and validation between and across sources still proved challenging, also for the evaluation. There was a proliferation of data management solutions and the Management Information System (MIS) was not consistently used for central data management. There is a further need to revisit and automate results reporting, ideally in real-time. During the development process of any future tools, a key consideration must be whether they can be successfully rolled out by the partners in-country.

The EIF made significant strides on improving its risk management system following the COVID pandemic, applying the learnings and tools from engaging with that process. A key opportunity will be to socialise these tools with the EIF countries, a process that the ES and TFM have already started with the review of the EIF's Risk Management Policy, together with the rolling out of e-learning and webinars on risk management.

Substantial progress was made on communications at both the global and country level. A substantial amount of communication activities took place and communications outreach and uptake were exceptionally well monitored, despite limited resources. Communication products were developed

in close coordination with partner agencies and EIF countries, with CommConnect being a new, effective way to connect with EIF countries. Similarly, communication strategies were encouraged at country level, though there was no requirement for a dedicated budget-line in budgets, which constrained related resources and implementation.

Efficiency: *Does the EIF show an efficient use of time and resources?*

The overall efficiency of the EIF improved from Phase 1 to Phase 2. A Change Management Plan was implemented following the Phase 1 evaluation in 2014, identifying areas of improvement for the new phase. Efficiency at the national level was nevertheless the weakest area assessed across the case studies (with an overall average score of 2.9/5.0)—this applied equally across Tier 1 and Tier 2 initiatives, as well as the EIF NIAs at country-level (albeit slightly higher). Burdensome processes remained a concern for many interviewees.

Unless there are considerable further delays at project level, the EIF should have the capacity to close the Phase 2 portfolio on schedule. The value of donor commitments by 31 December 2020 was \$335.41 million, whereas contributions (receipts) amounted to \$316.82 million. Donor contributions totalled \$122.44 million for Phase 2, nearly a 40% decline from the corresponding figure in Phase 1. Following challenges to disburse funds up to the mid-term of Phase 1, from 2013 the EIF managed to consistently deliver programming of \$20 million or more per annum. Given the remaining unspent balances available and their established track record for delivery, the EIF should be on schedule to complete Phase 2 by 2023. However, the general uncertainty related to COVID-19 and the large number (90) of currently ongoing projects emphasised the need for close global and national management in the final period.

At the global level, VfM policies and processes clearly improved over the life of the EIF, and particularly following the transition from Phase 1 to Phase 2. The improvements to procurement policies strengthened the overall VfM profile of the EIF, with the introduction of the VfM Action Matrix probably the most significant “win” to-date in terms of strengthening the EIF’s VfM proposition. However, at the country level, there were significant shortfalls in the implementation of sound VfM policies and procedures. For instance, the management design of the EIF allowed the ES and TFM to efficiently manage centralised management costs, keeping the management fee to 7% relative to a standard of closer to 13%. However, it was not clear from the financial data if the total cost of management, when factoring in NIU expenses, was overall more efficient than comparator organisations.

Limited VfM monitoring at the country level was fairly common across the in-depth case study countries, suggesting a more wide-spread phenomena across most EIF countries. Of the 12 in-depth case study countries, seven obtained the minimum score of 1.0/5.0 for “processes to ensure Value for Money”, indicating the lack of prioritisation by the country programme. For example, in Bangladesh, there was no systematic reporting against VfM, despite the existence of sample measures to ensure efficiency and VfM. Similarly in Zambia, while there were several examples of the EIF programme and Tier 2 projects taking measures to ensure efficiency and improve VfM, there were no VfM metrics and therefore no systematic reporting against VfM. In contrast, evidence from Comoros (one of only two case studies with a score indicating evidence of VfM criteria prioritisation for process) showed that within the framework of the EIF programme, the implementation of projects scrupulously respected the standards of VfM data collection and processes: with several related examples of Tier 1 and Tier 2 projects implemented by the UNDP. Likewise, in Rwanda (which provided a case of what strong country-level VfM monitoring might look like), the Office of the Auditor General developed a tool to check VfM for all programmes, may these be funded by the government or donors. The project planning processes in place also entailed identification and prioritisation of programmes, projects and activities to achieve optimum balance of needs with available resources. Moreover, the VfM assessment in the country was usually conducted at the audit stage.

Financial management was conducted according to the rules and procedures agreed by the Board. The TFM had full fiduciary responsibility and accountability for the EIF Trust Fund, with the separation of the implementation and financial oversight function between the ES and TFM. While basic details about commitments and disbursements were produced regularly and maintained, the TFM did not regularly produce management accounts that would allow for the analysis of expenditure by type. This type of regular information would have been vital to enable the Board to perform its accountability function.

EIF country-level structures were established, delivering their respective mandates and functions, with the recipient country increasingly serving as the Main Implementing Entity (MIE). EIF governance structures at the country-level were in place and reasonably effective. Notably, both governance structures and operational mechanisms were considered less efficient and effective among graduating LDCs (with an average score of 3.1/5.0 each, based on country case study assessments). The absorption of the MIE function by governments was fully in line with the EIF promotion of country ownership. The number of projects managed by the government as MIE also grew by 30% in Phase 2. Nevertheless, governments were less efficient in managing projects, based on a review of portfolio data across all the projects. Numerous underlying reasons for delays were suggested during country analysis and interviews—many focusing on limited capacity in LDC capitals for the identification, design, coordination, submission, and, ultimately, implementation of projects.

Sustainability: *Are the results achieved by the EIF at the programme and country levels likely to be sustainable?*

The overall projected sustainability of the EIF was considered reasonable. This was clear from the integration of EIF initiatives into government priorities, activities and structures, as well as overall level of country ownership, with an average sustainability score of 3.3/5.0 based on country case study assessments. Notable areas for improvement were identified in the EIF contribution to leveraging finance and expertise (average score of 3.2), which was somewhat stronger in both FCAS (average score of 3.3) and graduating/graduated LDCs (average score of 3.5).

The EIF has successfully shifted ownership of programme delivery to the supported governments, including through the commitment of government co-funding to projects. According to EIF results monitoring data, almost 80% of the NIUs were integrated into government structures, with the exception of some countries that have only recently benefited from EIF support (e.g. Angola and Timor-Leste), the smallest of the small island developing states (SIDS) (e.g. Kiribati and Tuvalu), and some of the more fragile and conflict-affected states (e.g. Somalia and Sudan). The country case studies confirmed this.

The in-kind contributions of LDC governments, reviewed through the portfolio data across all the countries, have been considerable, albeit varied across countries. However, the appetite for owning and maintaining the introduced policies, structures and processes in the longer term in large part remains in question. Securing commitment of government funding at the end of EIF support may prove to be a particular challenge. EIF projects that introduced systemic institutional and market-level changes are more likely to be sustainable over the longer term.

The EIF's ability to leverage additional resources, especially from alternative sources, has been weaker. This was a core pillar of the partnership principle and an expected unique value proposition of the EIF. Based on portfolio data and as confirmed through the surveys and interviews, the EIF has been only moderately successful in leveraging additional donor funding and further technical assistance from partner agencies. The EIF had very limited success in mobilising alternative sources of funding such as through philanthropic, social impact investing, blended financing, or public-private partnerships (PPPs). This particularly affected its ability to catalyse productive capacity at scale.

The likelihood of EIF country level results lasting after the closure of the current phase was cautiously optimistic, apart from very low-capacity environments and countries in conflict. In three (i.e. Afghanistan, Guinea and Sudan) of the 25 countries reviewed, all suffering from recent political instability, support was deemed unlikely to continue. This underlines the point that any improvement could be swiftly reversed through instability.

Evaluation Recommendations

The evaluation recommendations are structured in two parts. The first part focuses on three short-term recommendations that the EIF and its partners can implement immediately to a course of correction. These build on the work, plans and processes that are already ongoing. The objectives of the recommendations are to improve the performance of the programme up to the close of the current phase, ensure that the results achieved to date are sustained and that the leadership and management

of the EIF have sufficient bandwidth to contribute to the shaping of any future plans for trade-related technical assistance to LDCs.

These are followed by four strategic recommendations that are intended to inform the ongoing discussion and debate about the mobilisation of future trade-related technical assistance to LDCs and recently graduated countries.

Immediate Recommendations

Immediate Recommendation 1: Coordination and engagement with key EIF stakeholders, with a view to ensuring the sustainability of both institutional support and performant pilot projects, as well as capturing relevant learning.

In countries where the NIAs have not already been mainstreamed, engagement with trade ministries should focus on concluding these processes. Fundraising and communications in these contexts can assist with the promotion of sustainability and learning, respectively. Whilst the EIF has succeeded in facilitating increased co-funding by governments, the promotion of domestic resource mobilisation should ideally accelerate further with a view to ensuring the sustainability of EIF interventions, notably the Tier 1 support to institutional structures and processes that are fully reliant on the treasury. This will also mitigate risks and potential perverse impacts associated with dependency on foreign aid budgets. The exception to the rule would be FCAS countries that have to date made limited progress on capacity-building and mainstreaming, including co-funding, as it is no longer feasible to build and sustain capacity in the short period remaining in this phase.

Efforts should still be made to improve donor coordination for the remainder of the current EIF phase, particularly with a view to meeting the remaining funding needs, especially in more fragile environments where additional institutional support will still be required. Private sector actors need to be engaged to develop exit strategies and sustainability plans, including potentially pointing them to sources of advice on additional financing.

Overall, engagement should focus on reviewing results, lessons learnt and weaknesses that still need to be addressed in trade-related areas, including notably on the engagement of more vulnerable groups. Here the specific EIF initiatives and partnerships promoting women's economic empowerment also have a particular role. Promoting further coordination and collaboration between EIF governments, donors and partner agencies will generally further the joint LDC AfT and 2030 Agenda for Sustainable Development.

Immediate Recommendation 2: Risk-based implementation of the EIF's Interim Closure Plan

The EIF has already developed an Interim Closure Plan (ICP), which is being discussed by the Board in its November 2021 meeting. There will be about 120 projects to close in 2022-23, amounting to about \$80 million, or most of the initiative's budgeted investment in the phase. Given that higher level results tend to mature towards the end of a process, it is fair to assume that there is a significant results delivery potential for Phase 2 remaining in the pipeline. Conversely, taking into account the relentless challenges that the LDCs and recently graduated countries have faced, the inertia caused by COVID-19 and the inevitable delays in closing up the programme simultaneously across almost 50 countries, there is a considerable risk of results not being delivered, captured and communicated on time. The ICP notes that in the experience of Phase 1, closing a project/country takes on average six months from the completion of activities.

The ICP appears to give a good starting point for the final stage of the implementation of Phase 2. It takes on board the considerable experience and current processes that EIF management has learned on risk management and positions this at the centre of delivery. As set out in the ICP, a regularly (e.g. monthly to a separate sub-committee) updated delivery risk register should form a central piece of engagement between the Board and the ES and TFM during the closure phase. Consideration should be given to address risk country by country.

An additional risk not currently identified in the Programme Risk Log is a systemic one. Given the set end date of the programme, there is a potentially high impact and at least medium probability risk of delays in delivery and/or closure across several EIF countries simultaneously leading into a bottleneck

of projects being closed. This could cause significant administrative and operational challenges, including in the delivery of outcomes. To mitigate this, the ES and TFM should further develop their HR plan into a monthly tracker that allows for sequencing of project closures. Any material slippage or pile-up of projects should then be reported to the Board with a readout of potential implications for the closure of the phase.

Another risk relates to the ongoing disruptive nature of the COVID-19 pandemic and how it may have changed organisational culture and incentives. Many country projects have experienced delays due to the pandemic. The government agencies and national operating environments may have changed considerably in this period. It may be difficult to commence work in some countries with the same momentum as before the pandemic, necessitating trade-offs between types of activities and potential budget alterations at short notice. Thus, during the final stages of projects, NIUs and MIEs—supported by the ES and TFM—should focus the remaining efforts on activities that are key to demonstrating high-level EIF achievements (e.g. policy and regulatory changes, employment effects), especially in relation to the EIF contribution to sought impacts, including on more vulnerable groups.

Immediate Recommendation 3: Re-focus the Board relationship with EIF management on learning, sustainability and closure

With the recent introduction of a new Board Chair to the EIF, now is an opportune moment to revisit the set norms and practises that define the relationship between the Board with the ES and TFM. As Phase 2 nears its end, it is vitally important that the Board members play a strong supporting role in the closure of the programme to drive outcomes and increase the sustainability of results. While we would advise against any major overhaul of policies or procedures at this stage, asserting a more proactive oversight role with regards to the ES and TFM may help drive the closure process.

While it may not be necessary for the Board to meet in person more often than twice a year, more should be made of sub-committees with delegated responsibility on specific issues and the ability to meet more often, also virtually. One key example issue here may be the monthly tracking of the implementation of the ICP and its risk register (see immediate recommendation 2 above).

The Board may also want to contribute to the discussion of future Aid-for-Trade modalities for LDCs and recent graduates. A useful input into this debate will be the synthesis of results and evidence emerging from these two phases of the EIF, including this evaluation. Equally, the Board should ensure that the ES and TFM make the most out of the existing VfM data that has been collected to better understand cost drivers for project delivery and establish threshold cost profiles or boundaries for different types of activities and outputs. Finally, especially in the case that there is no further phase of EIF, the Board will play a key role in the retention and handover of lessons learned and institutional knowledge from the EIF.

Strategic recommendations

Strategic Recommendation 1: LDCs, including recently graduated countries, will require further support to bounce back from COVID-19 that is better tailored to the respective development paths of participating countries

In the aftermath of COVID-19, LDCs and recently graduated countries will require further support to “build back better” transforming their economies and integrating into the rapidly evolving global trade system, also with a view to improving resilience against further shocks, ranging from economic shocks to severe weather events. There is a continued need to provide institutional capacity support, with even closer engagement of the “least developed of the least developed”, notably countries in fragile and conflict-affected situations (FCAS). More advanced economies with the requisite political will to prioritise trade would benefit more from strengthened partnership and coordination of a great diversity of support to the productive sector and structural transformation (e.g. in areas such as e-commerce), as well as from catalysing further assistance, including from more innovative sources of financing. Recognising and incorporating the diversity of needs of LDCs, including of those graduating, both groups still merit further trade-related technical assistance.

Moving away from a “one-size-fits-all” approach, the engagement path that each country experiences when participating in a long-term trade-related capacity building initiative, should

be more tailored to country-specific realities. While it would not be feasible to offer truly individualised support packages for countries through a joint mechanism, using a modular approach would enable the delivery of better tailored approaches at scale. SIDS in particular benefit from the economies of scale provided by regional and sub-regional efforts.

In order to better tailor future country support, one option is to identify joint characteristics and assign modular approaches for the delivery of TRTA. Four distinct groups emerged from the analysis of the 25 case study countries, contributing to the following proposed idealised model:

Stylised Country Categorisation for Future TRTA

	Country Characteristics	Modular Approach to TRTA
Front-runners	Often Asian but also at times African countries with strong manufacturing and service-based export economies, nearing graduation, that demonstrated strong government commitment and ownership of the EIF support. They had experience in using AfT support more broadly to build productive capacities in promoting structural transformation of their economies, as well as increasing trade and investment.	Facilitating the transition of graduating LDCs, catalysing and coordinating Tier 2 productive capacity support (also in areas such as e-commerce), including toward more innovative funding solutions; sharing lessons, access to tools and online training.
Effective Absorbers	Usually higher-capacity countries in Africa with stronger economies (e.g. diversification from commodities, emerging services sectors, including information and communication technology [ICT] and tourism) that already benefited effectively from substantial donor assistance. They actively engaged with the programme and produced results. However, instead of using EIF resources to drive the domestic reform agenda, they may have used it as additional project-based funding. They had significant AfT donor support, and project implementation capacity developed through the NIU could have significant pay-offs, if leveraged efficiently.	Supporting countries with the coordination and leveraging of various different support streams, as well as with bespoke analytical assistance, based on country priorities and expressed needs, notably in the development of productive capacity; engagement in knowledge exchange and tailored capacity support, where requested.
Participants	Similar in geographic and economic structures to the “Effective Absorbers”, they actively engaged with the programme and produced results, but without full political commitment across the government and necessarily owning the agenda. They did not have significant donor support, at least in the field of AfT.	Greater emphasis on supporting countries with specific project delivery, including both capacity support and pilot Tier 2 initiatives, given limited scope for leveraging additional resources.
Less Effective Absorbers	The small number of primarily countries in FCAS that were unable to achieve results, largely due to extremely challenging internal or	More tailored capacity assistance and implementation support acknowledging the constraints that these countries are facing, also the

	external circumstances, including very limited administrative capacity, political instability, conflict, and even natural disasters. The current EIF service offer had limited tailoring to this group.	level of ambition and results expectations must be tempered, in comparison with other groups.
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This classification will require further development and assessment of the respective situations of the countries. Moreover, these groupings may not necessarily remain static, and countries may shift from one group to another over time depending on developments in each country and the wider trade context. This more differentiated approach may not treat all countries equally, as has been a prevailing principle during the past two EIF phases, but may be better aligned with their actual capacities and needs. The political dimension of any differentiated approach would therefore need to be understood and managed accordingly.

In each of these different contexts, achieving trade impact at scale will continue to require strong partnership and technical expertise from EIF partner agencies, as well as engagement with governments, donors, private sector, and civil society. The modalities of support will depend on the context, comparative advantage and absorptive capacity of each country.

Strategic Recommendation 2: Review and rejuvenate the partnership based on joint values and a commitment to integrate LDCs to the global trading system, and strengthen their voice and stature in the strategic leadership of future trade-related technical assistance

The end of Phase 2 provides a natural opportunity for the review and renewal of the partnership. While the 2014 evaluation of the EIF pointed to the need of the EIF model “to be based on trust among the partners and a joint commitment to success”, the situation has not improved over the course of Phase 2. The achievements made by the LDCs through the collaboration of the EIF and partner agencies, enabled through donor funding demonstrate the value of collaboration and partners’ contribution, which is even more in demand, due to the challenging global trade environment and recovery from COVID-19.

The partnership principle needs to be further reinforced, with an equal engagement of countries, partner agencies and donors around a collective sense of a shared mission and objectives to empower LDCs, with their distinct needs, to integrate into the global trading system. The partnership needs to see itself as collectively responsible for delivering this mission, with clear definition of respective roles and the division of labour. The Twelfth WTO Ministerial Conference (MC12) and Fifth UN Conference on the Least Developed Countries (LDC-V) provide useful opportunities for the restatement of a common vision. Coordination and collaboration need a further step-change from EIF Phase 2.

More work is required in defining the future role of the partnership, as well as the partnership broker function. This may be best conducted through a participatory process, defining the added-value, roles and division of labour between the different constituencies and the brokering function. This should include a better understanding of the participation of partner agencies in project identification and procurement, as well as the brokering role conducted by the EIF to date. The process needs to provide an opportunity for reflection, in light of the relationship challenges recorded by the evaluation, as well as the co-creation of an updated partnership model based on consensus.

The EIF remains uniquely placed as a platform and partnership with a singular focus on supporting LDCs and with a mandate to promote collaboration and the coordination of trade-related support. However, any broker function requires the confidence and trust from its key constituencies, the countries, partner agencies, and donors that recognise the value of the partnership, as well as what each partner contributes to the whole. There is also a need to promote a collaborative mindset and skills on the part of all the partners.

It is imperative to further improve the definition of the constituent groups, their respective roles and the division of labour. This includes reviewing and even removing some partner agencies and potentially adding others that may be required to serve the shared mission. If greater emphasis would

be placed on the leveraging of alternative finance, this would require strong relationships with related partners and a fundamental reworking of the brokering function. Similarly, greater attention to climate change would require new relationships and definition of the coordination role in the crowded space of climate finance. The role of donor coordination, notably the DF should also be reassessed in future programming, to take into account and leverage on the donors' priorities and resources in-country.

Any future partnership also requires a system for the review and adaptation of the collaboration itself. This should include related indicators and regular review processes, not only the performance of the partnership in relation to set objectives and targets. One such tool would be the regular updating of the network analysis that was introduced by the evaluation, but many other options also exist. The process itself can contribute to strengthening relationships and building the required trust. It will also ensure that the partnership continues to learn and improve, while staying flexible and dynamic.

The governance structure of any future trade-related technical assistance programme needs to ensure an improved representation and empowerment of the LDC voice in strategic leadership. For example, a strong and capable Board would have been crucial for ensuring the protection of both the ownership and the partnership principles of the EIF. The rules must be further improved for both composition and procedures, from approval thresholds that do not impede efficient decision-making to those preventing potential conflicts of interest. The Board itself should focus on strategic leadership and critical oversight, with sub-committees delegated for lower priority functions. The option of using professional Board members instead of officials could be explored in the future, as has been the case in other similar donor funded initiatives. In any case, any leadership structure will require timely and accurate management information to serve these critical functions.

Strategic Recommendation 3: Rework the role of the DTIS process

The DTIS/U is undoubtedly a well-established and powerful analytical framework that helps countries better understand the constraints to trade that they are facing. At the same time, the analytical process can be very heavy and challenging for the LDCs to meaningfully participate in, with the recommendations becoming swiftly outdated. Moreover, the DTIS/U has not been a universally useful instrument in facilitating the implementation of the EIF across the LDCs.

To address these issues, the following steps should be taken:

- Relax the standard requirement for countries of going through a full DTIS or DTIS Update before being allowed to access support funds. This could be replaced by a more streamlined process that helps countries identify key reform opportunities and potential technical assistance solutions, while brokering donor support. These should then result in a short list of prioritised actions, that could be implemented in a short- to medium-term timeframe. There is a need to reinforce countries' capacity to translate DTIS findings into actionable and bankable project documents to allow a closer linkage between project implementation and analysis.
- For countries where there is demand, the DTIS could still be rolled out as an analytical toolset. This could be facilitated through a specific call-down facility based on demand and specific needs. The studies (and updates) should be more focused and genuinely diagnostic in nature. For one, these should be focused on "binding" constraints to trade rather than a broad list of trade-related constraints. Moreover, these could focus on areas of potentially high returns, such as on digital trade and digital trade facilitation, or more broadly on areas with strong potential in the Fourth Industrial Revolution which offers new possibilities even for geographically challenged LDCs. Furthermore, post the DTIS, the Action Matrix could be separated from the DTIS and be updated regularly. This would give an opportunity to assess the implementation of the identified policy actions in the original Action Matrix, further identify opportunities or conduct more in-depth diagnostics where necessary, and come up with an updated, more relevant actionable plan. Ultimately, this could help governments strategically formulate, implement and better sequence policy reforms.

Strategic Recommendation 4: Achieve sustainability through alternative sources of finance

There is a need for a much greater volume of predictable, long-term finance that is appropriate for the specific circumstances and needs of each LDC, notably the readiness of local companies

to absorb different types of finance. In the face of diminishing donor financing, more innovative financing solutions could be explored, including blended finance or private sector financing for more dynamic LDC economies, with companies that are able to attract private investment from seed capital and angel investment through growth capital. Grant financing will continue to be necessary, notably among the “Less Effective Absorbers,” but also to diminish the risk for private investors and attract them to new markets.

However, the EIF (or any other successor programme) would need to be substantially altered for brokering and facilitating private finance. This applies to both the governance structure, but particularly to the nature and rules of the fund, if the EIF would aspire to manage its own investment funds. The skill-set required for attracting investors and increasing the number of attractive investees is also fundamentally different. Attention will also need to be given to market enablers (e.g. relevant regulatory reform).

This solution would require substantially more reflection and input from dedicated expertise, prior to final decision-making by the Board.

1. INTRODUCTION

1. The complex, global trade environment is rapidly evolving. According to the latest forecast from the World Trade Organization (WTO), the volume of world merchandise trade is expected to increase by 10.8% in 2021 after having fallen 5.3% in 2020, primarily driven by the COVID-19 crisis.³ Notwithstanding the projected recovery in world trade, several risks and challenges cloud the multilateral trading system's outlook. These include the continuing trade tensions between the People's Republic of China and the United States, disruptions in major supply chains, rising protectionism, inflationary upticks, and emergence of new coronavirus variants. These trends have and will continue to pose threats to the economic and trade recovery, particularly for LDCs. LDCs account for around 2% of total trade in goods and services. Growth, however, was at a slower rate than the world and other developing countries. LDCs also stand to lose the most from new potential waves of infection, lagging vaccination timetables and continued weakness in services trade. They are also already burdened with public debt and deficits that will likely substantially grow in the aftermath of the pandemic, which are a major risk to trade and growth, particularly for highly-indebted countries. An estimated 84 million people moved back into extreme poverty in 2020 as a result of COVID-19,⁴ with women being disproportionately affected by the pandemic. The IMF considers that low-income countries cannot cope with the current crisis on their own and risk losing a decade of progress.⁵ Major reallocations and cuts on development aid to LDCs may arguably exacerbate the downside risks faced by these economies.
2. LDC trade per capita remains very low, at only US\$458, compared with the world average of US\$5,148. Some of the structural challenges LDCs face include high trade costs, exposure to commodity price fluctuations, low rates of investment, and limited institutional capacity.⁶ Moreover, LDCs are likely to continue grappling with the same supply-side constraints, may these be inadequate infrastructure, lack of access to finance and technology, and shortage and/or retention of skilled labour—factors that cumulatively and severely limit these economies' ability to realise benefits from trading opportunities.
3. The EIF—a unique global partnership between the LDCs, EIF Donors and Partner Agencies—is dedicated to supporting the LDCs and recently graduated countries utilise trade as a tool for economic growth and poverty reduction through job and income opportunities. The EIF empowers countries to identify where trade can form an integral part of their national development strategies and assist them in harnessing AfT towards this goal. The EIF works with LDCs (including recently graduated countries) across Africa, Asia, the Pacific and the Americas with its activities financed through a multi-donor Trust Fund. The first phase of the EIF ran from 2009 to 2015, with an independent Mid-term Review (MTR) carried out in 2012 and an end-phase comprehensive evaluation in 2014. The second phase started in 2016 and requires that all projects are completed by the end of 2023, following the EIF Board decision in December 2019.⁷
4. The EIF's support is targeted at the achievement of two key goals reflected in the programme's current Strategic Plan 2019-2022. Goal 1 is aimed at improving the trade environment, conducive for the inclusive and sustainable growth of the LDCs. This goal targets institutional and policy-related support (historically referred to as Tier 1 projects). Furthermore, this support includes the preparation of DTISs and the associated DTIS AMs, which forms the basis for including trade-related priorities into NDPs/Poverty Reduction Strategy Papers (PRSPs) and donors' financing forums; and for support to the NIAs by building their capacity to formulate, coordinate and implement trade policies and strategies and to manage projects. Goal 2 of the Strategic Plan targets increased exports and access to international markets through three

³ The 5.3% contraction in 2020 is smaller than the original forecast. Similarly, the growth forecast is higher than previously estimated. The better-than-anticipated performance and projected rebound (albeit marked by regional and cross-country divergences) in 2021 can be explained by improved business and consumer confidence following the announcement and roll-out of COVID-19 vaccines in late 2020; strong monetary and fiscal policies by several governments, which boosted personal incomes and household consumption (mainly in advanced economies) and supported exports than would have been otherwise; increased consumer spending towards goods; continued economic activity driven by innovation and adaptation by businesses and households; and roll-back of restrictive trade measures and introduction of new liberalising measures by WTO members, among others. [Sources: WTO. (2021, March 31). *World trade primed for strong but uneven recovery after COVID-19 pandemic shock* [Press release]. https://www.wto.org/english/news_e/pres21_e/pr876_e.htm; WTO. (2021, October 4). *Global trade rebound beats expectations but marked by regional divergences* [Press release]. https://www.wto.org/english/news_e/pres21_e/pr889_e.htm

⁴ Gay, D. (2021).

⁵ Gurara, D., Fabrizio, S. and Wiegand, J. (2020, August 27). *COVID-19: Without Help, Low-Income Developing Countries Risk a Lost Decade*. [Blog]. <https://blogs.imf.org/2020/08/27/covid-19-without-help-low-income-developing-countries-risk-a-lost-decade/>

⁶ Gay, D. (2021).

