



Lao PDR

Ministry of Industry and Commerce United Nations Development Programme

In Partnership with Integrated Framework Core Agencies:

International Monetary Fund

International Trade Centre

United Nations Conference on Trade and Development

World Bank

World Trade Organization

PROPOSAL PROJECT ID 00056638

INSTITUTIONAL STRENGTHENING OF THE IF COORDINATION AND IMPLEMENTATION STRUCTURES

In its Sixth Five-Year(2006-2010) National Socio- Economic Development Plan (NSED), which is the main framework for national development in the country, the Government of Laos(GOL) stated its ambitious goals to sustain an annual growth rate of around 7 percent per year to maintain a balanced development among the three main sectors of the economy (agriculture, industry and services) with the overall long-term objective to eradicate poverty. The GOL identifies export growth (with a projected annual growth rate of 18 percent) as one of the main elements to achieve the development goals identified in the NSED

In 2004, the GOL decided to join the Integrated Framework (IF) initiative to push forward its trade agenda and boost the country's export competitiveness, and export growth. The Diagnostic Trade and Integration Study(DTIS), which identifies the key obstacles that exist in expanding trade and export opportunities and in using trade as an engine for growth and poverty reduction, was completed by the GOL in 2006. The DTIS also identifies five priority areas where external assistance should be concentrated: 1. export competitiveness 2. trade facilitation 3. business environment 4. trade policy, trade agreements and global opportunities; and 5. trade opportunities for the poor

The overall objectives of the IF initiative is to increase trade integration and improve export market share in Laos. This project will help achieve this objective through the delivery of the following outcomes:

- Enhanced institutional capacity to coordinate and implement trade related policies and projects within the government of GOL
- Enhanced coordination mechanism and management capacity within GOL
- Enhanced national capacity to assess the policy implication of trade on growth, economic development, and poverty alleviation

Acronyms of NIU project

AFAS:	ASEAN Framework Agreement on Services
AFTA:	ASEAN Free Trade Area
AM:	Action Matrix
ASEAN:	Association of Southeast Asian Nations
CPI:	Committee for Planning and Investment
DIMEX:	Import-Export Department
DRR:	Deputy Resident Representative
DTIS:	Diagnostic Trade and Integration Study
EIF:	Enhanced Integrated Framework
FTPD:	Foreign Trade Policy Department
GOL:	Government of Laos
GSP:	Generalized System of Preferences
IADB:	Inter-American Development Bank
IF:	Integrated Framework
IFFS:	IF Facilitator Specialist
LAP:	Legislative Action Plan
LDC:	Least Developed Country
LPAC:	Local Project Appraisal Committee
MAF:	Ministry of Agriculture and Forestry
MDGs:	Millennium Development Goals
MOF:	Ministry of Finance
MOIC:	Ministry of Industry and Commerce
NERI:	National Economic Research Institute
NEX:	National Execution
NHDR:	National Human Development Report
NIU:	National Implementation Unit
NPD:	National Project Director
NSC:	National Steering Committee
NSEDP:	National Socio-Economic Development Plan
OCP:	Operational certification procedure
PM:	Project Manager
PMU:	Project Management Unit
PSR:	Product Specific Rules
PTPD:	Product and Trade Promotion Department
PU:	Project Unit
ROO:	Rules of Origin
RR:	Resident Representative
RTM:	Round Table Meeting
SP:	Special Preferences
SPS:	Sanitary and Phytosanitary
TA:	Technical Assistance
TBT:	Technical Barriers to Trade
TDF:	Trade Development Fund

TEC:	Trade Executive Committee
TRAINS:	TRade Analysis and INformation System
TRIPS:	Trade-Related Intellectual Property Rights
TRTA:	Trade-Related Technical Assistance
UNCCA:	United Nations Common Country Assessment
UNCTAD:	United Nations Conference on Trade and Development
UNDAF:	United Nation Development Assistance Framework
WITS:	World Integrated Trade Solution
WP:	Working Party
WTO:	World Trade Organization

Table of Content

Section I	Elaboration of the Narrative	5
	Part I Situation Analysis	5
	Part II Strategy	7
	Part III Management Arrangement	12
	Part IV Monitoring and Evaluation	14
Section II	Project Result and Resource Framework	15
Section II	Total Work Plan and Budget Plan	20
	Annex 1 IF Governance Structure	26
	Annex 2 Detailed Structure and TOR of the UIT	27
	Annex 3 Overview of IF related structure Existing and proposed New entities	31
	Annex 4 Term of Reference of fulltime staff	37
	Annex 5 Action Matrix	38

Section I: Elaboration of the Narrative

Part I. Situation Analysis

IF PROCESS AND LINKAGE TO LAO NATIONAL DEVELOPMENT STRATEGY

In order to implement the Eighth Decision of the Lao People's Revolutionary Party, the Government has elaborated the Sixth National Social Economic Development Plan (NSEDP), which is the main framework for national development in Laos for the next five years (2006-2010). The NSEDP paves the way for implementing the 11 programmes and 111 projects identified and adopted by the Government of Laos (GOL) in May 2006. The objective of these programmes and projects is to raise the country's per capita income by three folds, diversify production and export base, and improve social and human development. To this end, Laos aims to sustain an average growth rate of around 7 percent per year and maintain equitable development among the three main sectors of the economy ie agriculture, industry and services. One of the main elements expected to drive this growth process is exports, which are projected to grow at about 18 percent per year. The NSEDP recognizes the importance of trade as a tool for economic growth and poverty alleviation. The Lao National Human Development Report (NHDR) confirms that under the right conditions, increasing international integration and trade in Laos could play a vital role in the realization of the Millennium Development Goals and in the country's graduation out of its current Least Developed Country (LDC) status by 2020. To implement these overarching plans, the Lao Government, led by the Ministry of Industry and Commerce (MOIC) is engaged in a two-pronged strategy aimed at:

- (a) Improving Laos' market access opportunities through bilateral, regional and WTO accession negotiations.
- (b) Expanding Laos' capacity to trade by engaging in multilateral initiatives such as 'The Integrated Framework' (IF) and Trade Related projects and programmes which focus on addressing key supply side constraints and the promotion of trade and regional integration.

In this context, the Integrated Framework (IF)¹ is one of the main external assistance channels, which the GOL will use to push forward its trade agenda, boost the export competitiveness, and export growth. The IF is a multi-agency, multi-donor program, which aims at assisting Laos in expanding the country's participation in the global economy thereby enhancing its economic growth and poverty reduction strategies. The IF focuses on assisting Laos integrate trade into its national development agenda and in coordinating the delivery of trade-related technical assistance in response to needs identified in the Diagnostic Trade Integration Study (DTIS) Action Matrix(Annex 3). The IF also fits into the wider context of the GOL trade liberalisation initiatives via

¹ www.integratedframework.org

bilateral, regional, and multilateral commitments. It is also consistent with the actions and expected outcomes outlined in the United Nations Development Framework (UNDAF), which focuses on strengthening negotiation skills and policy advice on trade and poverty. The UNDAF also supports countries engaged in negotiating and implementing global and regional agreements such as the ASEAN Free Trade Agreement (AFTA), accession to the World Trade Organization (WTO) and investment promotion, which are all aimed at promoting an enabling environment for growth with equity. It can therefore be included that the IF is consistent with the NSEDP and UN support programme (UNDAF).

Status of the IF Process in Laos

The Integrated Framework (IF) is an initiative or programme proposed to assist least-developed countries to mainstream trade priorities into their national development plans and to assist in the coordinated delivery of trade-related technical assistance. As part of the IF, the Diagnostic Trade Integrated Study (DTIS) develops an integrated strategy and action plan to enhance the global integration of Lao PDR and help boost its export. The GOL has completed the DTIS, which identified the obstacles that exist in expanding trade opportunities and using trade as an engine for growth and poverty reduction. The DTIS and the Action Matrix were validated during the National Validation Workshop on 12 September 2006, following extensive stakeholder consultations. H.E. Dr. Nam Viyaketh, Minister of Industry, and Commerce chaired the workshop, in the capacity of Deputy Chair of the WTO/IF National Steering Committee. The GOL supported policy recommendations emerging from the DTIS and Action Matrix, committing to move forward a complex reform process. The DTIS identified five priority areas where external assistance should be concentrated:

1. Export Competitiveness,
2. Trade Facilitation,
3. Business Environment,
4. Trade Policy, Trade Agreements and Global Opportunities,
5. Trade Opportunities for the Poor.

Traditionally financial support for implementing the Action Matrix comes from the Window II, i.e. US\$ 1 million and support from bilateral donors. Window II funding is mainly for jumpstarting the activities of the DTIS Action Matrix and support a bridging period before more funds become available from bilateral donors and other sources. Currently the MOIC is working on four project proposals, which were identified as priorities in the Action Matrix, namely

1. Institutional strengthening of the IF National Implementation Unit - IF Coordination and Implementation Structures (**object of this proposal**)
2. Capacity building and technical support to Laos in the WTO accession negotiations (Component 4 of the Action Matrix).

3. Improving the tourism sector by supporting the development of craft villages and hospitality options and addressing capacity problems in the garment sector (Component 1 of the Action Matrix)
4. Strengthening capacity to negotiate and administer Rules of Origin requirements (Component 4 of the Action Matrix)

The donor community and the GOL are also currently discussing the set up of a multi donor trust fund, the 'Trade Development Fund' (TDF) for a total amount of approximately US\$ 8.5 million. This will be a pooled financial instrument, bringing together funding from Australia, the EC, Switzerland and the World Bank for implementing the DTIS Action Matrix. In parallel given the repeated calls by both beneficiaries and donors to enhance the IF, Ministers of Finance in the Development Committee meeting of the World Bank and the IMF in September 2005 endorsed a proposal for enhancing the IF. The June 2006 Enhanced IF (EIF) Taskforce has subsequently proposed that all LDCs which have completed the DTIS phase of the IF, receive (i) under Tier 1 - US\$ 1.5 million for support to IF focal point and US\$ 200,000 for DTIS updates and (ii) under Tier 2 - US\$ 8 million for implementing priority areas under the Action Matrix.

As for the governance and implementation structure in the course of Laos' participation in the IF process a number of structures have been put in place such as (i) the IF National Steering Committee, (ii) IF focal point and (iii) the Lao IF Secretariat (Annex 1 – IF Governance structure). These form part of the key institutional and governance mechanism currently in place, which supports the implementation of the IF process in Laos. Recently these structures have been reconfigured based upon the existing mechanism supporting WTO accession and these have been broadened to include stakeholders such as research institutes and private sector representation. The DTIS also recognized that successful implementation of the activities identified under the above priority areas would require having in place a dedicated implementation body such as an IF National Implementation Unit (IF NIU) and accompanying monitoring structures. This recommendation, which is part of the DTIS action plan, also figures as a key recommendation of the Enhanced IF task force and the subsequent proposals put forward by the EIF working group in December 2006 in Dakar.

