

Minutes of the Sixteenth Meeting of the Consultative Committee of the ITC Trust Fund

The Consultative Committee of the ITC Trust Fund (CCITF) met at ITC headquarters on 8th November 2017 at 10:00 a.m.

The Executive Director (ED), Arancha González, welcomed participants and presented the agenda for the meeting.

1. CCITF Report (1 January – 30 June 2017)

The Executive Director (ED), Arancha González, opened the meeting and introduced the results of the 2017 mid-year report to the Consultative Committee of the ITC Trust Fund (1 January - 30 June 2017).

Financial targets against mid-year delivery stood at USD 40 million (46%) of the 2017 target budget (USD 87.8 million). Regular budget delivery was 51% for the year and was on track to reach the anticipated target. XB expenditure stood at 42%, with W1 spending over 50% and W2 spending at 42% of the planned budget. ED further clarified that the targeted budget delivery would be 95% due to delayed receipt of funding and delayed start dates for large projects in the pipeline.

The highest levels of XB delivery were concentrated in three of the six thematic areas. “*Connecting to international value chains*” had a mid-year delivery of USD 6.1 million, followed by “*promoting and mainstreaming green trade*” at USD 4.4 million. “*Supporting regional integration and South-South Links*” was also a high performer, delivering USD 3.4 million by the mid-year point. These three focus areas comprised approximately 70% of the total XB budget and accounted for 66% of the mid-year delivery. The higher rates of delivery, as well as impact, were linked to increasing numbers of large-scale projects, which currently were being implemented in countries such as Afghanistan, Sri Lanka, Burkina Faso, Mali, the Gambia, and the Caribbean.

Regarding ITC’s delivery across five geographical regions, 70% of ITC’s investments went towards region specific projects and 30% for global projects. ITC maintained its 85% share of delivery in its priority countries (post-conflict and fragile countries, LDCs, LLDCs, SIDS, SSA).

With regards to ITC’s development results, it continued to use theories of change to link project results and impact to SDG targets. ITC is implementing more of those projects that intervene deeper into value chains and engage directly communities at the bottom of the pyramid. Regardless of the challenge to deliver more outcomes with less funding, ITC has continued to invest in strengthening its results monitoring framework, which enable capturing, linking and reporting on ITC’s contributions at the SDG level.

Regarding the corporate indicators, some appeared low as the report focused solely on the first half of 2017, excluding recent large events and reporting that would be consolidated at year-end. Four of the seven corporate outcome indicators surpassed 50% delivery and the remaining three should reach target delivery by the end of the year. Six of the 22 technical assistance milestones were implemented, 15 were in progress and one was not started due to the delay in the project start date. All eleven efficiency milestones were in progress.

Building on the mid-year outcome results presented in Table 17 of the report and based on Q3 results, ITC expects to meet all its outcome targets. The largest outcome results were recorded in B1 (institutions reporting improved performance) and C1/C2 (SMEs reporting increased international competitiveness). These indicators were at target (B1) and above targets (C1/C2) as of Q3. The corporate indicator A1 (the number of clients reporting greater awareness of international trade as a result of ITC support) would increase significantly once the year-end survey results would come in and be captured accordingly. All corporate output indicators were on track to be met by the end of the year.

Looking forward to 2018, and with regards to ITC’s project portfolio, ED stated that many large projects were in or entering implementation, such as the Gambia project, the Netherlands Trust Fund IV, the Global Textiles and Clothing Programme, and projects in Burkina Faso and Mali. Such large projects with longer time horizons enabled better planning and projections. As of today, 11 large projects are forecasted to deliver almost \$30 million in 2018. Growth in overall XB portfolio signaled

\$60 million forecasted delivery compared to \$50 million in 2017.

