



ITC

TRADE IMPACT  
FOR GOOD

50 YEARS

1964-2014

# Strategic Plan 2015-2017







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## CONTENTS

Foreword .....	5
1 Strategic setting: Transformation of the world as we know it .....	7
2 Our mission, role, goals and approach .....	17
3 Our response: Integrated solutions .....	23
4 Increasing our effectiveness .....	35
Appendices .....	44





## Foreword

The global landscape of trade and development continues to evolve. New actors are emerging and production and trade patterns are changing as transportation and technological innovations lead to a faster and more efficient means of producing and trading goods and services. Growth and development continue to be the driving forces of international collaboration and despite the many tumultuous world events of 2014, there has been substantial economic and human progress made in many developing countries and regions. Many development goals have been substantially met, and others are well on the way.

Trade, aid and investment have played important roles in generating the means for transformative change that we have seen since the end of the global economic crisis. Building the appropriate skill set in countries, supporting SME competitiveness, nurturing innovation and ensuring access to quality employment will be critical to ensuring that this transformative change is sustainable and sustained. The post-2015 sustainable development goals look set to emphasise economic growth and trade as fundamental to eradicating poverty and supporting development. Globally, small and medium-sized enterprises (SMEs) will be a cornerstone in this effort as incubators of innovation and generators of jobs. Improving the international competitiveness of SMEs from developing countries and economies in transition is ITC's *raison d'être*.

The support ITC provides – sharing knowledge, building productive capacity and implementing integrated solutions – works. We provide technical assistance and capacity building to policymakers, the private sector - and trade and investment support organisations to help them use trade as an engine for sustainable growth and jobs. The recent independent evaluation of the International Trade Centre has shown that in these areas the organisation has expertise, excellent reach and genuine impact.



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For the first time, ITC has developed its Strategic Plan through a public, inclusive and consultative process, involving diverse external stakeholders and staff. This Strategic Plan for 2015-17 sets out our understanding of the drivers that will shape the future of trade and international business, identifies the approach we will take within this strategic context, and highlights our priorities in providing integrated solutions for our clients.

At its root, all our efforts will seek to improve the international competitiveness of SMEs. Over the next three years, ITC will do more and do better. Our vision is to grow to meet the demand of our clients. We will concentrate our interventions around six focus areas and enhance how we work to improve our performance and our effectiveness in line with the recommendations of the independent evaluation of ITC, the implementation of which will be our priority. This strategy will be rolled out through detailed annual Operational Plans which are the roadmaps to reach these goals. Given the changes that can take place in the trade environment, this Strategic Plan will also systematically evolve to ensure we respond in a flexible manner to the changing needs of our clients and partners.

Translating this vision into action will require strong and innovative partnerships with member states, the private sector and other actors in international trade. We will work to strengthen existing ones and build new ones. But implementing this strategy will also depend on the availability of resources. The independent evaluation of ITC called for more, longer term, stable and predictable funding for increased impact and more durable results. I am confident that current and potential funders of ITC will appreciate the concrete steps the organization is taking to improve the focus and effectiveness of its work and will be responsive to this call. Today the case for investing in ITC is stronger than ever.

As we work to making ITC more accountable, responsive and impactful, we look forward to implementing this plan in close partnership with all those committed to delivering trade impact for good.

A handwritten signature in black ink, appearing to read 'Arancha González'.

Arancha González  
Executive Director, International Trade Centre



**1**

**Strategic setting:  
Transformation  
of the world  
as we know it**





*The post-2015 goals look likely to place more emphasis on the role of economic growth and trade as enablers of sustainable development*

Significant shifts are taking place within the International Trade Centre's (ITC) strategic environment. Following the success of the Millennium Development Goals in focusing global attention on meeting the needs of the world's poor, the global community is on the cusp of establishing a new set of post-2015 development goals. These look likely to put more emphasis on the role of economic growth and trade as enablers of sustainable development.

While the economic outlook is improving, risks such as unemployment and growing inequality remain. High unemployment and underemployment, especially among young people, challenge social cohesion and stability. Inequality, particularly within countries, continues to undermine the economic success experienced in many regions.





## Advancing technology, growing middle class and the environment under stress

Rapid technological change is a key driver of transformation within ITC's strategic environment. This includes the onset of the "third industrial revolution": the growth in technological diffusion, the development of new information and communication technologies (ICTs) and processes such as mobile banking, 3D printing, cloud computing, the emergence of the "Internet of things", and new materials such as graphene. All these factors create new business opportunities. In addition to this, declining costs and the increasing power and reach of Internet-based products and services are allowing small and medium-sized enterprises (SMEs) to connect to buyers and suppliers more directly.

While countries in the North face an ageing population, countries in the South enjoy a younger population. As a whole, the expanding global middle class generates greater demand for higher value and more customised consumer goods and services of higher quality standards.

Climate change will continue to have an impact across the globe, with climate change mitigation and adaptation presenting significant challenges for rural communities which are highly dependent on agriculture. Urbanisation continues apace in most countries, especially in the developing world.





*The post-2015 development agenda presents the international community with a golden opportunity to make further advances in multilateralism*

## Multilateralism has survived the financial crisis

The years ahead have the potential to be a watershed period for international trade. Despite numerous setbacks in the wake of the 2008 financial crisis, multilateralism in trade and development is slowly advancing. The Trade Facilitation Agreement at the World Trade Organization (WTO) Ministerial Meeting in Bali in December 2013 and the First High-Level Meeting of the Global Partnership for Effective Development Cooperation in Mexico in April 2014 demonstrate that countries remain open to addressing their shared interests in a multilateral setting. Nevertheless, growth in regionalism is carrying forward negotiations on a series of mega-regional trade agreements. If not crafted adequately, this poses risks for those countries excluded from negotiations, especially the poorest ones.

The post-2015 development agenda presents the international community with a golden opportunity to make further advances in multilateralism. Universal Sustainable Development Goals represent a serious joint effort towards eradicating poverty.

Alongside global development goals, the Quadrennial Comprehensive Policy Review of the United Nations General Assembly guides the work of all UN agencies. The central policy recommendations of this review include: the importance of the country-driven approach, the need to work in close partnership with other UN entities, and the focus on gender.