Part II. Strategy

RATIONALE AND CHALLENGES - SETTING UP IF NIU

The major challenge in coordinating, managing, and implementing trade related policies and projects, stems from the nature of trade, which in itself is cross cutting. The DTIS states, "Despite recent liberalization and simplification, the management of trade is still restrictive, with burdensome, nontransparent, and inconsistent rules acting to increase costs and reduce competition..... Reform in these areas has been constrained *by the fragmentation of the trade policy and administration architecture*".

This project proposal aims at addressing the above constraints by setting up a management and monitoring unit, i.e. the IF NIU based in the Foreign Trade Policy Department of the MOIC, which will be dedicated to the implementation of the IF projects identified in the DTIS Action Matrix. The main role of the NIU will be to assist the MOIC in: (i) supporting the implementation of the DTIS Action Matrix (ii) coordinating trade related issues and (iii) implementing the Government of Laos' trade policy reform agenda (see **Annex 2 – Detailed Structure and ToRs of the NIU**).

The rationale for setting up the NIU is based on the implementation difficulties, which IF countries, such as Laos have to face once they have completed the DTIS. IF countries have invariably faced difficulties with the timely and sustained action of identification, formulation, implementation, and monitoring of projects identified in the Action Matrix. The main challenge, which the MOIC will need to grapple with when moving to the implementation phase of the Action Matrix, will be the lack of human resources to internally manage and implement the DTIS and linking the activities of the Action Matrix to the other relevant ministries. This is inherently due to a number of constraints which LDCs such as Laos have in common namely (i) a lack of dedicated staff responsible for overlooking project management (ii) low level of project management capacity within government and (iii) weak inter-ministry and inter-department coordination systems. Project management is a complex process, which requires trained staff and the right management tools, structures and systems in place. LDCs, such as Laos given their scarce human resources and very heavy trade agenda are often faced with low absorptive capacity. It has been reported that a number of IF countries have found it difficult to access Window II funding due to lack of capacity to prepare projects and coordinate their implementation with multiple agencies.

It is therefore expected that the IF NIU will help remedy some of these problems by providing a core dedicated staff responsible for coordinating in-country IF activities and for implementing the DTIS Action Matrix, whilst the set up of an inter-ministry coordination mechanism will help to strengthen the inter-ministry and interdepartmental coordination. This proposal is coherent with the overall identified needs in Laos for strengthening the national capacity in the area of trade and trade policy formulation in the context of ongoing trade reforms. Nevertheless, it is important to be aware of the inherent weakness of such structures.² These potential weaknesses are addressed in section 2.3 on mitigation and risks.

Project Overview

The intended overall objectives of the project are to strengthen trade integration and coordination mechanisms in Laos. This will be achieved through delivery of the following outcomes and related outputs:

² There has been a number of evaluations by the development community on the efficiency of Project Implementation unit/Project Management Unit (PIU/PMUs) which point to the weakness of such structures. The PIU Dilemma - How to address Project Units' UNDP September 2003

Project Outcome 1³: Enhanced institutional capacity to coordinate and implement trade related policies and projects within the Government of Laos.

Output⁴ 1.1 – IF National Implementation Unit (NIU) established in the Ministry of Industry and Commerce (MOIC);

Output 1.2 – IF Task Forces established and enhance the inter-taskforce body enhanced

Project Outcome 2: Enhanced coordination management capacity within the relevant line ministries involved in the IF process

Output 2.1 Improved project management capacity of NIU staff and Project Units

Output 2.2 Improved English communication skills

Project Outcome 3: Enhanced national capacity to assess the policy implication of trade on growth, economic development, and poverty alleviation

Output 3.1 GOL officials trained on the role of trade and poverty reduction

Output 3.2 GOL officials actively engaged in the IF process/in-depth analysis on the impact of trade on poverty

Output 3.3 Trade mainstreamed into the National Social Economic Development Plan (NSEDPP)

Project Outcome 4 – Enhance capacity of the FTPD to manage the project in order to achieve the above outputs and outcomes.

Output 4.1 – Sufficient managerial and technical inputs are provided to the project. This will reflect in the result and resource framework

This project will indirectly contribute to Laos' growth and pro-poor development strategy, by providing the GOL with management skills and structures needed to implement the Action Matrix⁵ identified from the Diagnostic Trade Integration Study (DTIS), which ultimately will boost the country's production, trade and export potential and competitiveness. This project will be managed by the Foreign Trade Policy Department (FTPD) of the Ministry of Industry and Commerce whose main role under the IF process is to coordinate trade-related technical assistance and trade policy reform in Laos.

³ **Outcomes** are actual or intended changes in development conditions that UNDP interventions are seeking to support. They describe a change in development conditions between the completion of outputs and the achievement of impact

⁴ **Outputs** are tangible products and services that emerge from processing inputs through programme or non-programme activities. Outputs, therefore, relate to the *completion* (rather than the *conduct*) of activities and are the type of result over which managers have a high degree of influence

⁵ Action matrix is a matrix, which is produced as part of the IF Diagnostic Trade Integration Study, and lays down the main projects to be implemented in the area of trade.

The total amount requested under this proposal is US\$ 220,000 from Window II, which will be used as bridging fund for (i) setting up and running the IF National Implementation Unit NIU, (ii) training NIU and project staff in project management, (iii) training GOL officials on trade related issues. This funding will be for one year and it is envisaged that subsequent funding will be provided under Tier I⁶ of the Enhanced IFⁱ for running this unit.

Project Beneficiaries:

The main beneficiaries of this project will be:

- Officials from the Ministry of Industry and Commerce, involved in trade policy formulation, negotiation and implementation, including Finance (customs in particular), Agriculture, Tourism, Transport & Telecommunication, as well as educational and research institutes, will also benefit from the Project.
- The private sector associations such as the Lao National Chamber of Commerce and Industry (LNCCI) and business associations will be also included in the training activities. This would be in consultation with the UNDP-UNIDO private sector development project to avoid duplication of the activities.

Risks and Mitigations

The main risks involved in this project are linked to the following:

1. Sustainability of a Project Management Unit:

Project Management Units (PMUs) have been the preferred implementation model for Official Development Assistance (ODA) projects in most developing countries for a number of years. Some of the weaknesses which have been associated with such structures that they tend to be parallel structures and are not fully integrated into government systems and structures and that often they tantamount to being 'islands of excellence' embedded into relatively weak government systems which tend to disappear once donor funds are exhausted. To mitigate the above, the IF NIU will be set up in the Foreign Trade Policy Department of the MOIC. The staff of the NIU will be partly detached MOIC staff and supported by locally recruited staff. The salary structure will be based on local rates to ensure that government can eventually fund such a structure once the external funding is exhausted. The ⁷MOIC will work out an exit strategy for the IF NIU, with the long-term view of ensuring that the responsibility for the implementation of trade-related technical assistance is eventually decentralized to the relevant ministries and departments.

2. Setting up inter-ministry and inter-departmental coordination mechanisms

⁶ Tier 1 – The funding under the Enhanced Integrated framework will come from two specific envelopes referred to as Tier I and Tier II. Tier I, will be dedicated to providing core function support to the participating LDCs. Tier II, will be for support to Implementation of Action Matrices.

⁷ Once the Project comes to the end, the government still needs this institution for other purpose like to support the enhance IF, which will be in place.

The effectiveness of the NIU will be contingent on both the quality and expertise of the staff within the unit and on the effectiveness of the inter-ministry and departmental coordination structures (i.e. the Project Units and the IF Task Forces) which the MOIC are planning to set up. Setting up such structures will require a broad base buy at the highest level of government. Mobilizing support for such management change will require strong leadership and change management skills. Resistance to change in such cases may be high and difficult to overcome. To mitigate the above, the FTPD will need to prepare a well-documented concept note, which will be shared with all relevant players. The FTDP will need to approach the set up of these structures on a pilot basis, targeting a few key ministries at first. The process will need to be **flexible and adaptable at all time.**

3. Risk of micro-management

Any structures with multiple layers and lines of command can fall prey to micromanagement. The key reason for this usually stems from ill-defined terms of references of various actors at play and poor reporting, monitoring, and control systems. To mitigate the above, clear ToRs will be set up for each actor and each structure which will be part of the IF implementation. Well-defined reporting, monitoring and control systems will also be developed to ensure that each member of the NIU will be adequately supervised and accountable for their performance.

4. Splintering of the DTIS implementation structure

The DTIS action matrix will be funded through a number of channels, namely Window II, the TDF, EIF and bilateral and regional funds. The risk lies that with each funding which avails itself to the GoL, the various development partners may need to fulfill certain reporting, control or fiduciary obligations which may lead to the set up of parallel systems to that of the NIU. The MOIC will need to ensure that all systems and structures which are to be set up in the course of the implementation of the DTIS, builds on the NIU and does not duplicate or lead to parallel structures and system. This will require strong leadership and common shared vision between the GOL and development partners.

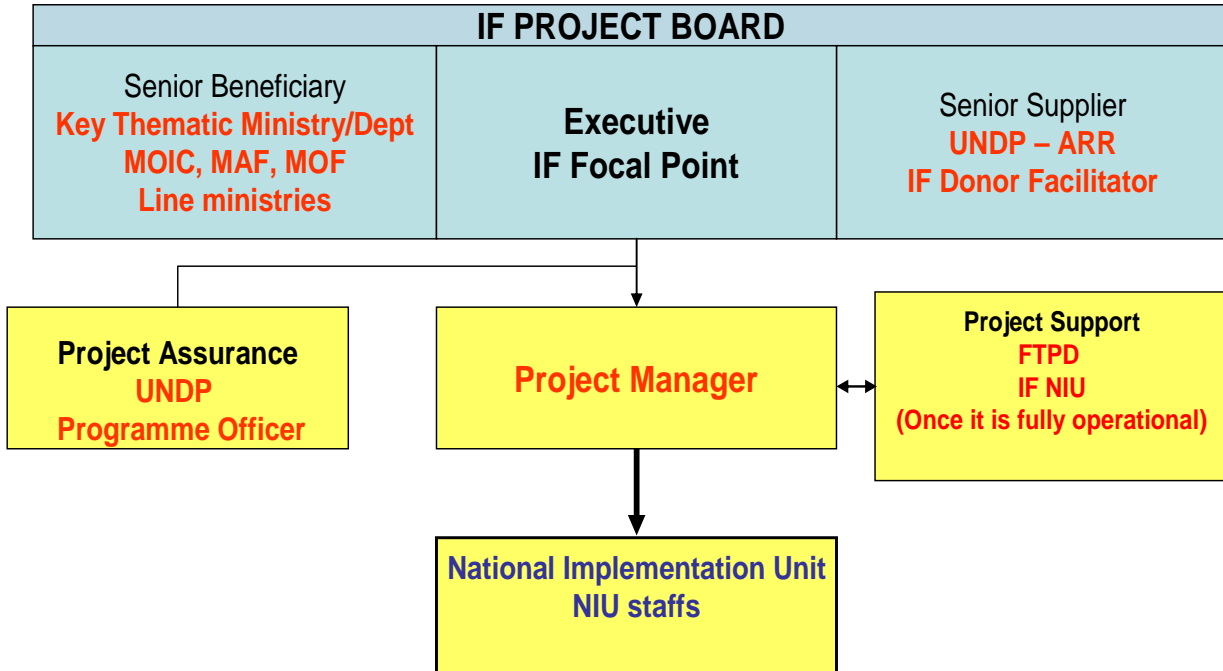
Partnerships

The international community is committed in assisting developing countries, especially LDCs such as Laos in utilizing trade to expand employment and reduce poverty. This is manifested in the on going discussions at the G8 meetings, the WTO, and the recent taskforce recommendations on the Enhanced Integrated Framework and Aid-for-Trade. Donors in Laos have demonstrated support to trade through the IF process, namely the September 2006 DTIS validation workshop, as well as through the Round Table Meeting (RTM) in November 2006. A core group of donors (i.e. World Bank, EU, AusAid, and SECO) have also reiterated their commitment to expand trade-related assistance through the set up a Trade Development Fund.