With regards to Window 1, its overall use and allocation is fully aligned with ITC's mandate. The expected W1 contributions have equally improved for 2018/2019. Former W1 funders, who had to allocate their resources elsewhere during 2016-17, intend to resume their contributions to ITC. For - the "*Trade Investment and Support Institutions (TISIs) Strengthening*" programme and ITC's "*Global Public Goods*"- the two primary areas of ITC's work that are mainly financed through W1 resources, demand continues to outgrow supply. The outcome results ITC achieves in awareness raising on international trade, in TISI strengthening, and by working with SMEs through TISIs as multipliers can almost fully be attributed to tools and methodologies developed with Regular Budget and Window 1 funding. To demonstrate better external use and reliance on ITC's trade and market intelligence, ITC compiled a report on the related media coverage and shared with CCITF members.

Second, W1 is increasingly utilized to leverage additional sources of financing through creating synergies with earmarked funds through multi-donor and multi-partner platforms. Examples of such initiatives are the Trade for Sustainable Development (T4SD) programme, the Women and Trade programme and the Trade and Market Intelligence programme. Further, W1 has been used to attract W2 financing to develop a project in the fruits and vegetables sectors in Ukraine, as well as to develop a large regional integration project in East Africa.

ITC is committed to giving as much information and visibility as possible to Window 1 funds and funders. As such, the independent auditors of the UN (OIOS) were commissioned to audit W1 resources and their use. The preliminary results have come in and are positive. The audit report will be shared with the CCITF membership when it will be ready and this will be addressed as an agenda item at the next meeting.

ED concluded by recapping that ITC is on track 1) for its stated delivery for 2017, 2) to overcome the 2016-17 financing challenges, and 3) in its growth plan for 2018/2019 with larger and longer-term multiannual projects operational and in the pipeline.

Comments from Members and Discussion

The **delegate from Canada, in her capacity as donor coordinator**, delivered a joint statement on behalf of the ITC donors' group. The delegate praised the updates introduced within the report, particularly the improved quality of the charts and graphics alongside the narrative. She noted with appreciation the increase in the number of ITC's funders, demonstrating the results of its efforts to expand its funders' base. She highlighted as an example UEMOA being listed as one of the high contributors during the first six months of 2017. On a more cautionary note, she pointed out the fact that voluntary contributions at the mid-year point were less than 40% in comparison to last year's total funding. She suggested that this was perhaps due to late disbursements by funders and reiterated ITC's call for earlier payments.

The donor coordinator had three sets of questions. First, she requested additional information on the status of the OIOS report. Second, the delegate inquired about the status of the 2018/2019 budget and the current progress. She acknowledged the agenda item on the new Strategic Plan 2018-2021 and reiterated their willingness to have the final draft and providing feedback, whenever it would be available.

Next, she inquired into ITC's planned activities for the 11th Ministerial Conference in Buenos Aires. Specifically, the delegate asked what the Trade Investment Group was planning in relation to gender and what was planned for the SME Trade Help Desk portal. She noted that the SME Trade Help Desk was a positive demonstration for the MSME community of what could be accomplished through trilateral cooperation between ITC, WTO, and UNCTAD. She encouraged further joint collaborative initiatives as it could lead to diversified funding opportunities. She also recommended that this type of cooperation could be used to advance progress on gender.

Speaking on behalf of **Canada**, the delegate confirmed the importance of increased transparency in W1. She then inquired about ITC's work on impact investment.

The **delegate from the United Kingdom** thanked ED and the ITC team for the constantly updated

CCITF report, including its presentation, graphics and narrative. He congratulated ITC for successfully effecting policy change in Geneva with regards to MSMEs and women's economic empowerment. He stressed that ITC should prepare to capitalize on the increased interest that will be directed towards these areas after MC 11.

He noted that delivery was below trend across XB and RB, and asked whether this was a source of concern. He suggested that the inclusion of a text explanation of these results would be helpful when delegates have to report to their capitals.

The delegate appreciated the narrative that accompanied the corporate indicators, but requested clarification regarding indicator C3, asking if the target would be met or whether it should be adjusted. He highlighted the section on W1 spending, noting that it was beneficial for the Geneva community to see how un-earmarked funds could affect policy discussions. He then referenced the risk management framework included in the 2016 CCITF report and requested an update on its status.

