



EIF-TIER1-KIR-001

AGREEMENT BETWEEN
THE UNITED NATIONS OFFICE FOR PROJECT SERVICES
AND THE
UNITED NATIONS DEVELOPMENT PROGRAMME
FOR THE
EIF KIRIBATI TIER I PROJECT

ANNEX II: EIF Board Approval Letter

5 pages (including cover sheet)

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WORLD TRADE ORGANIZATION
ORGANISATION MONDIALE DU COMMERCE
ORGANIZACIÓN MUNDIAL DEL COMERCIO

ENHANCED INTEGRATED FRAMEWORK

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Mr Bernhard Schlachter
Trust Fund Executive Officer
UNOPS Geneva Cluster (GVAC)
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1219 Châtelaine

bernhardS@unops.org

Div. Reference: Ltr to TFM_instructing MOU_w_Kiribati

Geneva, 18 June 2015

Dear Mr Schlachter,

Following the lapse of the deadline for the circulated approval and no objections received, I am pleased to inform you that the Kiribati Tier 1 project proposal, according to the Guidelines of the Compendium of EIF Documents, is now approved, subject to all recommendations from the EIF Trust Fund Manager (TFM) and the Executive Secretariat for the EIF (ES) as summarized in the annex.

On behalf of the EIF Board, I therefore instruct UNOPS as TFM to enter into the relevant legal agreement with the Government of Kiribati for the implementation of the Tier 1 project for a duration of one (1) year and a budget of US\$300,000. I will inform you by letter if and when the project duration and budget are to be revised, subject to the replenishment of the EIF Trust Fund.

The project will become effective upon signature of the MOU by both Parties, following which the first disbursement should be made for the Tier 1 project to the bank account to be provided by the Government.

Yours sincerely,

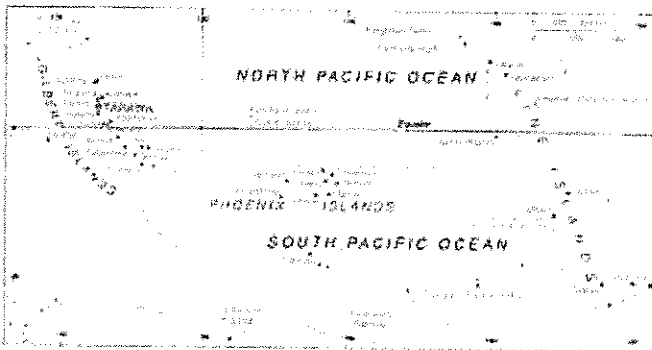
Ratnakar Adhikari
Executive Director
Executive Secretariat for the EIF
at the WTO

cc: H.E. Mrs Yvette Stevens, Ambassador, Chairman of the EIF Board,
ystevens@sierraleonegeneva.ch; stevensye@yahoo.com
Mr Timi Kaiekieki, EIF Focal Point, Ministry of Commerce, Industry and Cooperatives,
tkaiekieki@mcc.gov.ki
Mr Patrick Tuimalealiifano, EIF Donor Facilitator, UNDP, patrick.tuimalealiifano@undp.org

ENHANCED INTEGRATED FRAMEWORK (EIF)

TIER 1 PROJECT

KIRIBATI

I. BRIEF PROJECT DESCRIPTION	
Project document: Government of Kiribati	
Project category: Tier 1	
Title: Kiribati Trade Capacity Development and Institutional Strengthening Project	
Duration: Three years	
Foreseen starting date: June 2015	
EIF contribution: US\$1,099,925 (only US\$300,000 will be made available by the EIF Trust Fund (EIFTF) upon signature of the Memorandum of Understanding, with the remaining US\$799,925 to be provided once the EIFTF is replenished)	
Government contribution: US\$52,350	
Main Implementing Entity (MIE): UNDP	
Project proposal signed by: EIF Focal Point (FP), EIF Donor Facilitator (DF), Chair of the EIF National Steering Committee (NSC) and Executive Director of the Executive Secretariat for the EIF	
Project objectives: The EIF Tier 1 project's objective is to strengthen the capacity of institutions and stakeholders in Kiribati to formulate and implement trade policies that support poverty reduction, inclusive economic growth and sustainable development. The project will support the operations and activities of the Business Promotion Center (BPC) at the Ministry of Commerce, Industry and Cooperatives (MCIC), which is the lead agency responsible for the formulation and implementation of trade policies in Kiribati. The project will also help improve donor coordination and promote Aid for Trade (AFT) delivery.	
Results statement: The key results/outputs of the project are: (i) sufficient institutional and management capacity built in Kiribati to formulate and implement trade-related policies; (ii) Kiribati mainstreams trade into national development strategies and plans; (iii) coordinated AFT delivery by donors and implementing agencies to implement the trade policy framework and Diagnostic Trade Integration Study (DTIS) Action Matrix; and (iv) Kiribati secures sufficient resources in support of the trade policy framework and DTIS Action Matrix.	
Sustainability strategy: The Government is committed to mainstreaming trade and ensuring that trade contributes to poverty reduction and sustainable development. To avoid the creation of parallel structures, activities implemented under the EIF initiative will be fully integrated in MCIC/BPC. The project emphasizes the importance of capacity development including by engaging an International Trade Advisor (ITA) to provide on the job training and other day to day support to BPC and key trade stakeholders. In relation to management and fiduciary preparedness on the part of BPC, the project foresees specific project management training to be provided by UNDP. UNDP is also engaged in developing local capacities through the regular technical oversight and monitoring activities.	