⁷ EIF Evaluation Terms of Reference 2020-21.

specific objectives. These include the “improved participation of the EIF Countries in strategic value chains for increased connectivity to markets”; “improved technology use in production and services in selected value chains”; and “support to leverage additional investments for productive capacity”.⁸

5. This evaluation was commissioned to assess the results of the EIF throughout Phase 1 and 2, with a view to capturing lessons learned for the future of mobilising TRTA for LDCs. It is particularly timely, as the current phase of the EIF draws to a close and in light of the 12th Ministerial Conference and the Fifth United Nations (UN) Conference on the LDCs.
6. Following this introduction and a brief summary of the methodology, the evaluation report is organised into two main parts.
 - Part I EIF results
 - Relevance of the EIF design
 - EIF effectiveness in achieving its twin goals of improving the trade environment and productive capacity
 - EIF impact on the integration of LDCs (including recently graduated countries) into the global trading system and sustainable development
 - External coherence of the EIF
 - Part II EIF Model
 - Internal coherence of the EIF design
 - Effectiveness and efficiency of EIF governance structures and operational mechanisms
 - EIF efficiency in the use of time and resources
 - Sustainability of EIF results and the EIF model
7. The two sections are followed by overall conclusions and recommendations that are targeted 1) on the remainder of the current phase of the EIF and 2) at the broader framework of future TRTA to LDCs. The evaluation report provides evidence of EIF achievements and challenges, with related lessons learned that can support the decision-making process of the EIF Board with regard to the future of the EIF.

2. EVALUATION METHODOLOGY

8. The purpose of the EIF evaluation was “to assess the results of the program relating them to the goals of the EIF ... in an independent manner and capture key lessons learned.” Specific objectives relate to summing up evidence of results, assessing organisational effectiveness, identifying and applying lessons learned.” The evaluation design reverted to the original evaluation questions; the sub-questions referenced can be found in the Terms of Reference (ToR) (see Annex 1).
 - A. Relevance: How relevant is the EIF to the trade-related capacity development needs and priorities of the LDCs? (i-iv, “other” ii & iii.)
 - B. Coherence: How coherent is the EIF’s programme logic? (i-iv.)
 - C. Effectiveness: To what extent is the EIF producing results? (i-v., “other” iv.)
 - D. Efficiency: Does the EIF show an efficient use of time and resources? (iii, “other” i.)
 - E. Impact: What intended and unintended impacts can be observed as a consequence of the EIF programme? (i-iv.)
 - F. Sustainability: Are the results achieved by the EIF at the programme and country levels likely to be sustainable? (i-vi.)
9. The main evaluation audience was the EIF Board and the broader constituent groups, namely the LDC group, EIF partner agencies and donors. The EIF ES and TFM were also key audiences. Ultimately, the evaluation was accountable to the EIF Board, noting the important oversight and management function of the Board’s Evaluation Sub-Committee. Another key audience consisted of the broader AFT community, including other agencies, donors, private sector, and civil society. The evaluation extended from Phase 1 through Phase 2, with an emphasis on assessing the summative impact and sustainability of Phase 1 projects and with a more formative focus on the reforms to the EIF model in Phase 2. While the distinction between the phases was upheld, the overall objectives remained similar across both phases. It was therefore possible to also assess results over the entire time period—subject to data availability.

⁸ EIF Strategic Plan 2019-2022.

10. The evaluation employed a generative approach to causality to capture the complexity of the evolving contributing factors to EIF's objectives and projects, from Phase 1 to Phase 2. The theory-based use of contribution analysis traced the two main pathways of change, to the twin EIF goals, through a mixed methods approach, and using a suite of diverse data collection and analysis tools. These included economic analysis, organisational assessment, network analysis and VfM review at the programme level, and portfolio review and summary case studies across 25 countries (half of the entire portfolio), with more in-depth review of 12 country cases. In the case studies, reported results were triangulated evidence from document reviews, the country survey, and key informant interviews and/or focus group discussions. In addition to assigning results scores to the case studies to quantitatively qualify the narrative assessments, evidence scores were also given to qualify the strength of evidence gathered from various sources. The number of stakeholder interviews, including participants in focus group discussions, totalled 140+ for the in-country component and 60+ for the global component.

2.1 Methodological limitations

11. The ToR set out a broad scope for the evaluation, encompassing the entire EIF programme and portfolio of 290 national and regional projects, its global and national governance structures and operational modalities, notably the unique EIF business model/approach, through its full lifespan from 2008 to date, and across its 51 beneficiary countries. The degree of ambition was augmented further by the request to include both summative and formative elements in line with the two EIF phases and the call to generate valuable learning with a view to improving future AfT support to LDCs. The broad scope was manifested in 36 main evaluation questions and many more sub-questions and additional requests for indicators and areas to explore.
12. While key data and information required to complete the review was made available, data availability and quality were the main limitation of the evaluation, compounded by the lack or absence of baseline data dating back to 2008/9; though a baseline study was conducted on the EIF indicators prior to Phase 2. Data availability in the online systems was, at times, inconsistent across the project portfolio. The Results Database was housed in a separate excel file, and in some instances, it was not possible to verify and validate the same data recorded in different places. There were further concerns about mixed coverage and collection of indicators and double-entry of data values, among others, though efforts were made by the EIF to mitigate its effects. Data was rarely available for Phase 1 and there was no baseline for comparing progress dating to 2008/9. Even for Phase 2, the availability of baseline data particularly at project-level was limited and varied across projects. Similarly at the programme-level, there were changes in the definition of indicators, posing the same challenges in assessing progress against outcomes over time.
13. With these data challenges, the evaluation team employed a structured approach to data reporting based on a hierarchy of data sources. For instance, reported aggregated data for programme-level indicators were taken primarily from annual reports and, where applicable, supplemented by data from the Master Results Database, portfolio data shared by the Executive Secretariat, or data from the Knowledge Hub. This implied that when discrepancies/inconsistencies were found, reported data from the annual reports took precedence over other sources. At the country level, the Master Results Database served as the first point of reference for related data on programme-level indicators. In both cases, this approach did not necessarily suggest that the evaluation team considered the annual reports or the Master Results Database as the most reliable or accurate among the sources, but arguably having the highest utility among the programme's data sources. To the extent possible and where feasible, data comparisons and triangulations were also made using the aforementioned sources and project-level progress/completion/evaluation reports, as well as interview and survey data. Ultimately, assessments were made based on the relative consistency/coherence of data from at least two sources. It must also be noted that given the data challenges and resource constraints, a forensic-type validation of data was outside of the evaluation team's mandate.
14. Closed projects did have readily available completion reports in the online systems (along with annual progress reports, final reports, technical reports, financial summary reports, and audit reports). Where key documentation was not already posted online, the ES and TFM were generally able to provide these on request.
15. The inclusion of 13 summary and 12 carefully selected in-depth country case studies, with analysis across the cases to a degree, overcame the challenge of generalising findings to the broader group of LDCs and recently graduated countries. A scoring methodology to assess both results and the strength of underlying evidence for each of the results facilitated the validity, analysis, aggregation, and synthesis of findings. Despite the validation of the scoring within the evaluation team, the interpretation of the scale nevertheless

remained subject to the country context (e.g. relative progress in highly unstable FCAS) as well as professional judgement of the expert.

16. The utilisation of three separate e-surveys (1) global survey (27% response), (2) country survey (overall 34% response, with 73% country coverage) and (3) staff survey for the ES and TFM team increased coverage across the portfolio even beyond the 25 selected case studies and compensated for the need to conduct remote data collection due to COVID-19 restrictions. While the response rate for the surveys increased through the extension of the response periods and reminders both electronically from the survey platform and communications from the ES, the response rates remained modest. The global survey had a weaker response rate from EIF partner agencies and donors, as compared with LDC representations. The survey data was complemented by interviews and focus group discussions, also with these two groups of stakeholders. Therefore, it is also critical to retain this data as a part of the report, even, or especially as it tends to be more critical than the views of the LDC constituency. The amount and type of data collected also impacted the network analysis, resulting in a stronger representation of LDCs and their out-degree connections. While the country survey had a sufficiently good country coverage, it had a substantially weaker response from DFs (16 responses). Similarly, while the calculation of the response rate for the staff survey was not feasible given its dissemination through an e-mail link, the coverage was good in relation to the total number of staff, hence its justifiable representativeness. However, despite the use of a five-point scale, the responses skewed to the median and high, which was at times contradicted by the qualitative responses within the survey itself, as well as additional interviews and FGDs. This was addressed, to the extent possible, through triangulation and, ultimately, the prioritisation of more comprehensive and robust sources over anecdotal evidence from a single or small group of individuals. However, these qualitative remarks were retained to capture the views from these two groups that were less represented in the surveys.
17. As stated in the Inception Report, the evaluation did not attempt to isolate the EIF's contribution to trade impacts or livelihood benefits to final beneficiaries (including SMEs, women and youth), nor employed a counterfactual assessment. Information on the EIF contribution to relevant AfT initiatives generally was very difficult to come across.
18. Counting the actions for improving legislation, participating in fora, or leveraging finance were not sufficiently oriented to actual results, where an action could be anything from a donor meeting to a multi-million USD financing commitment. The EIF did make efforts, also through the revised reporting template, to improve the qualitative reporting underlying these quantitative figures. For similar reasons, none of the action indicators were therefore reported on in their quantitative form in the evaluation. Nevertheless, qualitative information was used, where valuable for illustrating the findings.
19. In this report, the more comprehensive and robust (e.g. macro-economic analysis, portfolio analysis, desk review) data analysis is presented first, followed by a comparison across the 25 summary and in-depth case studies, with the inclusion of more detailed case examples and interview data, where relevant. This approach ensures that all findings were also triangulated between and across sources.

3. FINDINGS

3.1 EIF Results

3.1.1 Relevance

20. This section addresses the relevance of the EIF support to LDCs (including recently graduated countries) in the rapidly evolving global context, including in relation to the COVID-19 pandemic. It covers the extent that the EIF, its objectives and projects targeted the needs of LDC governments as demonstrated in NDPs, trade policies and the DTIS AMs. It also assesses the extent the EIF addressed the needs of targeted beneficiaries, including the private sector and more vulnerable groups, including SMEs, women and youth.

Relevance in the global context

Since its inception, how relevant is and has the EIF been in the global context of support to the LDCs?

Alignment with the SDGs and LDC framework

21. **The EIF was uniquely placed among the SDGs and specifically mentioned in SDG 8.a.** The EIF was globally recognised in the IPoA and the AAAA, and specifically mentioned in SDG 8.a (“Increase AfT support for developing countries, in particular LDCs”) and remained at the heart of SDG 17 (“Partnerships for the Goals”). The EIF’s work was integral to achieving many of the other SDGs, including SDG 1 (“No poverty”), SDG 2 (“Zero hunger”), SDG 5 (“Gender equality”), SDG 8 (“Decent work and economic growth”), SDG 9 (“Industry, innovation and infrastructure”), and SDG 12 (“Responsible consumption and production”).⁹
22. **The EIF was generally aligned with the main principles of the IPoA, though the targeted number of LDCs to have graduated from LDC status was unmet.** More specifically, the EIF was aligned with the IPoA principles of (1) ownership and leadership by the LDCs themselves, and (2) the balanced role of the state and the market. Likewise, it supported an integrated approach to peace and security, development and human rights, genuine partnership and solidarity, result orientation, equity and effective participation, and voice and representation of LDCs. However, “[o]nly a third of LDCs met the graduation criteria between 2010 and 2020, well short of the IPoA target of half. Kiribati and Tuvalu sought delays to graduation, citing extreme vulnerability. A final decision was delayed until 2021. Vanuatu also sought an extension then was hit by cyclone Pam in 2017, when it was given a further extension until 2020. The COVID-19 pandemic meant a further delay in the graduation of Bangladesh, Lao People's Democratic Republic [Lao PDR], Nepal, and Timor-Leste”.¹⁰ The LDC share of global merchandise exports also remained at under one percent, far from the target of doubling their share in world trade by 2020. Interview data showed that the EIF should have been more firmly embedded in the targets of these various global action frameworks to better demonstrate its contribution to shared objectives, with a clearer definition of its role, in relation to its partner agencies, specifically the WTO, UNCTAD and the United Nations Development Programme (UNDP) in the case of graduation support specifically.

Adapting to evolving trade context and challenges, including COVID-19

23. **The EIF substantially increased its thematic coverage, also with a view to adapt to evolving external circumstances and challenges.** At the time of the Phase 1 evaluation, this related to a shift from export promotion to linking up to global value chains, addressing non-tariff barriers, as well as identifying opportunities provided through regional coordination and integration efforts. Interview data cited that “the EIF value was in its agility”. The new thematic priorities were approved by the partnership through the decision of the Board and were included in the EIF Strategic Plan 2019–2022. Indeed with the implementation of Phase 2, there was a refocus on global value-chains, regional integration, poverty and inclusiveness (e.g. MSMEs), gender equality, and the environment, including climate change. Technology, notably e-commerce, were additional areas of focus. Moreover, the EIF began to take on topical issues under negotiation at the WTO. Finally, as a number of EIF countries were graduating, the EIF also extended support to these countries, working in partnership with the WTO, UNCTAD and UNDP. Based on interview data, some of these agencies did not consider that the EIF brought added-value in this or a number of the other, new thematic areas. Overall, the growing thematic focus areas were reflected in the country case study assessments, with almost all of the reviewed countries demonstrating a medium to high degree of alignment with these emerging EIF priorities.

Table 1: Average scores and number of case study countries demonstrating EIF’s relevance to global contexts

Case study assessment criteria	Avg score	High (#)	Med (#)	Low (#)
Adaptation to emerging EIF priorities (e.g. regional, value chains, gender equality, climate change)	3.6	2	21	2

⁹ EIF Strategic Plan 2019-2022

¹⁰ Gay, D. (2021).

Adaptation to changing global context, including COVID-19	3.2	0	21	4
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Note: Scores range from 1-5, with 5 being the highest.

Source: Country case study assessments.

24. **The significant growth in thematic focus areas and sectors covered under Tier 2 productive capacity support in Phase 2, may have over-stretched both the mandate and limited resources of the EIF.** While the new thematic priorities were officially approved by the partnership through the decision of the Board and were included in the EIF Strategic Plan 2019 – 2022, many of the interviewees questioned the rapid growth in thematic focus areas and Tier 2 activities, while the EIF budget stagnated. The overall budget for country activities was reduced from Phase 1 to Phase 2 by 33%, with Tier 1 activities receiving a 57% budget and Tier 2 activities a 40% allocation reduction in the second phase. An additional \$19.4 million was allocated for regional and combined Tier 1 and 2 projects in order to stretch the impact of limited funds. The partner agencies, in particular, felt that the EIF had expanded its focus beyond the original institutional strengthening intention into their own, particular areas of expertise. At the same time, the EIF fund-raising targets were tempered and limited progress was made on leveraging additional resources. The revised Programme Framework Document envisaged 60 to 79 Tier 2 projects to be funded based on projected Trust Fund resources of \$274.5 million and \$320.75 million. Given the lower than anticipated donor commitments at the start of the Phase 2 the Tier 2 individual project ceiling was reduced from \$3 million to \$1.5 million to promote equity in access to the facility.
25. **Most recently, the EIF had to adapt to the COVID-19 pandemic.** The case study countries generally reflected adaptation and flexibility in the face of new contextual challenges. This also applied to the considerable challenge of the COVID-19 pandemic that affected every aspect of EIF—from the Board level to national projects, to individual traders as beneficiaries. The ES and TFM responded actively to the threat posed by the pandemic. In the early aftermath of COVID, a joint Task Force between the two entities was established to design and implement the EIF Business Continuity plan at the programme and country level, as well as providing regular updates to the Board. The EIF was also represented on the WTO COVID Task Force. As the pandemic grounded international flights and forced a digital leap on LDCs, the EIF was able to adapt its ways of working, holding monitoring missions and training sessions remotely, and ultimately still (cumulatively) increased the number of beneficiaries it could engage with.
26. **While the COVID-19 pandemic has wrought havoc on societies at large, placing immense added pressure to where capacity was already weakest, the EIF as a programme survived the epidemic relatively unscathed.** Activities in several partner countries were delayed or extended, with the process duly facilitated through quick adaptation by the programme management. In these countries, the outlook remains cautiously positive. In other countries, there have been significant setbacks with forced staff reallocations due to politicians or officials falling ill. Where possible, the ES and TFM actively pushed for the reallocation of funds for modalities that were better suited for delivery in a hybrid model.

Textbox 1: COVID-19 effect on EIF implementation

The effects of the COVID-19 pandemic and the resultant policy responses have a significant shock to global trade, including in LDCs. It has also disrupted the lives of ordinary people, businesses and governments in the world. Based on the country case study analysis, the effect on the delivery of projects was moderate overall (3.1). While the short-term disruptions were at times severe and necessitated no-cost extensions in many cases, these were mostly well managed and mitigated to a reasonable degree, through the use of online meetings for stakeholder consultations. The longer-term sustainability of EIF results was judged to have been impacted more materially, with the global market price of key export commodities, such as cashews, having decreased.

Alignment of EIF operational principles to the needs of LDCs

How relevant are the EIF's operational principles to the needs of the LDCs?

27. **The EIF's three operational principles set out in the Medium-Term Strategic Plan 2019-2022 (partnership, ownership, and results) remain highly relevant to the participating LDCs and recently graduated countries.** However, given the size of the challenge that countries are facing in addressing their trade capacity constraints, especially following the COVID-19 pandemic, the ability to bring together all major actors in the partnership to effectively collaborate and coordinate efforts will remain of paramount importance. Partnership is globally considered to promote as an essential requirement to achieve sustainable development and figures as SDG 17. At its essence, partnership entails that by pooling diverse resources, more can be achieved than by working alone. The EIF partnership and its composite relationships evolved substantially from Phase 1 to Phase 2. However, there was limited reflection and review of how that partnership could continue to collaborate efficiently and effectively, with a clear definition of roles and responsibilities between the different EIF constituencies, with a concomitant division of labour. Within Partner agencies, whether the original or additional, new partners contributed significant expertise to the partnership.
28. **Country ownership, as demonstrated by the appetite to develop and maintain the capacity to implement projects, has taken a large leap forward during Phase 2 of the EIF.** (See also discussion on integration of NIAs in government structures under section "3.1.1 Relevance, *Trade coordination structures*") However, indicating demand for more activities and inputs should not be a sufficient precondition to posit ownership for the development of such fundamental capacity. Where the EIF has been most successful, the national government actively owned the change process and integrated the tools and methods into its own policy development cycle. In many EIF countries, this level of commitment will remain difficult to achieve for a number of reasons, including structural or political factors. Political will was a key criteria of success (see discussion on *Economic, Political and Security factors* under section "3.1.4. External Constraints to the achievement of EIF Results and Impact"), irrespective of the total amount of EIF support provided. Consequently, the approach and offering should be tailored accordingly.
29. **With the maturing of its Phase 2 portfolio, the EIF began to demonstrate how its results can deliver sustainable impacts for recipient countries using trade for development.** The headlines for some of the main achievements in select countries were impressive, but there was an ongoing concern about the ability of the EIF to broaden its results base. The analysis suggested that an increasing number of countries were advancing on the right trajectory, with half of the countries reviewed rated positively for their integration of EIF initiatives into government priorities, activities, structures, and processes. (See also discussion on Trade Mainstreaming under section "3.1.2 EIF Effectiveness, *Outcome 1: Improved Trade Environment*".) Yet, this remained a necessary precondition for the attainment of the transformative higher-level impacts that the programme was after. The redoubling of efforts and diligence in actively managing towards and monitoring the attainment of results at the outcome and impact levels was required at all levels of the EIF governance structure, from the Board down.

Alignment with the priorities and needs of government

30. **The EIF was relevant for governments' needs and priorities, as defined in national development and trade policies.** This was collectively supported by the EIF monitoring data, evaluation survey responses and assessment across the case studies. Based on the country case studies, which represented half of the entire EIF portfolio, 100% of the country cases demonstrated EIF alignment with national priorities and needs, as defined through the integration of trade into NDPs, introduction of national trade policies and strategies, as well as mainstreaming of trade in sector-specific plans. Moreover, over 90% of the case study countries also demonstrated alignment with the needs of the private sector and civil society, but with less than a tenth demonstrating strong alignment (compared with nearly half in terms of alignment with national priorities and needs).

Table 2: Average scores and number of case study countries demonstrating EIF's relevance to local contexts

Case study assessment criteria	Avg score	High (#)	Med (#)	Low (#)
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Alignment with national priorities and needs	4.4	12	13	0
Alignment with needs of private sector and civil society	3.6	1	22	2

Note: Scores range from 1-5, with 5 being the highest.
Source: Country case study assessments.

31. As noted above and shown in Table 2, the EIF continued to remain relevant for governments needs and priorities. This alignment was also documented by all three previous evaluations. Furthermore, a majority of respondents from the global survey strongly agreed on the subject matter. In a similar vein, and based on the staff survey, over 95% of ES and TFM staff either agreed or strongly agreed that EIF facilitated relationships with country capitals and representations in Geneva. Likewise, almost all of the respondents to the country survey considered that EIF support was either aligned or very aligned with the Government's trade-related priorities and needs. The exceptions were donor responses from two countries, who were more critical of EIF alignment with national priorities.
32. **The DTIS/U and AM was well-aligned with government priorities and needs.** Almost all country survey respondents considered this alignment very high, which was also confirmed across the case studies.
33. **There was demonstrated alignment between national development objectives and trade-related objectives supported by the EIF.** By 2020, NDPs explicitly included trade-related objectives in 46 countries.

Table 3: Number of EIF countries with trade integrated into their National Development Plans

Type of plan or strategy	2015	2016	2017	2018	2019	2020	2023 (target)
National Development Plans	32	35	37	44	45	46	48

Note: An individual country can be represented in both indicators.
Source: EIF Annual Reports.

34. They also referred to the same sector priorities as the DTIS/AM and individual EIF projects in 45 cases. This alignment did not take place in 10% of all the countries supported, but EIF support only began recently in two countries (Angola and Timor-Leste) and some were also mired in conflict (e.g. Afghanistan, Yemen).

Table 4: Number of EIF countries with trade integrated into their Sector-Specific Strategies

Type of plan or strategy	2015	2016	2017	2018	2019	2020	2023 (target)
Sector-specific Strategies	29	32	34	41	44	45	48

Note: An individual country can be represented in both indicators.
Source: EIF Annual Reports.

Trade integration into sector-specific strategies

35. **The EIF identified several criteria that needed to be fulfilled for achieving alignment of trade and sector strategies.** According to the EIF Annual Report 2013, alignment implied that “there was an identifiable section in the PRSP/NDP relating to trade, that the DTIS cycle was aligned with the PRSP cycle, that the PRSPs/NDPs cover other national and international factors affecting trade (supply side constraints, such as infrastructure; demand side constraints, such as market access; and trade issues relating to local and regional markets in addition to the international level), and that trade was fully integrated into key sector strategies.”¹¹ The synchronisation of the PRSP/NDP and trade strategy development process was still

¹¹ EIF Annual Report 2013, p.14.

challenging in some supported countries, explaining the slow pace of meeting the target for all countries to have a quality trade strategy.¹²

36. **The influence of the EIF was nevertheless usually only implied, rather than explicit in sector strategies.** Few of the 12 in-depth country cases referred explicitly to EIF influence in the drafting of national objectives.
37. **The EIF standard service offer (DTIS, related capacity support) and requisite coordination structures did not always suit country circumstances. The risk of a “one size fits all” model persisted.** As noted in the evaluation of Phase 1, it was specifically international experience that suggested that the first step required for improved trade was understanding the role trade can play in the economy, identifying the constraints to trade and setting priorities to tackle them. However, in some contexts, this analytical work was considered overly academic without offering practical solutions for implementation.
38. The DTIS was successful in a number of the case study countries, where it informed EIF projects and influenced National Development Policies, among others. Examples were the Gambia, where a link was drawn between the 2013 DTISU and Strategic Priority 8 on trade and investment in the NDP 2018-21, and Rwanda where the DTISU 2011 informed the National Export Strategy II. In contrast, the DTIS was less successful in countries like Sudan and Angola. In the former, the capacity was very low and there was limited uptake of the 2014 DTISU recommendations. In the latter, the level of organisational capacity was higher, but the perceived reliance for or need of EIF support was less. A key contributing factor was the level of ownership that the country assigned to the process and tools. For example, in Cambodia, the DTIS process was fully internalised as part of the government’s policy development process.

Trade coordination structures

39. **Most countries established the requisite EIF structures as set out in the NIAs, including the EIF Focal Point (FP), National Implementation Unit (NIU) and National Steering Committees (NSCs).** The number of FPs, NIUs and NSCs increased proportionally with the increase in EIF Tier 1 support through Phase 1.

Table 5: Number of EIF Countries with EIF NIUs integrated into the government system

2008/9	2015	2016	2017	2018	2019	2020	2023 (target)
<i>Number of countries with established NIUs or similar structures with NIU functions</i>							
	6					46 ¹³	
<i>Of the above, number of countries with NIUs integrated into government systems</i>							
	6	8	15	29	35	40 ¹⁴	40

Source: EIF Annual Reports and Master Results Database.

40. **The number of EIF-supported countries that established an EIF NIU gradually increased since 2009, gaining momentum in 2011.**¹⁵ At the end of Phase 1 there were 6 NIUs. By 2020, there were 40 NIUs out of 51 EIF countries with such structures considered as integrated into government systems. On the one hand, integrated NIUs promoted the use and strengthening of government structures and systems (e.g.

¹² EIF Annual Report 2013, p.30

¹³ Derived (aggregated) figure based on data available from EIF Master Results Database.

¹⁴ The EIF Programme Logframe Explanatory Note defines NIU integration as meeting 4 out of the 5 formal integration criteria: (i) the NIU is physically housed in a government ministry/on government premises; (ii) government officials form part of the NIU; (iii) the NIU is formally in the ministry organigramme and/or there is a formal ministry/government decision for the integration of the functions and tasks of the NIU; (iv) the NIU has a role in coordinating technical assistance, and/or other roles for the ministry; and (v) the NIU team facilitates the coordination of inter-sectoral bodies related to trade. A sixth element, “additional demonstration”, has been introduced. Solely basing on the 5 formal criteria set out in the logframe, there are 37 countries meeting at least 4 of the formal integration criteria. When adding the “additional demonstration” element, three more countries can be considered to qualify: Mali, Mauritania, and Sao Tome and Principe.

¹⁵ EIF Annual Report 2013, p.11.

procurement processes, staff skills). On the other, in lower capacity environments, there were significant fiduciary risks involved and consultants frequently supplemented this missing capacity, based on interviews. Arguably, in countries with greater capacity, where NIUs were fully integrated into government structures, the NIUs introduced by the EIF were made redundant through their assimilation into government structures, also avoiding any potential duplication of responsibilities. In lower capacity environments, the capacity support provided was still required.