The **delegate from the United States** endorsed the statement made by the donor coordinator and thanked the ED and her team for the presentation. The United States appreciated the informal and formal consultations that ITC held throughout the year and were interested in further engagement with regards to ITC's new Strategic Plan 2018-21, as well as the new Operational Plan 2018. The delegate expressed the United States' appreciation for expanding current cooperation, including the partnership with USAID Office of the Middle East Programs to improve transparency and reduce the obstacles of non-tariff measures across Arab countries; the trade capacity building training programme in Nepal; and the "Reconnecting Afghanistan to Global Markets" project with the USAID Mission to Afghanistan. He affirmed that the US looked forward to continued collaboration with ITC.

The **delegate from Germany** appreciated the inclusion of a specific section on W1 in the CCITF report, detailing the W1 contribution to ITC's corporate results. However, he noted with concern the decrease in funding levels. He inquired about the strategies ITC would implement to reach out to W1 donors in the future. The delegate then praised ITC's work on Global Public Goods and stated that it was beneficial to see how the media used the trade and market intelligence tools for its reporting as well as provided coverage for the Sustainability Map and the Export Potential Map. Regarding private sector engagement and reporting, the delegate requested further information about ITC's strategy and suggested that results from private sector cooperation could be better captured. He concluded by inquiring about the anticipated strategy to manage the increasingly large projects in the pipeline.

The Executive Director, Arancha González, thanked the delegates for their feedback, took note of the positive receipt of the CCITF report and responded to the inquiries raised. Addressing the funding situation, ED stated that the dip in 2016/2017 funding was due, in part, to the refugee crisis and reallocation of funds by ODA donors to their priority and immediate responses. She stated that ITC had been engaging those and other funders, and their positive response was an indication of stabilized financing through Window 1, if not further growth.

Concerning corporate indicator C3 (number of enterprises having transacted international business as a result of ITC's support), the ED noted that the mid-year delivery did not capture a number of events that occurred in the recent months. In particular, the World Export Development Forum, which took place in Hungary in October, and other B2B activities would significantly increase the delivery level for that indicator.

Regarding the strategy to address W1 donors, ITC continues to be as transparent and accountable as possible when communicating the use and purpose of W1 funding. The OIOS W1 audit currently reflects positive results for how ITC engages and manages the relations with its W1 funders, invests money and monitors results, which will help enhance the credibility of the use of W1 funding.

With regards to ITC's 2018-2019 biennium budget approval process, it was submitted for consideration / approval through the respective channels of the United Nations and World Trade Organization. The WTO component of the budget passed approval. In New York, there was positive feedback and final approval is expected from the UN General Assembly Fifth Committee during December 2017. The ED noted the continuing difficulty with re-costing measures adopted in New York. She emphasized that ITC needed the support of its funders to ensure that this process did not double-penalize ITC due to the currency exchanges between USD and CHF, and half of its budget

being adjusted accordingly by WTO. Members can support ITC in this effort by requesting to see the proposed budget approved at the same level in CHF. Per the request of one delegate, a one-page explanation on the re-costing issue will be provided to the CCITF.

On ITC's strategy for managing larger projects, the ED explained that it will continue to localize and advance efforts on the ground to become more catalytic in beneficiary countries, as well as to leverage local partners. She noted with appreciation that larger projects are a demonstration of funders' confidence in ITC and that its integrated interventions are effective in delivering the intended results.

ITC engages with the private sector in the context of its projects and special initiatives such as T4SD, SheTrades, etc. ITC leverages private sector resources, technical expertise, knowledge and finance to attract alternative resources for the benefit of its projects and beneficiaries. ITC's engagement strategy and monitoring the results of its collaboration will continue to improve in the future. The ED confirmed that ITC is working on a number of large private sector partnerships. In addition, collaboration with the private sector can be in specific areas. For example through SheTrades, ITC is exploring the development of an impact investment component and would look into making ITC a platform to connect impact investors to SheTrades entrepreneurs.

ED confirmed that the Risk Management Framework is in progress, noting that ITC's management team consultations on this subject, with the moderation of external experts, are planned for the remainder of 2017, which will effectively lead to the compilation of ITC's main risks in a registry.