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## The global trade landscape

International trade has changed significantly in recent decades. **Developing countries are expanding their share of the global economy.** Due to their persistently higher rates of economic growth, large emerging economies will become even more important markets and sources of goods, services and investment, encouraging SMEs to address demand in developing as well as developed countries. South-South trade and co-operation is increasing in scope and scale. Emerging economies are also significant investors and sources of technology for other developing countries. China is now Africa's single largest trading partner, while trade between India and Africa has increased by more than 30% annually between 2005 and 2011. Countries such as South Korea, Turkey and Mexico are becoming more prominent South-South actors. Large emerging economies drive much of the growth in intra-regional trade, particularly within Asia. However, South-South trade within some regions has still not reached its potential. Trade within the African continent, between Arab states, and within the Caribbean region remains low, illustrating the need to address intra-regional obstacles to trade.

Products are now rarely from a single location; **the world has moved towards trading in tasks across borders within interconnected value chains.** This fragmentation of production across different countries is powered by technological innovation and lower transportation and communication costs. Analysis of value





chains – both regional and global – illustrates significant opportunities for enterprises in developing countries to specialise in the production of inputs or intermediate goods, and moving up the value chain by adding more value domestically. Concentration of value chains among a handful of multinational firms can also pose other challenges for developing countries. Governments of developing countries increasingly target industrialisation in a combination of agro-processing, manufacturing and services sectors as a means for growth and jobs. The trend toward value chains blurs the distinction between trade and investment.

**Services underpin every part of the production process**, from research and development to design, engineering, financing, transportation, distribution, branding and marketing. Services provide much of the market differentiation, value-addition and innovation in modern production processes and they are becoming ever more crucial in increasing the competitiveness of companies beyond the services sector. Tourism can be a highly valuable services export and an important generator of demand for goods and other services within an economy. Services are particularly significant for land-locked developing countries and small island developing states as a means of overcoming geographical constraints.

Tariff levels have declined significantly over the last two decades. However, **non-tariff measures** (NTMs) such as regulations on safety, security and quality standards **restrain enterprises from getting their goods and services across borders**. In a 2013 ITC survey of developing country SMEs, 70% of exporters and importers reported that they faced burdensome NTMs.



*Developing the international competitiveness of SMEs is increasingly seen as not an end in itself but as an opportunity to create decent jobs, upgrade skills and economically empower women and young people.*





*The private sector, including SMEs, is likely to generate 90% of the estimated 500 million new jobs needed by 2030 to match population growth.*

## Growing role for SMEs in spreading the benefits of trade

SMEs play an important role in every economy. Successful SMEs fuel economic growth, increase the demand for labour and help raise living standards. The private sector, including SMEs, will generate 90% of the estimated 500 million new jobs needed by 2030 to match population growth and unemployment rates. The adaptability of SMEs can make them genuine agents of innovation, and their agility makes them well placed to take advantage of new opportunities. The growing importance of regional and global value chains in international trade provides such an opportunity. SMEs can increase their exports through their integration into value chains as providers of intermediate goods and services. SMEs, including micro enterprises, can now engage in global trade flows without the need to be competent in all aspects of the production of a final product. In order to take advantage of the opportunities provided by value chains, developing country SMEs need to improve their international competitiveness. SMEs face particular constraints to growth, such as limited skills and access to credit. These constraints can be even more taxing on women-owned enterprises.

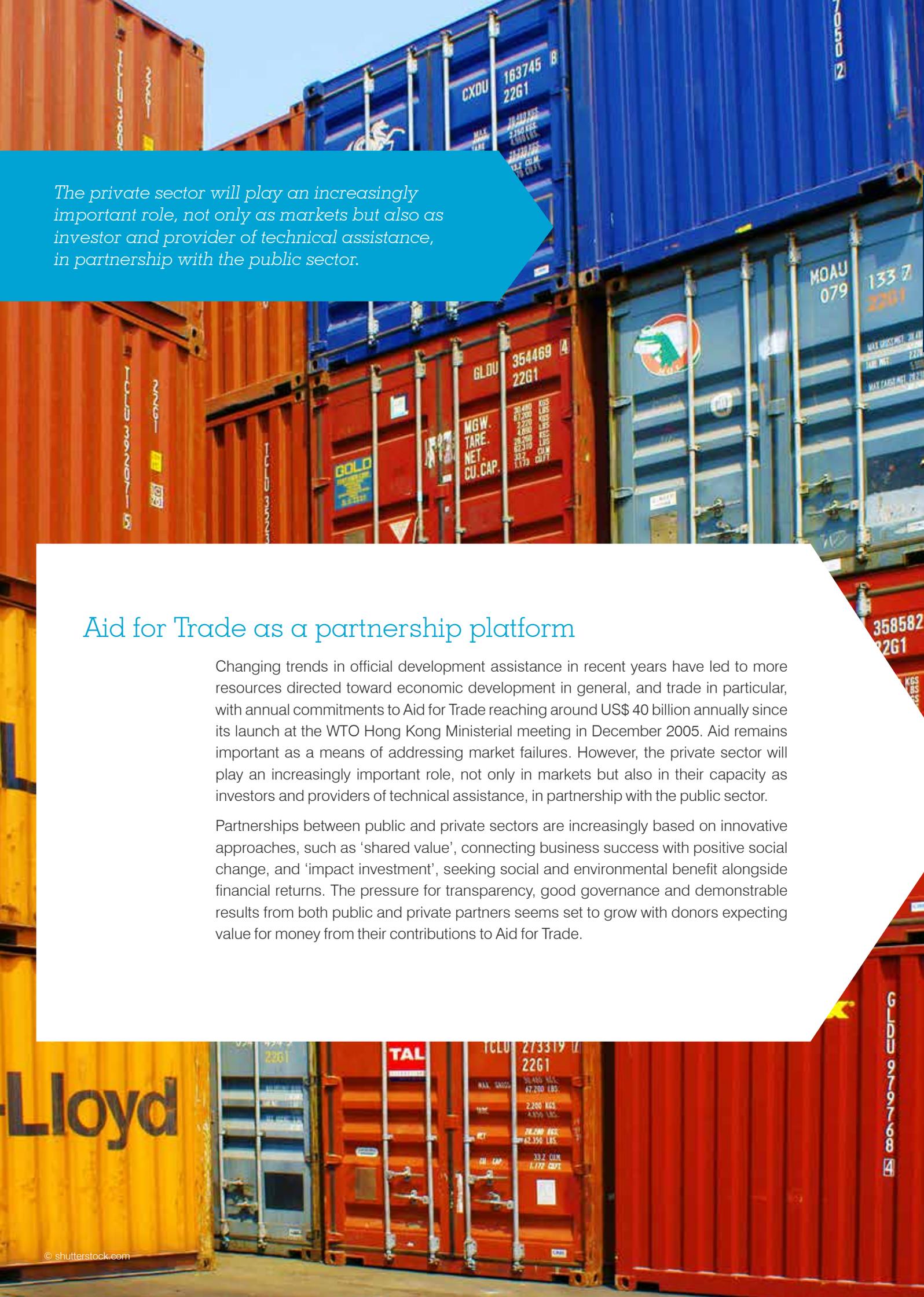
A conducive business environment with competitive service providers and efficient, supportive institutions helps SMEs grow and keep trading. Just as the trade landscape is changing, the world of trade support institutions is also evolving and broadening to include trade, investment and other areas of business development. A wide variety of business support organizations increasingly play a vital role in facilitating the international competitiveness of SMEs. These organizations provide companies with wider, and often tailored, options to support their international business aspirations. Like their SME clients, these organizations are required to constantly innovate to be successful in the dynamic trade environment.