41. The evaluation of EIF Phase 1 noted that the operation of the NIU (along with the DTIS process and operation of the National Steering Committee) acted as a common platform for interaction and coordination efforts, which resulted in building a common understanding of trade issues and a foundation for formulating trade strategies. However, a number of issues were cited to threaten the sustainability of NIU capacities, including staff turnover, the separation of NIUs from some key ministries, and limited resources, among others.
42. **National implementation arrangements were integrated into government systems to varying degrees across EIF countries.** As noted above, to date, 40 countries have NIUs or functions of NIUs integrated into the government systems (or 37 if the qualification was restricted to the 5 formal integration criteria set out in the programme logframe). At least three quarters were physically housed in a government ministry, had government officials forming part of the NIU staff, or the NIU had a role in coordinating trade-related technical assistance. A great majority (67%) had the NIU team facilitating the coordination of inter-sectoral bodies related to trade. However, less than half had the NIU formally integrated in the ministry organigramme and/or had a formal ministry/government decision for the integration of NIU functions/tasks. Country survey data also showed that only around a fifth of respondents were affirmative that the NIU and Focal Point were delivering their intended mandates and governance functions, with the proportion of affirmative responses slightly higher for the latter. Interestingly, a significantly higher proportion of respondents (81%) were in agreement of the National Steering Committee's satisfactory performance against its mandates and governance functions. In some countries, such as in Cambodia, the Lao PDR, Rwanda, and Vanuatu, the NSCs branched outside of the EIF and were an integral feature of other donor/development partner support. In a similar vein, there were positive outcomes from sustainability grants in some countries, including in terms of enabling relevant ministries to strengthen their institutional coordination mechanisms for trade development and investment (e.g. Liberia) or enhancing their capacities to implement donor-funded projects on a larger scale (e.g. Cambodia); trade mainstreaming (e.g. Uganda); and increasing country participation in international/regional trade and value chains (e.g. Burkina Faso, Comoros). (Please also refer to Volume 2.)
43. **The effectiveness of the NIU model was mixed at best and varied across country contexts.** This echoed the evaluation of EIF Phase 1. In some countries, the integration of NIUs into existing ministry structures was vital for performance and sustainability (e.g. Cambodia, Lao PDR, Vanuatu). In others, NIU operations outside of existing structures or the slow progress in the establishment of NIUs generated limited ownership and/or progress on results at country level (e.g. Sudan, Afghanistan).
44. **The number of EIF countries with trade coordination mechanisms also grew steadily, but some struggled with regular attendance, as well as the actual and timely coordination of efforts and resources.** Almost all of the case study countries mounted trade coordination mechanisms. However, they differed in their composition, the position of the chair, seniority of representation, attendance by different agencies, frequency of meetings, as well as the integration degree of private sector and civil society groups, especially those representing more vulnerable groups (e.g. SMEs, women, indigenous groups). The coordination structures did not always meet regularly with sufficiently high-level and regular attendance. While this reflected adaptation to different circumstances, it also meant that in a number of instances across in-depth case studies they constrained the quality of meetings and follow-up.

Table 6: Number of EIF Countries with effective trade coordination mechanisms

2008/9	2015	2016	2017	2018	2019	2020	2023 (target)
	30	33	36	38	44	45	48

Source: EIF Annual Reports.

45. **Inter-ministerial and cross-government coordination continued to be a challenge.** In Cambodia, the Ministry of Commerce created a network of liaison officers from seven line ministries, with a view to building their capacity. This was the case even in countries like Lao PDR, which were looking to increase the cross-sector coordination of the Trade and Private Sector Working Group. In Zambia, coordination challenges were attributed to the limited prioritisation and designation of resources by other ministries to trade processes and issues. For instance, other ministries did not attend NSC meetings. The MCTI recognised that “they needed to do more trade mainstreaming work across government”.

Needs of final beneficiaries, notably the private sector and civil society

46. This section assesses the alignment of the EIF with the needs of final beneficiaries, including private sector and civil society. It also addresses the extent the EIF has given attention to social inclusion and ensuring equity among final beneficiaries, including more vulnerable groups, such as SMEs, women and youth.
47. **EIF countries established functioning public-private coordination mechanisms.** Based on EIF monitoring data, the related indicator was on target in 2020, with 45 countries self-reporting the existence of these mechanisms. This was confirmed by the case studies, where 21/25 countries had established related structures.

Table 7: Number of EIF Countries with quality functioning public-private coordination mechanisms.

2008/9	2015	2016	2017	2018	2019	2020	2023 (target)
	32	34	38	41	44	45	48

Source: EIF Annual Reports.

48. The approach in Lao PDR was particularly innovative, as the coordination mechanism was devolved sub-regionally through the network of local chambers of commerce.

Textbox 2: Private sector engagement through chambers of commerce in Lao PDR

The EIF in Lao has helped build the capacity of local chambers of commerce to organise and undertake successful local public-private dialogues. 25% of issues raised have been resolved, though it took longer than expected

49. **While the importance of the private sector was recognised, and representatives were included in the coordination mechanisms, the systematic representation of private sector views and reflection of their specific needs in trade-related reforms continued to challenge the EIF.** The limited role of the private sector was already identified as a weakness in the Phase 1 evaluation. The Compendium for Phase 2 encouraged much greater engagement with the private sector, foreseeing direct support to private sector associations as MIE and the leveraging of private sector finance. To date, however, there was only one private sector association (Global Shea Alliance) acting as MIE. The Compendium nevertheless rightfully forbade the direct funding of companies. All of the EIF monitoring data and evaluation survey responses distinguished the high level of alignment with government versus the lower level of alignment with private sector needs. The composition and degree of engagement of the private sector coordination mechanisms varied widely and, in some cases, declined over time (e.g. Zambia). Often, private sector was represented by the chambers of commerce, based on the case studies. Nevertheless, frequently, they did not represent the views of the large, predominantly informal private sector. These companies were not members of the chambers. At times, the chamber was even perceived to be a government institution, based on case studies and interviews. The weak organisation and voice of the private sector in LDCs was confirmed also by global interviews. The EIF also was not able to meet the financing needs of companies, especially those that were able to absorb private sector finance, though a start has been made with the World Investment Promotion Agency (WIPA) and UNCTAD to better engage and link into investment opportunities in the supported countries. (See also discussion on private sector finance under section “3.2.3 Sustainability, Co-financing and leveraging of additional finance”.)

50. **MSMEs were nevertheless an important, final beneficiary of EIF Tier 2 projects.** (See also assessment on Outcome 2: Achieving Results in Building Productive Capacity under section “3.1.2 Effectiveness”) In addition to the support to MSMEs, the EIF also worked with larger, lead firms to stimulate production (e.g. in Zambia). However, in at least two reviewed country cases, the failure by the NIU to incorporate private sector views in project implementation was raised.
51. **Engagement with civil society was very low and representation of their views was very limited.** This was indicated by all three surveys. On average, engagement with both private sector and civil society was a point lower than engagement with the government in both the country and global surveys, though the latter was slightly lower than the former. While there were eight civil society organisations acting as MIE, they were all international.
52. **Indeed, even in the DTIS/U process, the engagement of the private sector and civil society was also considered to be weaker.** While the government perspective was considered more positive on their formal inclusion in the process (average case study score of 3.4/5.0), the non-governmental perspective was more sceptical (average case study score of 3.1). The survey responses were more upbeat, with a high degree of their perceived integration, but they also predominantly reflected the governments’ view.
53. **The inclusion of women-led organisations, associations and or cooperatives as part of the NSCs remained limited.** In 2020, about half of the EIF countries recorded having either women or women groups represented on the NSCs. However, based on the case studies, information on both NSC composition and specifically the empowerment of women in these bodies was limited and undetailed. In the case of Burkina Faso, representatives were vaguely described as either members of ministries, private sector or civil society. This was in contrast to Cabo Verde’s experience where the representation of women-led CSOs in the NSC was clearly identified, but not reported to the ES. By and large, an inclusive NSC had the potential to contribute towards advocating for a gender-sensitive lens in trade policy making as well as project design and implementation.

3.1.2 EIF Effectiveness

54. This section explores the extent to which the EIF achieved its sought objectives, in relation to both institutional and policy objectives (Tier 1) and productive capacity building (Tier 2). It also assesses how the EIF’s analytical tools and projects contributed to the achievement of associated results. Overall, Tier 1 projects were slightly more performant (average score of 3.4/5.0) than Tier 2 projects (average score of 3.3) across the country case studies.

Outcome 1: Improved Trade Environment

55. There were 195/305 (67%)¹⁶ Tier 1 support projects, absorbing 43% of the total EIF budget. Under Tier 1 institutional strengthening, the strongest performance was recorded in trade mainstreaming (score 3.7), training (score 3.5), policy reform (score 3.4), and information dissemination and awareness raising (score 3.4). The weakest results were recorded in the EIF contribution to regional objectives and participation in international trade fora (with scores of 3.2 and 3.1, respectively).

Table 8: Average scores and number of case study countries contributing to EIF institutional and policy objectives

Case study assessment criteria	Avg score	High (#)	Med (#)	Low (#)
EIF contribution to trade mainstreaming	3.7	3	20	2
EIF contribution to policy reform	3.4	1	23	1

¹⁶ As of the list of projects in April 2021 shared by the EIF ES, the number of projects totalled 290. In earlier correspondences, the total number of projects conveyed to the evaluation team was 305.

EIF contribution to participation in international trade fora (e.g. WTO)	3.1	1	17	7
EIF contribution to regional objectives	3.2	1	19	5
Training participation and uptake/ outcomes	3.5	2	18	4
Information dissemination and awareness raising	3.4	3	18	3

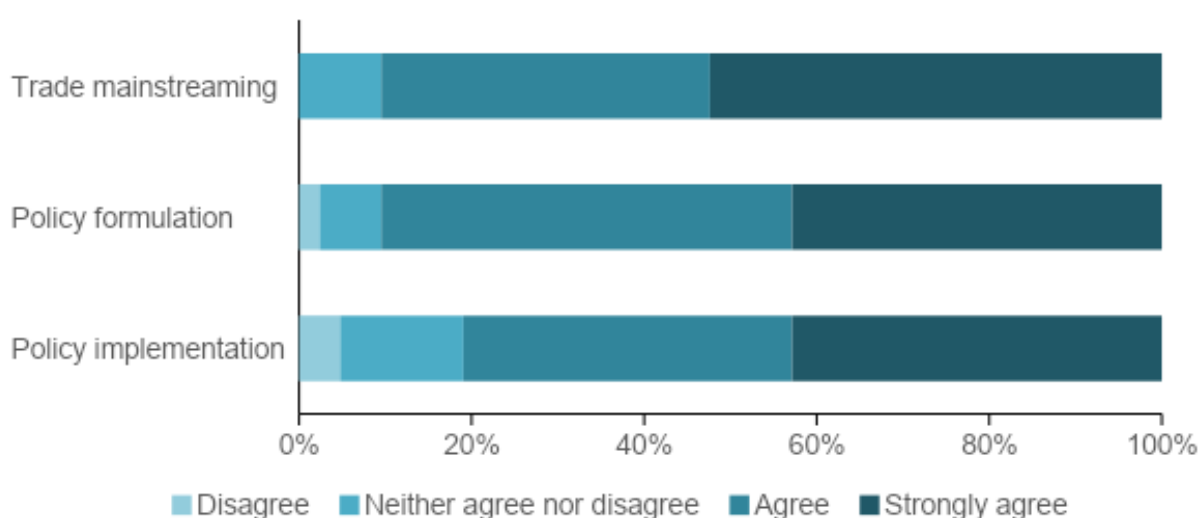
Note: Scores range from 1-5, with 5 being the highest.

Source: Country case study assessments.

56. Each of these areas is explored further below.
57. **The strongest results were obtained in the mainstreaming of trade.** As noted in section 3.1.1, trade has been successfully integrated into national development and sector-specific plans. Of all the 25 case study countries, 3 countries had successfully mainstreamed trade and 20 to an extent; two had somehow fallen short of integrating trade into their development planning.
58. Based on the country survey, most respondents also strongly agreed that the EIF had contributed to trade mainstreaming and 90% either agreed or strongly agreed that the EIF had contributed to this front. Around 10% less felt the same about policy implementation and twice as many did not have an opinion on the matter.

Figure 1: EIF Contribution to Trade Mainstreaming and Policy Objectives

EIF Tier 1 projects (policy, coordination and capacity support) are delivering results in the following areas:



Source: EIF Evaluation Country Survey.

59. **The DTIS was a powerful analytical tool, but neither the process nor the product was well suited for the identification or particularly implementation of priority reforms.** The DTIS process, which was rolled out either as a DTIS, DTIS Update or both, was useful as an analytical product, and rated highly in the case studies for “increasing knowledge” and “mainstreaming of trade” (each with a results score of 3.7/5.0). However, it was rated notably lower in terms of programmatic considerations, with three and one FCAS countries,¹⁷ respectively, being rated as low performers in the categories of “prioritised interventions” (3.3) and “programming plan” (3.3). The lowest overall score in the DTIS review as part of the case study analysis was recorded in the criteria of the “extent of implementing the AM” (2.7), which underlined the challenge that

¹⁷ Using the Fragile States Index 2021.

most EIF countries continue to face. Some key exceptions were seen in cases where the DTIS was fully owned by the government, such as in Cambodia.

60. **Most EIF countries have updated their trade-related legislations, regulations and policies with EIF support.** In particular, the EIF contributed to policy reform at least to some extent in all of the 25 case study countries. Accordingly, the reforms were undertaken with varying degrees of EIF support, ranging from drafting strategies to funding the printing of related government publications.
61. The number of trade and investment policies that were formulated and updated grew steadily over time, largely in line with set targets (Table 9).

Table 9: EIF Performance on key Tier 1 Indicators

	2008/9	2015	2016	2017	2018	2019	2020	2023 (target)
Number of quality trade and investment policies formulated and updated with support from the EIF	6 of 36	19	21	29	39	44	46	48
Number of trade and investment-related regulations adopted					19	36	44	40
Number of DTIS developed/updated with support from the EIF		26	29	34	41	45	47	49

Sources: AR 2018, AR 2020, MTR 2012, stakeholder interviews.

62. Likewise, the adoption of related regulations grew and superseded the final target set in 2023. In Togo, the national trade development policy in force since 2011 helped reach important achievements, such as the creation of a business in less than 24 hours and at a lower cost. This raised Togo to the rank of first reformer in Africa and third in the world, according to the Doing Business 2020 ranking.
63. According to the Empower Women, Power Trade project, 17 trade and investment policies mainstreamed gender issues. The Empower Women, Power Trade project assessed country level digital trade policies with respect to the inclusion of gender dimensions with positive indications of the inclusion of women in policy and regulatory frameworks around the digital economy. In Burundi over 50%, and in Ethiopia more than 80% of such frameworks include a reference to gender. While it was reported that, as a result of the Empower Women, Power Trade project, “88,000 women were trained in value-chain practises to grow their business and access new markets”, it remained unknown whether the training actually led to this. Hence, the extent to which the Empower Women, Power Trade project was successful remained undetermined.
64. **While a quarter of trade policy reforms could be traced directly to EIF’s influence, most frequently the EIF contributed to these reforms with others.** Direct support for the designing and drafting of new policies and regulations was provided in the Comoros, the Gambia, Guinea-Bissau, Solomon Islands, South Sudan, Sierra Leone, and Togo from the country case studies, as well as Lesotho, Mali, Nepal, and Vanuatu, based on the EIF monitoring data. While EIF monitoring data indicated an EIF contribution in all recorded cases of policy and regulatory reform, based on the qualitative description, most commonly, support was given through document review by the NIAs and organising stakeholder consultation meetings, also indirectly through the DTIS/U. Financing for the actual reform process frequently came from another source (e.g. Kiribati, Lao PDR). In Lao PDR, most of the substantive support to trade policy reform, including implementation, was done through the Trade Development Facility, a trust fund established in the framework of the EIF which gathers donors coalescing around the implementation of the DTIS and DTISU
65. **Implementation of actual reforms remained a challenge.** While almost all of the case study countries had successfully mainstreamed trade, developing related policies and actually implementing the required reforms proved more challenging, as indicated by the relatively lower number of case study countries adopting reforms. Implementation challenges were witnessed in most of the 25 country case studies. Some of the reasons included the lack of political will, as well as fiscal and resource constraints. Staff turnover from policy

champions to NIU staff was also a major impediment. In Guinea-Bissau, while several laws and policies were formulated by the NIU with support from international technical assistance (e.g. on cashew commercialisation, products inspection, competition, and handicrafts), the only law approved was one regarding cashew commercialisation.

Regional objectives and opportunities

66. **The opportunities provided by regional programming through their inclusion as a priority theme in EIF Strategy 2 were not yet fully implemented.** Regional integration can facilitate countries' access to the global trading system by increasing the size of markets, improving their competitiveness, and enhancing regional connectivity and intra-regional trade. Regional projects can also promote efficiencies at scale, especially in regions with small economies. The EIF only supported a total of 16 regional projects, accounting for 4% of the total EIF operational budget (or 8% of the total Phase 2 budget). As regional programming was only introduced in Strategy 2, it was a relatively new modality, so for many projects, 2020 was the first year of operation. Almost all of the case study countries demonstrated a limited EIF contribution to regional objectives. Under the effectiveness criteria, "contribution to regional objectives" also recorded the penultimate lowest average score at 3.2.
67. **Regional programming tended to still focus on multi-country interventions rather on promoting regional integration.** The limited number of regional projects were namely multi-country interventions, rather than supporting regional or sub-regional trade agreements and trade integration efforts, though this may have also reflected the lack of a related indicator and monitoring. Support areas included women's economic empowerment, trade facilitation (see paragraph 70), agri-business, and various analytical products.
68. **Regional or sub-regional integration efforts or trade agreements were nevertheless supported through existing institutional capacity support projects.** Formal EIF partnership agreements were signed with COMESA and PIFS, but cooperation extended also to the ASEAN, AU (notably in the framework of the Comprehensive Africa Agricultural Development Programme, CAADP), AfCFTA, COMESA, EAC and PIFS, in close partnership with the STDF, UNESCAP and UNCTAD, among others. At the national level, a number of EIF Tier 1 projects supported the engagement of the countries within the negotiations for the AfCFTA and other regional agreements (e.g. in Sierra Leone, Rwanda, Zambia). Activities related mainly to participation in relevant meetings and workshops, though an EIF contribution was recorded also for the ratification of the AfCFTA in Central African Republic, Chad and Democratic Republic of Congo, as well as the signature of the PACER Plus agreement by Kiribati. Moreover, regional integration was a topic addressed in DTISs (e.g. Burkina Faso). The overall activity level remained largely constant from 2017–2019, with a 50% decline in 2020, presumably due to the COVID-19 effect on travel. Interview data cited that it was nevertheless difficult for the EIF to support RECs as not all members were LDCs and EIF support was channelled mainly through countries. Others suggested that this should not have been an impediment, with options to work through variable arrangements with individual countries in a given economic bloc, as was the case in the West Africa trade facilitation project.
69. **The Pacific region was a good example of regional cooperation.** The Pacific Islands Forum Secretariat (PIFS) had a formal agreement with the EIF and held a more central and engaged role in the EIF network than other RECs. Support was provided for the Solomon Islands to accede to the interim Economic Partnership Agreement with the European Union (EU) as well as with Papua New Guinea and Fiji. NIU staff in Samoa contributed to the negotiation and conclusion of the Pacific Agreement on Closer Economic Relations Plus agreement (2017) aiming to achieve closer economic integration in the Pacific, along with Australia and New Zealand. The EIF also supported Samoa's participation in regional trade negotiations and in key WTO meetings throughout the life of a national project.
70. **Trade facilitation projects were also undertaken, though as an EIF Tier 2 intervention.** There was a total of 18 EIF supported trade facilitation projects across 12 countries and three regions (COMESA, West Africa, and Pacific). With regards to completed projects, a total of five trade facilitation projects were completed in two countries and one region. Disaggregating this, three of the five completed projects were among the two countries, while two of the five completed projects were within the one region. With regards to projects under implementation, a total of 13 trade facilitation projects are still under implementation in ten countries and three regions (with one project per country or region). Results on trade facilitation across the 25 case studies were also limited, with an overall case study score of 3.2. Six countries made relatively significant progress (The Gambia's new cargo complex for its international airport; Zambia's implementation

of the TFA; Solomon Islands' National Public Health Laboratory accreditation; Rwanda's cross-border trade; Lao PDR's public-private dialogue; Cambodia's Go4ECAM), while ten countries have either made less progress or did not have a trade facilitation project at all. The case study countries that benefited from trade facilitation support benefited particularly from the Pacific Quality Infrastructure Initiatives (Phase 1 and 2) and the regional trade facilitation project in West Africa. In the latter, progress was made in close cooperation with EIF partners, notably the World Bank and UNCTAD. Further collaboration with UNCTAD was also carried out to support trade facilitation through ASYCUDA-related activities.

Outcome 2: Achieving Results in Building Productive Capacity

71. There were 89/305 (30% of the full EIF portfolio) of Tier 2 projects, absorbing 50% of the overall EIF budget. Under Tier 2 (productive sector capacity), the strongest performance was recorded in support to value-chains and training (each with a score of 3.7). The weakest performance was recorded in EIF contribution to the adoption of new technologies and trade facilitation (each with a score of 3.2), following participation in trade fairs (score 3.3).

Table 10: Average scores and number of case study countries contributing to building productive capacity

Case study assessment criteria	Avg score	High (#)	Med (#)	Low (#)
EIF contribution to results in different value-chains (e.g. productivity, turnover, employment)	3.7	6	8	4
EIF contribution to the adoption of new technologies (e.g. e-commerce initiatives)	3.2	1	13	4
EIF contribution to trade facilitation	3.2	2	12	4
EIF contribution to training and skills in different value-chains	3.7	5	11	2
EIF contribution to participation in trade fairs	3.3	3	9	5

Note: Scores range from 1-5, with 5 being the highest.

Source: Country case study assessments.

72. This section will focus on results on the value-chain, training and e-commerce outputs.

Improved participation in value-chains and connectivity to global markets

73. **Most Tier 2 support focused on agri-business and value-chain support.** Nearly 80% of Tier 2 projects in Phase 1 (31 out of 39) were targeted to agribusiness, fishery development, industrial/export crops, textile/apparel, tourism, and other value chain support services¹⁸ with agribusiness alone accounting for less than half of this total. The cumulative share of these projects moderately declined in Phase 2 at around 51% (23 out of the 45 Tier 2 projects in Phase 2), driven partly by the introduction of projects targeted to business support services and institutions. Overall (and including projects that were implemented in both phases), agri-business and value chain support projects accounted for the lion's share (65% or 58 out of 89) of EIF's supply-side capacity support, which African countries benefitted from the most.¹⁹
74. **The agri-business interventions also enjoyed some of the largest budgets, extending beyond small, pilot initiatives.** Over phases 1 and 2, the cumulative budget for such projects amounted to \$96.8 million. The largest recipients include Benin, Mali, Burkina Faso, Chad, Guinea, and Nepal—each with over \$5 million of EIF aid targeted to agribusiness projects. In Africa, a shea value chain development project (Projet d'Appui au Développement de la Chaîne de Valeur-Karité pour la Promotion de l'Entrepreneuriat Féminin)

¹⁸ Including sector-specific feasibility studies, plant and post-harvest protection and pest control, and standards.

¹⁹ Including regional interventions, there are 59 agri-business and value chain support projects, representing 56% of Tier 2 and regional projects or over 20% of the total portfolio.

in Benin had a budget of \$6.6 million. In Asia, the “Implementing the NTIS in the Sector of Medicinal and Aromatic Plants” project in Nepal had an EIF budget of \$3.7 million. Arguably, these were no longer, small, catalytic interventions with the purpose of demonstrating results in order to catalyse further funding.

75. **The greatest EIF Tier 2 results were also achieved through agricultural value-chain support.** EIF support was provided through a wide range of value-chains, including cassava, mango, maize, rice, sesame, shea, soya, taro, tea, and textiles to demonstrate results and catalyse further support. 70% of the country survey respondents either agreed or strongly agreed that the EIF delivered results in the agri-business sector. Value-chain support was particularly effective in 6 country case studies and to some extent in 8.
76. **There are several examples of effectiveness across value-chain interventions, including EIF-supported activities, contributing to increased competitiveness and improved market access and therefore sales and income.** In Cambodia, the country’s rice exports increased by an estimated 150% over the course of a Tier 2 project. However, this success was met by challenges when the EU limited its volume of rice imports from Cambodia.
77. In Zambia, regional and international honey exports increased over six-fold, with the EIF-funded project considered as the main contributing factor to resulting improvements in quality, production and market access. Accordingly, processors reported a 76% improvement in quality. The project also exceeded the number of targeted beneficiaries (123%), 30% of whom were women. The SheTrades project generated sales of over \$3 million, created 128 new jobs (95 women) and facilitated exports to 13 regional and international markets in 2020.
78. In Burkina Faso, there were increases in sesame quality and yields, as well as in dried mango production and value-addition. Mango production expanded from 700 tonnes in 2014 to 2,774 tonnes in 2018. Likewise, the annual sesame production in 2012 was 100,488 tonnes, and by the end of the EIF-supported project, the average annual production exceeded 150,000 tonnes. EIF support permitted a one-person enterprise specialised in sesame oil production to become a 10 people enterprise producing sesame oil and other sesame products. However, issues of competitiveness in sesame production compared to other countries remained, such as in Ethiopia.
79. In other countries such as Djibouti which, given its geographic position and small size, was not able to diversify its production and was dependent on imports, Tier 2 projects were largely based on tourism development. The Solomon Islands also received substantial EIF support for tourism development with evidence suggesting that the National Tourism Legislation set up by the EIF formed the legal base for how tourism development was conducted in the country.

*Textbox 3: The case of soya in Togo***Projet de renforcement des capacités productives et commerciales de la filière soja au Togo**

Support to the soya sector in Togo was done throughout the value-chain, from testing the productivity of different varieties of soya, through to successful sales in export markets. The project supported the establishment of sector specific private sector representative bodies, including the Interprofessional Council for the Soybean Sector in Togo, the National Federation of Soya Bean Producers Cooperatives, the Togolese Association of Transformers of Soya Beans and the National Association of Soya Bean Traders-Exporters.

The soya project also facilitated access to credit for soya bean producers. 4407 producers (of which 1068 women) benefited from the production credit facility. The project negotiated credit worth a bit more than 281 million FCFA from commercial banks to put at the disposal of soya beans producers, substantially increasing the scale and sustainability of achieved benefits. The project also supported with negotiating export credit to be put at the disposal of soya beans exporters. 23 million CFAF had been mobilised through ORABANK out of the 500 million expected.

Productivity increased by 73% between 2015 and 2018, well exceeding the set target of 50%. Through participation in international trade fairs, a hundred contacts were made, resulting immediately in two delivery contracts (115 tonnes of organic soya beans for Holland and 500 tonnes of conventional soya beans for Vietnam) that continued into 2019. The total volume of soya bean exports grew by more than 80% between 2015 and 2018, increasing soya bean export earnings of 353% over the same period.

80. **Technologies introduced from EIF-supported projects ranged from improved seed varieties to farming techniques.** For example, Lao PDR recorded a 50% productivity increase for rice as a result of use of improved seeds and fertiliser (provided at a subsidised cost) and training in good agricultural practices. However, the use of climate-sensitive technologies or new, climate-resilient crop varieties was not mentioned in a single case study.
81. **Export promotion was one of the main mechanisms of EIF support.** Over 80% of country survey respondents either agreed or strongly agreed that EIF obtained results in this area. In Lao PDR, representatives from six villages participated in domestic trade fairs in 2020 to improve market access, leading to orders of approximately \$6,500 (i.e. for Ock Pop Tok) and, ultimately, increased sales for villagers. More broadly, however, participation in trade fairs was adversely affected by COVID-19 (e.g. Burkina Faso and Solomon Islands). The country case studies revealed a more moderate result on EIF contribution to participation in trade fairs (with an average results score of 3.3/5.0).
82. **Not all projects supported the entire value-chain, from producing to marketing,** with some focusing only on the former (e.g. Central African Republic, Solomon Islands) and others on the latter (e.g. Burkina Faso). For instance, interview data from Burkina Faso showed mixed assessments, with the value-chain approach regarded as “holistic, connecting production, transformation, export, and access to finance” on the one hand, but focusing only on traders and marketing on the other hand. Similarly, in Solomon Islands, interview data revealed that the focus was solely on production techniques, with no support in marketing.
83. **Even when employing a comprehensive value-chain analysis and approach, projects were still challenged in their ability to increase production and processing.** Key challenges included infrastructure constraints, price elasticities, and market conditions, notably competition from other markets.