PART III: MANAGEMENT ARRANGEMENTS

Overview of the IF Window II

NIU – Executive and Project Management Structure



FTPD of MoIC will be the implementing partner for the ‘Institutional Strengthening of the IF Coordination and Implementation Structures’. The project is supervised by the project board, which has the following three roles:

The IF Project Board is responsible for making executive management decision on the project when guidance is sought by the project manager, including for the approval of project revisions.

Executive: It is proposed that the IF Focal point, the Director General of the Foreign Trade Policy Department of the Ministry of Industry and Commerce be assigned the role of Executive.

Senior Beneficiary: Key thematic ministries/ departments, i.e. the Foreign Trade Policy Department and the line ministries participating in the IF process and the implementation of the DTIS Action Matrix and will be the beneficiaries of the project outputs and activities.

Senior Suppliers: In recognition of the objectives that this project seeks to address i.e.; (i) ensure that the Integrated Framework (IF) functions efficiently, (ii) trade is mainstreamed into the Lao NSEDP and (iii) supply side constraints identified in the Action Matrix are addressed, it is proposed

that UNDP as Window II Trust Fund manager and the IF Facilitator serve as senior suppliers on the project board.

Project Manager (PM): This role will be held by the Director of NIU, who will have the overall responsibility for day-to-day project management and decision making of the project, of ensuring the project outcomes are being met and who will provide guidance on overall management and decision-making issues to the project board. He/She will report directly to the Executive and will be responsible for successfully running the project. The project manager will be supported by the NIU, which will be based in the FTPD of the MOIC.

Project Assurance: This role will be held by UNDP Programme Officer, who will be responsible for supporting the Project Board by carrying out objective and independent project oversight and monitoring functions.

Project Support: The role will be held by the FTPD. The FTPD will supervise and support the overall project in collaboration with the NIU. It will work in collaboration with NIU to ensure that the NIU is effectively implementing the Annual Work Plan and that the outputs and activities are delivered in a timely and effective manner.

Project Implementation: The FTPD will be the implementing party, and as such will be responsible for ensuring that the annual work plans and quarterly work plans are implemented and that activities are completed efficiently and on time. The project manager will have the overall responsibility to ensure that the NIU prepares regular reports, which will be vetted by the FTPD and communicated to the Project Assurance by the FTPD. Part of the activities may be subcontracted to a company that will be providing Technical Assistance (TA) for implementing the project activities i.e. training, workshops, etc. It will be the responsibility of the FTPD to support and coordinated work of TAs and serve as their main counterpart.

UNDP will provide recruitment, procurement, and contracting services, together with technical advisory support as requested by the IF National Project Director.

PART IV: MONITORING AND EVALUATION

Implementation of the project will be undertaken according to UNDP operational guidelines for national implementation. The major elements of project management and evaluation will be as follows:

- UNDP will take an assurance role to monitor implementation of the annual work plan of the project together with the IF Trade Executive Committee (TEC)
- Monthly meetings will be held between the PM and UNDP Programme Officer to review project progress.
- The project will prepare annual and quarterly work plans, quarterly financial reports, and progress reports for UNDP, based on which funds will be disbursed.

UNDP will arrange an external project audit each year, which will review bookkeeping and accounts, the compliance of the project or sub-contract agreements as well as fulfillment of performance plans.

The results of the audit and the final project evaluation will provide the basis for determining future UNDP support.

PART V: LEGAL CONTEXT

This project document shall be the instrument referred to as such in the Article 1 of the Standard Basic Assistance Agreement between the Government of Lao and the United Nations Development Programme, signed between the parties on 10 October 1988. The host country-implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the Government co-operating agency described in the Agreement.

The following types of revisions may be made to this project document under the signature of the UNDP Resident Representative only, provided assurance is given that the other signatories of the project document have no objection to the proposed changes:

- revisions in, or addition of, any of the annexes of the project document;
- revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of inputs already agreed to, or by cost increases due to inflation; and
- Mandatory annual revisions that rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

SECTION II - PROJECT RESULTS AND RESOURCES FRAMEWORK

<p>Intended outcome as stated in the Country Results Framework: Enabled environment for growth with equity</p>
<p>Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target: Capacity built for service delivery enhancement of negotiation skills and policy advice on trade and poverty policies, including global and regional agreements such as AFTA and accession for the WTO</p>
<p>MYFF: Service line 1.4: Globalization benefiting the poor</p>
<p>Partnership Strategy: The project outcome is consistent with the UNDAF Country Programme Outcomes 1.5 – ‘Enabled Environment for Growth with Equity’. The <u>specific project outcomes</u> are (i) capacity of the Foreign Trade Policy Depart of the MOIC and other key ministries involved in the implementation of trade related policy projects enhanced (ii) number and skills level of staff dedicated to the IF process increased and improved and (iii) the overall effectiveness and efficiency in coordinating and implementing GoL trade policy agenda and trade related projects enhanced - <i>Appropriate Indicators for the outcome are to be established.</i></p>
<p>Project title and number: Institutional strengthening of the IF coordination and implementation structures (Project proposal ID 00056638) (<i>Number to be assigned automatically through ATLAS</i>)</p>

Outcome 1:
Enhanced institutional capacity to coordinate and implement trade related policies and projects within the Government of Laos.

Outputs	Output targets	Activities	Inputs
1.1 - Significant increase in efficient implementation of the DTIS Action Matrix	<p><i>IF National Implementation Unit (NIU) in the Ministry of Industry and Commerce (MOIC) established;</i></p> <p>Time Frame June – Dec 2007</p> <p>Note - IF NIU operational: 2007 – 2010. Funding under this project will be for the 1st year and subsequent years will be under EIF</p>	1.1.1 – Recruitment of local project managers and support staff, as well as detached MOIC staff	<ul style="list-style-type: none"> • National Project Manager – detached from the MOIC • IF Facilitator Specialist – AusAid funded Technical Assistance • Project managers – 2 locally recruited and 1 detached from the MOIC • Administrative Officer – detached from the MOIC • Financial Assistant – Locally recruited

	or Trade Development Fund <i>Output indicator</i> Number of projects under the Action Matrix implemented	1.1.2 –Recruit a pool of experts to be provide support to the NIU on technical issues	<ul style="list-style-type: none"> • 5 man-months of National and International Trade Related Technical Assistance.
		1.1.3 – Three presentations by the FTPD on the new IF governance structure	<ul style="list-style-type: none"> • Facilitated by FTPD in collaboration with the NIU • Funding for conference hall, refreshments, travel, and printing costs.
1.2 - Increased inter-ministerial coordination	<i>IF Task Forces established</i> Time Frame August 2007 through to 2008 <i>Output indicator</i> Number of meetings convened by the IF Task Forces	1.2.1 - Nominate the IF Task Force members	<ul style="list-style-type: none"> • Input from NIU (no cost implication) • Input from the Lao IF Secretariat.
		1.2.2 - Prepare the detailed TORs for the IF Task Force	<ul style="list-style-type: none"> • Input from NIU (no cost implication) • Input from the Lao IF Secretariat.(no cost implication)
		1.2.3 - Provide secretariat support to the IF Task Force	<ul style="list-style-type: none"> • Support from the NIU Staff
		1.2.4 - 10 IF Task Force Meetings	<ul style="list-style-type: none"> • Printing • Coffee break • Rental of conference room

Outcome 2:

Enhanced coordination management capacity within the relevant line ministries involved in the IF process

Outputs	Output targets	Activities	Inputs
2.1 – Improved project management capacity of NIU staff and Project Units	Training on Project Cycle Management delivered Time Frame June 2007-2008 <i>Output indicator</i> Analysis of pre-training and post-training assessments.	2.1.1 –10 day training in project and programme management for NIU and PU staff	<ul style="list-style-type: none"> • Training Institute specialized in project cycle management to conduct training. • Funds for conference hall, refreshments, and printing costs.
		2.1.2 – 4 day training in project proposal and term of reference writing	<ul style="list-style-type: none"> • Training Institute specialized in project cycle management to conduct training. • Funds for conference hall, refreshments, and printing costs.