## Trade is increasingly expected to deliver on wider goals

Developing the international competitiveness of SMEs is increasingly seen not as an end in itself, but as an opportunity to create decent jobs, upgrade skills, and economically empower women and young people. It is also an opportunity to address environmental sustainability issues in production processes and trade, such as emphasising sustainable sourcing, climate change adaptation and addressing biodiversity loss by bringing together the need to protect endangered species with the need to generate economic opportunities for rural communities.



*A conducive business environment with competitive service providers and efficient, supportive institutions helps SMEs grow and keep trading.*



*The private sector will play an increasingly important role, not only as markets but also as investor and provider of technical assistance, in partnership with the public sector.*

## Aid for Trade as a partnership platform

Changing trends in official development assistance in recent years have led to more resources directed toward economic development in general, and trade in particular, with annual commitments to Aid for Trade reaching around US\$ 40 billion annually since its launch at the WTO Hong Kong Ministerial meeting in December 2005. Aid remains important as a means of addressing market failures. However, the private sector will play an increasingly important role, not only in markets but also in their capacity as investors and providers of technical assistance, in partnership with the public sector.

Partnerships between public and private sectors are increasingly based on innovative approaches, such as 'shared value', connecting business success with positive social change, and 'impact investment', seeking social and environmental benefit alongside financial returns. The pressure for transparency, good governance and demonstrable results from both public and private partners seems set to grow with donors expecting value for money from their contributions to Aid for Trade.



# 2

Our mission,  
role, goals  
and approach





## Our mission

*To foster inclusive and sustainable growth and development through trade and international business development.*

## Our role - what makes ITC unique

### **The joint mandate of the UN and the WTO**

As the joint agency of the United Nations and the WTO, ITC is the only multilateral agency fully dedicated to supporting the internationalisation of SMEs. Its joint mandate combines a focus on expanding trade opportunities with the aim of fostering sustainable development.

### **Universal membership and neutrality**

All UN and WTO members are governing members of ITC. The organization objectively and impartially carries out its technical assistance in support of the internationalisation of SMEs.

### **Depth of experience operating coherently at government, trade and investment support institution (TSI) and SME level to grow trade**

ITC has a strong track record of connecting developing country businesses to value chains, building sustainable market linkages and delivering positive development outcomes. ITC's distinctive feature is to offer integrated solutions by building institutional, managerial and entrepreneurial capacities simultaneously at government, institutional and enterprise levels.





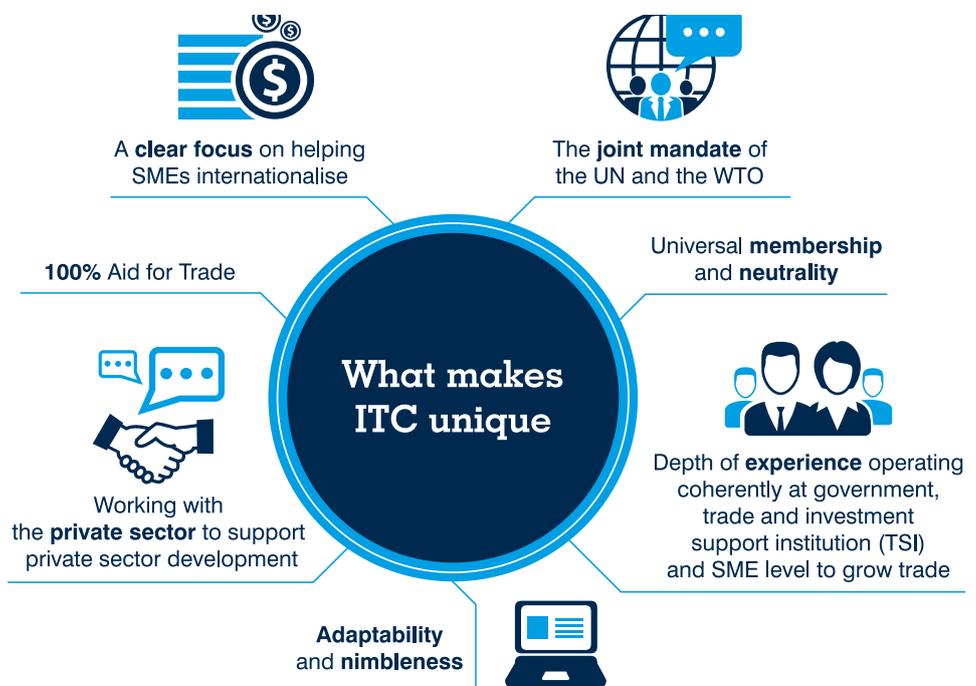
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### A clear focus on helping SMEs internationalise

ITC's main focus is to facilitate SME success in international business. Having worked with SMEs for 50 years, ITC is familiar with the unique needs of SMEs, including women-owned enterprises, and has vast experience in improving their international competitiveness and connecting them with markets.

### 100% Aid for Trade

All ITC's work is focused on Aid for Trade, an initiative that helps developing countries in building capacity and trade-related infrastructure to expand trade opportunities.





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### **Working with the private sector to support private sector development**

ITC brings together public and private sector actors to jointly contribute to a conducive business environment. ITC also works with the private sector to support its capacity as buyers, investors, and providers of technical assistance.

### **Adaptability and nimbleness**

As a relatively small organization, ITC is able to rapidly shape its approach based on insights and perspectives of its beneficiaries and partners. This flexibility enables us to adapt to the changing needs of clients in a dynamic fast-paced international business environment.