Improved technology used in production and services (e.g. E-commerce)

84. Improved technology use in production and services in selected value chains was one of the key Tier 2 outputs and essential for improving productivity and improving environmental sustainability, whether in the form of agronomic technologies and practices, or the use of ICT. There were a number of EIF examples of technology use and adoption, ranging from processing equipment (e.g. from drying mango, producing shea butter), new planting practices (e.g. Guinea), packaging (e.g. Gambia) and ICT data management platforms (e.g. Burkina Faso). This section nevertheless focuses particularly on e-commerce, due to its relevance in

the COVID-19 context and to the expressed needs of the private sector. The global value of e-commerce is estimated to have reached almost \$26 trillion in 2018, equivalent to about 30 percent of world gross product.²⁰ LDCs are struggling to bridge the growing digital divide, with poor access to electricity, low high-speed mobile network coverage, high-cost access and low internet use, especially among women and in rural communities.²¹ E-commerce growth is further hindered by weak postal systems and inadequate regulatory frameworks.²²

85. **While EIF support to the digital economy and e-commerce occurred to a great extent through the financing of related readiness assessments by UNCTAD, there is evidence of several tangible e-commerce projects also being implemented.** The EIF has supported the implementation of the UNCTAD eTrade Readiness Assessment Programme initiated in 2017. Twenty-seven countries benefited overall, with 9 being funded by the EIF. The first eT Ready monitoring exercise targeted 18 countries that have benefited from an eT Ready Assessment as of June 2019.²³ Results were mostly analytical, including the conduct of eTrade Readiness surveys, a mapping of the demand for assistance with regard to e-commerce related activities, and the development of an action matrix of priority projects and programmes needed to support e-commerce development. According to an interview, “it is too early to say if support has been effective. Three to four more years of support could change the face of these countries”.
86. The EIF also collaborated with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) to produce an interactive guide to support readiness assessments on cross-border paperless trade, called the *Online Readiness Assessment Guide for Cross-border Paperless Trade*, released in the end of 2020. It supported countries in Asia and the Pacific to conduct self-assessments of legal and technical readiness on cross-border paperless trade, without the need for intensive physical travelling of experts. While the platform was established and related training conducted, there was no further evidence of its effects thus far considering its recent introduction.
87. **Digital trade and e-commerce were growing priorities in the national development agenda.** For instance, some of the key milestones in Cambodia’s e-commerce agenda were the introduction of the e-commerce and consumer protection laws, as well as the development of its e-commerce and digital economy strategies. In Samoa, EIF supported the development of the Trade Commerce and Manufacturing Sector Plan 2017/18-2021. The associated EIF project also led to a review of the country’s e-commerce laws and regulations by UNCTAD. Moreover, beyond these analytical contributions, tangible results were starting to emerge. For instance, through the Project to Support the Development of the Shea Value Chain in Benin, 60 women who received training on e-commerce were able to establish e-shops and subsequently reported increased sales of shea products.
88. **Progress was made in several of the reviewed countries to roll-out e-commerce platforms.** In Rwanda, together with the Ministry of Trade and Industry, the EIF supported four companies developing e-payment systems. Furthermore, in cooperation with the ICT Chamber, on-line platforms of companies increased from nine to more than 70. In Cambodia, the Ministry of Commerce through the Go4eCAM project rolled out a national marketplace platform which aimed to serve more than 250 SMEs.

²⁰ United Nations. (n.d.) *Enhancing international trade of LDCs and regional integration*. [Issues Note; Background Paper for the 5th United Nations Conference on Least Developed Countries.]

https://www.un.org/ldc5/sites/www.un.org.ldc5/files/theme_4_background_paper_on_trade_rev_ok.pdf

²¹ UNCTAD. (2020). *Fast-tracking implementation of E-Readiness Assessments*. https://unctad.org/system/files/official-document/dtlstict2020d9_en.pdf

²² UNCTAD. (2015). *Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries*. https://unctad.org/system/files/official-document/ier2015_en.pdf

²³ The countries covered are: Burkina Faso, Lesotho, Liberia, Madagascar, Senegal, Togo, Uganda, and Zambia in Africa; Afghanistan, Bangladesh, Bhutan, Cambodia, Lao PDR, Myanmar, and Nepal in Asia; and Samoa, Solomon Islands and Vanuatu in the Pacific Islands region. Out of these 18 countries, Samoa is the only non-LDC.

Textbox 4: COVID-19 and e-commerce

The COVID-19 crisis accentuated the need to accelerate digital transformation in developing countries and LDCs. Country experiences from Cambodia, Myanmar, Senegal and Uganda all highlighted the tremendous importance of greater public-private cooperation, affordable Internet connectivity, increased use of digital payment solutions, and incentives for digital innovation as good practices for a digital-led COVID-19 response and recovery strategy.

In Cambodia, digital start-ups helped blunt economic impact of COVID-19, and online grocery shops experienced three-digit growth during lockdown. Supply chains had to adapt to a sudden shift in quantities ordered under very strict hygiene measures, creating confusion in the first months, followed by an impressive capacity to re-organise the flow of goods, for the most part.

89. The above trend was accelerated by COVID-19. It is again, however, too early to tell what the lasting impacts of these initiatives are likely to be, given their recent attainment.
90. **EIF-participating countries also made progress in the implementation of related reforms, although these efforts were not necessarily funded by the EIF.** Cambodia and Togo were among the best performers, with 81% and 73% e-commerce reform implementation rate, respectively, based on a related monitoring exercise conducted by UNCTAD.²⁴ In Cambodia, interview data showed that there was a question of attribution of positive gains to donors, including the EIF and the EU, with late support and limited visibility of donors.
91. **The main identified constraint to limited support was the availability of EIF budget dedicated to promoting digitalisation and e-commerce.** Interview data cited that the EIF did not have enough resources to support even the e-readiness assessment more comprehensively. In addition to budget-related constraints, the necessary technical skill-sets within the ES to support countries in such interventions were not sufficiently adequate albeit efforts were made particularly through support from other agencies (e.g. with UNCTAD, UNESCAP and ITU). With a couple of exceptions (i.e. through the E-Infrastructure for Trade and Services Development project in Bhutan and Support to the Establishment of an Electronic Single Window System in Vanuatu), the EIF did not primarily have the mandate or resources to support countries in major ICT infrastructure investments, such as on the roll out of 5G networks in urban areas of major regional capitals in several LDCs for instance.
92. **At the country-level, the main constraints remained the lack of funding and institutional capacity in the implementation of related reforms.** The only notable exception was Cambodia, which was able to attract a satisfactory amount of technical assistance for implementation. Weak institutional capacities—whether that be limited prioritisation of e-commerce, unclear institutional responsibilities resulting in weak policy coordination mechanisms or poor inter-ministerial coordination—as well as issues with technical capacity retention due to staff turnover considerably affected the implementation of reforms.²⁵

Capacity building under outcome 1 and 2

93. **Capacity building was widely considered among the key achievements of EIF.** Country survey results showed that the majority of respondents *strongly agreed* that the capacity for trade policy formulation had been built, and similarly *agreed* that policy implementation, trade policy structures and procedures, and actual coordination had all been relatively strengthened. Eight of the case study countries also provided evidence for skills development across different sectors. According to interviews, strengthening ministries of trade was important and something that other agencies did not do.
94. **However, the capacity to implement and manage projects in many EIF countries remained inadequate.** Especially in low-capacity environments, implementation may require higher financial assistance and more hands-on support to complete on time. Capacity was also linked to staff that was likely to change over time, necessitating repeated training. Turnover of both political representatives and technical staff added further bottlenecks and eroded institutional memory.

²⁴ UNCTAD (2020).

²⁵ UNCTAD (2020).

95. **Training was one of the main capacity-building modalities of the EIF.** Based on overall EIF-reported data, by 2020, approximately 19,000 public officials and equal share of private sector and civil society representatives were trained, with 42% and 46% being women in these groups, respectively. The share of youth was substantially lower, being under 15%.

Table 11: Number of people trained in investment and trade-related areas

	2018	2019	2020	2023 (target)
3.3.a. Number of public officials (disaggregated by gender and age) trained in investment and trade-related areas	9,421	14,391	18,388	16,000
Female	4,645	6,304	7,717	7,038
Male	4,776	8,087	10,671	N/A
Youth	1,797	2,112	2,639	2,353
3.3.b. Number of private sector and civil society representatives (disaggregated by gender and age) trained in investment and trade-related areas to participate in the national trade agenda	10,615	13,620	18,971	16,000
Female	4,523	5,597	8,803	6,575
Male	6,092	8,023	10,168	N/A
Youth	766	1,196	1,846	1,405

Source: EIF Annual Reports.

96. **Training interventions were generally assessed positively, albeit lacking in evidence in terms of actual impacts beyond the number of people trained and generalisations on skills impact.** Accordingly, country survey data showed that 80% of respondents either *agreed* or *strongly agreed* that EIF interventions helped improve the skills and competencies of staff. The positive assessment on the contribution of EIF to training held true in both Tier 1 and Tier 2 interventions (with a case study result score of 3.5 and 3.7, respectively). In five of the country case studies, training was considered relatively effective and, in a number of cases, also fairly inclusive of more disadvantaged groups, including women. However, robust evidence on the quality and depth of training outcomes and associated impacts was considerably challenging to establish due to data availability and quality.
97. **There was little understanding of the relevance of EIF-funded training for and uptake among the participants themselves.** While the recent EIF Data monitoring toolkit included templates for post-training monitoring, post-training evaluations were conducted and related data gathering was a central component of training provided to projects in the last two years, post-training data was not yet systematically available. There was only extremely limited, anecdotal evidence of the relevance, uptake and satisfaction with the training provided. The particular experience and effect of training specifically for women was not monitored, despite the gathering of disaggregated training participation data. It was therefore difficult to draw conclusions and learn and improve the training provided by the EIF.
98. **Capacity building topics ranged widely, with a particular focus on project management, notably for Tier 1 interventions.** Topics ranged from technical trade topics to meeting ad hoc productive sector needs and project management. In Lao PDR, EIF's contribution to capacity building under Tier 1 was more focused on project management within the NIU, compared to technical skills on trade policy-making, etc. within the Ministry of Industry and Commerce, with capacity building on trade policy for staff typically carried out by other projects such as the Trade Development Facility II. Frequently, Tier 1 NIA support was used to fund specific, technical training needs of target groups in various sectors. The one-off nature of this type of training could not have contributed substantially to EIF objectives, unless it catalysed additional support.

99. **Despite the training efforts with public officials, notably on project management, capacity remained a major constraint to implementation of activities, including training.** These challenges extended beyond the skills of staff trained by the EIF. Government rules and procedures were often bureaucratic and slow. Procurement processes in particular were poor and budget thresholds were low, decreasing the efficiency of related decision-making. One example of this was in Comoros, where evidence suggested that the NIU had fairly cumbersome procedures, given these were set by the UNDP, in charge of implementing the Programme from 2011 to 2014 as the MIE. Civil servants were generally very risk averse and risk taking was not incentivised in government.
100. **In some cases, capacity challenges were overcome with political will,** as demonstrated in a number of EIF countries, like Cambodia, Lao PDR and Rwanda. For example, there was greater awareness in the ministerial hierarchy of implementation and staff was replenished. These countries also generated substantial results with EIF funding.

3.1.3 EIF Impact

101. Given the complex nature of the trading system, linking interventions to their results and ultimate effects across the economy and for final beneficiaries is an overall challenge for AfT programs and not a particular flaw of the EIF specifically.
102. According to the latest EIF Strategic Plan, the mission of the EIF is to empower LDCs to use trade and investment to integrate into global trade for sustainable development and poverty reduction. This was a major undertaking given that according to OECD data, the EIF contributes only about 1% of AfT targeted to the LDCs.
103. **Overall, verifiable and tangible EIF impact on the high-level goal of sustainable development and integration of EIF-participating countries into global and regional trading systems was limited across the 25 case studies.** Two of the case studies identified tangible positive impacts on sustainable development, while 15 suggested that results may be emerging over time. The estimated impact on the integration of LDCs (including recently graduated countries) into global and regional trading systems was among the weak areas assessed by the evaluation. Only one of the case studies considered that the country was integrated into the trading system, though 20 countries had made some progress in this direction. In at least one country, it was considered unlikely that any impact level results would materialise.

Table 12: Average scores and number of case study countries demonstrating EIF's contribution to sustainable development and integration into trading systems

Case study assessment criteria	Avg score	High (#)	Med (#)	Low (#)
EIF contribution to sustainable development	3.2	2	15	7
EIF contribution to integration into global and regional trading systems	3.2	1	20	4

Note: Scores range from 1-5, with 5 being the highest.

Source: Country case study assessments.

Sustainable development

104. **The evidence of EIF's impact was limited, but nevertheless meaningful.** This was an overall challenge for AfT programs and not a particular flaw of the EIF. The econometric analysis conducted as part of the evaluation of global data indicated some, limited and lagged, but time-durable effects that were linked to aid-for-trade spending, particularly in FDI attraction, industry's share in total value added, merchandise trade, and logistics performance, with regional divergences and temporal differences. On average, a doubling of AfT was associated with a 4.7% increase in total trade. Among EIF-participating countries, the positive effect of AfT was pronounced through services and merchandise exports for Asian economies, and primarily

through agricultural performance for African countries. For further details, please refer to the separate economic assessment annex in Volume 3 of the report.

105. **A doubling of EIF aid was statistically linked to around a 20% increase in total exports for those EIF countries with generally average and above average export volumes** (relative to all EIF countries). Considering the limited EIF budget, this was a meaningful increase. The evidence of this impact varied by region. African countries generally saw relative gains in goods exports, while Asian countries benefited more from services exports. Importantly, some benefits were time-lagged and/or were still in evidence at least two years following the EIF aid disbursements (e.g. services exports, FDI inflows and growth in total exports among Asian recipient economies). According to the EIF Annual Report 2020, it contributed to \$468 million worth of exports through its interventions, to date.
106. **Furthermore, EIF disbursements were linked with statistical significance to improvements in logistics performance.** This improvement was observable across all levels of logistics performance (EIF countries with relatively low, average, and high logistics performance) and across most types of performance areas, with regional differentials. However, for the lower set of performers, improvements in performance were relatively short term, lasting one to two years, on average, after EIF disbursements occurred. For average and high performers, the effect was longer lasting, including up to four years beyond EIF aid-spend, realised through quality of infrastructure and tracking in the early years and through ease of arranging competitively priced shipments and quality of logistics services in later years. By region, Asian economies tended to particularly benefit via the logistics performance impact channel, with the strongest effects observed in terms of tracking and infrastructure, two years after disbursement.
107. **EIF aid disbursements tended to promote growth in value added content of exports.** This was observed at both the country-level, via stories of change rising up from our case studies, but also through statistical analysis of the entirety of the EIF program around the globe (where data were available). The impact was realised five years after actual aid disbursement, on average, with effects observed for the EIF countries with the most average and highest performing export value addition proportions. Both African and Asian recipient countries tended to benefit through this channel, albeit with a stronger effect for the latter group of economies.
108. **Finally, the involvement of governments as MIEs of EIF interventions tended to facilitate total trade, as well as total exports, especially services.** Moreover, this governance structure had positive effects on logistics performance among non-FCAS countries. Similarly, the involvement of development partner agencies as MIEs was positively—albeit not statistically significantly—associated with logistics performance, both for FCAS and non-FCAS EIF aid recipients.
109. **Individual projects have demonstrated achievements in increased productivity, value-addition, product diversification, and market access, also specifically for women.** In Zambia, SheTrades (implemented by ITC from 2018 to 2020) was designed to enhance the skills of women entrepreneurs in the honey, moringa, textile, and garments sectors. Women ultimately benefited from increased access to international markets and jobs created (see section “3.1.2 EIF Effectiveness”). In Niger, the hide and skin project allowed access to new markets such as India, as well as resulted in a reported increase of export in hides totalling \$415,000. This allowed modern industrial units that were close to shutting down to restart, potentially facilitating further economic activity. Similarly, productivity and export capacity improvements in the Gambia resulted in increased turnover and employment.
110. **The EIF made a contribution to individual projects increasing employment, including for less advantaged groups** (e.g. women and women-led MSMEs). Across the portfolio, data show that EIF interventions have resulted in the creation of over 40,000 jobs, of which, around 13,000 have benefited women and youth, mainly through Tier 2 interventions (Table 13). More than 22,000 MSMEs—more than half of which were female-led—have similarly benefitted from EIF interventions.

Table 13: Number of Jobs Created through EIF interventions

	Total	Female	Male	Youth
Tier 1	1,953	482	561	23
Tier 2	39,775	12,557	6,517	180

Regional	210	210		
Total	41,938	13,249	7,078	203
Total (adjusted*)	31,454	9,937	5,308	152

*Reported figure is adjusted by EIF-ES to account for margin of error from differences in reporting.

Note: Figures refer to aggregated data from impact-level results (i.e. number of jobs created as a result of EIF project activities and excluding jobs created for project staff).

Source: EIF Master Results Database.

111. In Burkina Faso, there was an increase in the number of employees of the supported mango drying units which rose to 12,215 people, 600 positions being permanent and 91.6% being women. These employees also witnessed significant changes in their daily lives, such as improved income. The income obtained was reportedly used mainly for the financial needs of family members and the education of children.
112. In Rwanda, two modern cross-border markets were developed in Karongi, increasing cross-border exports to the Democratic Republic of Congo and Uganda. It was estimated that 75 million Rwandan franc (RwF) worth of trade was generated monthly. The government also benefited through tax revenues, collecting 3.5 million RwF per month from the Karongi cross-border market. The markets improved the economic welfare of the residents, especially women and youth, who have organised themselves in cross-border cooperatives.
113. **Impact was achieved particularly in cases where the EIF joined forces with broader programmes**, whether government or donor initiatives. In Samoa for instance, the Buy Samoa initiative (launched in 2013) resulted in an 11% increase in exports to New Zealand, while the wider Trade Sector Support Programme generated direct production volume equivalent to over 70 metric tonnes and exports (direct and indirect) equivalent to around \$0.484 billion over the period 2016-2019. International markets accessed include New Zealand, Australia, Vietnam, Tonga, and American Samoa.

LDC integration into global trading system

114. **Of the EIF countries, six²⁶ acceded to the WTO between 2008 and 2020, and three²⁷ are currently candidates.** South Sudan obtained WTO observer status in 2017 and a WTO negotiation technical working group was formed to handle the country's WTO accession issues. The EIF Tier 1 project supported capacity enhancement to South Sudan senior officials through the provision of in-country training on WTO negotiations, an established working group to get buy-in from key stakeholders and the drafting of key related legislation.
115. As already mentioned in section 3.1.1, the ambitious goal of the IPoA, enabling half the number of LDCs to meet the criteria for graduation by 2020, was likely to be met only by Bangladesh, Lao PDR and Myanmar. Three EIF countries graduated during the IPoA period (Samoa, Equatorial Guinea and Vanuatu). Another three are due to graduate in the near future (Bhutan (2023), Angola (2024), and Solomon Islands (2024)).
116. **Less effort and monitoring of progress on the negotiation and accession to various regional and sub-regional trade agreements were conducted.** There was no formal monitoring of these negotiations in the results framework, though evidence was compiled for the evaluation, based on request. An EIF contribution was recorded for the ratification of the AfCFTA in the Central African Republic, Chad and Democratic Republic of Congo, as well as the signature of the PACER Plus agreement by Kiribati. (See also discussion on Regional objectives and opportunities under section "3.1.2 EIF Effectiveness")

3.1.4 External Constraints to the achievement of EIF Results and Impact

117. This section reviews and summarises the external constraints to the achievement of EIF results and impact described above, including the role of security and political crises. It also addresses the coordination challenge with other trade-related support initiatives and donor-funded programmes. Furthermore, this section discusses the external coherence of the EIF overall, which limited the catalytic effects of EIF support that were a core part of its mission.

²⁶ Accordingly, Cabo Verde in 2008, Samoa in 2012, Vanuatu in 2012, Lao PDR in 2013, Yemen in 2014, and Afghanistan in 2016.

²⁷ Comoros, Equatorial Guinea, and South Sudan

Economic, Political and Security factors

118. **Over the past five decades, LDCs have made some progress, notably along the dimensions of poverty, health, education, and participation in the international trading system.** However, core challenges persisted and challenges remained, including with respect to the slow development of productive capacities and limited progress in growth-enhancing structural transformation. Low levels of labour productivity and human capital formation, as well as high poverty rates persisted. Many LDCs, notably SIDS, also remained highly vulnerable to extreme weather events and other external shocks, experiencing low resilience due to weak institutional development and limited resources and policy space. There was a widening income and development gap between most LDCs and developing countries.²⁸
119. **Trade played an important role in the development agenda of LDCs.** However, despite some progress, the share of LDCs in global trade remained extremely low and stagnated over the years. Merchandise trade predominated LDC trade, but trade in services was gaining significance, especially in recent years. Nevertheless, trade diversification remained a challenge. A host of structural vulnerabilities and supply-side constraints played a role in the relatively modest trade performance of LDCs. These include deficiencies in both hard and soft infrastructure, limited technological capabilities, low levels of private investment and growth, quality of human capital, and (for some) geographical remoteness.
120. **Contextual factors therefore played a major role in the achievement of EIF results.** Major factors based on both the economic analysis and case studies included geographic location, nature of exports (e.g. manufacturing, services, commodities), comparative advantage, graduation status, fragility, conflict, natural or human made disaster, and other capacity constraints. In particular, the strength of the economy (e.g. graduation status) and FCAS status appeared very influential in determining progress and achievements, as well as the degree of ownership over EIF NIAs. The extent of other trade-related programmes and donor funding was also influential. Similarly, market competition was a major factor constraining EIF project success, whether relating to cassava exports from China, or the competitiveness of sesame from Ethiopia. Whether political turmoil, growing insecurity or all-out war, a number of EIF countries have also faced major political and security challenges that have substantially affected implementation. (The COVID-19 crisis is treated separately in sections 3.1.1 and 3.1.2.)
121. **Political will, support and the role of individual political leaders, was very significant, both as champions and potential spoilers of trade-related reforms.** This applied also to the NIA structures. Notably, EIF FPs and NIU staff very frequently assumed powerful positions in government, serving as trade champions up to the ministerial level (e.g. Cambodia, Guinea-Bissau, Lao PDR, Mali, Niger, Senegal) On the other hand, interview data cited that “NIAs are, in principle, part of the government, but a new Minister could come and change everything”. In Burkina Faso, the new Minister of Trade was substantially less supportive of the trade agenda, contributing to the slow-down of implementation.

Textbox 5: Effects of waning political support for the trade agenda in Burkina Faso

The liberalisation of the maize market has been on the agenda for some time ad hoc export bans frequent. The introduction of a local customs system replacing the Automated System for Customs Data may wind up potentially reversing gains in streamlining customs procedures.

122. In Zambia, a deteriorating policy environment reduced the importance of trade and increased barriers to trade. In addition, the Ministry of Commerce, Trade and Industry was not a particularly powerful ministry relative to others (e.g. Ministry of Finance), which affected its ability to promote the trade agenda. This was the situation in many of the other case study countries as well, with particular challenges for cross-government, inter-ministerial coordination. The ministries responsible for trade often did not have the coordination and convening power required to advance trade-related reforms cutting across multiple sectors (e.g. agriculture, e-commerce)
123. **Competing priorities of government personnel and changes in management formed part of the challenges,** resulting in delays in the implementation of project activities, across a number of case studies.

²⁸ UNCTAD. (2021). The Least Developed Countries Report 2021: The Least developed countries in the post-COVID world: Learning from 50 years of experience. UN: New York.

SIDS had particular challenges with human resources due to the small size of their public administration entities. Interview data revealed that the main challenge was the lack of interest and involvement by main stakeholders in project identification and development processes. This may have stemmed from the limited budget size of the interventions, among other factors.

124. **Conflict and security issues were a major impediment to project implementation and could completely derail progress to date.** This is highly likely in Afghanistan, which also recorded the lowest results score overall (2.4) in the country case study assessments. However, even lower levels of political turbulence and insecurity influenced the pace of implementation. In Burkina Faso, the deteriorating security situation influenced the timely implementation of Tier 2 projects outside of the capital. Similarly in Niger, regional security concerns contributed to delays in implementation.
125. Health and natural disasters were other less well-appreciated disruptive factors, until COVID-19 demonstrated their highly adverse impacts. In Samoa, major disruptions included tropical cyclone Gita in February 2018 and the measles outbreak in November 2019 that led to project implementation delays. Likewise in Guinea, the Ebola outbreak affected implementation of project activities.
126. **The EIF was particularly challenged by implementation directly through government in low capacity environments, such as FCAS and SIDS.** There were 27 countries classified as either FCAS or SIDS that had governments as MIEs. These include the following:

Table 14: EIF Participating Countries with Governments as MIEs

Africa	Burkina Faso (FCAS)	Latin America & the Caribbean	Haiti (FCAS)
	Burundi (FCAS)	Asia	Afghanistan (FCAS)
	Cabo Verde (SIDS)		Lao PDR (FCAS)
	Central African Republic (FCAS)		Maldives (SIDS)
	Chad (FCAS)		Myanmar (FCAS)
	Comoros (FCAS & SIDS)		Timor-Leste (FCAS)
	Democratic Republic of the Congo (FCAS)		Yemen (FCAS)
	Gambia (FCAS)	Pacific	Samoa (SIDS)
	Guinea-Bissau (FCAS)		Solomon Islands (FCAS & SIDS)
	Liberia (FCAS)		Vanuatu (SIDS)
	Mali (FCAS)		
	Mozambique (FCAS)		
	Niger (FCAS)		
	Sao Tome and Principe (SIDS)		
	Somalia (FCAS)		

South Sudan (FCAS)

Sudan (FCAS)

Sources: Review of EIF project portfolio and country classifications based on data from the United Nations (SIDS) and World Bank (FCAS).

127. **Although managing conflict detracted attention away from trade and support to the productive sectors, several strategies emphasised the role of trade in the peacebuilding process.** In the Central African Republic for instance, Pillar 3 of the National Recovery and Peacebuilding Plan (NRPP), focused on fostering trade, investment and support to MSMEs. Likewise, the role of trade in peace development was recognised in the national development strategy in South Sudan's and Myanmar's DTIS.
128. **The role of EIF partners in supporting project implementation was stronger in more fragile and lower capacity environments.** In South Sudan for instance, the EIF interventions were implemented by the UNDP under a broader umbrella "Support to Inclusive Growth and Trade Capacity Development", which was necessary due to limited government capacity. This mechanism has promoted coordination between programmes in the particularly fragile environment. This case of EIF partner agencies taking the primary role as main implementers was also observed in SIDS.
129. **The capacity of donors was also more limited in FCAS environments.** In South Sudan, frequent flare ups of violence influenced donor coordination, as donors regularly had to leave the country.
130. **Countries experiencing multiple external crises, especially conflict, security threats, government instability, and natural disasters fared the worst.** Despite receiving the full-suite of EIF support, little reform progress was made in Haiti due to the persistent instability of the government, ecological challenges to the productive sector and repeated onslaught of natural disasters. Likewise, in Guinea, any limited progress made is at risk of being wiped out by the coup d'etat, with achievements shadowed also by Ebola and COVID-19. Any progress made in Afghanistan is likely to regress given the exacerbating circumstances.

3.1.5 External Coherence

131. The external coherence of the EIF—that is, the extent that it added value to other bilateral and multilateral AfT interventions—was a key principle and part of the programme's core partnership mission. It is also crucial for leveraging support to achieve results and impact at scale. Partnership is globally considered to promote as an essential requirement to achieve sustainable development and figures as SDG 17. At its essence, partnership entails that by pooling diverse resources, more can be achieved than by working alone. Key areas of concern for relationship management included organisation, trust, communication, accountability and learning. Relationships also evolved over time. (Burke, 128). The sections below assess the degree of EIF coordination with partner agencies and donors.

