

WORKSHOP REPORT - MAIN MESSAGES

Making the Integrated Framework a Tool for Poverty Reduction

Geneva, 18th October 2007

Introductory Session

Introduction to the (Enhanced) Integrated Framework

Aid for Trade and the IF are a vital part of the multilateral trading system, with the WTO negotiations the other half

Aid for Trade and the IF are important for helping to create a more level playing field in the global economy

It is a vital time for the development of the IF, with reforms proposed for enhancing it and recent donor commitments to fund it

Significant questions still remain in relation to ownership, participation and the response of diagnostic work to the challenges of reducing poverty

The effort to improve local ownership in the Enhanced-IF will be supported by the establishment of a National Implementation Unit in IF countries. This will be headed by the IF Focal Point, include a range of governmental and non-governmental stakeholders and will manage IF activities day to day

There is also a recognition that more local consultants and experts need to be used in the diagnostic and project design stage

The Stockholm pledging conference has mobilised funding for the next two years and challenge is now to get things up and running

These funds can be utilised for supporting the NIU (tier 1 funds) and for bridging between diagnostics and project development (tier 2)

There will also be intensive support from Geneva and the establishment of an IF community through which IF country stakeholders can share experiences

Session One

What Spaces for widening participation?

In many cases donors have prescribed the design of IF diagnostic studies, and obstructed local ownership. There needs to be full country ownership from the beginning of the process, not enough to have open validation workshop, as decisions essentially already made.

Ownership will require awareness raising and real dialogue

One of the reforms proposed is that IF countries can choose which agencies to support them in their diagnostic work, this will support ownership

Ownership is in everyone's interest because this sets up the base for implementation and adaptation of diagnostic outputs to country requirements

The process for implementing the IF has not promoted ownership as short time frame, external management does not allow for consultation, adaptation to domestic needs

Following previous failures / donor driven approaches to the IF it will be a real challenge to convince local stakeholders to commit any more effort to the process

Cross-ministerial engagement has been a significant challenge; critical as trade requires a cross-cutting, multi-sectoral response

The IF / JITAP has made a significant contribution to trade policy coordination, government ownership, participation, trade mainstreaming and building awareness on trade issues in Uganda

Question about whether \$10 million over 5 years is enough for each IF country

IF board / managing agencies have asked IF countries to send through lists of local consultants, but they have not yet done so; need to assert ownership

Session Two

The challenges facing CSOs in engaging on trade issues

Consultation mechanisms exist more in name than in practice in most countries; where civil society are consulted they often face political obstruction to influence outcome

Civil society often doesn't have the capacity to engage fully, follow through policy discussions and really influence processes

Civil society is only just beginning to tackle trade issues in many countries; funding a problem; donors often don't provide core institutional funding

Where civil society consultation is not institutionalised participation relies on the goodwill of officials (e.g. Nepal)

No substitute for sheer hard work by CSOs to influence processes

CSOs (especially in LDCs) cannot rely on government funding; need to balance IF objective of supporting state structures / coordination with support for CSOs; donors could provide more support to CSOs to work on IF through bilateral means

There are problems in relation to sovereignty with donors demanding participation

Producers at margins of economy are not represented by formal trade associations. CSOs are quasi trade unions for marginalised producers and therefore need to be engaged

Session Three

Integrating trade-poverty perspectives into DTISs / Action Matrices

DTISs / Action Matrices focus mainly on exports, which is a product of their evolution from WTO discussions (as well as the importance of exports)

DTISs / Action Matrices mostly neglect domestic trade dynamics (e.g. food crop trade), support for those weakly linked to markets, supply chain analysis / producer empowerment, informal trade, infrastructure and services. These need to be covered if diagnostic studies can really be pronounced as compliments to PRSP

In their discussions on trade policies, DTISs fail to present impact analysis or discussion of alternative scenarios. Also, little analysis of opportunities in regional markets

Main focus is on agriculture, with manufacturing receiving limited attention; current comparative advantage (CA) main determinant; possibility of generating dynamic CA not addressed. Not helped by neglect of technology in DTISs

IF should be viewed as an ongoing processes – DTIS should not be set in stone but living document that can be revised through ongoing dialogue, like PRSPs; Tier 1 funding can be used for revisiting DTISs / Action Matrices.

IF study framework needs to be kept under review

Objective is for IF studies to be done by countries alone; are we moving towards that?

Need for impact analysis highlighted by floriculture – environmental, labour concerns

We know cash crops and tourism have poverty reduction impact; IF focuses a lot on them

We need to be careful not to simply resort to more studies; need to begin implementation