## Our goals

To achieve ITC's mission, the following goals will be targeted in the period from 2015-2017:

- Strengthen the **integration of the business sector** of developing countries and economies in transition into the global economy,
- Improve the **performance of trade and investment support institutions** for the benefit of SMEs, and
- Improve the **international competitiveness of SMEs.**



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## Our approach

In order to deliver on this mission in a dynamic trade environment ITC needs to continue to evolve to stay relevant and be at the cutting edge of trade and international business development. A successful ITC in 2017 is:



**Innovative:** ITC will intensify its focus on impact-driven solutions, rather than products, that are adapted to the needs of clients. The organization will also introduce innovative processes to improve its ability to deliver more value for money.



**Responsive:** As an agency of the UN and the WTO, ITC has a universal remit to respond to requests for support in promoting SME competitiveness through trade and international business development. The organization will continue to focus on the most economically vulnerable countries: Least developed countries (LDCs), land-locked developing countries (LLDCs), small island developing states (SIDS), Sub-Saharan Africa, post-conflict states, and small and vulnerable economies. ITC will also work closely with middle income and developed countries as partners in initiatives to assist poorer countries and also as beneficiaries under differentiated cost arrangements. ITC will focus its efforts on youth employment and women's economic empowerment.



**Market-led:** ITC will use opportunities in international markets to drive its initiatives to develop sectors within regions and countries. Through this approach, ITC will help connect clusters of companies and institutions to international value chains to generate jobs and enhance sustainable development.



**A partner:** ITC will strategically partner with a network of multiple actors ranging from governments, private sector, foundations, academia, other relevant international organizations, emerging economies, donors, business support organizations and others to deliver more *trade impact for good*.

### Our path toward *trade impact for good*

Supporting the international competitiveness of SMEs in developing countries is at the heart of ITC's work at the policy and regulatory environment levels, as well as at the "multiplier" institutional and service provider levels. By strengthening trade development knowhow in existing institutions at the country level, ITC supports greater national ownership of trade solutions.

ITC's path toward trade impact for good is based on an understanding of clients' needs through regular interaction with clients at policy, institutional and enterprise levels, including through client and NTM surveys, needs assessment and robust project design methodologies, and a dedicated programme to assess and improve the performance of trade and investment support institutions (TSIs).

*ITC needs to continue to evolve to stay relevant and be at the cutting edge of trade and international business development.*



# 3

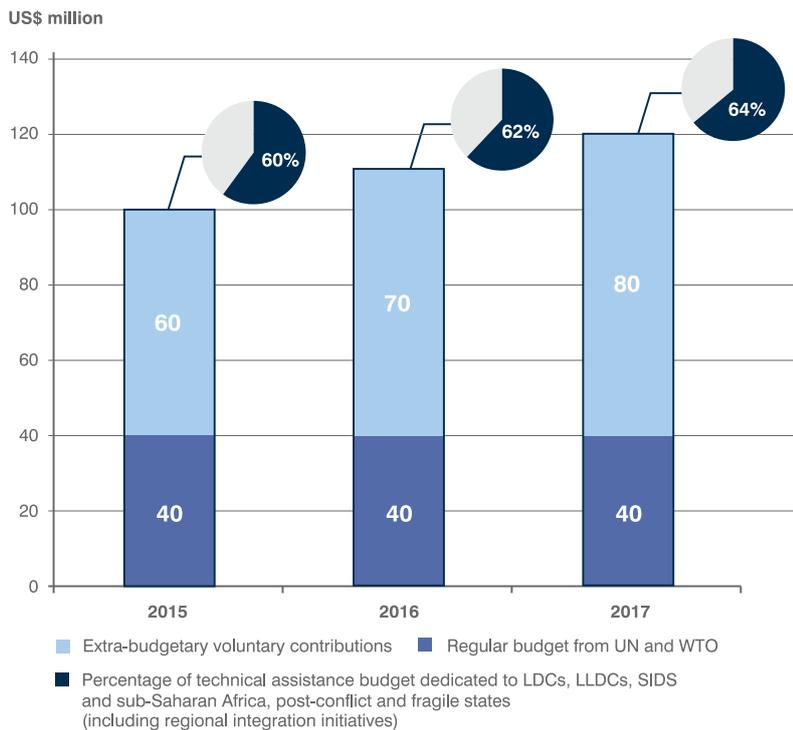
**Our response:  
Integrated  
solutions**





*In order to effectively meet increased demand for its services, ITC will improve the productivity, efficiency and quality of its work, doing more and doing it better.*

## ITC planned budget



## Growing to meet demand

Two factors have driven the increase in demand for ITC's services. Lessons from the recent global economic crisis highlighted the importance of international trade and investment as a catalyst for fiscally sustainable economic growth and decent employment. In addition, developing countries are harnessing SME development to generate youth employment and advance the economic empowerment of women.

In order to effectively meet increased demand for its services, ITC will improve the productivity, efficiency and quality of its work by doing more and doing it better.

The ability of ITC to meet the growth in client demand will also require additional financing which is more stable and predictable, as highlighted by the independent evaluation of the organization conducted in 2013-2014. Addressing this challenge largely depends on the readiness of ITC's supporters to combine increased direct financing to ITC with better leveraging of their decentralised Aid for Trade funding and funding ITC initiatives through their support of other multilateral agencies. There is also scope for emerging countries to support trade development in poorer countries by working with ITC, including through contributions to the ITC Trust Fund.





In addition, ITC will seek to expand partnerships with the private sector as markets for developing country SMEs and as providers of expertise and funding.

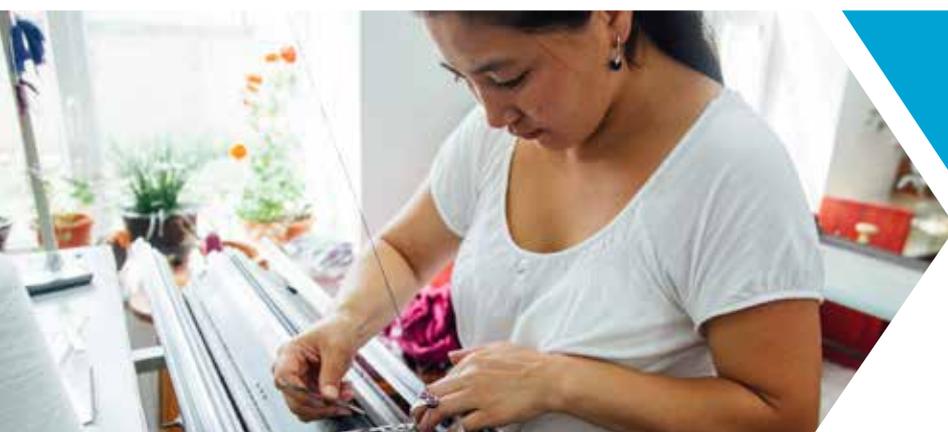
Taking into account the current strategic setting, ITC has developed a scenario for its growth path for 2015-2017. The regular budget from the UN and the WTO is likely to remain stable over the three-year period; therefore all growth will need to come from extra-budgetary funds. The targets in the graph above, as well as the milestones in this section, are based on estimates of future resources. Should further resources become available, ITC is committed to doing even more.