Coordination and collaboration with EIF partner agencies and donors

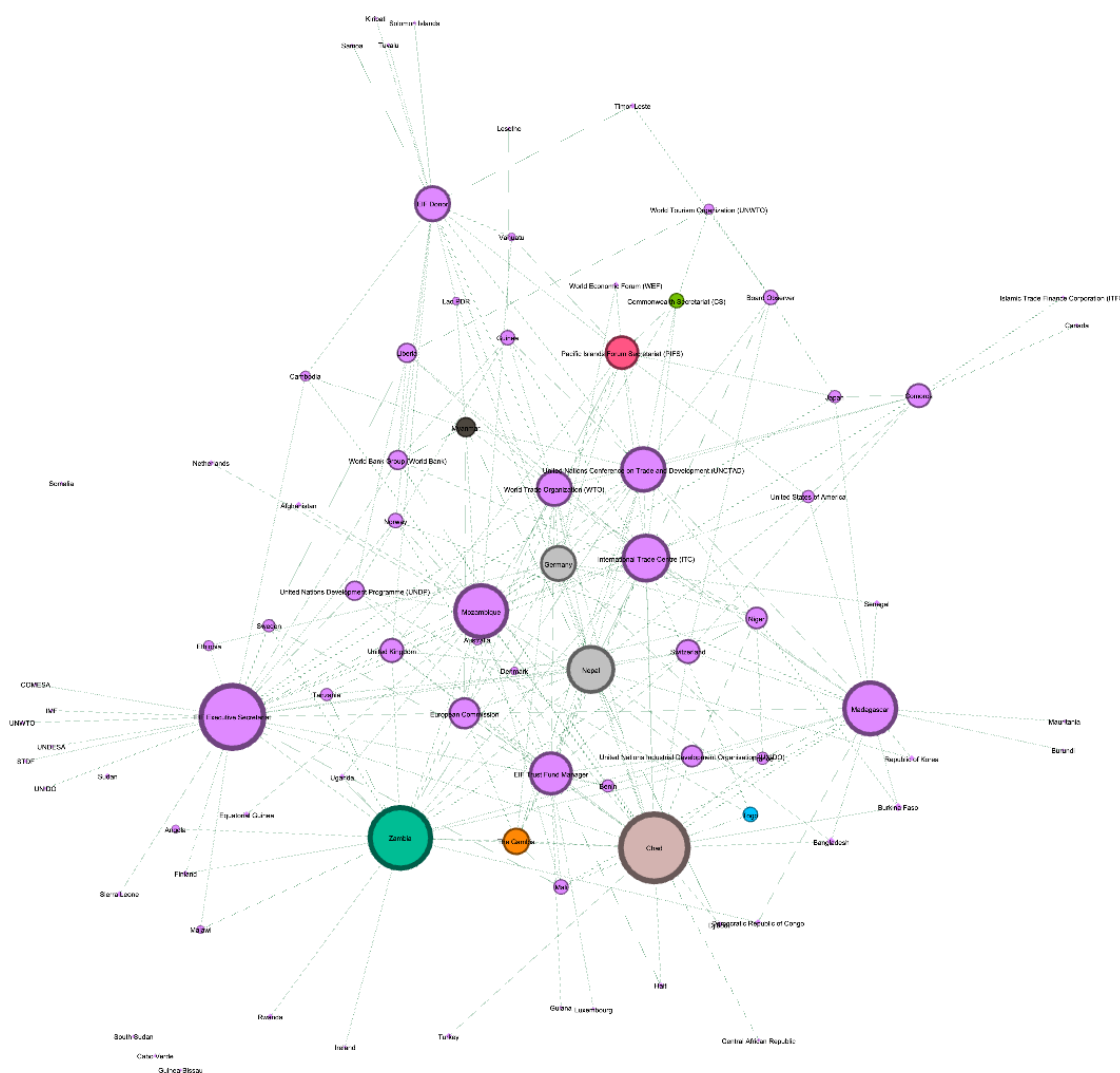
132. **Brokering relationships, coordination and promoting coherence were the essence of the EIF partnership.** A great number of entities and agencies support LDCs, but none did so exclusively and all were faced with resource constraints.²⁹ As evidenced in both documentation and interviews, bringing the three EIF constituent groups (i.e. partner agencies, donors and countries) into partnership and leveraging their unique value was considered a key added-value of the EIF.
133. **At the global level, the EIF network was composed of the EIF ES, TFM, EIF countries, donors, and partners.** This network was analysed on the global (not country) level, whereby countries were largely represented by their offices in Geneva. While the data was not complete, due to the limited response rate, it nevertheless demonstrated some patterns.
134. **The connections of some EIF countries' representations, including Chad, Madagascar, Mozambique, Nepal, and Zambia, were substantially stronger than others** (Figure 2), presumably due to more formal

²⁹ Gay, D. (2021). A critical reflection on international support for least developed countries. Organisation for Economic Co-operation and Development (OECD) Development Centre.

roles in EIF governance structures which make them central to the EIF network. LDC constituency meetings were held on a quarterly basis. One of the benefits of COVID-19 was the shifting of these meetings on-line, allowing for greater participation from capitals, as suggested in interviews. While the African and Asian regions were relatively well represented, the Pacific islands were substantially more isolated than others.

- 135. **EIF donors were central to the EIF network**, with the EU, Germany and UK having slightly more connections to EIF stakeholders than others. The EIF ES made great efforts to maintain donor relations at both country and capital levels, with frequent in-person and virtual meetings and project updates tailored to the priorities of donors, based on document review and interview data.
- 136. **The ITC, UNCTAD and UNDP as well as the WTO had many connections and were central to the EIF network, respectively.** However, it was more challenging to draw conclusions on the EIF partner agencies due to more limited survey responses.
- 137. **Regional organisations were more peripheral to the EIF network.** This included COMESA and SADC, but others, such as ASEAN, ECOWAS and WAEMU were less apparent. The PIFS had a greater role, which may have compensated for the isolation of some of the SIDS in the EIF network.

Figure 2: Network Mapping within the EIF Programme



Source: Evaluation team’s analysis based on data from EIF Global Survey. The size of the circles is related to the number of network connections. The colours relate to betweenness centrality, the closest path between the nodes in the graph is indicated in pink.

138. **Achieving the required synergy with other interventions, including those implemented by EIF partner agencies and donors, nevertheless was one of the main challenges of the EIF.** According to one interview, “the expectation was that the EIF would be a task master to lead donors and partners to contribute to addressing LDC needs. This role of the relationship broker has not been served. In countries, there is a piecemeal approach, where each of the partners does what it wants.”
139. **The role of and division of labour with the partner agencies evolved over time, but was not explicitly reviewed and adjusted.** While the role of governments in the implementation of EIF projects increased from Phase 1 to Phase 2, the role of partner agencies declined, with a 34% decline in both the number and projects implemented by them as the MIE (see Table 23). The emphasis was on the growing ownership of the governments as MIE, rather than managing this transition with partner agencies, based on interviews. Bilateral partnership review meetings were held, but focused on project management, rather than reviewing and improving the collaborative relationship. This inevitably affected the partner agencies’ role and incentives to collaborate in the EIF partnership, which was also confirmed through various interviews.
140. **At the country level, the EIF met its target on the establishment of government-donor dialogue mechanisms on trade- and investment-related matters.** Structures for government and donor coordination were promoted by the EIF and 43 related structures were established by 2020. According to the global survey, the majority of respondents also agreed that these mechanisms were in place and were likely to continue after the end of EIF support.

Table 15: Number of EIF countries with quality government-donor dialogue mechanisms on trade- and investment-related matters

2015	2016	2017	2018	2019	2020	2023 (target)
30	32	34	38	41	43	48

Source: EIF Annual Reports.

141. **Even fragile countries were able to establish these structures.** As some examples, in the Central African Republic, the Coordination Committee for Private Sector and Employment was founded with EIF support. The Guinea Business Forum facilitated coordination of support, especially capacity building funded by the EU. In Samoa, the donors had a clear, sector-specific division of labour, with the EIF focused on export development.
142. **Despite the formal structures being in place, donor coordination remained a challenge.** Based on the country case studies, there was evidence of actual coordination and synergies in five case study countries. In 18 countries, this was limited to the establishment of the requisite formal structures, namely donor coordination committees and the Donor Facilitator function, but their actual operation was more limited. Interview data suggested that there were no clear examples of cases where donor coordination structures had worked exceptionally well. In many cases, they had fallen dormant, or at least did not meet very frequently or have sufficiently high-level representation.
143. **The role of the Donor Facilitator was particularly challenging to deliver.** While country survey results suggested that most respondents agreed (rating of 4 out of 5) that the DF was delivering its mandated function, a number of respondents qualified their scoring with criticism of this role. Weaknesses included the lack of a trade mandate by the donor agency, competing sector priorities, lack of power and influence over other donors, and frequent turnover of donor representatives. Interview data further cited that there was little common understanding of donor objectives, interests, financing options, and time-scales at the country level. Moreover, donors were constrained with time or resources that are rather necessary to devote to EIF. This was echoed across most of the country case studies and interviews. More specifically and as a case in point, an EU delegation official stated that they had not been playing their role as donor coordinator as the NIU was not supporting the task and the government did not show leadership in summoning technical and financial partners. In other cases, the ministries housing the NIU may not have had enough clout and power to interest the DF. While the ES made some efforts to start organising DF meetings to improve the understanding of their role and increase information from the EIF and countries, the effect has been limited. Indicatively, the ES was only able to give the evaluators contact information of 30 of the 51 EIF countries.

144. **In some cases—and perhaps quite exceptionally—the role of the DF depended on the individual.** Some DFs were reported to be very active in organising and preparing background materials for meetings, solving project management challenges and exchanging with other countries (e.g. through WhatsApp groups). Nevertheless, this was not necessarily and sufficiently a guarantee of success in avoiding duplication, promoting synergies and even more so, raising additional funds.
145. **The lack of or poor donor coordination at times even led to the duplication of efforts in a number of instances.** This was the case of interventions between the EU and World Bank in Zambia and with the EU in Cambodia. In Cambodia, the challenge was attributed to the remaining weaknesses in the trade coordination structures and inability to build linkages and synergies with other trade-related initiatives. In Guinea-Bissau, while a number of fisheries interventions were very complimentary, donor coordination still remained a major challenge. For example, the same fisheries diagnostics were carried out by the EU and the Food and Agriculture Organization. This was attributed to the inability of the government to lead the coordination process, but could have also been within the coordination remit of the DF.
146. **The EIF has not managed to bridge the divide between Geneva and country capitals.** Often cited as a structural issue, addressing the lack of consistent communication between Geneva and capitals has not been the direct focus of EIF support. In any case, there is limited evidence that EIF would have been able to increase coherence between Geneva and country capitals at the policy level. Interview data showed that this lack of interaction means there were less EIF champions in countries and, in parallel, less knowledgeable country representatives participating in the EIF. (See also the discussion on *Effectiveness and efficiency of the EIF governance structures and operational mechanisms* under section “3.2.1 Internal coherence of EIF design and logic”)

3.2 EIF Model

147. The EIF governance structure was unique in the way it empowered LDC capacity, both at the global and country levels. This section explores the extent to which the EIF model facilitated or impeded the achievement of the results described in the above sections. It begins by addressing the internal coherence of the EIF design, including the extent it continued to serve its objectives. The section also addresses the effectiveness and efficiency of the EIF model, both at the global and the country levels, and assesses the extent that the Change Management Plan was implemented in the transition from Phase 1 to Phase 2.

3.2.1 Internal coherence of EIF design and logic

148. This section reviews the EIF design and if and how it continued to deliver on its evolving objectives over time from 2008 across the two phases. It also considers the extent EIF projects were aligned to the overall objectives and goals of the Initiative.
149. **The EIF vision, mission, goals, and core principles remained largely the same, with some incremental evolution, notably around Tier 2, over time.** The EIF vision in the latest Strategy 2019-2022 was *Inclusive Trade for Better Lives*. Based on the programme’s related statements, EIF’s mission shifted from “*supporting* LDCs to use trade and AfT” to “*empowering* LDCs to use both trade and investment to integrate into the global trading system”. The slight changes in nuance reflected both the growing emphasis on country ownership and global value-chains. With regards to the programme logframe, there were significant changes between Phase 1 and Phase 2, notably in the introduction of the “Tier 2” type outcomes and related outputs that were not present in Phase 1. Table 16 shows the evolution of the Strategic Plan in Phase 2.

Table 16: Evolution of EIF’s Strategic Plan in Phase 2

	2016-2018 Strategic Plan	2019 – 2022 Strategic Plan
Mission Statements	To support LDCs in harnessing trade and aid for trade to promote sustained, inclusive and sustainable growth and development	The LDCs are empowered to use trade and investment to integrate into global trade for sustainable development and poverty reduction

Goals	<ol style="list-style-type: none"> 1. Strengthening institutions and policy mechanisms 2. Reducing supply-side constraints 3. Leveraging resources for the development of LDC trade 4. Promoting gender equality and inclusive trade 	<ol style="list-style-type: none"> 1. Improved trade environment conducive for inclusive and sustainable growth of the LDCs 2. Increased exports and access to international markets for the LDCs
Principles	<p>Partnership through increased coordination between development partners and the LDC governments</p> <p>Ownership of the programme by LDCs</p> <p>Results for a sustainable impact</p>	<p>In-country coordination mechanisms</p> <p>Global mandates</p> <p>Unique partnership approach</p> <p>Country ownership</p> <p>Springboard for resource-leveraging</p>

Sources: EIF Strategic Plans 2016-2018 and 2019-2022.

150. **The Goal 1 “Improved trade environment” (Tier 1) logic was relatively sound**, with logical links between its three objectives related to (1) improved evidence-based policy and regulatory frameworks, (2) strengthened institutional coordination and (3) enhanced capacities for policy formulation and implementation. It employed strong rational choice assumptions about relevance, access and use of new knowledge provided by the actors in LDC decision-making, which did not always hold in the complex incentive structures of the local institutional landscape. Externalities—may that be political turnover, insecurity or conflict—also interfered in the logic (both are treated in section 3.1.4.).
151. **The split of regional priorities between Tier 1 and Tier 2 was less coherent.** The inclusion of regional integration under Tier 1 was sensible. However, considering the capacity and policy implications of related interventions, trade facilitation (including work on technical barriers to trade and sanitary and phytosanitary measures) in particular fitted the Tier 1 rather than the Tier 2 logic. Likewise, trade facilitation was included as a concrete intervention area under Tier 2, when it had its own WTO agreement and related support facilities (e.g. Trade Facilitation Agreement Facility, Trade Facilitation Support Programme).
152. **The Tier 2 logic was a series of sector type interventions, rather than causal factors and pathways leading to greater productivity.** The project deployed often had not considered the full suite of market factors, such as along the full value chain. For instance, interview data revealed that there should have been a specific output and corresponding budget allocation for activities related to trade promotion. Moreover, the division into Tier 1 and Tier 2 was noted to be too rigid. Leveraging additional finance was not exclusively a Tier 2 outcome, though it was critical for promoting the results of the limited pilot initiatives at scale.
153. **Individual projects were relatively well aligned with the overall objectives of the EIF, as well as its individual pathways of change, including both Tier 1 and Tier 2 interventions.** All of the country case studies were well aligned with EIF objectives and its Theory of Change.
154. **The EIF strategy grew more ambitious over time from Phase 1 to Phase 2, without a related adjustment in its mandate, clear division of labour with its partners, or increase in resources.** A number of interviewees noted that there was a lack of the big picture for the EIF, including the vision of the countries, value of the partnerships, and awareness of the limited financial and human resources. Interview data further revealed concerns about the EIF’s dispersed, yet budget-constrained, portfolio, as well as a sense of growing divergence from its supposed core purpose of increasing trade.
155. **The unique value proposition of the EIF, as identified by many informants, was its promotion of country ownership and partnership with funding partner resources, technical expertise from international agencies and development partners, and leadership from LDCs.** The role of the EIF as a fund was to provide the institutional framework, notably at the country-level, to identify catalytic, innovative and impactful pilot projects, with a view to leveraging additional resources. The role of the EIF in terms of supply-side capacity support (i.e. through Tier 2 type interventions) may have provided the required incentive for governments to continue pursuing trade-related reforms, based on other interviews. Challenges with leveraging additional support nevertheless challenged pilot initiatives.

156. **Over time, the role of the partner agencies became more contested and, in parallel, the EIF's coordinating role more disputed.** Several of the partner agencies have begun to question if their comparative advantage in supporting countries was reflected in the EIF. Others raised questions about the potential for conflicts of interest, where the partner agencies were involved in decision making about project approvals at the Board level, as well as project implementation. Inevitably, the growing EIF agenda also led to overlap and potential duplication with partner agencies' activities, notably on LDC graduation, trade facilitation, gender, and e-commerce, among others. (See also discussion on *Coordination and collaboration with EIF partner agencies and donors* under section "3.1.5 External Coherence") Furthermore, there were concerns that the EIF had become a hybrid of a fund and technical or implementing agency. (Please see discussion on "Effectiveness and efficiency of the EIF governance structures and operational mechanisms" under section "3.2.1 Internal coherence of EIF design and logic".)

Gender Mainstreaming

157. **Gender was a growing priority for the EIF.** While the gender dimension in Phase 1 was limited largely to the sex-disaggregation of data and to a topic of concern in activities and analytical studies, attention grew substantially in Phase 2. Projects were required to incorporate and report on gender-related indicators. Gender analysis was also required in the revised guidelines for project evaluations. The quality at entry tool used by the ES and TFM to assess project proposals for receiving funding was similarly revised in 2019 to include gender inclusivity as a separate assessment criterion, as a result of the Ministerial Declaration in Buenos Aires, 2017. Since 2019, there has been an uptake of gender-specific projects, as well as increased gender-mainstreaming into non-gender specific projects, such as fisheries and tourism. Investments in women-centric value chains also increased. For example, EIF reporting showed that over 50% of total investments in productive capacity projects to date have been in value chains with active women engagement. The number of women participating in trade fairs went up by 67% between the years 2018 and 2020. Over the same period, the number of female public officials trained in investment- and trade-related areas similarly increased by 66.1%. To date, the majority (56%) of productive capacity beneficiaries were women and of those trained in trade-related areas, around 40% of each from the public and private sectors were women. In addition, 90% of the DTISs supported to date have included some element of gender considerations in the analysis and, all DTISs since 2018 incorporated gender analyses. Notably, the EIF "Empower Women, Power Trade" Initiative was launched in 2019 which sought to adopt a more targeted approach to gender. The EIF also continued to strengthen its existing partnerships with agencies with core competencies in trade and gender, including ITC, UNCTAD, UNDP, and the World Bank. Working through its partner agencies provided the EIF with the requisite experience and expertise on gender issues, as well as the opportunity to build new partnerships (e.g. ITU, East African Women in Business Platform, Fairtrade Australia) to leverage additional resources and technical expertise.
158. On the other hand, it is acknowledged that the application of a gender lens throughout the EIF portfolio is limited. While the SheTrades projects - which benefit women entrepreneurs directly - are highlighted as the pinnacle of the EIF's gender approach, it is evident that a gender lens has not been successfully applied at all levels and in all (especially non-gender specific) projects.

Mainstreaming environment and climate change

159. **A few projects incorporated environmental impact assessment and related measures.** Environmental impact assessments were conducted for projects at least in Burkina Faso, Chad and Niger. The expectations were of greater project environmental compliance, improved waste management and pollution reduction. Environmental awareness raising and communications activities took place also in Mali and Niger.
160. **The EIF made limited progress in mainstreaming climate change across its interventions at the global or country level.** Some efforts were made through global communications³⁰ to raise awareness about the importance of considering climate change in the trade sector. There were also some examples of improved forestry management (e.g. Ethiopia, Mali, Zambia) and eco-tourism practices (e.g. Comoros, Solomon Islands, Mauritania, Sierra Leone). Only a couple examples of mitigation technology were also identified. However, this may have been due to the fact that the results framework did not proactively track climate related indicators. In Burkina Faso, a feasibility study was conducted on the use of mango waste for the production of methane. In Rwanda, following the development of an eWaste policy developed with EIF

³⁰ <https://enhancedif.org/en/environment>

support, the country has now established an e-waste recycling facility managed and operated through a public-private partnership agreement with the Government of Rwanda. In one year, the facility collected 3,000 tonnes of e-waste and sold or donated nearly 2,000 refurbished computers to schools. In addition to the environmental benefits, over 400 jobs have been created. Similarly, NIA support (Phase 2) in Tuvalu provided support to the Department of Waste Management for the purchase of a baler machine and subsequent exports of crushed aluminium cans to South Korea in June 2021. Recent efforts are under-way to further understand the relationship between climate change and trade (in partnership with the Overseas Development Institute) and to generate good practice guidelines for EIF countries to better integrate environment and climate change aspects into the DTISs, link relevant structures at the national level, and integrate environment and climate change factors into project design.

161. There were potential opportunities to mainstream (i.e. beyond awareness raising) environmental (including climate change-related) objectives through almost all Tier 2 interventions (e.g. promoting climate change-resistant varieties of crops and agronomic practices, use of renewable sources of energy). However, no related examples were identified through any of the case studies. This was confirmed by interviews at all levels.

Effectiveness and efficiency of the EIF governance structures and operational mechanisms

162. This section reviews the effectiveness and efficiency of the EIF governance structures and operational mechanisms. At the global level, governance structures included the EIF Steering Committee, EIF Board, Executive Secretariat, and Trust Fund Manager. At the country level, this included the EIF National Steering Committee, Focal Point, National Implementation Unit, and Donor Facilitator.
163. It also assesses the EIF operational mechanisms throughout the project cycle, from project identification, development and in-country endorsement to project oversight. Reference is made to both analytical tools (e.g. DTIS, feasibility studies) and projects (e.g. Tier 1 and Tier 2). The implementation of the change management plan is included, where relevant.

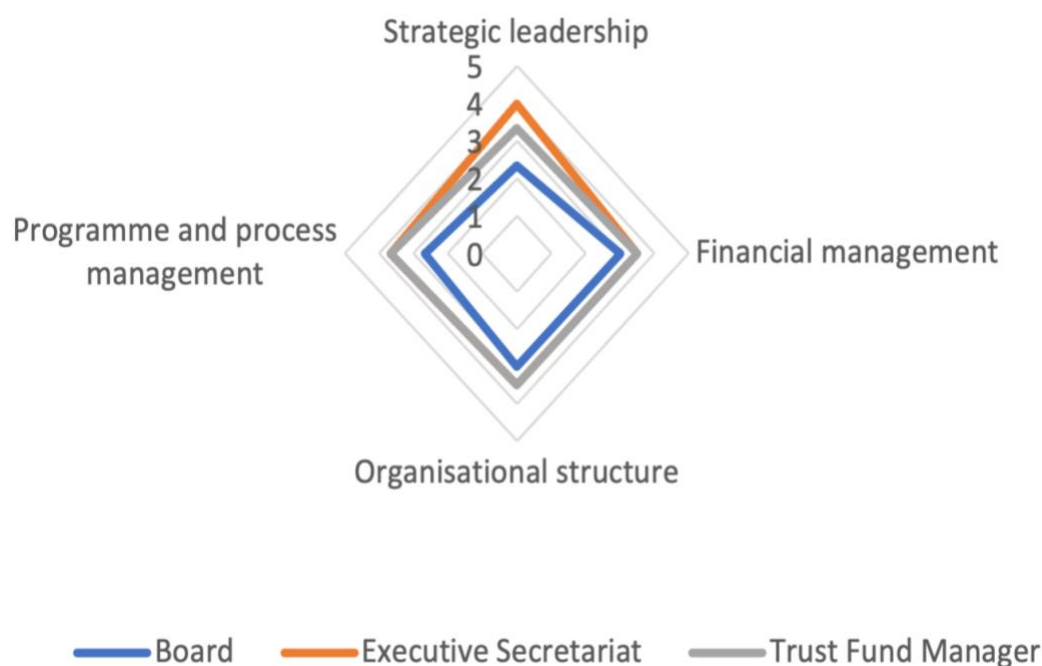
Global EIF structures

164. The EIF Board, ES and TFM were rated using four organisational assessment criteria as outlined in the diagram below. Given the Steering Committee's modest level of overall engagement on the programme, it was excluded from the organisational analysis.

EIF Steering Committee

165. **The Steering Committee had little practical role in the strategic direction of the EIF Board and was largely limited to fulfilling a knowledge sharing and transparency function by disseminating external information related to the EIF.** The intended core mandate of the Steering Committee, as set out in the Compendium for Phase 2, was "to provide strategic advice and guidelines to the EIF stakeholders on the implementation of the EIF programme and its overall goals". Its contribution to strategic advice was limited, contributing to the strategic leadership gap within the global governance structures of the EIF. While it did serve as a useful platform for knowledge-sharing, internal learning was constrained by the ambitious agenda, number of participants and formal structure of the meetings. Interview data noted that "while the intention of the Steering Committee—of transparency and sharing information beyond the Board—was good, it did not work very well and there was a need to reconstitute and revisit its engagement". Reportedly, the Steering Committee membership was involved in and did contribute to the development of the EIF Strategic Plan 2019-22.

Figure 3: Organisational Assessment of the EIF Programme



Note: Scores range from 1-5, with 5 being the highest.

Source: Evaluation team's analysis.

EIF Board

166. **The EIF Board became more “fit for purpose” over time, from Phase 1 to Phase 2.** EIF Phase 1 was challenged particularly by its global governance structure, the mandate, and roles and responsibilities of its Steering Committee and Board, in relation to the ES and TFM. The Change Management Plan set out reforms directed at clarifying the role of the Board, reinforcing its strategic mandate and reducing its role in the day-to-day management of the EIF. According to the EIF staff survey 90% of respondents now *agreed or strongly agreed* that the Board was “fit-for-purpose”. For “organisational structure”, the Board was rated a 3 on a 5-point scale.
167. **While the need to reinforce the strategic role of the Board was emphasised in Phase 2, administrative and operational issues have crowded out the time for strategic discussion.** Board meetings were not organised around the strategic plans and assessing progress toward the strategic objectives, with limited focus on how the EIF could be more impactful and operate better. While views about the efficacy of the Board from different Board constituents varied, there was a broad consensus that too much time was spent on ongoing administrative and operational issues, which could have been delegated to specific sub-committees. This was especially the case as a response to COVID-19. The reactive nature of the Board weighed down the rating of the strategic and financial planning elements in the organisational assessment. Engagement with EIF partner agencies following the submission of the first draft evaluation report suggested that there could be more that the ES and TFM could have done to facilitate the strategic engagement of the Board.
168. **The voice of the EIF-participating countries was not adequately heard on the Board.** The EIF partner agencies and donors had a strong representation on the Board. Interview data showed that the partner agencies had capable and vocal individuals representing them. Donors were also well-involved. According to many interviews and direct observation, the level of LDC participation in Board meetings was more varied. “The EIF was supposed to benefit LDCs, yet on the Board we heard little from [them]”. LDC views were predominantly represented by the rotating LDC Coordinator, based on input from the LDC Group missions in Geneva. While the LDC Coordinator, by its mandate, represented the interests of all the LDCs, this was clearly a varied group of countries, and it was not always straightforward to arrive at a consensus view. There was also little opportunity to consult on technical issues with capitals, where the substantive capacity on technical issues lay. The inclusion of capitals-based LDC representatives on the Board was seen as a positive development to include substantive expertise that was rooted in the realities “on the ground”.

However, this was hampered by their relative lack of knowledge on the EIF and the ongoing issues in Geneva. As a result, there was a sense that the Board had “lost the active participation of the LDCs”.

169. **The cohesion of the Board was questioned.** Concerns were raised about the dual role of the partners, as they are party to the decision-making process on the Board, while contending for the delivery of services. While the partner agencies had no formal votes on the Board, there was a sense that due to their strong voice, they could influence proceedings, nonetheless. As an example, the issue of rolling out competitive bidding was very contentious, took an inordinate amount of time to agree during the Board meetings and tangibly contributed to the fragmentation of the Board along partisan lines. In a similar vein, while there was no suggestion of impropriety, it was also expressed that in the interest of transparency and increased confidence in the governance of the EIF, rules should be in place to disallow the Board Chair and Senior Management from being from the same country.
170. **Due to these constraints, the Board was not able to fully disperse its role of actively holding the EIF accountable for performance.** The Board Chair nevertheless was responsible for conducting the annual performance review of the TFM and Executive Director of the ES.

