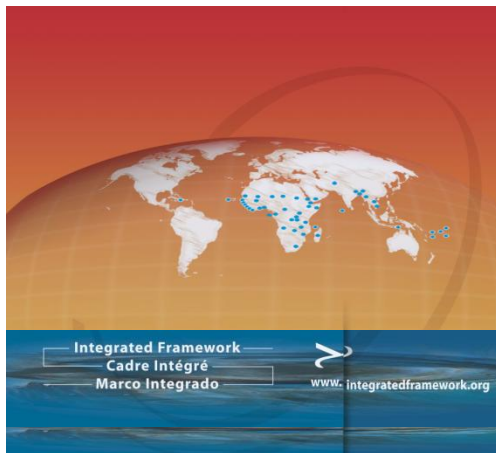


EIF Tier 2 Guidelines

**Presentation for the
EIF Orientation Workshop for NIU Liaison Officers
July 5, 2011
Phnom Penh, Cambodia**



Objective

- By the end of this presentation you should be able to disseminate relevant information about EIF Tier 2 project objectives and modalities in your respective line ministry in order to develop bankable and eligible proposals in the near future.

Tier 2 project – Key information

- **What are Tier 2 projects?** Projects to address DTIS Action Matrix priorities.
- **Who funds Tier 2 projects?** Bilateral and multilateral local DPs; EIFTF.
- Guidelines promote the development of a **medium-term plan** to ensure that EIF activities are consistent with the overall national development objectives.
- **Size and duration of EIFTF-funded Tier 2 projects** – normally < US\$1.5million; up to 3 years;
- **EIFTF Tier 2 categories:** soft trade/ supply-side capacity development projects; small infrastructure projects on a case-by-case basis.

Type of Tier 2 projects

- Trade policy commitments;
- trade mainstreaming activities to integrate DTIS conclusion into national
- development strategies, such as PRSPs; preparation, formulation and implementation of sectoral strategies
- capacity building activities for key trade support institutions and Government officials, representatives of local communities, professional federations, NGOs and other stakeholders
- specific actions including capacity development aimed at enhancing SMEs' competitiveness for priority sectors identified in the DTIS; assistance for

Type of Tier 2 projects for Cambodia

- Projects must be directly linked to DTIS 2007 and Trade SWAp Pillar Working Groups
- Could be proposals not sponsored by TDSP or other funds but matching Tier 2 criteria
- Projects **MUST** follow all guidelines, as will be assessed by EIF Board in Geneva
- Focus mainly on pillar 2 activities (tourism, products for export, labour services, etc)

Tier 2 project – structure of proposal

- Summary page
- Strategic context
- Project description
- Risk and mitigation strategy
- Project implementation arrangements
- Logical framework, work plan and budget
- Project accountability arrangements
- Fiduciary annexes

Summary page

- ‘repeats’ key sections below, i.e., objectives, results of the project, summary of the activities; summary budget, duration of the project, implementation arrangements, etc.
- Important: budget should also state other sources of funding, including counterpart funding (if applicable).
- Signatures of FP, DF and Chair of the NSC.

Strategic context

- Link of project to DTIS Action Matrix and/or national strategies (trade, export, PSD, etc);
- Summarize the medium-term EIF programme aimed at strengthening productive and trade capacities (see para 4); identify where in this programme the present proposal is situated;
- Summary description of sector targeted by project; highlight constraints, in particular those the project will address.

Project description

- Key part ('heart') of the proposal;
- Define project objectives;
- State results that the project will achieve;
- Derive from the results the key outputs and activities that the project needs to include so that the results can be achieved; focus on the sequence (Years 1 to 3);
- Document fund-raising activities preceding the preparation of the Tier 2 project for funding by the EIFTF Tier 2;
- Summary budget specifying Government contributions;
- Sustainability strategy (how will the results of the project be made to last beyond the life of the project?);
- Exit strategy (what happens with assets?).

Risk and mitigation strategy

- List key risk factors for successful project implementation; these factors include those that can be mitigated by the project and those that are outside of the project.
- Examples for risk factors outside the project: political risk, exchange rate risk, etc.
- Examples for risk factors that can be mitigated by the project: slow disbursement, slow implementation, lack of donor support, lack of support by the rest of the Government.

Implementation arrangements

- Identify and describe the MIE;
- If MIE is not the Government, describe how the project will ensure national ownership; and
- NIU implementation arrangements (if applicable, i.e., if the NIU is implementing or coordinating the activities undertaken by other Government entities).

Logical framework, budget, work plan

- Logical framework: results based, SMART indicators, baseline, targets;
- Budget: activity-based, expenditure-based; important: include counterpart funding;
- Work plan: detailed Year 1; summary later years.