2.2 Improved English Communication Skills	Training in English at elementary, post elementary, and professional level delivered. Time Frame June 2007-2008 <i>Output indicator</i> Analysis of pre-training and post-training assessments.	2.2.1 Part-time elementary English language course	• 10 student for 2 terms ie 80hrs
		2.2.2 Part time post elementary English language course	• 7 students for 2 terms i.e. 80hrs
		2.2.3 Part time professional English and communication course	• One group of 18 for 2 terms i.e. 80hrs

Outcome 3:

Enhanced national capacity to assess the policy implication of trade on growth, economic development and poverty alleviation

Outputs	Output targets	Activities	Inputs
3.1 – Enhanced understanding of GOL on the linkage between trade and poverty reduction	GOL senior officials (line ministry officers), private sector, business association, academic institutions, trained on the role of trade and poverty reduction. Time Frame Jan 2008 <i>Output indicator</i> Analysis of pre-training and post-training assessments.	3.1.1 – One (1) 2-day seminar on the link between trade and poverty alleviation	<ul style="list-style-type: none"> • Training Institute or UN Agency specialized in research in the area of trade • Funds for conference hall, refreshments, and printing costs • Conference translation services
		3.1.2 – Three (3) 2-day dissemination workshops at provincial level on the role of trade in economic development with the analysis of impact of trade on the poor(NHDR) (3.1.1 and 3.1.2 to be implemented jointly)	<ul style="list-style-type: none"> • Training Institute or UN Agency specialized in research in the area of trade • Funds for conference hall, refreshments, travel and printing costs • Conference translation services • Local consultant as facilitator and reporter
		3.1.3 - One (1) 2-day workshop on the best practice of trade reform in developing countries	<ul style="list-style-type: none"> • Facilitation by the NIU and FTPD • Funds for conference hall, refreshments, travel and printing costs • Conference translation services • Local consultant as facilitator and reporter • Travel and accommodation for regional and international speakers

3.2 – GOL Officials actively engaged in the IF process.	Active participation of line ministries in the IF process <i>Output indicator</i> Number of Lao IF Steering Committee meetings and IF Task Force Meetings	3.2.1 – One (1) 2-day seminar on exchange of experience of with LDCs on the IF	<ul style="list-style-type: none"> • Facilitation by the NIU and FTPD • Funds for conference hall, refreshments, travel and printing costs • Conference translation services • Local consultant as facilitator and reporter • Travel and accommodation for regional and international speakers
		3.2.2 – One (1) 2-day workshop on the IF process and its role in the development strategy for Laos	<ul style="list-style-type: none"> • Facilitation by the NIU and FTPD • Funds for conference hall, refreshments, travel and printing costs • Conference translation services • Local consultant as facilitator and reporter • Travel and accommodation for regional and international speakers
		3.2.3 – Participation of IF Focal Point and key GoL officials in international IF meetings	4 International ticket and accommodation
3.3 Trade mainstreamed into the National Socio-Economic Development Plan	Raised profile of trade in the GOL National Development Agenda <i>output indicator</i> NSED Round table government statement Document and Report	3.3.1 -Short term TA to provide recommendations on how to ensure that Trade is mainstreamed into National Development Plan and develop the strategy to ensure the effective implementation	<ul style="list-style-type: none"> • 2 man months of Technical Assistance • Linkage with UNCTAD
		3.3.2 - 3 day training of high level official on the importance of mainstreaming trade into National Development Plan and the tools available for mainstreaming trade into National plans	<ul style="list-style-type: none"> • Facilitation by the NIU and FTPD • Funds for conference hall, refreshments, travel and printing costs • Conference translation services • Local consultant as facilitator and reporter • Travel and accommodation for regional and international speakers

Outcome 4:

Enhance capacity of the FTPD to manage the project in order to achieve the above outputs and outcomes.

Outputs	Output targets	Activities	Inputs
4.1 Sufficient managerial and technical inputs are provided to the project.	Management meetings, mid-term review, and final evaluation take place and main hardware sourced. <i>Output indicator</i> Assessments contained in monthly and quarterly reports, mid-term review, final evaluation and project audit.	4.1.1 – Monthly and quarterly project management meetings	<ul style="list-style-type: none"> • Inputs of time by project staff and UNDP. No financial cost.
		4.1.2 - Final evaluation of project activities	<ul style="list-style-type: none"> • Local and/or regional consultant in consultation with project stakeholders. • Funds for consultant's fee, travel, and accommodation; funds for conference facilities and refreshments to present findings; funds for printing reports.
		4.1.4 – Financial audit	<ul style="list-style-type: none"> • Funds for audit. • Inputs of time by project staff and UNDP.
		4.1.5 - Procurement of office equipment and furniture	<ul style="list-style-type: none"> • Equipment: Bookshelves tables and chairs, fireproof safe, computer, printer, document scanner, LDC projector, White Board, • Car

Section III. Total Work Plan and Budget

Expected output	Key Activities	Timeframe			Planned Budget		Total US\$
		Yr1	Yr2	Yr3	Budget code	Budget Description	
1.1- Significant increase in efficient implementation of the DTIS Action Matrix	1.1.1 – Recruitment of local project managers and support staffs, as well as detached MOIC staff	X			71400	Contractual Services - NIU NPD	0
					71400	Contractual Services - NIU Project Manager	6000
					71400	Contractual Services - 3 Project analysts	3000
					71400	Financial Assistant	3000
					71400	Administrative officer	2400
					74500	Miscellaneous Expenses	1200
	Sub-total						15600
	1.1.2 - Recruit a pool of experts to be provide support to the NIU on technical issues	x			72100	Contractual Services Pool of Expert	16190
					74500	Miscellaneous Expenses	300
	Sub-total						16490
	1.1.3 – Three presentations by the FTPD on the new IF governance structure.	x			73100	Rental & Maintenance-Premises	300
					74500	Miscellaneous Expenses	300
	Sub-total						600
	Sub-total Output 1.1						32690

1.2 - Increased inter-ministerial coordination	1.2.1 - Nominate the IF Task Force members	x			NCI		0
	1.2.2 - Prepare the detailed TORs for the IF Task Force	x			NCI		0
	1.2.3 - Provide secretariat support to the IF Task Force	x			NCI		0
	1.2.4 - 10 IF Task Force Meetings	x			73100	Rental & Maintenance-Premises	1000
					74500	Miscellaneous Expenses	300
	Sub-total output 1.2						1300
2.1 – Enhanced coordination management capacity within the relevant line ministries involved in the IF process.	2.1.1 –10 day training in Project and programme management for NIU and PU staff	X			71600	Travel	1000
					73100	Rental & Maintenance-Premises	7500
					74200	Audio Visual & Print Production Costs	300
					72100	Contractual Services - Company	10476
					74500	Miscellaneous Expenses	300
	Sub-total						19576
	2.1.2 – 4 day training in Project proposal and term of reference writing.	X			71600	Travel	500
					73100	Rental & Maintenance-Premises	3000
					74200	Audio Visual & Print Production Costs	300
					72100	Contractual Services - Company	5000

					74500	Miscellaneous Expenses	300	
							Sub-total	9100
							Sub-total Output 2.1	28676
2.2 Improved English Communication Skills.	2.2.1 - Part time elementary level English language courses - 80hrs - 20 weeks for two term				72100	Contractual Services - Company	4500	
							Sub-total	4500
	2.2.2 - Part time post elementary English language courses - 80hrs - 20 weeks for two terms				72100	Contractual Services - Company	3500	
							Sub-total	3500
	2.2.3 - Part time professional English language and communication courses - 1 group training (approx 18) 80 hrs – 20 wk for two terms				72100	Contractual Services – Company	12000	
							Sub-total	12000
							Sub-total Output 2.2	20000
3.1 – GOL senior officials trained on the Role of Trade and Poverty Reduction.	3.1.1 – One (1) 2-day seminar on the link between Poverty Alleviation and Trade.	x			71600	Travel	3810	
					73100	Rental & Maintenance-Premises	1500	
					74200	Audio Visual & Print Production Costs	300	
					71200	International Consultant	3810	
					74500	Miscellaneous Expenses	300	
							Sub-total	9720

	3.1.2 – Three (3) 2-day dissemination workshops at provincial level on the role of Trade in economic development	x			71600	Travel	3857	
					73100	Rental & Maintenance-Premises	2250	
					74200	Audio Visual & Print Production Costs	300	
					72100	International Consultant	5714	
					74500	Miscellaneous Expenses	300	
							Sub-total	12421
	3.1.3 - One (1) 2-day workshop on the best practice of trade reform in developing countries	x			71600	Travel	3810	
					73100	Rental & Maintenance-Premises	1800	
					74200	Audio Visual & Print Production Costs	300	
					73100	Local Consultants	2000	
					71200	International Consultant	2857	
					74500	Miscellaneous Expenses	500	
							Sub-total	11267
							Sub-total Output 3.1	33408
3.2 – GOL Officials actively engaged in the IF process.	3.2.1 – One (1) 2-day seminar on exchange of experience of with LDCs on the IF	X			71600	Travel	3810	
					73100	Rental & Maintenance-Premises	1800	
					74200	Audio Visual & Print Production Costs	300	
					73100	Local Consultants	2000	
					71200	International Consultant	2857	

					74500	Miscellaneous Expenses	300
						Sub-total	11067
	3.2.2 – One (1) 2-day workshop on the IF process and its role in the development strategy for Laos	X			71600	Travel	3810
					73100	Rental & Maintenance-Premises	1800
					74200	Audio Visual & Print Production	300
					73100	Local Consultants	2000
					71200	International Consultant	2857
					74500	Miscellaneous Expenses	300
						Sub-total	11067
	3.2.3 – Participation of IF Focal Point and key GoL officials in international IF meetings				71600	Travel	9524
						Sub-total	9524
						Sub total Outcome 3.2	31658
3.3 - Trade mainstreamed into the National Social Economic Development Plan.	3.3.1 - Short term TA to provide recommendations on how to ensure that Trade is mainstreamed into National Development Plan	x			71600	Travel	1905
					74200	Audio Visual & Print Production Costs	300
					71200	International Consultant	4762
					74500	Miscellaneous Expenses	300
						Sub-total	7267

	3.3.2 - 2 day training of high level official on the importance of mainstreaming trade into NDP and the tools available for mainstreaming trade into NDP	x			71600	Travel	3810	
					73100	Rental & Maintenance-Premises	1800	
					74200	Audio Visual & Print Production Costs	800	
					73100	Local Consultants	2000	
					71200	International Consultant	2857	
					74500	Miscellaneous Expenses	300	
						Sub total Outcome 3.3	18834	
4.1 – Sufficient reporting and hardware inputs are provided to the project.	4.1.1 - Monthly and quarterly project management meetings.	X			74500	Miscellaneous Expenses	300	
	4.1.2 - Mid-term review and final evaluation of project activities.	X			71300	Local Consultants	2000	
	4.1.3 - Financial audit.	X			74100	Audit Fees	5000	
	4.1.4 - Procurement of office equipment and furniture	X			72500	Supplies	3000	
					73500	Reimbursement Costs - ISS	5667	
					72200	Car	26667	
					72200	Equipment and Furniture	2000	
72800					Computer	4800		

					72200	Printer	1000
					72200	Photocopy	2000
					74500	Miscellaneous Expenses	1000
						Sub-total	46134
						Sub-total Outcome 4.1	53434
						Grand-total	220000



SIGNATURE PAGE

Country: Laos

UNDAF Outcome(s)/Indicator(s)⁸:
(Link to UNDAF outcome,)

Regionalization and Globalization, WTO Assesment and regional trade negotiation; increase and improve trade-related infrastructure and enhance the trade facilitation

Expected Outcome(s)/Indicator (s)⁹:
(CP outcomes linked to the SRF/MYFF goal and service line)

MDG based national development plan prepared Government of Lao PDR implement the sixth National Social Economic Development Plan (NSEDP)

Expected Output(s)/Annual Targets¹⁰:

(CP outputs linked to the above CP outcome)

1) Enhanced institutional capacity to coordinate and implement trade related polices
2) Enhanced coordination management capacity within the government
3) Enhanced national capacity to assess the policy implications of trade on growth, economic development, and poverty reduction.