At the 11th Ministerial Conference in Buenos Aires, ITC will participate in the ICTSD-sponsored Trade Development Symposium through highlighting the gender dimension of e-commerce, the launch of the SME Competitiveness Outlook, and the launch of the Sustainability Map in Spanish. Along with WTO and UNCTAD, ITC will present the MSME Trade Helpdesk and will support the launch of the new Cotton Portal. A new publication will be released, entitled "*Charting a roadmap to regional integration with the WTO Trade Facilitation Agreement.*" SheTrades Argentina will also be launched, along with the Buenos Aires Declaration on Women and Trade. For the latter, ED stressed that ITC expectations were not for a revolution, but rather an evolution, insisting that now is the opportunity to exchange best practices on gender and trade.

2. ITC's Strategic Plan 2018-21- John Gillies, Senior Adviser, Strategic Planning and Partnership

John Gillies, Senior Adviser, presented the updated Strategic Plan 2018-2021 and confirmed that the strategy focused on addressing components of the organization for which there is room for further improvement. The vision of the strategy is "Good Trade" and the primary themes focus on the connection to the Sustainable Development Goals (SDGs) and pursuing a client centric approach. The role of partnerships will also factor in the new strategy, examining how ITC works, and can work, with the private sector and other organizations with which ITC has an affinity.

Since the last update, internal consultations and workshops were conducted with ITC teams operating across the six thematic areas. These workshops examined the processes through which ITC teams work with clients and helped inform the development of strategic components. A meeting with the informal group of developing countries was held and generated feedback from member states. Specifically, China requested additional information on the relationship between trade and investment and suggested increased engagement with UNCTAD on relevant projects. Representatives from Ecuador also contributed specific ideas and projects to discuss.

Mr. Gillies ensured that the text is nearing completion and that feedback from the membership would be appreciated.

3. TISI Strengthening Programme presentation 2017- Anne Chappaz, Chief, Trade and Investment Support Institutions and Martin Labbe Senior Officer, Trade Institutional Development

Anne Chappaz, Chief, Trade and Investment Support Institutions, began by highlighting the key

role that W1 funding plays in the Trade and Investment Support Institutions (TISI) Strengthening programme. Institutions are key because they have a multiplier effect on the economy and strong TISIs can contribute to direct and indirect benefits: increased and improved exports, new jobs, new models of working and new technology. ITC's work on TISIs focuses on three modes of engagement: assessment, performance and advocacy. Utilizing funds from W1, the TISI Strengthening programme has benchmarked 50 TISIs, assessing indicators on leadership and direction, resources and processes, products and service delivery, and measurement and results.

Martin Labbe, Senior Officer, Trade Institutional Development presented the AIM for Results benchmarking approach, wherein the AIM stands for "Assess, Improve, Measure". The benchmarking begins with the assessment phase, which includes an in-depth diagnostic of the institution. An improvement road map is then developed and at the end of the cycle, the institution is re-benchmarked. He noted that the majority of W1 funding for the programme comes from Germany and Finland.

Ms. Chappaz explained that the W1 funding drove innovation and allowed the team to gain intuitive knowledge on best practices of TISIs. The team was also able to develop a guide to support the integration of a gender dimension into their institutional offerings.

In the future, the TISI Strengthening programme will expand further in Asia, deepen the focus on membership-based organizations, and build synergies with other ITC programmes. A toolkit has been developed for investment promotion, and a standardized approach to demonstrate the impact of Trade and Investment Promotion Organizations will be piloted. Further, the programme will explore new partnership models for delivery and provide leadership on support ecosystems.

Ms. Chappaz highlighted that W1 funding allowed the TISI Strengthening programme to have planning certainty, retention and development of key expertise and further development of public goods and tools. The funding also supports responsiveness, adaptability and innovation within the programme.

Comments from Members and Discussion

The **delegate from the United Kingdom** noted that most programme results focused on client satisfaction, rather than measuring results at the firm level. He inquired whether the programme examines how TISI improvements translate into impact at the firm level.

The **delegate from Germany** inquired about the interplay between ITC's TISI strengthening programme and others. He requested examples of such collaboration.