ANNEX

EIF Trust Fund Manager

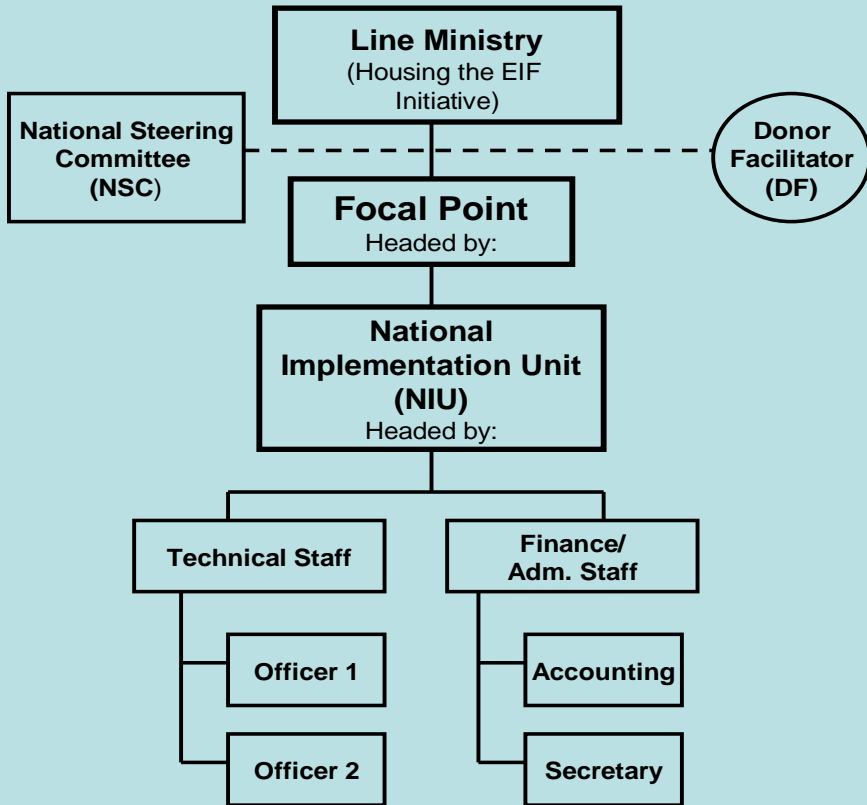
The Sample TIER 1 Project Proposal (including fiduciary point of views and requirements)

FORMATS

- I. National fiduciary responsibility framework
- II. Logical Framework Matrix
- III. Fiduciary process
- IV. Budgeting

I. National Fiduciary Responsibility Framework

1. National Institutional Structure (example)



2. Functions and Fiduciary Responsibilities

Line Ministry:

Focal Point (FP):

National Implementation Unit (NIU):

National Coordinator (NC, if the case):

Accounting Officer:

II. Logical Framework Matrix

Country:

Period:

Total Project Amount: US\$

Intended Outcome as stated in the EIF Framework:										
EIF Guiding Principles:										
DTIS Action Matrix orientations:										
Intended Outputs* (Oi)	Output targets** (Otm)	Indicative Activities (AOtm)	Timeframe (Years/ Semesters)						Success Indicators ***	Acting person or acting entity ****
			1		2		3			
			A	B	A	B	A	B		
O1	O1t1	A.Ot11								
		A.Ot12								
		A.Ot13								
	O1t2	A.Ot21								
		A.Ot22								
		A.Ot23								
O2	O2t1	A.Ot11								
		A.Ot12								
		A.Ot13								
	O2t2	A.Ot21								
		A.Ot22								
		A.Ot23								
On	Onm	A.nm1								
		A.nm2								
		A.nm3								
	Onm	A.nm1								
		A.nm2								
		A.nm3								

Remarks: * Qualitative description of outputs ** Quantitative description of outputs *** Qualitative and quantitative description of achievements **** Person/entity with fiduciary responsibilities, only. **A**= First Semester **B**= Second Semester

III. Fiduciary administrative process

1. Administrative Units involved and administrative mechanisms to be used by the NIU for:

Recruitment:

Procurement:

Sub-contracts

Overall expenditure:

2. Internal fund flow

Draw flow chart

3. Reporting and control mechanisms

Reporting:

Control mechanisms:

IV. Budgeting

Budget by Output

Output	Main Focus	Years			Total
		1	2	3	
O ₁					
O ₂					
O ₃					
O ₄					
O ₅					
O _n					

Budget Lines

B/L	Description	Years			
		1	2	3	Total
	Personnel				
	Travel				
	Training & Workshops				
	Sub-contracts (e.g. DTIS, other studies, services, etc)				
	Equipment				
	Information, communication & publications				
	Coordination Activities				
	Auditing				
	Sundries				
	Total				

Tier 2 guidelines – Support

- EIF beneficiary country (FP and team, possibly MIE/ agency, supported by DF desirable) prepares first draft of Tier 2 project and submits for comments to ES and TFM; Can use EIF Tier 1 resources (Cambodia too)
- ES and TFM submit comments and are available to discuss how comments can be implemented;
- Country submits new draft to which ES and TFM submit comments again, if necessary; specific support may be necessary and delivered through direct contact (mission); and
- When country, ES and TFM are satisfied with proposal, follow next steps towards approval.

Tier 2 – Steps towards approval

- FP to call TAC2 to approve proposal in-country. TAC2 includes at a minimum FP, DF, Chair of NSC;
- Submit TAC2 minutes together with signed project to ES;
- ES and TFM (MIE if applicable) prepare documentation for Board (ES memo, TFM capacity assessment and recommendations) and submit proposal for approval to EIF Board;
- After 30 days non-objection approval of project.

D/ICO Support

- D/ICO is the NIU for EIF in Cambodia
- EIF Tier 1 resources (financial and human) can be used to help line ministries develop bankable projects, once the project idea has been documented and validated internally

BUT

- D/ICO will not write the proposal for you
- D/ICO will not appraise your proposal