Implementing partner:
(designated institution/formerly executing entity)

Ministry of Industry and Commerce

Responsible parties:
(formerly implementing entities)

Foreign Trade Policy Department of the MOIC

Programme Period: ___ 2007 to 2008 ___
Programme Component: MYFF Goal. Service line 1.4: Globalization benefiting the poor
Project Title: Institutional Strengthening of the IF Coordination and Implementation structure
Project ID: ___00056638___
Project Duration: 12 months___
Management Arrangement: _Foreign Trade Policy Department of Ministry of Industry and Commerce,___

Budget ___\$220,000___
General Management Support Fee___
Total budget: ___\$220,000___
Allocated resources: _____
• Government _____
• Regular _____
• Other: _____
o Donor ___\$220,000___
Window II trust fund
o Donor _____
o Donor _____
• In kind contributions _____
Unfunded budget: _____

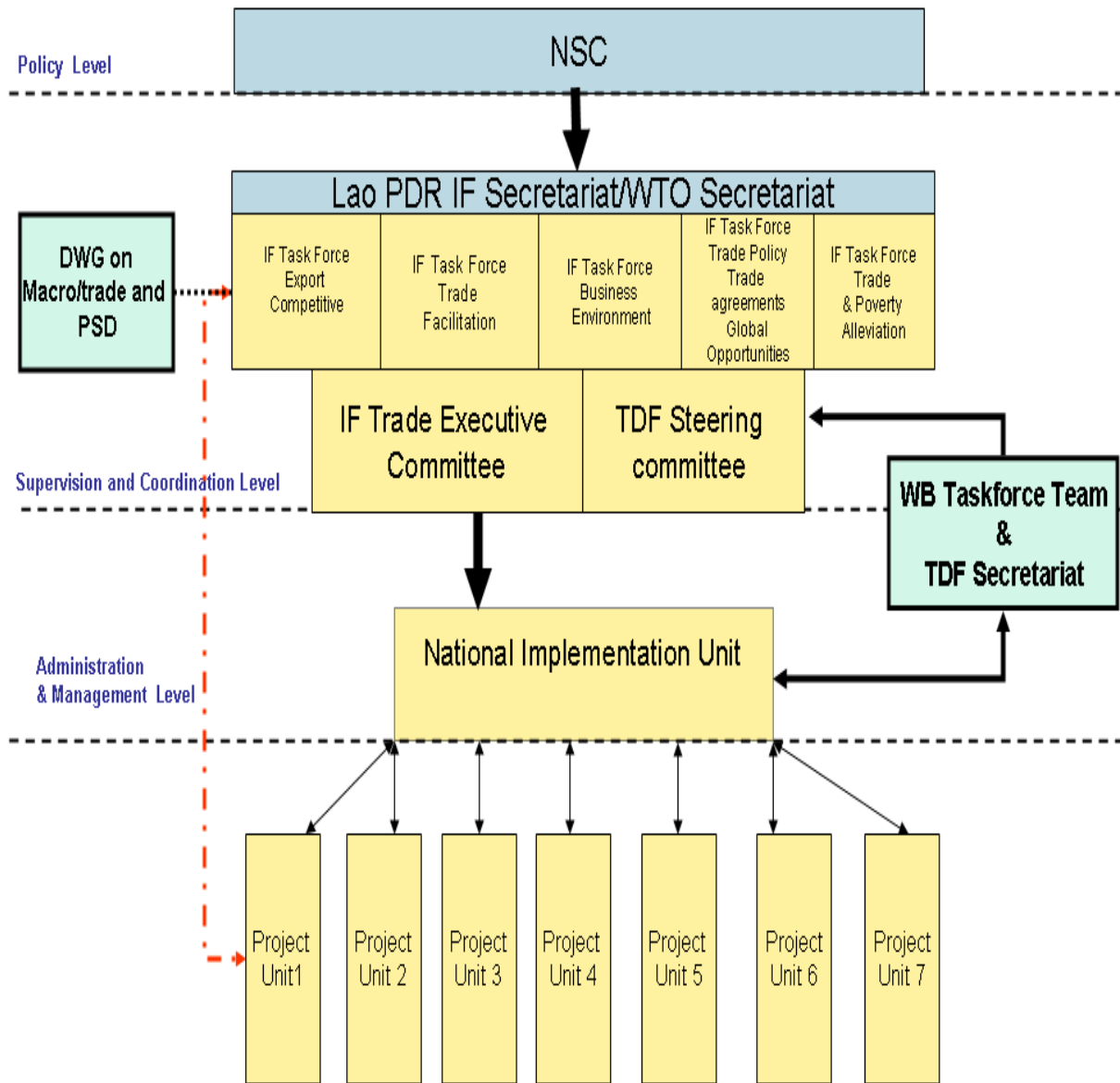
Agreed by (Government): _____

Agreed by (UNDP): _____

⁸ For global/regional projects, this is not required
⁹ For global/regional projects, these are outcomes identified in GP/RP
¹⁰ For global/regional projects, these are outputs identified in GP/RP

Annex 1 – IF Governance Structure and TDF Structures

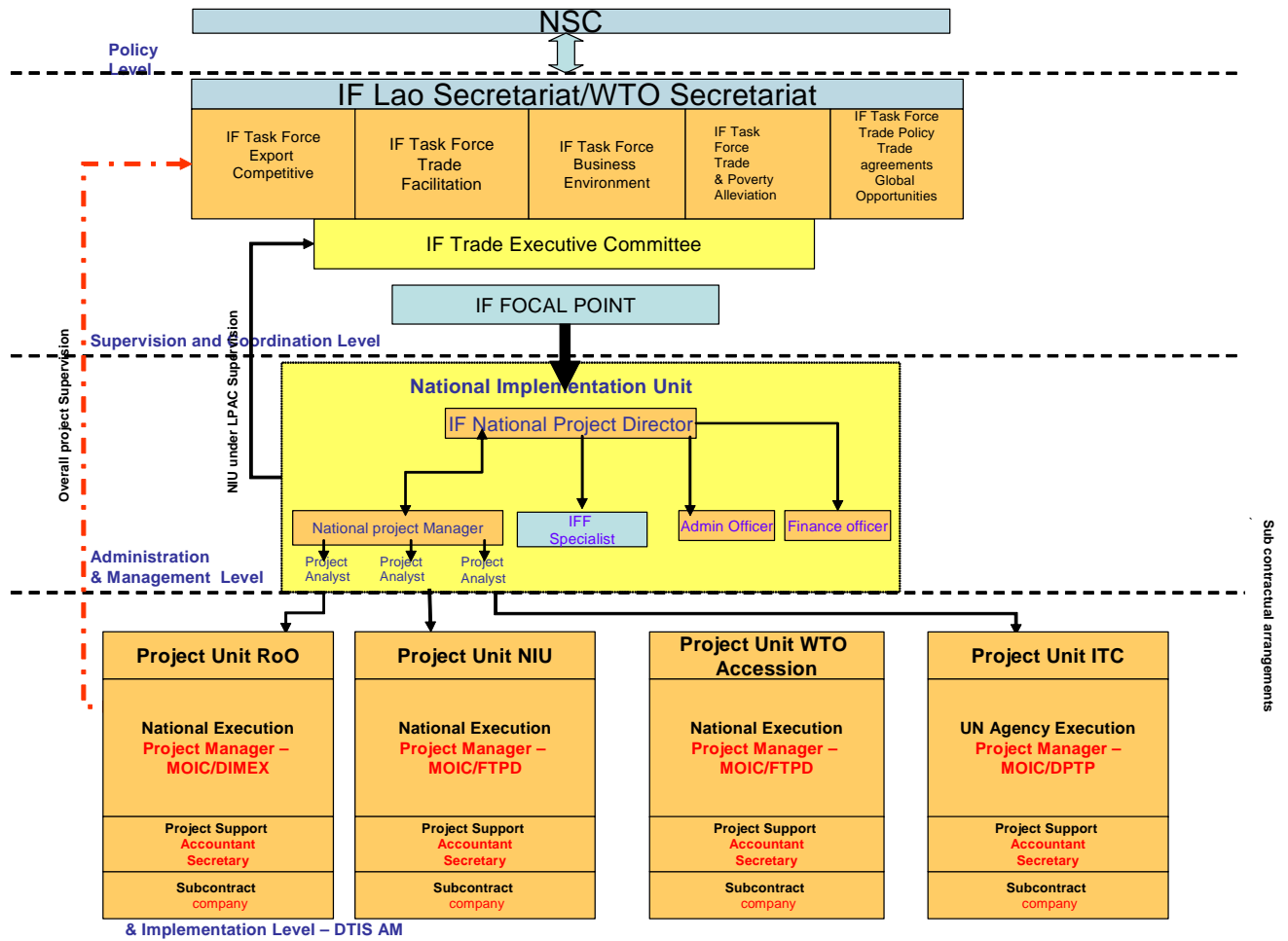
Overview of the IF Governance Structure (including TDF structures)



Technical Supervision & Implementation Level – DTIS AM

* The overall steering of the NIU will be under the IF Trade Executive Committee – depending on the various sources of funding, the composition, chairing, reporting, voting, etc will be defined in the specific document

Annex 2– Detailed Structure and ToRs of the NIU



1 SCOPE OF THE NATIONAL IMPLEMENTATION UNIT

The NIU will be responsible for operationalising the Action Matrix. In other words, the NIU will be the entity responsible for translating the identified actions in the DTIS Action Matrix into bankable and feasible projects. The NIU will be responsible for the following:

- Project identification,
- Project proposal write ups,
- Set up of the project implementation structures,
- Preparation of tenders and procurements,
- Monitoring the outputs and activities against set indicators,
- Review the implementation by various service providers/government agencies/non-state actors,
- Work with the IF TF and PUs and support them in their activities,
- In cases where the IF TF and PUs are weak or functioning poorly, the NIU will need to provide support and take on the role of these committees.

The IF NIU will be established in the offices of the MOIC with two /three members of the core IF Ministries seconded to the NIU and supplemented by locally recruited staff and consultants. The following staffing structure will make up the IF NIU and is depicted below:

- IF National Project Director – detached from the MOIC (part time)
- National Project Manager – detached from the MOIC (full time)
- IF Facilitator Specialist – AusAid funded Technical Assistance
- Project Analyst– 2 locally recruited and 1detached from the MOIC (full time)
- Administrative Officer – Locally recruited (full time)
- Financial Assistant – Locally recruited (full time)

The NIU will work closely with two entities the IF Task Force and the Project Units (PU). The IF TF/PUs will provide the NIU with the technical expertise for designing the various projects as well as being responsible for the hands on implementation of the various projects. The NIU and IF TF/PU have distinct roles, the former being responsible with the overall project identification, project write up, and project set up. The latter will be responsible with the executing agency (which could be a Government department, UN agency or a private company or NGO) to deliver the project outputs and oversee the day-to-day running of the project.