Ms. Chappaz noted that it is indeed difficult to measure impact at the firm level. The programme instead enables TISIs to measure these results themselves by supporting them to create quality measurement tools. **The Executive Director** also remarked that there is a board of 14 CEOs from around the world that advise and provide feedback for the continued evolution and responsiveness of ITC's TISI Strengthening programme.

Ms. Chappaz provided as an example the cross-ITC collaboration through the work done with the Gambia project to select partner institutions and to improve delivery. She noted that combining expertise, methodologies and tools that are generated by different programmes is key for scale, for impact, and for self-sustainability after projects end. Another example of such collaboration is that of the TPO in Costa Rica that was first a client of the programme before becoming a partner to strengthen investment agencies in Africa. FinnPro was also benchmarked and now co-delivers trade promotion with ITC and is working to build a trade promotion agencies network.

4. Outcomes from ITC's World Export Development Forum (WEDF), 25- 26 October 2017, Budapest- Sibylle Neuhaus

Ms. Sibylle Neuhaus, Associate Events Adviser, shared the results from the World Export Development Forum 2017, held in Budapest, Hungary. The theme of the event was "Trade-A force for good: Include, Innovate, Integrate". WEDF 17 included a Business-to-Business matching event, diverse panel discussions, and introduced the inaugural Young Entrepreneurs Competition. There

were over 600 participants from 65 countries. Discussions and networking that occurred will lead to new partnerships and to business transactions. ITC will follow up with the participants for its results reporting.

During WEDF, Ghana announced that a SheTrades chapter should be launched in their country, AgroCentra, from Ghana, won the Young Entrepreneurs Competition, and thousands of viewers were reached via the active media presence and livestreaming. It was equally announced that Zambia would be the WEDF host in 2018.

The **delegate from Hungary** remarked that WEDF strengthened trade links between Central and Eastern Europe and Africa. He noted with appreciation the competitiveness survey conducted during WEDF and expressed his interest in further collaboration with ITC.

Comments from Members and Discussion

The **delegate from Australia** requested more information about the AgroCentra, the winner of the Young Entrepreneurs Competition, and inquired as to its operations in Ghana.

The **delegate from Germany** requested additional information on the composition of the audience that attended the WEDF, inquired about the geographic representation and whether a theme had been established for the next WEDF.

The **delegate from the United Kingdom** reiterated the relevance of the WEDF and encouraged Geneva trade community to attend and see first-hand the different streams of ITC's work across countries, institutions, companies and sectors represented.

The **delegate from Pakistan** inquired as to the decision process for WEDF theme and programme.

Ms. Neuhaus responded by explaining that the theme and programme would be set later in the year, in collaboration with the host government. She further clarified that the audience at the event depended on the host country and the regional representation was equally linked to trade ties of the host country. For example, for the WEDF in Hungary, there was a large representation from surrounding regions, with least participation from Latin America, likely due to the distance and travel costs involved. In regards to the composition of participants, 42% were from the private sector. Given the overarching purpose of the event, she confirmed that the trend is towards mobilizing businesses.

Mr. David Cordobes, from the Youth and Trade Programme, clarified the work of AgroCentra, the winner of the Young Entrepreneurs Competition and explained that ITC is working with the company to manage a mentorship scheme in order to help them grow.

The **Executive Director, Arancha González**, highlighted that WEDF has both an explicit and implicit agenda. The explicit agenda is to talk about and do business, while the implicit agenda is to introduce countries and industries to establish new business environments. ITC chooses locations that can foster new connections and promote emerging sectors with opportunities that can be leveraged. For example, Hungary actively participated in the WEDF in Sri Lanka, which led to an economic partnership agreement between the two countries.

Closing Remarks

The **delegate from Japan** congratulated ITC on its work and extended a special thanks to its Executive Director for participating for the second time in the World Assembly for Women (WAW!) event held in Tokyo. The delegate also highlighted that Japan and ITC co-organized an e-Caravan for Peace, which was taking place in the Palais des Nations the week before.

The **delegate from Argentina** thanked ITC for its active engagement and leadership for several events during the 11th WTO Ministerial Conference.

In closing, the **Executive Director, Arancha González**, thanked the delegates for attending and encouraged them to support ITC's events at the 11th Ministerial Conference in Buenos Aires.