### Our six focus areas

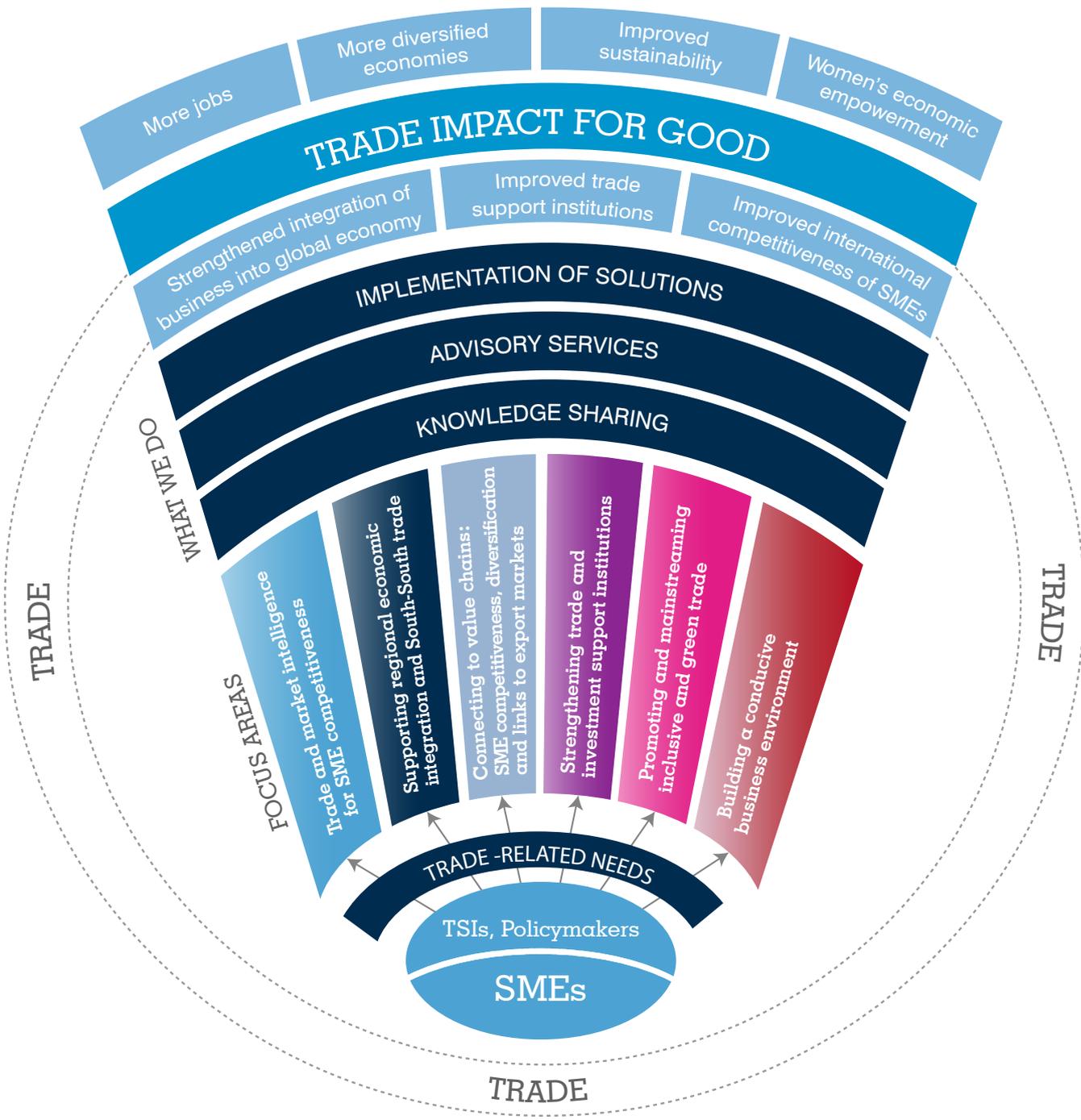
ITC will grow to meet demand in a focused manner in areas where the organization has a comparative advantage and value to add. The organization will concentrate its integrated solutions around the following core set of six focus areas to ensure effectiveness and to avoid being spread too thinly. These six focus areas represent a coherent set of interventions with corresponding programmes that are adapted and customised into client-focused solutions. All programmes within the six focus areas will contribute to ITC's corporate outcomes as captured in the organization's Strategic Framework approved by the UN<sup>1</sup> (see appendix I).

This Strategic Plan highlights new programmes and priorities within ITC's six focus areas. The annual Operational Plans will detail all projects and programmes that ITC will undertake to deliver trade impact for good.

*Note: Deliverables presented are dependent on available funding.*



<sup>1</sup> The Committee for Programme and Co-ordination of the UN.





## **I** Trade and market intelligence for SME competitiveness

Access to trade and market intelligence is critical to international business success. The provision of innovative, cutting-edge market information to enable improved business decision-making has been at the heart of ITC's mandate since its foundation in 1964. It will continue to be a core area of the agency's work going forward.

ITC will continue to invest in improving and upgrading its suite of global public goods, including the web-based tools that promote transparency in trade and facilitate business decision-making, ensuring they remain up to date, reliable and accessible to all users. ITC will focus on generating greater transparency on private standards and their requirements, and will help SMEs meet those standards. ITC will work closely with trade and investment support institutions to help them develop tailor-made, forward-looking intelligence products to help their clients translate information into business. This includes expanded services in competitive intelligence and targeted capacity building on the market access requirements associated with private voluntary standards. ITC will deepen its NTM programme to identify and understand obstacles to trade and facilitate evidence-based policy and regulatory improvements in client countries. The expanded NTM programme will also focus on obstacles to trade in services and will develop a web-based "trade obstacles alert mechanism" to move beyond identifying measures toward addressing NTMs through public-private dialogue.