The role of the NIU will need to be revised and extended to meet the changing needs, new funding mechanisms, and new programmes, which will come into stream throughout the project life under Window II. When the enhanced IF and the Trade Development Fund are put in place, the structure and body of the NIU will need to be modified.

2. OVERALL STAFFING AND LINES OF RESPONSIBILITY

The IF NIU will be set up at the MOIC Foreign Trade Policy Department and will be under the overall supervision of the IF Focal Point and the NIU National Project Director. The IF National Project Director together with support from the IFF specialist and a National Project Manager will manage the NIU on a day-to-day basis. Two Project analysts will be recruited locally and one Project Analyst will be detached from the MOIC. All three Project Analyst will be based on a full time basis at the IF NIU. The National Project Manager will shadow the IFFS, with a view to taking on the IFFS post within six months of the set up of the NIU. The main role and responsibilities of the IF NIU will be to oversee the day-to-day running of all IF related activities, from the running and management of Window II projects, the EIF and TFD. The unit will be responsible for the complete project cycle management for all DTIS related actions, from identification, to design, to implementation, monitoring, and evaluation. The IF NIU will work in close collaboration with the following entities:

- The IF Task Forces (IF TFs) - Which will be a sub committee of the Lao IF Secretariat, will provide support to the NIU on overall project direction and on technical issues and will be actively involved with the initial stages of project identification and project formulation.
- Project Units (PUs) – The PU will be set up in the relevant line ministry and will be responsible for the day-to-day implementation of individual projects. The PU will be responsible for ensuring the delivery of project outputs and activities. The NIU will provide support to the PUs in their main functions of procurement, monitoring, and evaluation.
- The Trade Development Fund Secretariat - The IF NIU will work in close collaboration with the TDF Secretariat based at the World Bank office. The NIU will ensure coordination between the various funding channels and ensure smooth flow of information between the two entities.

The IF NIU will be supported by a pool of experts in the form of a call down facility, which will be used as and when needed to support the technical work of the IF NIU. This pool of experts will be set up in the form of a "Framework Contract" based with a local firm in partnership with an internal research institute.

3. DETAILS TASKS OF THE NIU

The main role and responsibilities of the IF NIU are as follows:

1. Works with the Ministries of Industry and Commerce, Finance and Planning, as appropriate, to advocate for and assist in the inclusion of trade integration priorities in the PRSP and other national development plans. Raises awareness among Ministries, the private sector and civil society on the relationship between trade, economic growth, and poverty reduction with the aim of ensuring that agreed priorities are integrated into the PRSP/national development plans, relevant line ministry plans, and the national budget.
2. Ensures coordination at all stages of the IF process of the national stakeholders, including government, private sector, and civil society. Facilitates intra-governmental and donor coordination, as well as public-private sector dialogue on trade development, using proper consultation processes such as the PRSP, other national development plans, and private sector development programmes. Advises on sectoral and cross-sectoral trade issues, including the regional trade dimension, involving meaningfully in the IF line Ministries, such as Agriculture, Health, Customs, etc.
3. Maintains and promotes the dialogue between the national authorities and the bilateral and multilateral development partners towards achieving a coordinated and comprehensive support to the implementation of the priorities in the country's trade integration strategy. To this end, it works closely with the donor facilitator as well as development agencies.
4. Recommends to the NSC prioritized areas for IF actions and elaborates strategies of intervention.
5. Implements the national IF sensitization/communication activities aimed at enhancing support and involvement by local stakeholders.
7. Prepares a multi-year work plan for and the detailed annual operational plan of the TDF-NIU, including its budget under Tier 1, for approval by the NSC and subsequent submission to the IF Executive Secretariat. Aspects of this work plan would include all the leadership and coordinating functions mentioned under points 2 to 5 above.
8. Identifies the preparation of diagnostic work to be carried out in partnership with other Ministries. This can range from full-fledged DTIS or DTIS updates to more narrowly specified analytical work that is required as a follow-up to the DTIS or to assist project identification/preparation. Selects, in consultation with the IF Secretariat, one of the six IF core agencies that will assist in the preparation of the diagnostic work. To facilitate programming needs, IF NIU would inform the IF secretariat on its diagnostic needs and request for agency help with at least six months previous notice.
9. Works with implementing partners to turn priorities in the action Matrix into "bankable projects", including Tier 2 projects and projects for the financial consideration of bilateral and multilateral donors. Implementing partners is broadly understood to mean Ministries, other Government entities, private sector, NGOs, and development partners.
10. Monitors the implementation of the overall trade integration strategy, including the implementation of programmes supported by the IF Trade Development Fund, in close collaboration with key government agencies (e.g. CPI) as well as development partners (e.g., donors and IFIs). This will include the establishment of a monitoring and evaluation system for the IF, integrated as much as possible into existing systems for monitoring development programmes.

11. Reports on progress of IF implementation at relevant government coordination meetings (e.g. PRSP, national development plans, Private Sector Development Programme, etc) where they exist. Where these do not exist, organizes quarterly meetings. Reports on IF implementation progress, to the NSC, and the IF Executive Secretariat.
12. Prepares an inventory of all ongoing and planned TRTA projects in the country.
13. Organizes IF implementation meetings to assess IF progress at the country level with key stakeholders and donors at least twice a year.
14. Coordinates mid-term reviews and evaluations of the IF at the request of the IF Board and IFSC.
15. IF NIU will work closely with the IF Task Force and the Project Units.

Annex 3: Overview of IF Related Structure Existing and Proposed new entities

Level/Function	Existing Structures and Systems	New Structures to be established
<p>GOL/Development Partner Coordination</p>	<p>Development Cooperation dialogue at Country level</p> <p><u>Round table meeting</u> - The aim of the RTM is to foster dialogue between developing countries and donors on development policies and programmes and to raise resources to finance the implementation of these programmes and advance economic growth and social progress in the countries involved.</p>	
	<p>Sector Policy Dialogue and Consultation</p> <p><u>Sector Working Group</u>: Policy issues pertaining to Trade and IF is currently discussed in the Macro-economic and PSD working group. This group brings together the GoL, Development Partners and the Private sector In the case of SME coordination is taking place through SMEPDC.</p>	
	<p>Technical Consultation and Coordination</p> <p><u>Sub-Sector Working Groups</u>: Three sub working group on Trade, SME and Banking have been set up to deal with more specific and detailed issues pertaining to programming and project implementation. (These are currently under discussion)</p>	<p>Technical Consultation and Coordination</p> <p><u>The LPAC</u>: Will review and appraise TRA projects to be financed by the Window II/EIF and the Trade Development Fund. It will recommend approval of projects, rejection or changes.</p> <p><u>The IF Trade Executive Committee (TEC)</u>: This Committee will also be used to approve the annual work plans and all other work plans linked to the</p>

		<p>Action Matrix (under EIF or other funding). As far as possible, a consolidated work plan will be prepared by the NIU. This committee will have the overall mandate to oversee and review period financial and progress reports drafted by the National Implementation Unit. The TEC will be chaired for by the Vice Minister or by a senior government official of the MOIC (Director General or Deputy Director General Level) for all projects for which it will not be the direct beneficiary¹¹. The NIU will be guided by the TEC for all project management issues and the NIU will report to the TEC. The IF TEC will be responsible to ensuring the delivery of DTIS overall outcomes.</p> <p>TDF Steering Committee: The TDF Steering Committee will be co-chaired by a senior representative (Vice Minister of MOIC) of the Ministry of Industry and Commerce and by a Donor Representative agreed by the donors who finance the TDF.¹² It will consist of representatives of government (including MOIC and other line ministries), TDF participating development partners as voting members. The WB as the TDF Administrator will participate in the TDF Steering Committee as observer. The decisions of the TDF Steering</p>
--	--	---

¹¹ For those projects which will benefit the Ministry of Trade directly, an alternate Chair will be appointed with the participation of IF stakeholders, representatives from the Government, the national institutions involved in the project and, representatives of other donors, civil society, the private sector and target groups

¹² In EC's framework agreement with WB, if EC is financing more than 20 percent of a multi-donor fund, EC asks to co-chair this committee.

		<p>Committee will be transmitted to the WB officially for final approval before implementation.¹³ Other key stakeholders will be invited to participate as observers.</p> <p>The TDF Steering Committee:</p> <ul style="list-style-type: none"> i. Will provide general oversight and strategic directions including advise to the Government on their proposed annual work plan to be financed under the TDF, based on a selection of actions from the Action Matrix and joint identification missions that took place; ii. Reviews periodic financial and progress reports, drafted by the Implementation Unit with assistance from TDF Secretariat. <p>Decisions are made by consensus and in case of disagreement -- by a system agreed at the first meeting. The TDF Steering Committee will meet at least once a year. Decisions are made by consensus and in case of disagreement -- by a system agreed at the first meeting. The TDF Steering Committee will meet at least once a year.</p>
	<p style="text-align: center;">Financial Cooperation</p> <p><u>Window I and II of the IFTF:</u> The IF Trust Fund is a financial mechanism managed by UNDP which has been put in place help fund the IF process, namely for</p> <ul style="list-style-type: none"> (i) Carry out the Diagnostic Trade Study 	<p style="text-align: center;">Financial Cooperation</p> <p><u>Trade Development fund</u> – The proposed Trade Development Fund (TDF) is a multi-donor trust fund (MDTF) which aims at assisting the GoL implement the Action Matrix for Trade-Related Assistance. The trust fund will be administered by the World Bank and</p>

¹³ The WB, as the administrator, needs to make sure that the actions and objectives can be implemented and that these are feasible, and that they comply with the operational guidelines of the WB.