Executive Secretariat and Trust Fund Manager

171. **The dual structure and division of roles between the ES and TFM on implementation and financial oversight was retained from Phase 1 to 2.** Some considered it essential to separate project design from implementation and fiduciary oversight. Others, including particularly ES and TFM senior management felt the operational model could be reviewed for the future.
172. **The ES and TFM teams were seen as committed and capable experts that were able to deliver their respective roles and work together well.** The close support that the ES and TFM provided to the EIF countries was widely complemented and was undoubtedly a key contributing factor to the increased level of programming over Phase 2. The leadership and management culture portrayed by the ES and TFM suggested a positive approach, where issues were actively being addressed and results pursued. Nevertheless, this was hampered by rigid processes and the inexorable challenges of working in severely low-capacity environments.
173. **There was clear mutual appreciation for the joint capacities within the ES and TFM teams.** While the roles within the dual structure were clearly defined and the teams complementary in skills and aptitude, risk of inefficiency and duplication of work in separating the project management and fiduciary functions remain. These risks were primarily mitigated through the close coordination of individuals across both teams.
174. **The ES and TFM were jointly seen to have strong project formulation and management skills as well as a strong grasp of trade policy development.** This was supported by a more formalised approach to internal capacity building, which focused on the management at country-level. As the EIF expanded the technical scope of its support through increased Tier 2 activities, it was not able to retain in-house expertise on the team and became more reliant on substantive partner agency advisory support on projects (e.g. via thematic projects).
175. **The comparison of the EIF’s overhead and cost structure to other relevant programmes is challenging due to a unique arrangement agreed with the EIF Board where 70% of the ES costs are counted as delivery costs.** Where currently the EIF management operates under the agreed 13% overhead threshold, an analysis of the 2020 final accounts suggests that in the absence of such an arrangement the figure considered overheads (i.e. total ES and TFM costs as the share of total expenditure) could be 24.4% in Phase 1 and 23.7% in Phase 2. Moreover, it is not clear that the ES has to date compiled management account information that justifies the 70% share of delivery costs.

Country structures

176. **EIF governance structures at the country-level were in place and reasonably effective.** Based on the country case study analysis, the EIF governance structures and processes demonstrated particular effectiveness and efficiency in three countries, functioned relatively well in another 18 and did not work at all in three countries. The support provided by the ES and TFM teams to country level results and performance was rated relatively highly.

Table 17: Average scores and number of case study countries demonstrating effectiveness of EIF governance structures and processes

	Avg score	High (#)	Med (#)	Low (#)
EIF operational systems and processes (country-level) support to country level results and performance	3.3	3	18	3
EIF executive secretariat and trust fund manager (programme-level) support to country level results and performance	3.8	3	21	0

Note: Scores range from 1-5, with 5 being the highest.

Source: Country case study assessments.

177. **EIF country-level structures were serving their respective mandates and functions.** Based on the country survey, respondents *agreed* that the NSC, FP and NIU were delivering their respective mandates and governance functions, with a slightly more positive view of the NSC and more critical view of the NIU. As previously noted, the opinion on the DF was substantially more critical. The value of the EIF governance and operational mechanisms appeared to diminish with growing capacity at country-level. The overall case study analysis demonstrated a moderate view on the value of EIF operational mechanisms for countries (average score of 3.3), with their value considered more limited among graduating/graduated LDCs (average score of 3.1).

Operational mechanisms

178. **EIF operational mechanisms at the global level were generally considered appropriate, although perfectible and with divergences across contexts.** According to the global survey, most respondents *agreed* that key functions—from the planning, implementation and monitoring of projects to communication—were appropriate and reasonably efficient, though none felt that any of the operational mechanisms performed exceptionally well. Project planning and communication were perceived to be slightly better than the rest. The processes were significantly streamlined for Phase 2 following the implementation of a Change Management Plan, and were generally seen as fit-for-purpose with individual respondents being more critical. For example, the ES expended significant efforts in improving the monitoring system over the last two years. One noticeable improvement was the creation of the EIF Management Information System (MIS). Regardless, the system remains to have data gaps as it is reliant on inputs from the NIUs, which may not have the institutional and technical capacity or incentives to report the data in a timely manner.

Global planning mechanisms

179. **The ES and TFM attempted to balance high planning standards with efficiency in the planning process, with the time required for project approval being significantly reduced from Phase 1.** According to a number of interviews, operational mechanisms were still considered “bureaucratic and tedious”. This applied particularly for the templates and documentation required for project approval. “The EIF planning process was heavy, from submitting appraisals, to waiting for approval, to signing a Memorandum of Understanding (MOU), etc. It took a long time from the start of the project to implementation and funds being disbursed to the LDC, which frustrated the LDCs”, based on interview data. Furthermore, there were expressed concerns on securing funds from EIF as highly inefficient. At the same time, fiduciary and financial management has consistently been rated highly, and with no major red flags having been raised with the evaluation team. This suggests that the trade-off between controls and operational fluidity may have been quite well set.
180. Numerous underlying reasons for delays were suggested during interviews, many focusing on limited capacity in LDC capitals for the identification, design, coordination, submission, and ultimately implementation of projects.

Global implementation mechanisms

181. **Roles and responsibilities during project implementation evolved from Phase 1 to Phase 2, with a greater role for national governments as MIEs in the latter.** During Phase 1, 60 projects were managed directly by the government. During Phase 2, this grew by nearly 30% to 77 projects.³¹
182. **The administrative requirements and procedures of agencies did present some obstacles for implementation.** The introduction of competitive bidding as the modality of choice for the selection of MIEs in the Phase 2 Compendium contributed to a considerable shift in the role of partner agencies compared to Phase 1. This was assigned to international agencies not being able to participate in competitive procedures due to their legal structures. Moreover, while the ES staff was generally very positive about the organisational capacity of the WTO Secretariat, the one area where challenges were expressed was the HR function of the Secretariat. It was viewed to rely too much on short-term contracts, increasing uncertainty and potential for delays for staff.
183. **EIF MEL capacity was strengthened from Phase 1 to Phase 2.** During Phase 1, major weaknesses in EIF MEL were identified, relating to both its approach and related capacity. There was no actual baseline data available from 2008/9 and generally data collection remained very limited throughout Phase 1. A new logical framework with revised indicators was introduced for Phase 2, but issues remained, notably with MEL capacity and the self-reporting on these indicators by the EIF countries. The EIF Compendium for Phase 2 called for the building of related country capacity, where it was weak, through training and bespoke management support. A concerted effort to improve the monitoring systems has been ongoing, notably since 2019. The ES prepared MEL guidance and tools for day to day activity and output monitoring which can serve to gather and verify evidence, once applied in practice (see also remaining weaknesses in the monitoring of training uptake in section “3.1.2 EIF Effectiveness, *Capacity building under outcome 1 and 2*”).
184. **MEL capacity remained limited in the EIF countries.** Challenges remain with awareness, understanding and capacity of the EIF countries to conduct robust monitoring, evaluation and related learning. Country-level interview data noted that MEL work was too focused on the EIF, instead of strengthening related capacities in national ministries. Even in very well performing countries like Cambodia (which has long been an EIF-participating country), MEL capacity in national structures was considered lacking. In some cases, this was related to staff turnover, which weakened MEL expertise within NIU teams. Nonetheless, this was also suggestive of a lack of succession plan within NIUs and/or unsustainability of EIF-supported capacity-building initiatives. Providing proactive and continuous support for the capacity enhancement of NIUs and national statistical data systems was critical, not only for knowledge management but more so in fostering accountability and providing robust evidence on the effectiveness of projects.
185. **The timeliness and quality of reporting has improved from Phase 1 to Phase 2.** In November 2021, 95% of all expected narrative, financial, evaluation and audit reports were received, only 6% were pending. Performance on the narrative and financial reports, which are fully within the control of the MIEs, was particularly good, with 95% and 97% of related reports submitted respectively.

Table 18: Status of Reporting in ES and TFM Systems

Report Type	Total Reports Due as of Nov 2021	Total Received by ES & TFM	% Received	Number of reports in Progress	Number of reports Pending	Sum of all report status
Audit	515	460	89%	42	13	515
Evaluation	207	158	76%		49	207

³¹ Excluding projects that have been implemented in Phase 1 and carried over in Phase 2.

Narrative	1,323	1,257	95%		66	1,323
Financial	2,791	2,701	97%		90	2,791
Total	4,836	4,576	95%	42	218	4,836

186. **Related reporting clinics over the last two reporting cycles have improved both the quality and timeliness of reporting**, based on interviews. The quality of project reports nevertheless remained weak in a number of instances.
187. **Weaknesses remained in both the availability and quality of data. During Phase 1, critical weaknesses in EIF MEL were identified, relating to both its approach and related capacity.** There was no actual baseline data available from 2008/9 and generally data collection remained very limited throughout Phase 1. Despite the substantial reforms introduced and described above, data accuracy could not always be verified between central databases (e.g. EIF Results Database (.xls)) and project reports by the evaluation team. Intermediate data discrepancies were also still recognised in the specific data verification request for a single country. Data verification processes were introduced, with a two tiered data verification process, between the MEL team and project coordinators, respectively. Prior to COVID-19 data verification also took place on the ground, but was not sufficiently frequent, based on interviews. Data verification and MEL overall was limited particularly by constraints in staff resources, with one fixed term staff and 1.5 short term support staff, for monitoring.
188. **Knowledge management was spread across different platforms with issues identified in the systematic storing of documentation.** Introduced in Phase 1, the Knowledge Hub has served as a storehouse of fiduciary and financial information, as well as other global information on EIF's interventions. While it was primarily used by the TFM as a tool/process for data management, oversight, storage, and sharing, it was also used by the ES as a source of financial information (eventually also feeding into the MIS) and collective knowledge for M&E, reports tracking and funds management, among others. The management information system (MIS) was subsequently introduced in Phase 2, however, it was not consistently used for central data management and did not house all relevant material. Data was spread across the MIS, Knowledge Hub, an internal drive and the EIF Results database (.xls). While project reference documents were typically found on the MIS, narrative reports (including progress and evaluation reports) and financial/audit reports were more challenging to access from the platform. 75% of Board members responding to the global survey considered the MIS moderately useful, while 25% deemed it not useful at all.
189. The expectations, roles and responsibilities on MEL by the ES, TFM and/or MIEs were well defined in the Compendium for EIF Phase 2, in that they "will provide ex ante support on MEL in the project design phase, as well as during project implementation". While efforts to improve the MEL system were recognised (albeit with significant reforms being only very recent) and relative improvements in results reporting in recent years were acknowledged, challenges remained. It was reported that at the programme level, dedicated resources to MEL was limited. In parallel, technical and resource constraints of countries also influenced their MEL capacities.
190. **The use and application of monitoring data for EIF decision-making and internal learning remained limited.** On the one hand, the results database demonstrated some progress towards more results-based management, including specific result targets included in the last two annual work plans of the ES—filtering down to ES coordinator targets and work plans. On the other hand, while there was substantial show-casing of the EIF brand and project progress (See also assessment on Communications under section "3.2.1 Internal coherence of EIF design and logic"), internal learning efforts were more rare. As noted above, this was particularly the case in relation to the review and updating of the partnership.

Financial management and oversight

191. **The TFM had full fiduciary responsibility and accountability for the EIF Trust Fund.** The rules and procedures deployed for the financial management of the EIF were agreed in advance with the Board. The TFM supported the Board in its role by preparing key documents, including annual work plans and budgets. Based on interviews at the global level, the financial management of the EIF was seen to be timely and consistent. In survey responses, the accountability and transparency of the EIF's financial management system was rated strongly, and marginally higher compared to the EIF's governance structure or the operations at the global level. One area of success for the TFM has been the system of country/project audits and escalation to the Board. Since the guidance note on the issue came into force in March 2015, only one country has been escalated to the Board due to major negative audit findings. In 2018, concerns were raised by auditors and by the TFM Regional Programme Manager following a field mission and review. The TFM recommended to interrupt the use of the NIU as MIE while looking for a partner Agency to undertake the MIE functions for any future project approved for the country in question. The recommendation was approved and it has allowed the implementation of several projects in the country since. This is a positive signal from two perspectives. Firstly, it signifies that the escalation system functions when required. Secondly, it suggests that the underlying systems are sufficiently robust as there had been only one instance of a need for escalation.
192. **While financial management was conducted according to the agreed rules and procedures, the management accounting was insufficiently tailored to support the Board in its performance management role.** While basic details about commitments and disbursements were produced regularly and maintained, the Board had not requested the TFM to produce sufficiently detailed management accounts that would have enabled them to conduct more detailed analysis of expenditure by type. This type of information would have been vital to enable the Board to better deliver its performance accountability function. From the Board's oversight perspective, this issue was paired with and compounded by the challenges in the availability and quality of monitoring data.
193. **The last two years has seen a flurry of new VfM policies, processes and tools being introduced, improving the EIF's ability to deliver.** While these remain to be fully implemented both at country and global level, there is emerging evidence that more effective targeting of VfM issues provides an additional layer of management information and has helped the EIF increase its performance (more details are available in the VfM section below).

Communication

194. **Progress was made on the development of communication strategies at both the global and country level, a substantial amount of communication activities took place and communications outreach and uptake were exceptionally well monitored, despite limited resources.** A global Communication Strategy was approved by the Board in 2015. The global "Communications and Outreach Strategy 2018-2020: Turning our Approach into Impact" was approved by the EIF Board in 2017 focused on the global and national level (systematic approach to build country capacities – both from a resource point of view but also for longer term sustainability). Communication products were developed in close coordination with partner agencies and EIF countries. Publications, such as the Trade for Development News and series of policy briefs generated and disseminated knowledge across the partnership and with external audiences. Based on an internal EIF survey, 40% of respondents were aware of EIF communications activities and found them engaging. More recently, CommsConnect established a membership based, community of practice on-line with the EIF countries to systematically support the ministries of trade in the capitals with their communications efforts. Resources and training were provided on social media, website development, communication strategies and media engagement. The Trade for Development News was considered a particularly valuable product, as a source of related news items.
195. **Similarly, communication strategies were encouraged at country level, though there was no requirement for a dedicated budget-line in budgets, which constrained related resources.** As mentioned above, related capacity support and training was provided and effectively monitored. Based on internal EIF post-training surveys, 77% of respondents rated the event as excellent or very good, and 100% of respondents indicated that the materials provided were useful in their work moving forward. EIF also monitored countries communications strategies, including their web and social media presence. Despite the strength of EIF communications, based on interviews, there were mixed views on the importance of these efforts for the role of the EIF.

Country level

196. **The ES and TFM were considered to provide effective support to countries throughout the project cycle.** More than 50% of country survey respondents *strongly agreed* that the ES and TFM provided effective support to countries on the design of monitoring systems, regular monitoring of projects, guidance and monitoring of VfM, financial management, audit, global communication, capacity-building and training; even the MIS. Only risk management and guidance and VfM were considered slightly weaker than the other processes.
197. **Operational mechanisms at the country level were considered adequate, but not exceptional from design, through implementation and evaluation.** Less than half (40%) of the country survey respondents felt that EIF structures and procedures at country-level were *adequate* throughout the project cycle, with a slightly more positive impression of the early stages of project design than the later stages of project oversight. Assessment on EIF operational systems and processes at country level was considered among the weak areas across the case study countries (case study score of 3.3 out of 5.0).
198. **While some informants raised concerns about the rigidity of the EIF’s “one size fits all” structures and procedures in-country, the TFM managed to deliver a largely clean bill of financial health for the programme.** The EIF’s global systems did not always have the sufficient flexibility to accommodate the local context, including the national systems, that the projects operated in. Nevertheless, some of the standardised operating models that the EIF deployed have proven to be extremely effective in ensuring that the projects were implemented with accountability and transparency. During the life of an EIF project, the TFM intervened throughout the project cycle, including at critical junctures, to provide fiduciary oversight and ensure the safeguarding of EIF funds. The output of each of these interventions was shared with the ES as part of the regular ES/TFM coordination efforts. These interventions were as follows:
- i. TFM fiduciary capacity assessment of MIEs with recommendations to condition approval
 - ii. Start-up facilitation mission
 - iii. Review of quarterly financial reports
 - iv. Review of key project fiduciary matters ex-ante
 - v. Supervision missions and recommendations
 - vi. Review of annual external audits and recommendations
 - vii. Ongoing fiduciary support
199. **Generally, governments were less efficient when acting as MIE than partner agencies.** While governments as MIE took on average 36 days from the signature of the MOU to the first disbursement, partner agencies accomplished the same in an average of 20 days. According to a number of interviewees, there was a trade-off between efficiency and country ownership, with governments needing considerable support in project implementation.
200. **Efficiency issues were particularly focused on cumbersome government procedures, whether procurement, financial management or recruitment processes, which were all exacerbated by the tightening of the fiscal space, also due to COVID-19.** Tight fiscal space was a concern across the case studies, but was especially exacerbated by COVID-19, especially in economies dependent on commodities and tourism. It also contributed to the deferred release of funds and processing of payments in countries which used the government financial system for implementation (e.g. Solomon Islands, Zambia). Government tendering and procurement processes similarly contributed to delays. In SIDS, such as Samoa, cost-effective procurement was a particular challenge, due to the small size of the market. For example, this often resulted in the use of the same consultants for several studies.
201. Inefficiencies also affected human resources, with slow recruitment causing difficulties in the establishment of the NIU (e.g. Niger, Zambia), project start-up delays (e.g. Samoa), and high turn-over, stifling implementation.

3.2.2 EIF efficiency in the use of time and resources

202. This section considers if EIF analytical tools and projects were delivered on time and to budget, including the VfM analysis of the EIF.

Table 19: Average scores and number of case study countries demonstrating efficiency of EIF interventions and governance structures

	Avg score	High (#)	Med (#)	Low (#)
Efficiency of Tier 1 initiatives	2.9	1	15	9
Efficiency of Tier 2 initiatives	2.9	0	12	5
Efficiency (use of time and money) of EIF governance structures at the country level	3.0	1	17	6

Note: Scores range from 1-5, with 5 being the highest.

Source: Country case study assessments.

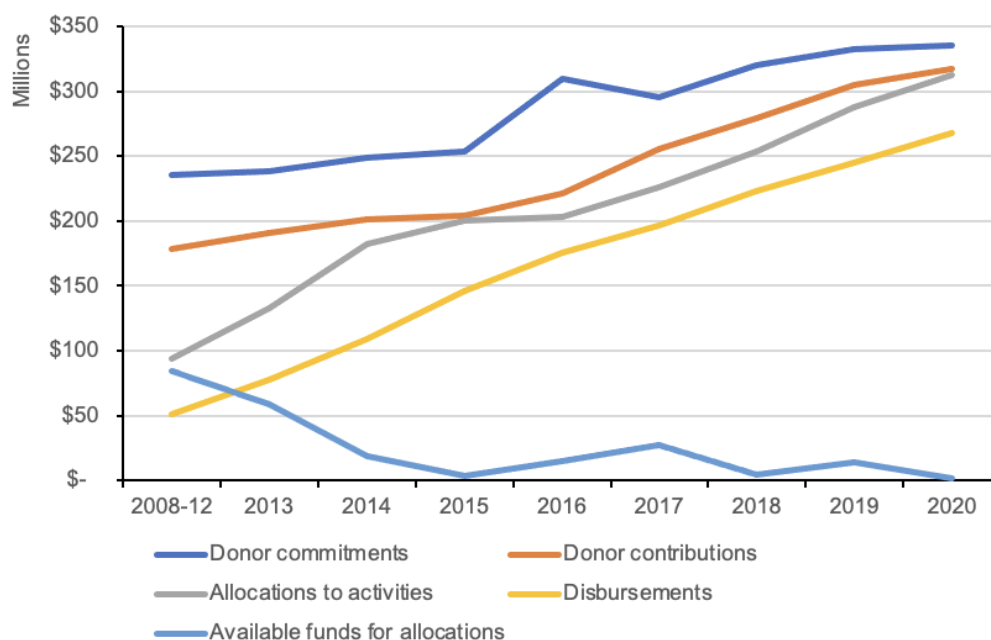
203. **The overall efficiency of the EIF improved from Phase 1 to Phase 2, but remained a concern.** Efficiency was the weakest area assessed across the case studies (average case study results score of 2.9). This applied equally across Tier 1 and Tier 2 initiatives, as well as the EIF NIAs at country level (albeit slightly higher). The EIF governance structures of roughly a quarter of the countries (including Afghanistan, Bangladesh, Guinea, Niger, Solomon Islands, and South Sudan) were assessed as largely inefficient. Challenges in domestic economic, governance and financial systems; institutional and human resource capacity constraints; and political instability and insecurity were the key contributing factors to inefficiency.
204. **As an illustration, the time from project approval to the first disbursement declined somewhat (by 22%) from Phase 1 to Phase 2.** As of September 2021, 199 out of 291 projects were completed, 90 were still under implementation and two cancelled or terminated. Based on the portfolio data, the average time taken from the signature of the MOU to the first disbursement for a given project was 32 days during Phase 1. The maximum was 866 days between 2013 and 2015, in the case of the *DTISU* in Tuvalu. During Phase 2, the average time was reduced to 25 days, though the maximum remained 351, in the case of the *Reverse linkage project between Guinea and Tunisia on enhancing the value chain for exporting agricultural products of Guinea*. The approval process has been selected as an indicator in the VfM framework and the MIS captures project stages and durations, making it easier for the programme management to track and monitor the timely delivery of the various project stages.
205. **Analysis of project-level disbursement data across the EIF portfolio suggested that project implementation advanced relatively well in line with planning.** Of all projects that disbursed over \$1 million (excluding NIU support projects), the average share of disbursements (for projects with 5 or more transactions) was 19% for 1st, 15% for 2nd, 15% for 3rd, 10% for 4th and 13% for 5th disbursement. Of the projects assessed, 40% had refunds or adjustments due to remaining balance. These were on average 4.1% of the projects' total disbursements, with five projects having a remaining balance of over 5%.
206. **FCAS countries particularly suffered from a low rate of implementation.** The main drivers for delays in countries were external political, environmental or health related shocks and the associated challenges.

Financial Management

207. **The reforms required by the Change Management Plan introduced new financial management processes that increased the efficiency of related transactions.** It introduced realistic and binding schedules for disbursements, backed up by provisions for performance incentives for contractors and the lapsing and return of project budgets if necessary. EIF Phase 2 MOUs included milestones for disbursement linked to the lifeline.³² Interview data cited that these efforts resulted in increased efficiency.

Figure 4: EIF Financial Summary 2008-2020

³² EIF (2019). Status of Implementation of Change Management Plan: Final Update.



Source: Collated from EIF Annual Reports 2013-2020.

Table 20: EIF Donor Contributions

	In 2020, USD millions		
	EIF Phase 1	EIF Phase 2	Sub-total
IF – UNDP Co-mingled & Holding Account	33.48	-	33.48
EIF Donor Contributions	166.23	107.78	274.01
EIF Phase One Balance	(12.06)	12.06	-
Sub-total	187.65	119.84	307.49
Interest earned	6.73	2.60	9.33
Grand total	194.38	122.44	316.82

Source: EIF Annual Report 2020.

208. **The overall EIF funds available declined considerably in Phase 2.** Based on a review of EIF Annual Reports, the total value of donor commitments by 31 December 2020 was \$335.41 million, whereas contributions (receipts) amounted to \$316.82 million. Donor contributions totalled \$122.44 million for Phase 2, a nearly 40% decline from the corresponding figure in Phase 1. Since December 2020, EIF has raised a total of \$9.12 million in additional funding, from five donor countries (Estonia, Germany, Japan, Finland and Norway). This included a stand-alone contribution of \$5.2 million from Norway in June 2021. These contributions have come in the midst of a difficult ODA landscape, with funding cuts coming from some of EIF's largest donors. The additional funding ensured that EIF could continue to operate, develop pipeline projects, and deliver results despite the requirement to extend the programme for a year due to the COVID pandemic.

Table 21: Allocations and disbursements for EIF phases one and two 2008-20 (USD million)

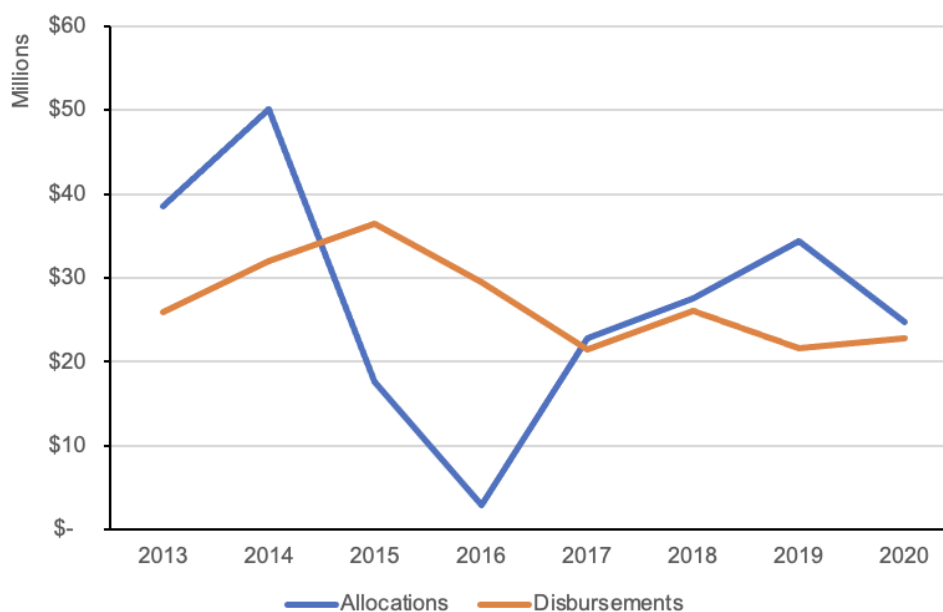
EIF phase	Annual Report Category	Allocations	Disbursements
One	LDC implementation	95.75	95.75

	Agency implementation	33.92	33.92
	Other implementing entity	10.95	10.95
	Global activities	5.27	5.26
	ES	26.50	26.50
	TFM	20.53	20.52
	TF mgmt transaction fee @0.75%		1.45
EIF phase one total		192.93	194.35
Two	LDC implementation	65.69	36.97
	Agency implementation	15.67	7.08
	Other implementing entity	6.50	3.51
	Global activities	3.60	2.92
	ES	19.73	15.89
	TFM	8.63	6.24
	TF mgmt transaction fee @0.75%		0.54
EIF phase two total		119.83	73.15
Grand total (phases one and two)		312.76	267.50

Source: EIF Annual Report 2020.

209. Over the period 2008-2020, a total of \$267.50 million was disbursed, including \$188.18 million for projects and \$77.33 million for ES, TFM and global activities. As of 31 December 2020, the disbursement rate under EIF Phase 2 stood at 54.1% for project implementation and 80.1% for ES, TFM and global activities. At the beginning of 2021, the unspent allocations totalled \$46.7 million, meaning that to be able to successfully disburse the balance, an average of \$15.6 million would have to be spent per annum. Given that EIF has been able to successfully maintain expenditures of above \$20 million per year since 2013, this should not be a material concern.

Figure 5: EIF Annual Allocation and Disbursement Volume, 2013-2020



Source: Collated from EIF Annual Reports 2013-2020.

210. **COVID-19 presents a risk for further delays in implementation.** The COVID-19 pandemic forced many countries to apply for no-cost extensions to allow the projects to be put on hold as the pandemic was ongoing. Given the uncertain trajectory of the pandemic, especially in developing country contexts, there will be a need to manage the final years of the projects carefully towards timely closure. Moreover, the no-cost extension process—that some global level interviewees argue many EIF countries are too reliant on—is considered burdensome, compounding inefficiencies if projects are not closed on schedule.