OPR

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II. TRADE CAPACITY ASSESSMENT BY THE EXECUTIVE SECRETARIAT FOR THE EIF (ES)

Recommendations

The ES finds the Kiribati project proposal acceptable from a programmatic perspective. Therefore, the ES recommends its approval by the EIF Board, conditional on the fulfilment of the following ES Recommendations by the Government of Kiribati:

- **ES Recommendation 1:** It is recommended to revise the plan to set up the National Working Group on Trade Policy (NWGTP) as a new structure for the purpose of the NSC and other functions in parallel with the existing Trade Policy Advisory Committee (TPAC). Rather, if the TPAC is seen as deficient in bringing about the participation of stakeholders in trade policy formulation and implementation, its mandate and membership should be revised instead of setting up a parallel structure. The NSC functions should remain with the (revamped) TPAC.
- **ES Recommendation 2:** Given that the current Kiribati Development Plan (KDP) runs until the end of 2015, it is recommended to start the DTIS Update (DTISU) sooner than currently envisaged and preferably within six months of project inception. The objective of an earlier start of the DTISU will be to have DTISU results and priorities ready to feed into the formulation of the new KDP.
- **ES Recommendation 3:** An ITA should be recruited within the first three months of project approval to ensure capacity building transfer and assistance with the initial phase of the Tier 1 project.
- **ES Recommendation 4:** Within the first six months of project implementation, a detailed plan of capacity building ought to be formulated. This capacity building plan should include communications, outreach and reporting results. Capacity building should address EIF stakeholders beyond the MCIC. The capacity building plan should include training for the EIF National Implementation Unit (NIU) and the MCIC to undertake fiduciary and programmatic responsibility. Specific training on the EIF Monitoring and Evaluation (M&E) framework for the NIU should be included; such training should be delivered as soon as the NIU is in place to build in-country capacity for monitoring the programme process and reporting on it. The plan should be submitted to the ES and the EIF Trust Fund Manager (TFM) for approval.
- **ES Recommendation 5:** The ES recommends that the Government of Kiribati engage in consultations with development partners and bilateral donors to identify a new DF. The objective of this undertaking is to avoid conflict of interest as well as having additional support from multiple sources.
- **ES Recommendation 6:** To ensure the sustainability of results through the integration of the NIU into the BPC organizational structure, a sustainability plan, including concrete milestones, should be formulated within the first year of project implementation. These milestones should incorporate specific activities, including consultations, aimed at leveraging resources from development partners and enhanced domestic public sector support. The plan should be submitted to the ES and the TFM for approval.
- **ES Recommendation 7:** A risk log should be started at project initiation and monitored on a biannual basis, coinciding with the EIF reporting cycle.
- **ES Recommendation 8:** The challenges surrounding staff retention should be addressed in the context of the formulation of the capacity development plan (see ES Recommendation 2).
- **ES Recommendation 9:** In order to ensure full compliance with the EIF logframe, as per the Compendium of EIF Documents, the MIE should provide indicators and progress of the implementation and sustainability strategy to the ES and the TFM.
- **ES Recommendation 10:** The Mid-term Evaluation of the project should include an evaluation of whether the capacity built in the first phase will be sufficient for national implementation during the Tier 1 Phase 2.

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III. FIDUCIARY CAPACITY ASSESSMENT BY THE EIF TRUST FUND MANAGER (TFM)

Recommendations

The TFM finds the Kiribati Tier 1 project proposal acceptable from a fiduciary perspective. Therefore, the TFM recommends its approval by the EIF Board, conditional on the fulfilment of the TFM Recommendations by UNDP.

- **TFM Recommendation 1:** The Government's validation of the terms of reference of the TPAC, the NWGTP, the FP and the DF are done within the first three months of commencement of implementation and are shared with the ES and the TFM.
- **TFM Recommendation 2:** The funding request for the DTISU should be separately submitted in due time to the ES and the TFM for approval, following the procedures detailed in the Compendium of EIF Documents. Further, UNDP should inform the Government of Kiribati that they have the option of selecting another MIE for the DTISU exercise if they so choose to.
- **TFM Recommendation 3:** UNDP should consolidate all types of procurement in a single table indicating the roles of different parties in each of them and the methods of procurement to be adopted and submit to the TFM for clearance before any procurement commences.

IV. SIGNATURES AND DATES

By the Executive Secretariat for the EIF

Signed



Title: Executive Director

Place and Date: Geneva, 18 June 2015

By the EIF Trust Fund Manager

Signed



Title: Executive Officer

Place and Date: Geneva, 18 June 2015