	<p>(ii) Strengthen the IF national structure - activities could be in the areas of (a) training (National IF steering Committee members on trade and poverty issues, (b) methodological issues, lessons learnt, (c) empowerment workshops, (d) identification of training needs for participation in multilateral negotiations, (e) proper use of existing support tools, e.g. WTO reference centers); (f) conferences and seminars; (g) study tours and knowledge sharing and (h) procurement of basic office equipment for the IF Steering Committee and a well functioning IF Secretariat (i) Travel to attend important IF meetings, etc.</p> <p>(iii) Finance activities under the DTIS Action Matrix – Window II Managed by UNDP.</p> <p>It is foreseen that the IF Trust Fund will be replaced with the Enhanced IF, however to date the exact financial set up has not yet been decided and is still under consideration and discussion by the EIF transitional team.</p>	<p>will finance activities related to investment, capacity building, analytical & advisory services, provision of goods, and technical assistance in order to achieve the objectives outlined in the Action Matrix.</p>
--	---	---

Inter Government Coordination	Policy Decision	
	<p><u>National Steering Committee on Economic Integration (NSC)</u>: The NSC is chaired by the Deputy Prime minister and meets twice yearly at Vice Ministerial Level. The NSC has until recently focused on making key policy decisions pertaining to Trade and all associated trade related policy decisions.</p> <p>In April 2007, a Prime Minister’s Decree was issued by the GOL with a view to extending the scope of the National Steering Committee which will as per the decree be responsible for Economic Integration issues, including the IF process</p> <p>NSC members consist of the deputy minister from line ministries related to trade, IF issue and other issues.</p>	
	Inter-Ministry Technical Consultation and Coordination	Inter-Ministry Technical Consultation and Coordination
	<p><u>Lao IF Secretariat</u>¹⁴ – The LIFS is chaired by the Vice Minister of MOIC. The Secretariat meets monthly and is responsible for technical decisions and policy recommendations pertaining to the IF and broader TRA issues.</p>	<p><u>IF Task Force</u> – These inter ministerial Task Forces are critical for ensuring effective and coordinated implementation of the Action Matrix across Ministries, government agencies and specific sectors. There will be 5 Task Forces set up based on the DTIS Action Matrix and these will be a sub- group of the Lao IF</p>

¹⁴ It is proposed that the IF Secretariat be renamed IFLS ie IF Laos Secretariat

	<p>The Secretariat is also responsible for decision making pertaining to overall management and implementation of the IF and broader TRA.</p> <p>The LIFS is constituted at DG level and is represented by all ministries. It counts a membership of around 30 representatives. The LIFS is responsible in ensuring the achievement of the intended impact of the IF process.</p>	<p>Secretariat. The IF taskforces will play an important role in supporting the National Implementation Unit and will ensure broad based 'buy in' of all key Ministries in the implementation process of the Action Matrix.. The IF Task force will be responsible to provide guidance to the NIU and PU on policy direction in a given sector. The IF Task Force will be responsible to ensure that the outcome for specific sector is reached.</p>
<p>Government Management</p>		<p><u>IF National Implementation Unit</u> - This unit will be based in the MOIC, and will be comprised of dedicated staff drawn from within the MOIC/other relevant Agency or Ministry which will form the core team of the NIU. The NIU will be the central coordination and management entity. The NIU will report back to the IF TEC and will be entrusted with the overall financial and administrative responsibility. It will also be required to support the PU in their day to day implementation. They will also be entrusted with supporting the IF focal point in carrying out her functions of dissemination of information and coordination on the IF.</p> <p>The NIU will be responsible for ensuring the delivery of overall outputs and outcomes of all projects under the Action Matrix.</p> <p><u>IF Project Units</u> – These will be established for each project (under IF Window II, EIF and TDF, etc). The PU will be responsible for ensuring the delivery of outputs and activities for a specific project. They will work closely with the NIU and report to the NIU on</p>

		all financial, admin and procurement issues.
--	--	--

Annex 4: Term of Reference of fulltime staff

Preliminarily Terms of Reference Staff for IF Project

1. National Coordinator

Main duties:

- Assist the Foreign Trade Policy Department, Ministry of Industry and Commerce, in the overall implementation of the Integrated Framework Project, including technical and administrative matters.
- Provide technical support, analysis and guidance, in consultation with related division(s);
- Coordinate, manage and monitor the project implementation;
- Coordinate preparation of annual work plans;
- Monitor and document the results of the project activities;
- Monitor and document the implementation of the project by utilizing viable indicators and lessons learned/good practices of project activities;
- Coordinate with relevant ministries and agencies including the IF Secretariat;
- Organize meetings for IF Secretariat;
- Control and manage expenditures, maintain and update records of financial expenditures by monitoring the operational and financial aspects of the project;
- Undertake other duties as requested by the department.

Qualifications

- Minimum bachelor degree in any disciplines.
- Minimum 3 years of experience.
- Prior work experience with international agencies will be an asset.
- Good interpersonal skills and result orientation.
- Effective written/verbal communication skills.
- Proven knowledge of IT is an advantage.

2. Administrative Assistant

Main duties:

- Assist in preparation and logistical planning for various conference, workshop etc;
- Assist visiting missions (arranging appointments, hotel accommodations and other travel);
- Coordinate, manage and monitor the project implementation;
- Coordinate with relevant ministries and agencies;
- Be responsible for office supplies procurement and distribution;
- Maintain office asset inventory;
- Maintain office, utilities, equipment and supplies in good order;
- Arrange office vehicle registration and maintenance;
- Perform other tasks as requested by the Department.

3. Qualifications

- Proven knowledge of office procedures and office equipment
- Effective written/verbal communication skills (in English)
- Good interpersonal skills and result orientation
- Computer literate (MS Office)

Annex 5: An Action Matrix of Projects and Technical Assistance to Promote Export Competitiveness in Laos

	Objectives	Priority/ Timing	Responsibility in Government	Costing	Related Trade Assistance Programs	Type of Intervention	Econ' impact
Component 0: Putting in Place the IF implementation and Monitoring Structure							
	Rationalize IF supervisory committees, establish national IF management Unit	High priority with actions already having begun and will be ongoing	MOIC/IF Steering Committee	Medium - to date support provided by IF Trust Fund (ITF). Estimated cost of establishing a IF Implementation Unit in the Lao PDR Government is US\$ 1 million		Governance	NA
Component 1: Export Competitiveness¹⁵							

¹⁵ Projects 1, 2 and 3 under Component 1 are in line with the National Export Strategy of 2006-2008 where more details can be found.

<p>Project 1: Support agricultural competitiveness</p>	<p>Encourage the production of organic agricultural products for export; improve quality standards of traditional agricultural products; improve productivity of traditional agricultural products; develop agro-processing industry for export; encourage the production of medicinal plants and spices for export.</p>	<p>High priority with action to be undertaken from the first year</p>	<p>MAF, LNCCI, NUOL, MOIC(LTPC &DOI)</p>	<p>High - in particular significant investment is required to improve productivity and develop processing industry. Estimated costs for project to improve just the production and supply chain of organic agriculture are US\$1.7-2 million over 3 years. Estimated costs for project to build-up the medicinal plants and spices sector are US\$1.5-1.75 million over 3 years.</p>	<p>EC's Asia Invest Open Resource for Commerce in Horticulture Aided by Species Identification Systems (2006-09, €0.3m) & Developing Food and Agribusiness Training in the Mekong Region (completed 2006, US\$0.4 shared with 5 countries); ADB's Marketing Support for the Organic Produce of Ethnic Minorities (2004-07, US\$0.6m); Switzerland's Promotion of Organic Farming and Marketing (completed 2006, US\$0.3m); FAO's Improvement of Coffee Industry Project (completed 2005, US\$0.35)</p>	<p>Technical assistance; regulatory; human resource capacity building and infrastructure development ; encouraging investment</p>	<p>Large</p>
<p>Project 2: Support light manufacturing competitiveness</p>	<p><u>Garment sector:</u> Encourage local producers to gradually shift from working on CMT to FOB basis; improve productivity of garment sector; promote Lao garment products; improve quality of Lao garment products; develop trade information and linkages with buyers on garment.</p>	<p>High priority with preferably for action to begin from the first year</p>	<p>LNCCI, ALGI, MOIC (LTPC & DIE)</p>	<p>Medium - Estimated costs for a project to strengthen the export capacity and competitiveness of the garment sector are US\$1.5-1.7 million.</p>	<p><i>General Export Competitiveness Support:</i> Switzerland/ITC's Support to Trade Promotion and Export Development (2004-07, US\$1m); Switzerland's Promotion of Cleaner Industrial Production (2004-08, US\$0.95); <i>Specific to Garment Sector:</i> UNDP's Textile and Clothing Project (2006-07, 0.09m)</p>	<p>Technical assistance; human and infrastructure capacity building; international trade promotion; and information distribution</p>	<p>Medium -Large</p>
	<p><u>Silk products:</u> Improve domestic supply capacity in Lao native silk; improve Lao silk product designs; develop new silk products; develop standard for Lao silk handicraft; develop trade information on silk sector.</p>	<p>Medium priority with action to be undertaken as soon as possible</p>	<p>MAF, LNCCI, MOIC(LTPC& DIE)</p>	<p>Medium - Estimated costs for a project to improve capacity of producers and exporters of silk products are US\$1.6-1.85 million</p>	<p>US's Economic Acceleration Program for the Silk Sector (completed 2006, US\$0.5m)</p>	<p>Technical assistance; human resource capacity building and infrastructure</p>	<p>Medium</p>

						development ; and information distribution	
	<u>Other handicraft products:</u> Improve design capabilities.	Relatively low priority	MOIC (LTPC), LNCCI	Small financial outlay		Technical assistance	Small
	<u>Wood processing sector:</u> Promote and upgrade Lao wood products to the international standards and recognition; improve productivity of the wood sector; ensure sustainability of raw materials to support the industry.	Medium priority with action to be undertaken in the medium term	MAF, MOIC(DIE), LNCCI	Medium-High - Estimated costs for a project to improve quality and sustainability of wood products sector would be around US\$2 million over 3 years	EC's Asia Invest Fund Upgrading the Wood-Processing Industry for the European Market (2005-07, €0.2m); FAO's Marketing System Development for Non-Wood Forest Products (completed 2006, US\$0.37)	Technical assistance; regulatory assistance	Medium
Project 3: Support tourism	Develop craft villages such as local artisans and craftsman (textiles, jewellery, wood based, etc); develop services capacity and competency of Lao tourism sector; strengthen the institutional framework; encourage tourism linkages to other sectors of the economy; diversify services capacity within the tourism sector; promote Lao tourism to make it internationally recognized.	High priority requiring ongoing support.	LNTA, LNCCI, MOIC (LPTC), MFA	Medium- Estimated costs of a tourism training center with involvement of the private sector of US\$ 1,000,000 for a period of 4 years; Medium-estimated costs for establishment of model craft villages in 10 major tourism destinations of US\$ 1,000,000 for a period of 4 years	ADB's Mekong Tourism Development Project (2002-07, 10.9m shared with Cambodia and Vietnam); EC's Asia Invest Fund - Marketing Responsible Tourism in Laos (2006-09, €0.3m); New Zealand's Nam Ha Ecotourism Project (2004-07, US\$0.34); German Human Resource Development for Market Economy Programme (2004-07 US\$5.5 m; Planned: Japan's Tourism Development in the East-West Corridor (2007-10, US\$2m); planned: German Vocational Education Programme (2007-10 €5 m)	Human resource capacity building; trade promotion; encouraging private investment	Medium
	Develop local agriculture and healthy food products (vegetable, meat, local food cottage, etc) in tourism destination through the development capacity and competency of small and medium sized farming and agro-processing.	High priority required on-going support	LNTA LNCCI-LHRA-LHA MAF LTPC	Medium high - estimated cost for establishment of model village cottage food industry, animal farms, modern slaughter house in 10 major tourism destination of US\$			