Value for Money

211. **VfM policies, processes and management have clearly improved over the life of the EIF, and particularly following the transition from Phase 1 to Phase 2.** The EIF has made definite strides in creating and implementing policies and procedures that are designed specifically to ensure VfM. Where earlier evaluation work concluded that it was “impossible to assess ... whether the EIF and its programmes and projects constitute good VfM”,³³ the current ES and TFM have prioritised VfM and the Board has approved policies designed to assure VfM in (1) VfM monitoring via the VfM action matrix of 2017, (2) procurement policy and practice, (3) management of conflict of interest, and (4) MIE selection practice.
212. As a result of these policies and procedures, the EIF achieved several notable milestones:
1. All projects reviewed that were approved within the last year were confirmed to have applied the conflict of interest mitigation approach and the MIE selection criteria as established by the Board.
 2. The TFM reports³⁴ that the overhead rate for the EIF across the portfolio was 10.93% which was below the policy maximum level of 13% of committed contributions as established by the Board.
 3. Since the start of the global pandemic, all project monitoring missions were conducted virtually, resulting in substantial travel cost savings (+ USD 640,000).
 4. The average time for project approvals declined over phase 2 from a baseline at the end of phase 1 of 1 month for Tier 1 and 2.5 months for Tier 2 projects to 5 and 16 working days respectively.
 5. Overall government and other partner contributions to EIF-approved projects was 30% across both phases, but at 39.5% since the end of 2017, representing an improvement in the ability to attract government and other donor funding.

³³ Meta-analysis of independent evaluations of projects supported by the EIF in LDCs, 6 December 2019.

³⁴ Update of the EIF Executive Director of the Executive Secretariat for the EIF to the EIF Board, 17 June 2021.

6. Timeliness of reporting improved, though there was further room for improvement. Seventy-two percent of projects submitted annual technical reports on time, up from 40% at the end of 2017, and 86% presented timely audit reports, as compared to 20% in 2017.
 7. Gender was increasingly considered and integrated into EIF projects, though there was still progress to be made.
213. **The improvements to procurement policies strengthened the overall VfM profile of the EIF.** The revised approaches to procurement, MIE selection, and conflict of interest were welcome and impactful in VfM terms. This has risen up from the case study VfM scorecard assessments as particularly effective, with an average score on “Approach to procurement” of 3.7 out of a maximum of five and scoring a four or five on six of 10 case studies. Also, “strategies and measures adopted to enhance delivery and mitigate risk” scored fours on seven of 10 scorecards, and 3.7, on average. In terms of the VfM action matrix, the implementation of these policies was probably the most significant “win” to-date in terms of strengthening the EIF’s VfM proposition.
214. **The quality of data being fed back to central management was lacking.** There were significant shortfalls in implementation of the sound policies and procedures. Our case studies identified a number of occurrences where the data in reports at the country level or in the Knowledge Hub was either incorrectly matched by data in the central MIS or not reflected in the MIS. These instances were observed for example on the values of EIF and non-EIF contributions and/or the complete list of non-EIF project donors. In some instances, some reports were also missing from the Knowledge Hub, although these were provided to the evaluation team when requested. More broadly, there was a lack of systematic and timely reporting in MIS on progress against programme-level indicators. This was likely due to uncertainty in the terms of the metrics of interest—currency, time variables, participation rates, etc.—and not a deliberate effort to obfuscate performance. Nonetheless, clear, coherent and accurate reporting is crucial to quality management, and these shortfalls inhibit sound management practice.
215. **Though the ES and TFM established a quality set of reasonable VfM metrics, these were not all being tracked yet.** For some, the fact that they were recently established provided a reason for the lack of tracking, but others could be tracked given that two years have passed since the metrics were established. Requests for evidence of metric tracking resulted in less than 50% of metrics being reported. This suggested the possibility that there was a lack of focus on this area of management, by the two entities.
216. **The EIF demonstrated an ability to spend in line with plans.** It is a significant challenge for large, complex programmes to disburse in line with plans and this has been an area of relative efficiency for the EIF. However, the case studies generated evidence that the level of output for the spend was not meeting expectations. The likely, but not firmly established, cause of this was a lack of tight rein on the NIUs who may see EIF funds as a supplementary source to back fill evolving priorities.
217. **The EIF model of working through NIUs had significant limitations in terms of delivering effective change, with case study data indicating that not all NIUs were particularly serious about implementing reforms.** A number of interviews suggested that some NIUs saw EIF funds as “income supplementation” and the separate value of EIF support was not always well-tracked or measured. Existence of processes to ensure VfM at the country level, for the in-depth case study countries, was the lowest ranked category across VfM scorecards, scoring an average of 1.8 (on a scale of one to five, with five being the highest) and the most common score was 1, which was scored among 60% of in-depth case studies.

3.2.3 Sustainability

218. This section explores the extent to which the results, structures, mechanisms, and procedures are “owned” by the EIF countries and can be expected to continue after EIF support has ended. According to many key interviewees, the greatest added value of the EIF is its contribution to sustainability and institutional strengthening. The section also reviews the co-funding of EIF projects by governments, as well as partners and other donors and the EIF’s ability to leverage additional financing. The section concludes with an assessment of how sustainability has been considered in the design of the EIF model.
219. **Overall, the integration of EIF initiatives into government priorities, activities, structures, and processes was relatively robust** with eight case study countries having integrated related EIF initiatives

into their own policies, structures and processes. Conversely, this integration had taken place formally but not effectively in practice in 16 countries. The level of country ownership was rated weaker (3.4).

220. **There were concerns about the continuation of EIF initiatives**, with the inevitable lack of continuity confirmed in seven countries and the prospect of continuity being uncertain in over half of the case study countries. The lack of continuity was linked to deep donor dependency by the countries on the one hand, and the challenge to leverage additional finance (3.2) on the other.

Table 22: Average scores and number of case study countries demonstrating sustainability of EIF results, structures, mechanisms, and procedures

	Avg score	High (#)	Med (#)	Low (#)
Integration of EIF initiatives into government priorities activities, structures and processes	3.9	8	16	1
Country ownership	3.4	2	20	3
Continuation of EIF initiatives	3.1	2	16	7
Leveraging additional finance	3.2	2	19	4

Note: Scores range from 1-5, with 5 being the highest.
Source: Country case study assessments.

Country ownership

221. **A key indicator for increased government ownership has been the shift of MIE responsibility of projects to the partner governments themselves.** This process has been pronounced in Phase 2 in terms of number and value of projects (Table 23) with nearly 30% growth in the number of projects managed by the government.

Table 23: Number and Value of Projects by Main Implementing Entity

Project MIE	Projects			Value		
	Phase 1	Phase 2	% Change	Phase 1	Phase 2	% Change
Government	60	77	>28.3%	\$107 million	\$93.19 million	<12.9%
Agencies	62	41	< 33.9%	\$32.46 million	\$21.33 million	<34.3%
NGOs	3	5	>66.7%	\$8.19 million	\$5.32 million	<35.1%
Others	3	4	>33.3%	\$3.21 million	\$6.01 million	>87.2%
Total	128	127	<0.8%	\$150.86 million	\$125.85 million	<16.6%

Note: Figures exclude projects that have been implemented in Phase 1 and carried over in Phase 2.
Source: Aggregated figures based on project portfolio data from EIF-Executive Secretariat and Knowledge Hub.

222. The Board had approved the strategy and many Board members subscribed to the sentiment that “the more the NIUs are the MIEs, the better. Implementation should be in the hands of the government”. Interview data further showed that “the power dynamics were changing, with countries becoming more powerful and inviting EIF partner agencies to implement projects, rather than the other way around”. For example, in Rwanda, ITC delivered one component of the export promotion project. The partner agencies themselves have objected to this development, as they purport that rather than capacity being absorbed into government,

support was being outsourced by the national MIEs to third parties that delivered the projects without the necessary transfer of skills.

223. **Trade and NIAs were increasingly being mainstreamed into government development and sector policies, as well as their structures and procedures.** As already noted in sections 3.1.1 (Relevance) and 3.1.2 (Effectiveness), the EIF objectives were well integrated into the long-term development plans, trade policies and sector strategies of the countries. EIF structures and procedures—whether the Steering Committee, NIU, donor coordination structures and procedures or the participatory process for preparing the DTIS/AM—were increasingly mainstreamed into government. Based on EIF monitoring data, almost 80% of the NIUs were integrated into government structures, with the exception of some countries that have only recently benefited from EIF support (e.g. Angola and Timor-Leste), the smallest of the SIDS (e.g. Kiribati and Tuvalu), and some of the more fragile countries in FCAS (e.g. Somalia and Sudan). Together with the government increasingly acting as the MIE, this meant greater government ownership of the trade agenda, as well as individual projects.
224. **The NIU function was being absorbed by the responsible ministries in some countries.** The pursuit of building capacity via the NIUs was seen as contentious within the Board. While some supported the model, others were strongly of the view that these should be dismantled at the end of Phase 2. According to several interviewees, the process could not be overseen forever. There was a need for a clear “sunset clause” for external support, requiring partner governments to become responsible for managing projects independently. This debate highlighted the challenge of the “one-size-fits-all” approach of the EIF.
225. **Likewise, trade coordination structures were absorbed into government structures or under other, similar project-funded structures.** In Cabo Verde, the NSC was replaced by the National Council of Trade and Aid for Trade Committee, demonstrating government ownership of trade coordination. In Zambia, monitoring implementation of the DTIS AM moved to the NTFC which had a stronger legal mandate, chaired by the PS MCTI. Reporting on the EIF continued to the NSC. The NSC is in the process of transitioning to a sub-committee under the NTFC. In Rwanda, the NIU was fully integrated under the Single Project Implementation Unit (SPIU) which was integrated into Rwanda’s Ministry of Trade and Industry (MINICOM). This explained why the Ministry of Trade and Industry was the MIE for all EIF projects in Rwanda. In Lao PDR, the NIU was fully integrated in the Ministry of Industry and Commerce structure as a division under the Department of Planning and Cooperation. Moreover, the EIF governance structure overall was fully integrated into the government structures and processes, going much further than the EIF, covering all AfT activities.
226. **The continuity of the work of the NIU and especially the coordination structures after the end of EIF support, even for well-integrated committees, was nevertheless not obvious.** Even in Cambodia, where the Cambodia Trade Integration Strategy Steering Committee supported by the EIF was replaced by the structures under the Trade Sector-Wide Approach programme, trade coordination was under threat since the end of related funding. Based on several interviews, there were expressed concerns about the weakened robustness and sustainability of the country’s trade coordination mechanisms.
227. **The issue of high turnover of EIF funded staff in the NIU was a sustainability concern, though staff was increasingly funded from the government budget.** Staff turnover and the loss of institutional memory was a major issue in most of the case study countries. The moment strong capacity was built, the individuals were often transferred to another ministry. In Zambia, NIU staff may not be integrated into the ministry once the EIF ends due to a recruitment freeze by government. The EIF was engaging at the senior level with ministers and permanent secretaries to ensure continuity. It has also promoted collaboration with other ministries, though this has remained a challenge in many countries. Based on interviews, the question remains if the NIU function will continue the trade mainstreaming, coordination, and project management tasks, even without EIF funding.
228. **Tensions between international or well-paid local technical assistance and civil servants were also evident.** In Guinea-Bissau, international assistance managed to completely accomplish 46 out of the 57 activities in the NIU working plan and left the other 10 in an advanced stage of implementation. Nevertheless, although the technical assistance leveraged expertise and allowed the local staff to develop their skills and knowledge, the continuity of such expertise was limited by the capacity of the Guinea-Bissau government to retain the staff that was exposed to those experiences. In Equatorial Guinea, the salary gap between international consultants and civil servants limited the motivation and ownership and responsibility of the latter.

229. **Uncertainty about the availability of government funding and budget after EIF support is due to end is significant.** This has an impact on both the functioning of the introduced institutional structures and processes, as well as generated results; though the former is even more dependent on the treasury. This is exacerbated by the tight fiscal environment that prevailed in most EIF countries, especially following the impacts of the COVID-19 pandemic.

Co-financing and leveraging of additional finance

230. **Scaling up the leverage of project co-financing remained a challenge for the EIF, although progress was made in Phase 2.** The ability to attract co-financing was a challenge documented by the Phase 1 final evaluation. Across the portfolio, in Phase 1 the EIF had leveraged co-funding a total of \$53 million or 37% of its project budget. In Phase 2, to date, this was \$49 million or 54% share of the project budget. Notably 67% of projects approved in Phase 2 included an element of co-funding, suggesting clear improvement. However, the average amount of government contributions was moderately lower (\$0.328 million compared with \$0.381 million in Phase 1). Similarly, the proportion of projects benefiting from development partner contributions increased in Phase 2 (about 29% compared with just over a tenth in Phase 1), but the average amount (\$0.497 million) saw a triple decline from the corresponding figure in Phase 1. Albeit significantly lower than government and development partner contributions, the proportion of projects benefiting from private sector funding likewise increased in Phase 2 (about 8% compared with over 2% in Phase 1), with about a quarter of the total projects further benefiting from in-kind contributions. The average amount of private sector contributions was also lower in the current phase than in Phase 1 (\$0.127 million compared with \$0.407 million). Overall, the decreases in the average amount of counterpart funding could be partly attributed to the smaller value of projects.

Table 24: Trends in Co-Funding of EIF Projects by Source

Phase 1				
	Government	Development Partner	Private Sector	
			Cash	In-kind
Proportion of projects benefiting from co-funding	47.7%	11.4%	2.7%	
Average amount	381,472	1,522,254	407,266	
Range	15,500 - 3,000,000	20,000 - 15,593,400	140,000 - 586,767	
Phase 2				
Proportion of projects benefiting from co-funding	54.6%	28.9%	7.9%	24.3%
Average amount	327,549	496,711	126,597	
Range	200 - 3,248,100	10,000 - 3,293,776	20,000 - 273,000	

Source: Derived (aggregated) figures based on data provided by the EIF Executive Secretariat.

231. **The EIF slowly ramped up its ability to raise additional financing across the portfolio.** Efforts picked up between 2018-2019, with the substantial growth of actions undertaken by EIF partners in support of leveraging finance and expertise (Table 25). The ES also prepared a Guidebook: Resource Mobilisation-Strategies, tips and resources, which was updated in 2020 and specific brief on blended finance, impact investing, ODA and FDI). By 2020, total leveraging of financial resources (including co-funding arrangements) was estimated at about \$150 million from government and donor partners, as well as the private sector, based on EIF monitoring data.

Table 25: EIF Results Monitoring Data on Co-financing and Additional Finance Leveraged

	2015	2016	2017	2018	2019	2020	2023 (target)
2.3.a. Number of actions undertaken by EIF partners (Agencies/Main Implementing Entities) in support of leveraging finance and expertise.	5	75	93	186	404	430	440
2.3.b. Number of projects funded by development partners (Donors/Agencies/development banks) related to the Action Matrix of the Diagnostic Trade Integration Study.	22	35	41	110	214	242 (\$2.33 bn)	350
2.3.c. Number of EIF projects leveraging private sector resources.				16	24	34 (\$2.83 mn)	30
Co-funding				5	8	11 (\$1.96 mn)	
Broader leveraging				11	16	23 (\$0.88 mn)	
2.3.d. Number of EIF projects receiving additional funding from governments and development partners .				45	69	92 (\$83.34 mn)	75
Broader leveraging from governments and development partners						(\$56.90 mn)	
Total (governments and development partners)						(\$140.24 mn)	

Source: EIF Annual Reports and Master Results Database.

232. **Mali provides a best-in-class example for co-financing and leverage.** According to EIF reporting, the Malian Government has annually allocated a budget to support the implementation of the EIF programme. Managing the contribution like a trust fund under the supervision of the Focal Point and with the guidance of the NSC, between 2016 and 2020 the Government has contributed more than \$10 million (5,962,750,000 CFA) of additional resources to the EIF programme in Mali.
233. **Alternative sources of funding proved particularly difficult to navigate for the EIF** (e.g. philanthropic private sector funding, social impact investing, blended financing, PPPs). The private money mobilised in LDCs is only a third of the global average, with blended finance going mainly to middle-income countries. The EIF trust fund was not structured in a way to attract or absorb private investment.

Textbox 6: Background on alternative funding source absorption in the EIF

Based on preliminary discussions on the receipt of alternative funding, TFM had proposed to establish, through UNOPS, a separate Trust Fund with its modalities to administer these funds, with additional staff required for its management. While there were preliminary discussions for the reception of contributions from other sources than donor governments, informal discussions with Board members did not favour such an option. This was due to donor hesitation to explore these options, based on interview data.

Nevertheless, according to several interviewees, there was a need to still work more strategically with the private sector, to mobilise resources and enhance implementation capacity.

234. The EIF explored possibilities for partnering with SDG 500, especially providing advice and technical assistance to the Build Fund, but this partnership did not materialise. Awareness among EIF countries was also increased through a series of briefs (e.g. blended finance, impact investing, ODA and FDI). Through its cooperation with the World Association of Investment Promotion Agencies (WAIPA), the EIF was also targeting its private finance efforts at graduating LDCs, with 20 countries and their investment promotion agencies involved. Ultimately, few of the EIF countries and companies in those countries were at a stage of maturity to be able to attract private investment, from angel/seed investments to growth capital.
235. **The least progress therefore was made by the EIF in mobilising private sector financing**, whether attracting FDI, start-up capital or impact financing. Based on EIF results monitoring data, only \$880,000 was raised by 2020 from these non-governmental sources. This was reflected across the surveys. According to the country survey, over 80% of respondents either disagreed or were not aware if EIF was able to raise philanthropic funding. 70% felt the same about private sector funding. In the global survey, these figures were 84% and 79%, respectively. One identified exception was the PPP) in Guinea, where private actors have invested an additional \$5 million to further strengthen the operational capacity of the National Office of Quality Control through infrastructure, supplies and training.

3.2.4 Sustainability of the design

236. The conceptual design of EIF's programmatic offer was successful, as validated through solid uptake from countries. Of the 51 countries that have benefitted from the EIF, 49 have been party to DTIS-related support from the EIF. Out of these, 35 have received both Tier 1 and Tier 2 support. Interestingly, FCAS status was not a driving factor for the countries that had not called on the full suite of EIF support and it includes relatively stable states such as Angola and Sao Tome and Principe.
237. **The “one size fits all” operating model design did not sufficiently accommodate the entire range of needs displayed within the full spectrum of LDCs.** The ES and TFM staff expended considerable personal effort and resources to facilitate all partner countries. Their efforts have been well recognised by the county responses. Regardless, while the uptake of the projects has been robust in both FCAS and non-FCAS countries, the chance of success is generally preconditioned. Based on analysis conducted by the evaluation team, FCAS countries—25 of the 51 countries supported by the EIF—were significantly less likely to achieve outcomes related to total exports of goods and services or logistics performance as a result of EIF interventions.
238. **National ownership and the risk of political, environmental or other instability have risen as the main determinants of success for EIF countries.** While each country has faced a multitude of factors enabling and hindering their progress, these would appear to be the main drivers. The economic analysis conducted by the team found that countries in the lowest income group of the EIF-participating countries—and mainly designated as FCAS—face much bigger challenges in achieving their objectives. This finding is supported by the qualitative analysis from the case studies. Similarly, the case study analysis suggests a clear link between the level of ownership by the government and the success of the programme.

4. CONCLUSIONS

4.1 EIF Results

4.1.1 Relevance

Relevance: *How relevant is the EIF to the trade-related capacity development needs and priorities of the LDCs, as well as recently graduated countries?*

239. **EIF-participating countries continued to need support to transform their economies and integrate into the rapidly evolving global trade system, even more so, following the COVID-19 crisis.** Based on

the review of the literature and economic analysis, the countries' (especially LDCs') need for support was indisputable. Despite the focus of the Sustainable Development Goals (SDGs), the Istanbul Programme of Action (IPoA) and the Addis Ababa Action Agenda (AAAA) on the LDCs, their share of global manufacturing exports continued to lag. LDCs also stood to lose the most from the COVID-19 crisis and its aftermath.

240. **Alignment with national priorities and needs was a major achievement of the EIF, and this was fully aligned with its guiding principle of promoting country ownership.** All of the EIF monitoring data, evaluation survey responses and assessment across the case studies indicated the alignment of the EIF with government objectives and needs. Relevance was the best performing area assessed across the evaluation, based on the EIF monitoring data, survey responses and the country case studies (with an overall average results score of 3.6/5.0 from case study assessments), with alignment with government priorities and needs being very strong. Based on the country case studies, representing half of the entire EIF portfolio, 100% of the EIF countries demonstrated EIF alignment with national priorities and needs—as defined through the integration of trade into national development plans (NDPs), introduction of national trade policies and strategies, as well as mainstreaming of trade in sector-specific plans. Alignment with government priorities was one of two areas that was assessed as “high” (average score of 4.4/5.0) across all of the summary and in-depth case studies. Based on EIF reporting, nearly all EIF countries successfully completed the Diagnostic Trade Integration Studies/Updates (DTIS/U) and mainstreamed trade. Country-level analysis validated that trade-related objectives were comprehensively included in national development policies and sector strategies. Coordination and decision-making structures were also increasingly absorbed into government functions, at least in higher-capacity environments that also demonstrated the political will to prioritise trade issues.
241. **The standard EIF offer of the DTIS/U, National Implementation Arrangements (NIAs) and funded projects generally served the highly differential circumstances and needs of the EIF countries.** However, there were several cases, notably among the most fragile and conflict-affected states (FCAS) where more flexible and tailored approaches would have been more beneficial. While good progress in increasing the flexibility of the programme, particularly under Tier 2, was acknowledged, many interviews continued to characterise the EIF as a “one-size-fits-all” approach. The needs of the already or soon graduating economies and those of the “least-developed of the least-developed” could not be met with the same set of analytical tools, structures, processes, and financial solutions, despite the best efforts of EIF staff.
242. **The EIF was less effective in engaging with the private sector and civil society in its honest broker function, especially with a view to recognising the particular challenges of more vulnerable groups, such as women and women-owned SMEs.** EIF results monitoring data and the case studies confirmed that over 80% of EIF countries established the requisite coordination structures. While the importance of the private sector was recognised in the Phase 2 Compendium, and representatives were included in the coordination mechanisms, the systematic representation of private sector views and reflection of their specific needs in trade-related reforms continued to challenge the EIF. All of the EIF monitoring data and evaluation survey responses distinguished the high level of alignment with government versus the lower level of alignment with private sector needs. Chambers of commerce did not necessarily represent the views of the largely informal MSME sector and these associations have not yet acted as MIEs. MSMEs were nevertheless an important, final beneficiary of EIF Tier 2 projects.
243. **Despite more recent efforts to promote inclusiveness and mainstream gender, the EIF portfolio overall was less successful in meeting the particular needs of more vulnerable groups (e.g. women).** Gender mainstreaming was found to be less successful across the portfolio because the approach mainly focused on gender disaggregated data, rather than strategically identifying and addressing the real problems that women traders face. Given that most of the gender requirements were relatively new within the history of the EIF, since 2019, results remained unclear. The exceptions were more recent Tier 2 projects and multi-country projects with the specific thematic objectives, including the “Empower Women, Power Trade” and “SheTrades” (managed by the International Trade Centre [ITC]). Both the global and country surveys indicated that engagement with civil society was substantially lower than engagement with the government.
244. **Due to a proactive management response by the ES and TFM, the EIF largely managed to avoid major negative consequences of COVID-19 for the programme.** The ES and TFM worked together to establish a Joint Task Force to design and implement the EIF Business Continuity Plan. Through this, EIF management was able to identify the programmatic risk presented by the COVID-19 pandemic and strengthened risk management processes at all levels to identify and mitigate risks.

4.1.2 Effectiveness and Impact

Effectiveness and Impact: *To what extent is the EIF producing results and what intended and unintended impacts can be observed as a consequence of the EIF programme?*

245. **Aid for Trade (AfT) overall had great potential to increase trade, investment and even industrial performance.** A doubling of total AfT was found to be associated with a 4.7% increase in total trade (i.e. exports and imports of goods and services) of AfT recipients, on average and holding all other factors constant. The potential impact of AfT was nevertheless characterised by regional differentials, including among EIF-participating countries. Accordingly, EIF-participating Asian economies tended to benefit more through merchandise and services exports, while their African counterparts saw relative gains through agricultural performance.
246. **The EIF already demonstrated some trade-related effects, based on the overall economic analysis and case studies.** A doubling of EIF aid was linked to around a 20% increase in total exports of countries with stronger economies having average and above average export volumes. There was also regional variance in the impact of EIF support, with African countries generally seeing relative gains in goods exports and Asian countries benefiting more from services exports. Further, EIF disbursements were linked to improvements in logistics performance and the value-added content of exports, especially for the more dynamic economies in Asia. The results of this global economic analysis were also generally reflected across the individual case studies in Africa and Asia.
247. **The EIF made steady progress in improving the trade environment in most of the supported countries,** including through improved understanding of trade opportunities and challenges via the DTIS/U, the establishment of trade-related decision-making and coordination structures through the NIAs, the mainstreaming of trade across NDPs and sector strategies, and the introduction of new trade-related policies. The EIF exceeded all of its targets on related indicators—performance that was confirmed by the global and country survey responses and case studies. While a quarter of trade policy reforms could be traced directly to EIF’s influence, most frequently the EIF contributed to these reforms with others. The implementation of reforms, including the recommendations of the DTIS/U and action matrix (AM), continued to be resource-constrained in most of the 25 case study countries. FCAS countries particularly struggled to transform DTIS/U findings into related trade policy reforms.
248. **The opportunities provided by regional programming through their inclusion as a priority theme in EIF Strategy 2 were not yet fully implemented.** The EIF only supported a total of 16 regional projects, accounting for 4% of the total EIF operational budget. These were largely multi-country interventions rather than ones promoting regional integration, with the exception of the trade facilitation projects. As regional programming was only introduced in Strategy 2, it was a relatively new modality, so for many projects, 2020 was the first year of operation. Almost all of the case study countries demonstrated a limited EIF contribution to regional objectives. Under the effectiveness criteria, “contribution to regional objectives” recorded the lowest average score at 3.2/5.0. Regional or sub-regional integration efforts or trade agreements were nevertheless supported through existing institutional capacity support projects, namely through facilitation of meetings and workshop participation.
249. **There was good progress on increasing productivity and market access through the support EIF provided to build the productive capacity of recipient countries, even indications of impact on job creation and income generation for more vulnerable groups,** especially through agricultural value chains. Overall agri-business and value chain support projects accounted for the lion’s share (65% or 58 out of 89) of EIF’s productive capacity support, with African countries benefiting the most. 70% of the country survey respondents either agreed or strongly agreed that the EIF delivered results in agri-business. Value-chain support was particularly effective in four country case studies: Burkina Faso, Cambodia, Malawi, and Zambia. However, it was extremely clear that support to building productive capacities required strong collaboration and partnership based on the unique value proposition of different agencies (e.g. familiarity with given sectors, work on trade facilitation, digital trade and e-commerce).