ITC will also ensure that the trade and market intelligence it generates will inform its solutions to improve the international competitiveness of developing country SMEs.

ITC will launch a series of publications on major themes related to the international competitiveness of SMEs based on its on-the-ground experience working with the private sector.

### **KEY DELIVERABLES**

- Launch and roll out a competitive intelligence programme
- Move from a focus on mapping private standards to helping SMEs meet them
- Expand the NTM programme to address barriers to trade in services
- Operationalise NTM surveys, including through web-based alert mechanisms
- Release an annual publication on issues related to SME competitiveness



## 2 Supporting regional economic integration and South-South links

Emerging markets have played a leading role in recent global economic growth and are becoming increasingly important markets for intermediate and final goods from other developing countries. Their role as sources of foreign direct investment and technology is also on the rise. The past decade has also witnessed an increased pace of regional economic integration in all regions of the world, presenting new opportunities for companies in low-income countries.

In order to strengthen South-South business links, ITC will work with emerging economies such as India, China, Brazil, Turkey and others to promote value-added trade, investment and technology transfer among these markets and other developing countries, including LDCs. In particular, ITC will assist firms from lower income countries to integrate into value chains led by emerging market enterprises.

The organization will build on its success in promoting regional economic integration in Africa through a new programme, in partnership with regional economic communities and the African Union. ITC will (i) identify priority sectors which have high potential for regional trade and analyse their value chains for gaps (ii) address these gaps by strengthening the corresponding business support services provided by regional and national TSIs, pooling available resources and expertise in the region; and, (iii) promote business advocacy on regional integration by strengthening regional business associations to achieve better coherence between national and regional trade related policies and regulations. The agency's new trade facilitation services to improve cross-border management, reduce the cost of trade and enhance the private sector's ability to comply with cross-border requirements will form a significant part of its support to regional economic integration. ITC will also work with other regions to develop programmes to strengthen regional economic integration.

### KEY DELIVERABLES

During the Strategic Plan period, ITC will implement the following new programmes in support of regional integration and South-South links:

- Programme Supporting India's Trade Preferences for Africa (SITA)
- China – Southeast Asia programme
- Programme boosting intra-African Trade, in collaboration with the African Union
- Programme supporting intra-Arab trade
- Programme supporting intra-regional trade in Central America





# 3

## Connecting to value chains: SME competitiveness, diversification and links to export markets

The need to generate sustainable growth and decent employment through trade continues to be an important policy goal for many developing countries. 80% of world trade takes place within value chains, and around 60% of world merchandise trade is in intermediate goods. Integration into value chains enables SMEs from developing countries to benefit from participation in global trade. These value chains are also important economic channels for small holders from rural communities. TSIs provide vital support services to facilitate the integration of SMEs into these value chains and to support them in moving up the value chain.

SMEs need to be innovative, adaptable and agile to be internationally competitive. For many developing country SMEs and the institutions that support them, this means doing things differently. ITC will continue to support developing countries to design trade strategies that enable the transformative change necessary for their SMEs to be more competitive internationally, facilitating growth and employment.

ITC will revamp and roll out its Value Added to Trade programme by packaging solutions to help SMEs provide a differentiated and value-added offer and address production- and logistics-related difficulties in getting products to market. The solutions offered within the programme are modular in nature and are customised to suit client needs. The main elements of the programme are:

- **Logistics and supply chain:** Meet customers' product or service requirements through effective and efficient production management, operations, procurement, sourcing of materials, inventory management, as well as inbound, outbound and internal logistics.
- **Export marketing:** Design services with differentiated features through marketing, branding, innovative products/services, and packaging design.
- **Meet technical/quality requirements:** Comply with standards, technical regulations, and sanitary and phyto-sanitary (SPS) measures, organize after-sales services, and achieving internationally recognized certification.
- **Foster market links:** Communicate with current and potential customers through campaigns, identify adequate distribution channels and modes of entry into foreign markets, identify and close sales opportunities, and develop partnerships with larger firms to become part of their supplier base. E-solutions and e-platforms play an important role in expanding links to markets.

This integrated approach will be focused on priority sectors, including agri-business, services (including tourism) and light manufacturing. The organization takes a market-led approach to sector development, emphasizing diversification, improved linkages in higher value-added segments of global and regional value chains, and promoting investment.



### KEY DELIVERABLES

- Revamp and rollout the Value-Added to Trade Programme, including initiatives for the tourism sector
- Launch and rollout an e-solutions programme linking businesses to markets

## 4 Strengthening trade and investment support institutions

To deliver *trade impact for good*, ITC depends on a network of TSIs that are both beneficiaries of the agency's work and implementing partners, providing services to enhance the international competitiveness of SMEs. TSIs are organizations that support business, ranging from trade promotion organizations, chambers of commerce, sector associations, enterprise development agencies, supply chain management organizations, and others.

Improving the performance of trade and investment support institutions to provide more relevant and effective services for improved SME competitiveness continues to be a cornerstone of ITC's mission. Through the Assess Improve Measure (AIM) for Results programme, ITC will assess the organizational effectiveness of TSIs against industry practices and benchmarks, and help improve their managerial, operational and service delivery performance through comprehensive and customized multi-year performance improvement plans. Under this programme, ITC will also focus on helping TSIs to measure the results of their activities with a view to taking corrective actions.

ITC will continue to work with TSIs at national and regional levels, particularly in LDCs, to improve their ability to formulate and manage trade development programmes. Embedding country ownership within local institutions contributes to the longer term success of technical assistance.

Coalitions of services industries are umbrella organizations which group services associations around partnerships with clear roadmaps to develop a coherent voice for the services sector and to facilitate industry growth. ITC will support the creation or strengthening of national service industry coalitions as specialised TSIs to support service industry growth, attract investment and grow trade in services.



Given the importance of value chains in international trade, ITC will increasingly focus on assisting TSIs, and work with business service providers, to effectively facilitate SME participation in value chains. This includes services related to investment promotion.

The expansion seen in the role of TSIs from export promotion to international business development, including investment facilitation, opens the possibility of more co-operation among trade support institutions of various countries. ITC will expand its efforts to promote and activate regional and international networks and other collaborative schemes between TSIs of various countries, including the promotion of South-South business linkages.

