

Channeling targeted Aid for Trade to the LDCs: The case of the EIF

Ambassadorial Retreat in preparation for LDC5

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The EIF in a nutshell

**Only Aid for
Trade mechanism
dedicated to the
LDCs**

**Partnership
approach**

**Country-led and
-driven**

**Full suite of
support**

**Catalytic
approach with
a focus on
sustainability**

**Global
recognition**

Results delivered

The EIF has cumulatively invested over USD 230 million in 301 projects in 46 LDCs and 5 recently graduated countries to build their trade capacity.

Examples of key results:

- 46 countries have integrated trade into their national development plans.
- 29,000 tons of production and exports to more than 159 new international markets.
- Trainings provided to more than 148,000 people (56% of whom are women).
- 13,000 MSMEs supported.
- Co-financing of USD 105 million.
- Supported more than 62 e-commerce initiatives and adoption of 74 new technologies.

A few country examples

In Zambia, the EIF in collaboration with the International Trade Centre is assisting women entrepreneurs to diversify to new markets, including 10 new markets at the last reporting.

With EIF support, Burkina Faso saw revenues increase for 6,679 people in the mango sector (**80% women**) and 3,217 in the cashew sector (**90% women**). Overall, over 1,436 new jobs were created in these two sectors.

E-commerce is playing an increasingly important role in Cambodia's economy. The EIF-supported E-Commerce Strategy is providing the roadmap to this process, including supporting a project that takes an ecosystem approach.

EIF support is developing skills to assist producers to develop value-added cassava products in the Solomon Islands. New exports of frozen cassava have been reactivated to Australia.

Aid for Trade (AfT) and beyond

- **AfT is extremely important, as recognized in the zero draft Doha Programme of Action.**
- **However, leveraging is critical**
 - The EIF has helped several countries to leverage resources:
 - EIF support helped leverage USD 5 million through a public-private partnership to strengthen national quality control mechanisms in Guinea.
 - USD 3.2 million from the EIF helped leverage USD 15 million from New Zealand for the Vanuatu Tourism Infrastructure Project.
 - With EIF support, Lao PDR established a multi-donor trust fund with financial support from various development partners. Ongoing AfT projects amount to about USD 75 million.

AfT and beyond

(concluded)

- **Mobilizing alternative sources of finance**
 - Traditional sources: FDI, domestic resources and remittances.
 - Innovative sources: Blended finance and impact investment.
- **Mobilizing these resources would require:**
 - Sound policies and institutional structures.
 - Capacity-building, of which examples include:
 - EIF-WAIPA partnership to support 20 countries on FDI facilitation.
 - EIF-UNCTAD partnership to support the mobilization of FDI in sustainable development sectors.

Thank you

The Enhanced Integrated Framework (EIF) is the only multilateral partnership dedicated exclusively to assisting Least Developed Countries (LDCs) in their use of trade as an engine for growth, sustainable development and poverty reduction.

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Enhanced Integrated Framework

Trade for LDC development