				2,000,000 for a period of 4 years			
Project 4: Micro, small and medium enterprise project for export development	Build an integrated market access and trade facilitation infrastructure; support entrepreneurship development; develop and strengthen the capacity of local intermediaries to deliver financial and non-financial services to MSMEs; provide an enabling environment (access to finance, trade promotion, and trade facilitation infrastructure) to boost increased investment.	High priority with projects to begin from the first year	MOIC (DOI, DIE, LTPC), BOL, LNCCI	Medium - Estimated costs of a trade information and export training program for the business sector would be US\$800,00-950,000 over two years.	UNINDO & India's South-South Response to Poverty (completed 2006, US\$0.15 shared with 5 countries); UNESCAP & Japan's Capacity Development of SMEs (completed 2006, US\$0.59m); ADB's Small and Medium Enterprise Project (completed 2005, US\$0.79m); EC's SME Development Programme (2006-10, €3 m)	Human resource capacity building & infrastructure development ; information dissemination; encouraging investment	Medium - High
Project 5: Regional development of export potential	<p>Construct and rehabilitate critical infrastructure essential for sustained regional economic activity in the tourism, manufacturing, agribusiness and mining sectors;</p> <p>Put in place appropriate incentive measures at the regional level to achieve rapid growth;</p> <p>Develop the instruments to ensure equitable, sustainable growth.</p> <p>Strengthen the capacity of local authorities to formulate, prepare,</p>	Medium priority with a long term focus	Provincial governments	High - A high level of capital investment required to address infrastructure issues which would not to be funded directly through IF. Other funding sources required, possibly including Aid for Trade. IF process can assist in policy		Regulatory assistance; technical assistance; human resource capacity building;	Medium -Large

	implement, and manage medium- and long-term integrated regional development projects.			development and capacity building (cost would be low to medium)			
Component 2: Trade Facilitation							
Project 1: Customs modernization	Develop regulations to implement the new Customs law	High priority with actions to begin as soon as possible	MOF and MOIC	Medium-High - Funds needed for a broad range of activities mainly based on training but also including investments in improved customs processing systems.	IMF's Technical Assistance on Customs Operations (204-07, US\$0.5m); Japanese Customs Technical Cooperation Program (completed 2005, US\$0.17); ADB's technical assistance (2006-2008) to support trade facilitation and capacity building in the Greater Mekong Subregion (Part I to support trade facilitation, including gap analysis for customs procedures) at US\$890,000. ADB's technical assistance (2006-2007) on implementing the Cross Border Transport Agreement in GMS (Appendix 4 on Frontier Crossing Formalities - single window/single stop inspection at selected border crossings, targeting among others, customs agencies) at US\$860,000.	Legislative/regulatory reform; human capacity building and infrastructure development ; customs infrastructure development	Medium
	Reform the national customs administration						
	Strengthen capacity building to properly administer the customs valuation provisions of the law						
	Simplify/modernize border clearance procedures (including external expert advice to prepare a long term customs modernization project)						
	Automation and data processing systems (e.g. automated customs clearance system)						
	Strengthen and expand the anti-smuggling program						
	Licensing of Customs Brokers						
Develop a customs training program, e.g. seminar/workshop as well as medium and long term program.							
Project 2: Trade facilitation	Pilot Gold Card Program (to expedite clearance procedures for approved traders)	High priority/2nd year	MOF, MOIC (DIE), MTCPC, Border agencies, National	Medium-High - Funds needed for investments in improved technology and processes. Also, potentially high	ADB's Trade Facilitation in Greater Mekong (2006-08, US\$1.49m shared regionally); UNESCAP/Netherlands' Institutional Capacity Building for Landlocked Countries	Infrastructure development	Medium-High
	International container logistics center in Vientiane						
	Licensing of customs agents						

	Improve the single window operations in various provinces		quarantine and standards agencies, National Transport Facilitation Committee	capital investment needed to build a container logistics centre	(completed 2006, US\$0.4m); ADB's regional technical assistance (2006-2008) to support trade facilitation and capacity building; ADB's regional technical assistance (2006-2007) on implementing the Cross Border Transport Agreement.		
	Increase transparency						
	Institutional strengthening of trade facilitation focal point, to coordinate trade facilitation activities						
	Needs and gap assessment on customs procedures (as in Project 1); trade logistics development (including trade logistics center and service sectors development, etc.); standards/technical regulations development; and improved business mobility).						
	Facilitate cross border movements of goods, people, and vehicles (single window, single stop inspection at GMS selected land border crossings, involving Lao PDR, GMS transit traffic regime, vehicle standards, exchange of traffic rights, etc.)						
Simplify or eliminate export licensing and export-import indicative plan.							

Component 3: Business Environment							
Project 3: SPS	Institutional and legislative framework (high priority)	High priority with projects for long-term improvement of capacity to begin as soon as possible	STEA, MAF; MOH	High - Estimated costs of an export quality management project would be US\$1.4-1.6 million, but investments in SPS-related laboratory equipment could increase this amount significantly	Norway's Market Access & Trade Facilitation Project (2006-09, US\$1.7m shared with Cambodia & Vietnam); Australia's SPS Capacity Building Project (ongoing, US\$4m shared between 8 countries) & ASEAN Development Cooperation (2002-08, A\$45m); EC's Asia Invest Capacity Building of Geographical Indication (2006-09, €0.3m shared with China and Cambodia), & EC's Project on Standards, Quality & Conformity (ongoing, €0.5m) & Intellectual Property Rights Cooperation (completed 2006, €0.5m); FAO's Improving Food Safety and its Management (2005-08, US\$0.85 shared by 3 countries); ADB's Integrating the Poor Through Standard Setting (completed 2005, US\$0.7m)	Technical assistance; human capacity building and infrastructure development; supply of technology	Medium-High
	Diagnostic capacity (high priority)						
	Market opportunities and trade requirements						
	Surveillance						
	Emergency response						
	Risk assessment and economic analysis						
	Inspection and certification						
	Building human skills						
	Information and education						
	Private sector development						
	Regional cooperation						
Project 1: Development of industrial strategy to facilitate business operations	Develop an industrial strategy that: sets a broad framework for promoting and developing Laos' industrial base; identifies priority areas; and ensures a consistent and stable policy environment.	Medium priority with actions to take place in the medium term	MOIC (DOI)	Small-medium	<i>General Business Environment Support:</i> IFC's Mekong Project Facility (2003-07, US\$2.85m); ADB's Private Sector Development Program (2005-10, US\$0.7m plus US\$10m loan); UNIDO's Integrated Programme (2004-08, US\$6.3m); Japan's Macro Policy Support for Development (completed 2005, US\$1.2m); Germany's Human Resource Development for Market Economy Program (2004-07, US\$5.5m)	Regulatory and possibly legislative	Medium
	Review and simplify business regulations, e.g. foreign investment start-up and registration procedure reform; create investment guidelines (sector by sector); set up a public-private stakeholder platform to discuss the reforms on a regular basis						
	Review the legal framework for		47				

Component 4: Trade Policy, Trade Agreements, and Global Opportunities							
Project 1: Capacity building for international trade policy and negotiations	Improve capacity building of MOC and other ministries with trade-related functions to take considered and well-coordinated decisions on all aspects of international trade policy, regional and multilateral trade negotiations, and trade relations.	High priority with programs to begin in the first year	MOIC	Small-Medium - Estimated costs of a general training and research project to improve business competency among business and government involved in exports would be US\$900,000 - 1.1 million over two years. Additional, more targeted training would also be required in relation to trade agreements and negotiations.	UNCTAD/France's Train for Trade (2003-07, US\$2.3m); Australia's Trade Analysis & Reform Project (2005-08, US\$5m shared 4 countries); EC's Asia Trust Building Capacity of the Economic Research Institute (2006-07, US\$0.25m); EC's Multilateral Trade Assistance Project (completed 2006, €m); UNDP's Promoting Private Sector Development Project (2006-09, US\$2.33m) and National Human Development Report (2004-07, US\$0.8m); WTO/UNESCAP's Technical Assistance (ongoing, US\$1.7m shared globally); Canada's Asia-Pacific Training Network on Trade (2004-07, US\$0.7m shared regionally) & APEC Eco Integration (2004-09, US\$7.2m shared 6 countries); US's ASEAN Technical Assistance Facility (2004-07, US\$7.33 shared regionally) and Strengthening Market Analysis Capacity (2005-07, US\$0.24m shared regionally)	Technical assistance and human capacity building	High
	Establish clear division of roles and responsibilities between MOC and other ministries, including inter-ministerial coordination and public-private sector dialogue in support of the WTO accession process						
	Increase MOC's capacity to analyze trade issues, impact of trade policies, and to lead trade negotiations.						
	Promote an effective trade information center, improve collection of trade statistics						
	Increase capacity to efficiently administer: Rules of Origin						
	To build in-house capacity on research and facilities for trade sector						
	Trade Database						
	Increase transparency						
Project 2: Technical assistance and capacity building	WTO accession: assistance with legislative review and required documentation as well as legislative				UNDP/ AUSAID's Integration Into the Trading System (completed 2006, US\$1.68m)		

for the formulation and implementation of trade negotiation strategies	reform needed for WTO compliance; negotiation strategy and analytical support for accession, including in non-agricultural goods, agriculture, services, etc.; institutional and human capacity building for trade negotiations and policy formulation						
	Regional agreements: ASEAN (AFTA, AFAS), AFTA+China, etc.						

Component 5: Trade Opportunities for the Poor							
Project 1: Promotion of traditional handicraft and textile industry at village level	Build business linkages with Fair Trade Organizations in North America and Japan	Medium priority	MOIC, LNCCI, STEA	Medium	UNESCAP/UNDP's Development of E-business Support Services in the Greater Mekong (completed 2006, US\$0.2m)	Technical assistance and human capacity building	Small
	Engage in e-commerce						
	Provide technical training to artisans						
Project 2: Roads linking villages to markets	Improve reach and quality of road network to better connect towns and villages to markets and export opportunities	High priority with actions to be undertaken as soon as possible (and already underway in certain areas)	MCTPC	High level of capital investment required. Not to be funded directly through IF. Other funding sources required, possibly Aid for Trade.	ADB Northern Economic Corridor Infrastructure Project (2004-07, US\$30m)	Direct construction of infrastructure	Large

Notice: - All these can be components of one project or divided into individual projects
- May be advisable to seek a donor to take a lead for each component or sub-component

ⁱ A number of evaluations of the IF have been undertaken recently. The general conclusion from these is that the IF has provided a good framework for helping the LDCs enhance their trade development capacity and facilitate adjustment and integration into the multilateral trading system, but that there are still significant shortcomings in the process. Given the growing interest in trade and development, and the weaknesses noted above, the Development Committee of the World Bank and IMF at their meeting in September 2005 concludedⁱ that the IF should be enhanced and provided with additional resources