### KEY DELIVERABLES

- Assist 40 TSIs to improve their operations through the AIM for Results programme
- Strengthen coalitions of services industries through an expanded Trade in Services programme
- Foster networks of TSIs, including through South-South networks



## 5

### Promoting and mainstreaming inclusive and green trade

Increased trade alone is not sufficient to improve livelihoods. The benefits of trade growth do not necessarily reach vulnerable groups such as women, young people or marginalised communities, and excessive costs may be placed on the environment. ITC works with its clients to integrate sustainable development objectives into all its trade development programmes, while maintaining its focus on demand-led initiatives. The agency will continue specific programmes focused on the economic empowerment of women, promoting youth entrepreneurship, connecting poor communities to value chains, and promoting green trade. The organization will capitalise on partnerships through shared value and impact investment to combine social and environmental benefit with positive financial returns. ITC will also integrate environmental sustainability and gender objectives into its entire portfolio.

On environmental sustainability, there will be greater focus on sustainability of sourcing, addressing NTMs related to the environment, addressing climate impacts on development and the role of trade in mitigation and adaptation, and addressing biodiversity loss related to trade.

ITC's Poor Communities and Trade Programme aims to reduce global poverty by strengthening the capacities of developing country micro-entrepreneurs, social enterprises and emerging designers to trade through an inclusive business model which connects them with international buyers in the ethical fashion value chain. The organization will expand this programme to new client countries and incorporate buyers from new markets. ITC will seek to incorporate impact investors into this programme.

Women's economic empowerment is a particular focus of ITC's work in developing countries as women-owned companies represent close to 40% of all SMEs. ITC will continue to strengthen its Women and Trade Programme, working directly with women entrepreneurs and TSIs in selected value chains to help them capitalise on the opportunities offered by international trade. It will also continue to mainstream gender in all its work.

ITC launched its Youth and Trade programme in 2014 with a pilot initiative in Morocco focused on youth entrepreneurship and incubators. The lessons from the pilot will be used to refine and extend the programme in 2015.

#### KEY DELIVERABLES

- Trade and Environment: Extend the biodiversity and carbon mitigation and adaptation initiatives to additional countries
- Poor Communities and Trade: Expand the programme to new regions
- Youth and Trade: Expand the programme to new countries
- Women and Trade Programme: Double the value of exports from women entrepreneurs against the baseline



## 6 Building a conducive business environment

Policy and regulatory choices have a significant impact on SME competitiveness and play a crucial role in determining whether SMEs are able to link to value chains. ITC supports developing countries in fostering a business environment that is conducive to trade growth by facilitating the inclusion of the private sector perspective into the policy-making process. The agency assists in institutionalising public-private dialogue for the formulation of trade strategy and policies at national and regional levels.

As efforts to support the development of economies that deliver increased well-being grow, there is a bid to foster national conditions that enable enterprises to become more competitive and enter international markets. ITC assists developing country partners to make strategic choices – on productive capacities, on the business environment, and on markets – in an increasingly complex international trade landscape. In partnership with a network of policy-makers, trade support institutions, enterprises, civil society organizations and development partners, ITC supports the design of national and regional strategy solutions that underscore sustainable trade diversification, SME development and international competitiveness. These strategies set explicit targets and specify detailed roadmaps for implementation that become the national blueprint for trade development. ITC assists its country partners to translate these strategies into projects, and supports coordination and management of implementation.

Similarly, through partnerships between the public and private sectors, ITC helps stakeholders jointly identify opportunities to grow a sector and address weaknesses that challenge growth. This collaborative approach is aimed at striking a balance between the interests of business to reduce costs and improve competitiveness, and the government's other objectives of ensuring decent work, promoting competition, preventing market failures, addressing information asymmetries, protecting the environment and promoting universal access to services. These partnerships will form the basis of addressing NTMs through the implementation of trade policy and regulatory reforms, whether undertaken unilaterally or linked to trade negotiations. Public-private dialogue will also continue to be an intrinsic mechanism for ITC's support to the development of export strategies, regional economic integration and multilateral trade



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negotiations, including accession to the WTO, to ensure that private sector interests are taken into account.

At the Ninth WTO Ministerial Conference in December 2013, members concluded the negotiations of the Agreement on Trade Facilitation (TFA). The TFA will create obligations for WTO members to improve customs procedures, transparency and efficiency, as well as co-operation among border regulatory agencies and the private sector. The Agreement also contains a provision for technical assistance and capacity building to support its implementation in developing and least developed countries (LDCs). Countries classify the provisions of the TFA into Category A (implementation upon entry into force), B (deferred implementation) or C (linked with acquisition of capacity through assistance and support), and will determine the dates for implementation.

ITC's Trade Facilitation Programme supports policy makers, TSIs and the private sector in partner countries in their efforts to implement the TFA. ITC supports countries in the categorization and notification of TFA provisions to the WTO, and assists countries in estimating the financial and technical resources required to implement category C commitments. ITC will also assist countries in developing project proposals to reach out to donors to support their national trade facilitation initiatives and assist countries in implementing trade facilitation measures. In parallel, ITC will work with the private sector in specific countries to raise awareness and build their capacities to efficiently comply with cross-border procedures.

## KEY DELIVERABLES

- Assist 40 countries to categorize their commitments under the TFA
- Support 40 countries to implement Category C projects under the TFA
- Develop a new generation of export strategy design and implementation management solutions
- Develop a new methodology for trade strategies for the services sector



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# 4

**Increasing our  
effectiveness**





*ITC will re-shape and refine its internal machinery to become more effective.*

**ITC will not only refocus its portfolio to ensure a better match between its unique assets and the demand for trade-related technical assistance, but also re-shape and refine its internal machinery to become more effective. Doing so will enable ITC to deliver more transformational impact for every dollar invested.**

**The independent evaluation of ITC, other project- and function-based evaluations conducted by ITC, various UN audits, and internal analysis highlight five areas for improvement in 2015-17.**

## **1** Towards a more impact-driven organization

ITC will continue to embed results-based management principles, evaluation and impact analysis in all its programmes. The results architecture which links all projects and programmes to corporate objectives will be simplified and better aligned to ITC's six focus areas.

ITC will:

- Align project indicators to the 2016-17 Strategic Framework corporate outcome indicators as approved by the UN (see appendix I).
- Produce an annual corporate-level Impact Analysis Report based on the findings of evaluations, assessments, client surveys and other studies.
- Better use results information for management decision-making.
- Ensure all new large programmes are targeted for impact.
- Embed quality assurance in all phases of the project cycle.