4.1.3 Coherence

Coherence: *How coherent is the EIF's programme logic? Does the EIF collaborate effectively?*

250. **Country ownership was strongly promoted by the EIF, with greater challenges in upholding the partnership principle.** Country projects were very well aligned with EIF goals (with an overall average score of 4.2/5.0), but coordination with other trade-related support was more challenging. The unique value proposition of the EIF was its promotion of country ownership and partnership, which was increasingly reflected in its mission. Based on a review of the evolution of the EIF strategy over time, the network analysis, case studies, and interviews, it was observed that the LDC empowerment principle grew particularly strong, while the partnership principle was more challenging to uphold, both at the global and country levels. In approximately half of the case studies, coordination was limited to the establishment of the requisite formal structures, namely donor coordination committees and the Donor Facilitator (DF) function, with evidence of duplication of efforts in a number of countries.
251. **The EIF strategy grew more ambitious over time from Phase 1 to Phase 2, without a related adjustment in its mandate, clear division of labour with its partners, or increase in internal resources.** While the new thematic priorities were officially approved by the partnership through the decision of the Board and were included in the EIF Strategic Plan 2019–2022, many of the interviewees questioned the rapid growth in thematic focus areas and Tier 2 activities, while the EIF budget stagnated. In fact, while the original funding target for Phase 2 was \$274 million, the actual budget for Phase 2 was revised down to \$141 million to match donor commitments. The budget for project allocations from Phase 1 to Phase 2 was reduced by 33%. While Phase 1 did not have clearly defined areas or themes of focus, with the implementation of Phase 2, there was a growing focus on global value chains, regional integration, poverty and inclusiveness (e.g. MSMEs), gender equality, and environmental objectives, including on climate change. The EIF also extended its focus to technology, notably e-commerce, as well as support for graduating LDCs on investment promotion. While good results were demonstrated in productive sector interventions, based on interview data, partner agencies did not consider that the EIF, through its recognised niche in trade-mainstreaming and brokering function, brought added-value in this or a number of the other, new thematic areas. The ambition for the programme was adjusted in the short-term by revising the anticipated targets enabled by the reduction of maximum budget thresholds for Tier 2 projects. A more detailed strategy process to revisit what was feasible given the available resources or to discuss what areas would need to be cut to increase strategic focus was not conducted until the Medium Term Strategic Plan for 2019–22. By 2019, most of the Phase 2 portfolio was, however, already allocated to projects. The role of and division of labour with the partner agencies also evolved over time, but was not explicitly reviewed and adjusted. The partner agencies, in particular, felt that the EIF had expanded its focus beyond the partnership's original institutional strengthening mandate.
252. **While donor coordination and dialogue mechanisms were established in many countries as planned, their engagement has not been broadly successful over time.** Achieving the required synergy with other trade-related interventions was one of the main challenges of the EIF, despite the establishment of donor coordination structures in recipient countries. Based on the surveys and interviews, the role of the DF was particularly challenging to deploy, with success depending largely on the commitment of and resources available to the individual and donor organisation responsible.

4.2 EIF Model

4.2.1 Effectiveness

Effectiveness: *How effective and efficient are the EIF's governance structures and operational mechanisms at both the programme and country levels?*

253. **While the role of the Board grew more strategic since Phase 1, it was not successful in holding the EIF accountable for performance, nor was it effective in providing strategic guidance to the EIF.** The ES and TFM took the lead on the substantive design and delivery of the programme, with the Board playing a more responsive, assurance-based role. The division of roles and responsibilities, as well as the power and capacity balance between the three constituencies on the EIF Board was not fully equilibrated, notably

with the countries lacking sufficient stature. Issues remained with the Board's mandate and functions. Almost half of the respondents to the global survey either disagreed with or were not able to comment on the effectiveness of the EIF's strategic planning function. One partner agency prescribed that the challenges in strategic leadership between the Board and the management were due to the result of the EIF governance structure, which they suggested should be revisited.

254. **The leadership gap was compounded by the EIF Steering Committee not fulfilling its planned strategic advisory mandate.** Beyond being consulted as part of the Medium Term Strategic Plan 2019–22 development, the Steering Committee was not substantively engaged to provide strategic advice and guidance. While it did serve as a useful platform for knowledge-sharing, strategic input and the promotion of internal learning were constrained by the ambitious agenda, number of participants and formal structure of the meetings.
255. **Both the ES and TFM structures and procedures were considered appropriate,** based on document review, survey responses and global level interviews, though staff from both institutions also felt that the dual structure and division of labour should be revisited in the future, also with a view to achieve better Value for Money (VfM).
256. **Global operational mechanisms throughout the project cycle were generally considered appropriate by design, but burdensome in their implementation by some countries, with remaining needs particularly in the areas of monitoring, learning, risk management, financial management, and VfM.** These remaining areas for improvement were identified through the analysis of related documentation, the surveys, the country case studies, and interviews, including the focus group discussions (FGDs) with ES and TFM staff.
257. The ES and TFM attempted to balance high standards with efficiency in the planning process, with the average time required for project approval significantly reduced from its Phase 1 baseline through Phase 2, as reported by the EIF's VfM tracker. Based on interviews and in-depth country case studies, the overall project approval cycle was still described as onerous and often protracted.
258. **EIF MEL capacity was substantially strengthened from Phase 1 to Phase 2** through the EIF management's concerted effort from EIF management. Nonetheless, areas for improvement remained, including with regard to both the availability and quality of data. While improvements were made and new tools, such as data collection toolkits, more comprehensive reporting templates and the results database were introduced and rolled out, data verification and validation between and across sources still proved challenging, also for the evaluation. There was a proliferation of data management solutions and the Management Information System (MIS) was not consistently used for central data management. There is a further need to revisit and automate results reporting, ideally in real-time. During the development process of any future tools, a key consideration must be whether they can be successfully rolled out by the partners in-country.
259. **The EIF made significant strides on improving its risk management system following the COVID pandemic, applying the learnings and tools from engaging with that process.** A key opportunity will be to socialise these tools with the EIF countries, a process that the ES and TFM have already started with the review of the EIF's Risk Management Policy, together with the rolling out of e-learning and webinars on risk management.
260. **Substantial progress was made on communications at both the global and country level.** A substantial amount of communication activities took place and communications outreach and uptake were exceptionally well monitored, despite limited resources. Communication products were developed in close coordination with partner agencies and EIF countries, with CommConnect being a new, effective way to connect with EIF countries. Similarly, communication strategies were encouraged at country level, though there was no requirement for a dedicated budget-line in budgets, which constrained related resources and implementation.

4.2.2 Efficiency

Efficiency: *Does the EIF show an efficient use of time and resources?*

261. **The overall efficiency of the EIF improved from Phase 1 to Phase 2.** A Change Management Plan was implemented following the Phase 1 evaluation in 2014, identifying areas of improvement for the new phase. Efficiency at the national level was nevertheless the weakest area assessed across the case studies (with an overall average score of 2.9/5.0)—this applied equally across Tier 1 and Tier 2 initiatives, as well as the EIF NIAs at country-level (albeit slightly higher). Burdensome processes remained a concern for many interviewees.
262. **Unless there are considerable further delays at project level, the EIF should have the capacity to close the Phase 2 portfolio on schedule.** The value of donor commitments by 31 December 2020 was \$335.41 million, whereas contributions (receipts) amounted to \$316.82 million. Donor contributions totalled \$122.44 million for Phase 2, nearly a 40% decline from the corresponding figure in Phase 1. Following challenges to disburse funds up to the mid-term of Phase 1, from 2013 the EIF managed to consistently deliver programming of \$20 million or more per annum. Given the remaining unspent balances available and their established track record for delivery, the EIF should be on schedule to complete Phase 2 by 2023. However, the general uncertainty related to COVID-19 and the large number (90) of currently ongoing projects emphasised the need for close global and national management in the final period.
263. **At the global level, VfM policies and processes clearly improved over the life of the EIF, and particularly following the transition from Phase 1 to Phase 2.** The improvements to procurement policies strengthened the overall VfM profile of the EIF, with the introduction of the VfM Action Matrix probably the most significant “win” to-date in terms of strengthening the EIF’s VfM proposition. However, at the country level, there were significant shortfalls in the implementation of sound VfM policies and procedures. For instance, the design of the EIF allowed the ES and TFM to efficiently manage centralised management costs, keeping the management fee to 7% relative to a standard of closer to 13%. However, it was not clear from the financial data if the total cost of management, when factoring in NIU expenses, was overall more efficient than comparator organisations.
264. Limited VfM monitoring at the country level was fairly common across the in-depth case study countries, suggesting a more wide-spread phenomena across most EIF countries. Of the 12 in-depth case study countries, seven obtained the minimum score of 1.0/5.0 for “processes to ensure Value for Money”, indicating the lack of prioritisation by the country programme. For example, in Bangladesh, there was no systematic reporting against VfM, despite the existence of sample measures to ensure efficiency and VfM. Similarly in Zambia, while there were several examples of the EIF programme and Tier 2 projects taking measures to ensure efficiency and improve VfM, there were no VfM metrics and therefore no systematic reporting against VfM. In contrast, evidence from Comoros (one of only two case studies with a score indicating evidence of VfM criteria prioritisation for process) showed that within the framework of the EIF programme, the implementation of projects scrupulously respected the standards of VfM data collection and processes: with several related examples of Tier 1 and Tier 2 projects implemented by the UNDP. Likewise, in Rwanda (which provided a case of what strong country-level VfM monitoring might look like), the Office of the Auditor General developed a tool to check VfM for all programmes, may these be funded by the government or donors. The project planning processes in place also entailed identification and prioritisation of programmes, projects and activities to achieve optimum balance of needs with available resources. Moreover, the VfM assessment in the country was usually conducted at the audit stage.
265. **Financial management was conducted according to the rules and procedures agreed by the Board.** The TFM had full fiduciary responsibility and accountability for the EIF Trust Fund, with the separation of the implementation and financial oversight function between the ES and TFM. While basic details about commitments and disbursements were produced regularly and maintained, the TFM did not regularly produce management accounts that would allow for the analysis of expenditure by type. This type of regular information would have been vital to enable the Board to perform its accountability function.
266. **EIF country-level structures were established, delivering their respective mandates and functions, with the recipient country increasingly serving as the Main Implementing Entity (MIE).** EIF governance structures at the country-level were in place and reasonably effective. Notably, both governance structures and operational mechanisms were considered less efficient and effective among graduating/graduated LDCs (with an average score of 3.1/5.0 each, based on country case study assessments). The absorption of the

MIE function by governments was fully in line with the EIF promotion of country ownership. The number of projects managed by the government as MIE also grew by 30% in Phase 2. Nevertheless, governments were less efficient in managing projects, based on a review of portfolio data across all the projects. Numerous underlying reasons for delays were suggested during country analysis and interviews—many focusing on limited capacity in LDC capitals for the identification, design, coordination, submission, and, ultimately, implementation of projects.

4.2.3 Sustainability

Sustainability: *Are the results achieved by the EIF at the programme and country levels likely to be sustainable?*

267. **The overall projected sustainability of the EIF was considered reasonable.** This was clear from the integration of EIF initiatives into government priorities, activities and structures, as well as overall level of country ownership, with an average sustainability score of 3.3/5.0 based on country case study assessments. Notable areas for improvement were identified in the EIF contribution to leveraging finance and expertise (average score of 3.2), which was somewhat stronger in both FCAS (average score of 3.3) and graduating/graduated LDCs (average score of 3.5).
268. **The EIF has successfully shifted ownership of programme delivery to the supported governments, including through the commitment of government co-funding to projects.** According to EIF results monitoring data, almost 80% of the NIUs were integrated into government structures, with the exception of some countries that have only recently benefited from EIF support (e.g. Angola and Timor-Leste), the smallest of the small island developing states (SIDS) (e.g. Kiribati and Tuvalu), and some of the more fragile and conflict-affected states (e.g. Somalia and Sudan). The country case studies confirmed this.
269. **The in-kind contributions of LDC governments, reviewed through the portfolio data across all the countries, have been considerable, albeit varied across countries.** However, the appetite for owning and maintaining the introduced policies, structures and processes in the longer term in large part remains in question. Securing commitment of government funding at the end of EIF support may prove to be a particular challenge. EIF projects that introduced systemic institutional and market-level changes are more likely to be sustainable over the longer term.
270. **The EIF's ability to leverage additional resources, especially from alternative sources, has been weaker.** This was a core pillar of the partnership principle and an expected unique value proposition of the EIF. Based on portfolio data and as confirmed through the surveys and interviews, the EIF has been only moderately successful in leveraging additional donor funding and further technical assistance from partner agencies. The EIF had very limited success in mobilising alternative sources of funding such as through philanthropic, social impact investing, blended financing, or public-private partnerships (PPPs). This particularly affected its ability to catalyse productive capacity at scale.
271. **The likelihood of EIF country level results lasting after the closure of the current phase was cautiously optimistic, apart from very low-capacity environments and countries in conflict.** In three (i.e. Afghanistan, Guinea and Sudan) of the 25 countries reviewed, all suffering from recent political instability, support was deemed unlikely to continue. This underlines the point that any improvement could be swiftly reversed through instability.

5. RECOMMENDATIONS

272. The evaluation recommendations are structured in two parts. The first part focuses on three short-term recommendations that the EIF and its partners can implement immediately to course correct. These build on the work, plans and processes that are already ongoing. The objectives of the recommendations are to improve the performance of the programme up to the close of the current phase, ensure that the results achieved to date are sustained and that the leadership and management of the EIF have sufficient bandwidth to contribute to the shaping of any future plans for trade-related technical assistance to LDCs.

273. These are followed by four strategic recommendations that are intended to inform the ongoing discussion and debate about the mobilisation of future trade-related technical assistance to LDCs and recently graduated countries.

Immediate Recommendations

Immediate Recommendation 1: Coordination and engagement with key EIF stakeholders, with a view to ensuring the sustainability of both institutional support and performant pilot projects, as well as capturing relevant learning.

274. In countries where the NIAs have not already been mainstreamed, engagement with trade ministries should focus on concluding these processes. Fundraising and communications in these contexts can assist with the promotion of sustainability and learning, respectively. Whilst the EIF has succeeded in facilitating increased co-funding by governments, the promotion of domestic resource mobilisation should ideally accelerate further with a view to ensuring the sustainability of EIF interventions, notably the Tier 1 support to institutional structures and processes that are fully reliant on the treasury. This will also mitigate risks and potential perverse impacts associated with dependency on foreign aid budgets. The exception to the rule would be FCAS countries that have to date made limited progress on capacity-building and mainstreaming, including co-funding, as it is no longer feasible to build and sustain capacity in the short period remaining in this phase.
275. Efforts should still be made to improve donor coordination for the remainder of the current EIF phase, particularly with a view to meeting the remaining funding needs, especially in more fragile environments, where additional institutional support will still be required. Private sector actors need to be engaged to develop exit strategies and sustainability plans, including potentially pointing them to sources of advice on additional financing.
276. Overall, engagement should focus on reviewing results, lessons learnt and weaknesses that still need to be addressed in trade-related areas, including notably on the engagement of more vulnerable groups. Here the specific EIF initiatives and partnerships promoting women's economic empowerment also have a particular role. Promoting further coordination and collaboration between EIF governments, donors and partner agencies will generally further the joint LDC Aft and 2030 Agenda for Sustainable Development.

Immediate Recommendation 2: Risk-based implementation of the EIF's Interim Closure Plan

277. The EIF has already developed an Interim Closure Plan (ICP), which is being discussed by the Board in its November 2021 meeting. There will be about 120 projects to close in 2022–23, amounting to about \$80 million, or most of the initiative's budgeted investment in the phase. Given that higher level results tend to mature towards the end of a process, it is fair to assume that there is a significant results delivery potential for Phase 2 remaining in the pipeline. Conversely, taking into account the relentless challenges that the LDCs and recently graduated countries have faced, the inertia caused by COVID-19 and the inevitable delays in closing up the programme simultaneously across almost 50 countries, there is a considerable risk of results not being delivered, captured and communicated on time. The ICP notes that in the experience of Phase 1, closing a project/country takes on average six months from the completion of activities.
278. The ICP appears to give a good starting point for the final stage of the implementation of Phase 2. It takes on board the considerable experience and current processes that EIF management has learned on risk management and positions this at the centre of delivery. As set out in the ICP, a regularly (e.g. monthly to a separate sub-committee) updated delivery risk register should form a central piece of engagement between the Board and the ES and TFM during the closure phase. Consideration should be given to address risk country by country.
279. An additional risk not currently identified in the Programme Risk Log is a systemic one. Given the set end date of the programme, there is a potentially high impact and at least medium probability risk of delays in delivery and/or closure across several EIF countries simultaneously leading into a bottleneck of projects being closed. This could cause significant administrative and operational challenges, including in the delivery of outcomes. To mitigate this, the ES and TFM should further develop their HR plan into a monthly tracker that allows for sequencing of project closures. Any material slippage or pile-up of projects should then be reported to the Board with a readout of potential implications for the closure of the phase.

280. Another risk relates to the ongoing disruptive nature of the COVID-19 pandemic and how it may have changed organisational culture and incentives. Many country projects have experienced delays due to the pandemic. The government agencies and national operating environments may have changed considerably in this period. It may be difficult to commence work in some countries with the same momentum as before the pandemic, necessitating trade-offs between types of activities and potential budget alterations at short notice. Thus, during the final stages of projects, NIUs and MIEs—supported by the ES and TFM—should focus the remaining efforts on activities that are key to demonstrating high-level EIF achievements (e.g. policy and regulatory changes, employment effects), especially in relation to the EIF contribution to sought impacts, including on more vulnerable groups.

Immediate Recommendation 3: Re-focus the Board relationship with EIF management on learning, sustainability and closure

281. With the recent introduction of a new Board Chair to the EIF, now is an opportune moment to revisit the set norms and practises that define the relationship between the Board with the ES and TFM. As Phase 2 nears its end, it is vitally important that the Board members play a strong supporting role in the closure of the programme to drive outcomes and increase the sustainability of results. While we would advise against any major overhaul of policies or procedures at this stage, asserting a more proactive oversight role with regards to the ES and TFM may help drive the closure process.

282. While it may not be necessary for the Board to meet in person more often than twice a year, more should be made of sub-committees with delegated responsibility on specific issues and the ability to meet more often, also virtually. One key example issue here may be the monthly tracking of the implementation of the ICP and its risk register (see immediate recommendation 2 above).

283. The Board may also want to contribute to the discussion of future Aid-for-Trade modalities for LDCs and recent graduates. A useful input into this debate will be the synthesis of results and evidence emerging from these two phases of the EIF, including this evaluation. Equally, the Board should ensure that the ES and TFM make the most out of the existing VfM data that has been collected to better understand cost drivers for project delivery and establish threshold cost profiles or boundaries for different types of activities and outputs. Finally, especially in the case that there is no further phase of EIF, the Board will play a key role in the retention and handover of lessons learned and institutional knowledge from the EIF.

Strategic recommendations

Strategic Recommendation 1: LDCs, including recently graduated countries, will require further support to bounce back from COVID-19 that is better tailored to the respective development paths of participating countries

284. In the aftermath of COVID-19, LDCs and recently graduated countries will require further support to “build back better” transforming their economies and integrating into the rapidly evolving global trade system, also with a view to improving resilience against further shocks, ranging from economic shocks to severe weather events. There is a continued need to provide institutional capacity support, with even closer engagement of the “least developed of the least developed”, notably countries in fragile and conflict-affected situations (FCAS). More advanced economies with the requisite political will to prioritise trade would benefit more from strengthened partnership and coordination of a great diversity of support to the productive sector and structural transformation (e.g. in areas such as e-commerce), as well as from catalysing further assistance, including from more innovative sources of financing. Recognising and incorporating the diversity of needs of LDCs, including of those graduating, both groups still merit further trade-related technical assistance.

285. **Moving away from a “one-size-fits-all” approach, the engagement path that each country experiences when participating in a long-term trade-related capacity building initiative, should be more tailored to country-specific realities.** While it would not be feasible to offer truly individualised support packages for countries through a joint mechanism, using a modular approach would enable the delivery of better tailored approaches at scale. SIDS in particular benefit from the economies of scale provided by regional and sub-regional efforts.

286. **In order to better tailor future country support, one option is to identify joint characteristics and assign modular approaches for the delivery of TRTA.** Four distinct groups emerged from the analysis of the 25 case study countries, contributing to the following proposed idealised model:

Table 26: Stylised Country Categorisation for Future TRTA

	Country Characteristics	Modular Approach to TRTA
Front-runners	Often Asian but also at times African countries with strong manufacturing and service-based export economies, nearing graduation, that demonstrated strong government commitment and ownership of the EIF support. They had experience in using AfT support more broadly to build productive capacities in promoting structural transformation of their economies, as well as increasing trade and investment.	Facilitating the transition of graduating LDCs, catalysing and coordinating Tier 2 productive capacity support (also in areas such as e-commerce), including toward more innovative funding solutions; sharing lessons, access to tools and online training.
Effective Absorbers	Usually higher-capacity countries in Africa with stronger economies (e.g. diversification from commodities, emerging services sectors, including information and communication technology [ICT] and tourism) that already benefited effectively from substantial donor assistance. They actively engaged with the programme and produced results. However, instead of using EIF resources to drive the domestic reform agenda, they may have used it as additional project-based funding. They had significant AfT donor support, and project implementation capacity developed through the NIU could have significant pay-offs, if leveraged efficiently.	Supporting countries with the coordination and leveraging of various different support streams, as well as with bespoke analytical assistance, based on country priorities and expressed needs, notably in the development of productive capacity; engagement in knowledge exchange and tailored capacity support, where requested
Participants	Similar in geographic and economic structures to the “Effective Absorbers”, they actively engaged with the programme and produced results, but without full political commitment across the government and necessarily owning the agenda. They did not have significant donor support, at least in the field of AfT.	Greater emphasis on supporting countries with specific project delivery, including both capacity support and pilot Tier 2 initiatives, given limited scope for leveraging additional resources.

Less Effective Absorbers	The small number of primarily countries in FCAS that were unable to achieve results, largely due to extremely challenging internal or external circumstances, including very limited administrative capacity, political instability, conflict, and even natural disasters. The current EIF service offer had limited tailoring to this group.	More tailored capacity assistance and implementation support acknowledging the constraints that these countries are facing, also the level of ambition and results expectations must be tempered, in comparison with other groups.
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287. This classification will require further development and assessment of the respective situations of the countries. Moreover, these groupings may not necessarily remain static, and countries may shift from one group to another over time depending on developments in each country and the wider trade context. This more differentiated approach may not treat all countries equally, as has been a prevailing principle during the past two EIF phases, but may be better aligned with their actual capacities and needs. The political dimension of any differentiated approach would therefore need to be understood and managed accordingly.
288. In each of these different contexts, achieving trade impact at scale will continue to require strong partnership and technical expertise from EIF partner agencies, as well as engagement with governments, donors, private sector, and civil society. The modalities of support will depend on the context, comparative advantage and absorptive capacity of each country.

Strategic Recommendation 2: Review and rejuvenate the partnership based on joint values and a commitment to integrate LDCs to the global trading system, and strengthen their voice and stature in the strategic leadership of future trade-related technical assistance

289. **The end of Phase 2 provides a natural opportunity for the review and renewal of the partnership.** While the 2014 evaluation of the EIF pointed to the need of the EIF model “to be based on trust among the partners and a joint commitment to success”, the situation has not improved over the course of Phase 2. The achievements made by the LDCs through the collaboration of the EIF and partner agencies, enabled through donor funding demonstrate the value of collaboration and partners’ contribution, which is even more in demand, due to the challenging global trade environment and recovery from COVID-19.
290. **The partnership principle needs to be further reinforced**, with an equal engagement of countries, partner agencies and donors around a collective sense of a shared mission and objectives to empower LDCs, with their distinct needs, to integrate into the global trading system. The partnership needs to see itself as collectively responsible for delivering this mission, with clear definition of respective roles and the division of labour. The Twelfth WTO Ministerial Conference and Fifth UN Conference on the Least Developed Countries (LDC-V) provide useful opportunities for the restatement of a common vision. Coordination and collaboration need a further step-change from EIF Phase 2.
291. **More work is required in defining the future role of the partnership, as well as the partnership broker function.** This may be best conducted through a participatory process, defining the added-value, roles and division of labour between the different constituencies and the brokering function. This should include a better understanding of the participation of partner agencies in project identification and procurement, as well as the brokering role conducted by the EIF to date. The process needs to provide an opportunity for reflection, in light of the relationship challenges recorded by the evaluation, as well as the co-creation of an updated partnership model based on consensus.
292. **The EIF remains uniquely placed as a platform and partnership with a singular focus on supporting LDCs and with a mandate to promote collaboration and the coordination of trade-related support.** However, any broker function requires the confidence and trust from its key constituencies, the countries, partner agencies, and donors that recognise the value of the partnership, as well as what each partner contributes to the whole. There is also a need to promote a collaborative mindset and skills on the part of all the partners.

293. **It is imperative to further improve the definition of the constituent groups, their respective roles and the division of labour.** This includes reviewing and even removing some partner agencies and potentially adding others that may be required to serve the shared mission. If greater emphasis would be placed on the leveraging of alternative finance, this would require strong relationships with related partners and a fundamental reworking of the brokering function. Similarly, greater attention to climate change would require new relationships and definition of the coordination role in the crowded space of climate finance. The role of donor coordination, notably the DF should also be reassessed in future programming, to take into account and leverage on the donors' priorities and resources in-country.
294. **Any future partnership also requires a system for the review and adaptation of the collaboration itself.** This should include related indicators and regular review processes, not only the performance of the partnership in relation to set objectives and targets. One such tool would be the regular updating of the network analysis that was introduced by the evaluation, but many other options also exist. The process itself can contribute to strengthening relationships and building the required trust. It will also ensure that the partnership continues to learn, improve; staying flexible and dynamic.
295. **The governance structure of any future trade-related technical assistance programme needs to ensure an improved representation and empowerment of the LDC voice in strategic leadership.** For example, a strong and capable Board would have been crucial for ensuring the protection of both the ownership and the partnership principles of the EIF. The rules must be further improved for both composition and procedures, from approval thresholds that do not impede efficient decision-making to those preventing potential conflicts of interest. The Board itself should focus on strategic leadership and critical oversight, with sub-committees delegated for lower priority functions. The option of using professional Board members instead of officials could be explored in the future, as has been the case in other similar donor funded initiatives. In any case, any leadership structure will require timely and accurate management information to serve these critical functions.

Strategic Recommendation 3: Rework the role of the DTIS process

296. The DTIS/U is undoubtedly a well-established and powerful analytical framework that helps countries better understand the constraints to trade that they are facing. At the same time, the analytical process can be very heavy and challenging for the LDCs to meaningfully participate in, with the recommendations becoming swiftly outdated. Moreover, the DTIS/U has not been a universally useful instrument in facilitating the implementation of the EIF across the LDCs.
297. To address these issues, the following steps should be taken:
- Relax the standard requirement for countries of going through a full DTIS or DTIS Update before being allowed to access support funds. This could be replaced by a more streamlined process that helps countries identify key reform opportunities and potential technical assistance solutions, while brokering donor support. These should then result in a short list of prioritised actions, that could be implemented in a short- to medium-term timeframe. There is a need to reinforce countries' capacity to translate DTIS findings into actionable and bankable project documents to allow a closer linkage between project implementation and analysis.
 - For countries where there is demand, the DTIS could still be rolled out as an analytical toolset. This could be facilitated through a specific call-down facility based on demand and specific needs. The studies (and updates) should be more focused and genuinely diagnostic in nature. For one, these should be focused on "binding" constraints to trade rather than a broad list of trade-related constraints. Moreover, these could focus on areas of potentially high returns, such as on digital trade and digital trade facilitation, or more broadly on areas with strong potential in the Fourth Industrial Revolution which offers new possibilities even for geographically challenged LDCs. Furthermore, post the DTIS, the Action Matrix could be separated from the DTIS and be updated regularly. This would give an opportunity to assess the implementation of the identified policy actions in the original Action Matrix, further identify opportunities or conduct more in-depth diagnostics where necessary, and come up with an updated, more relevant actionable plan. Ultimately, this could help governments strategically formulate, implement and better sequence policy reforms.

Strategic Recommendation 4: Achieve sustainability through alternative sources of finance

298. **There is a need for a much greater volume of predictable, long-term finance that is appropriate for the specific circumstances and needs of each LDC, notably the readiness of local companies to absorb different types of finance.** In the face of diminishing donor financing, more innovative financing solutions could be explored, including blended finance or private sector financing for more dynamic LDC economies, with companies that are able to attract private investment from seed capital and angel investment through growth capital. Grant financing will continue to be necessary, notably among the “Less Effective Absorbers,” but also to diminish the risk for private investors and attract them to new markets.
299. However, the EIF (or any other successor programme) would need to be substantially altered for brokering and facilitating private finance. This applies to both the governance structure, but particularly to the nature and rules of the fund, if the EIF would aspire to manage its own investment funds. The skill-set required for attracting investors and increasing the number of attractive investees is also fundamentally different. Attention will also need to be given to market enablers (e.g. relevant regulatory reform).
300. This solution would require substantially more reflection and input from dedicated expertise, prior to final decision-making by the Board.