## 2 Towards a more effective and efficient organization

ITC will continue to improve the efficiency and effectiveness of its operations. The main pillars of these efforts will be:

### Better project cycle management

Building on the good progress made in recent years, ITC will improve project management practices across the project life cycle. This will involve:

- Completing the new integrated project portal as a tool for full project cycle management.
- Better project design: incorporating realistic exit strategies, building in better “evaluability”, embedding impact into every project and ensuring the integration of evaluation recommendations.
- Enhanced knowledge management and learning at all levels of the organisation: establishing a knowledge management group, ensuring all closing projects capture and share lessons, embedding the CRM system as a tool for follow-up and knowledge management

### Better financial management and streamlined administration

ITC will improve its financial management with a focus on fundraising, financial and operational planning and financial execution. Growing to meet demand will require more investment in fundraising resources to build relationships with existing funders and cultivate new funding partnerships with other actors such as emerging countries and foundations. Regular, more concise, financial management information which is linked to results will facilitate better financial and operational planning. ITC will also improve its reporting on achievements against expenditure to better build the case for increased investment in its trade development activities.

In order to improve financial management and streamline administrative processes for better effectiveness, ITC will:

- Seek longer term and more diverse funding arrangements to stabilise resources and operations.
- Improve the quality and timeliness of financial management information for better decision-making.
- Improve reporting on achievements against expenditure.
- Complete the full transition to accrual based accounting following IPSAS principles.
- Implement the new United Nations Enterprise Resource Planning application, Umoja, and co-ordinate with other UN agencies to reduce bespoke system development where practical.
- Accelerate improvements in automation to enhance the quality and sharing of information and knowledge, and reduce internal transaction costs.



- Map the full cost of its operations and take these into account in resource allocation decisions.
- Complete an ITC-wide risk management and accountability framework.

### Investment in e-learning

Much of ITC's work helps build capacity, either through training or advisory services. ITC will capitalise on new technologies and seek out opportunities to reduce the costs of its services and expand their reach. The organization's SME Trade Academy, to be launched in 2015, will offer integrated online courses for trade advisors and SMEs.

Early activities in e-learning course delivery by ITC have already highlighted a number of its tangible and sustainable benefits.

In 2015-2017, the ITC E-learning Programme will:

- Focus on enhancing technical assistance quality by effectively complementing face-to-face workshops;
- Increase ITC's outreach, including to countries where demand for technical assistance is increasing and which may not be benefitting from specific ITC projects;
- Enrich training content thanks to peer discussions amongst participants from several countries at very low cost;
- Enable ITC to improve results tracking, through improved access to statistical and performance related data, usefulness of, and levels of participation of ITC clients in knowledge acquisition; and
- Reduce ITC's carbon footprint through an overall reduction of field missions.

## 3 Towards a more expertise-driven organization

ITC is recognised as bringing world-class expertise to help solve the trade-related problems its clients face. ITC will continue to invest in attracting, training and retaining quality staff as well as developing, maintaining and improving tools and methodologies that support SME competitiveness.

ITC will increase investment in staff training on critical technical knowledge areas. The organization will continue to recruit the best talent from across the world, while also seeking good geographical and gender balance at all levels. ITC is also committed to retaining its world-class staff by ensuring that staff satisfaction remains high and, where funding permits, reducing the instability of posts.

The organization will also continue to build its network of specialist international and field-based consultants to add value to programmes.



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ITC will:

- Invest in staff training in technical areas, including project management and areas related to SME competitiveness.
- Carry out an annual staff satisfaction survey.
- Implement 360° feedback starting with Senior Management in 2015.

## **4** Towards an organization based on strategic partnerships

ITC works with governments, TSIs and SMEs to improve the international competitiveness of SMEs. As a small and highly specialised organization, ITC relies on building deep strategic partnerships to deliver trade impact for good. In addition to building on existing partnerships, ITC will explore new collaborations with a wider array of partners. In particular, it will increase its focus on South-South links. ITC will strengthen partnerships with actors in the following areas:

- Other international organizations closely related to private sector development through joint initiatives for greater impact. This includes stronger collaboration with other UN agencies through the One UN and UNDAF initiatives.
- The private sector of developed countries and emerging markets through co-financing, in-kind contributions and expertise.
- Foundations: co-financing and joint initiatives.
- Academia: expertise and knowledge transfer.

ITC will report annually on progress to strengthen its strategic partnerships.

## **5** Towards a more visible and accessible organization

ITC has made good progress in recent years across all its communications channels, helping to build greater awareness of international trade as a driver for sustainable development, making ITC more accessible both in the field and online. ITC aims to continue investing and focusing its communications to exploit the best of new technologies, highlight the importance of trade in sustainable development to the wider world, and continue to build strong and consistent messages that support the ITC mission and vision. ITC will:

- Continue to improve its brand and online presence to be more focused, strategic and supportive of its Aid for Trade objectives.
- Actively engage in trade policy fora and further develop thinking on how to best support developing country SMEs to engage in international business as well as the post-2015 agenda.
- Closely collaborate with key partners on platforms of mutual interest to strengthen awareness of trade and private sector development issues.





Appendices



# Appendix I:

## Corporate goals and indicators 2015-2017

### Inclusive and sustainable development through trade and international business development.

Expected accomplishments (outcomes)		Indicators
2015	2016-17	2015
Strengthened integration of the business sector into the global economy through trade intelligence and enhanced support to policymakers	Strengthened integration of the business sector into the global economy	Increased number of male and female users of trade-related intelligence, including cases in which a gender perspective in trade is integrated into national development strategies, as a result of ITC support to enable decision makers to prepare and/or design effective trade development programmes and policies
		Increased number of male and female clients expressing awareness of trading system-related activities through the support of ITC to enable decision makers to understand business needs and create an environment conducive to business
		Increased number of cases in which country negotiating positions have been enriched through analytical input and business sector participation, with the support of ITC, to enable decision makers to integrate business dimensions into trade negotiations
Enhanced trade support institutions and policies for the benefit of exporting enterprises	Improved performance of trade support institutions for the benefit of enterprises	Number of institutions reporting improvements in their managerial performance and/or services to small and medium-sized enterprises as a result of ITC assistance
		Number of institutions reporting improvements as a result of their membership in networks supported by ITC
		Number of institutions reporting improvements in their country's trade promotion and export development policies as a result of ITC assistance
Strengthened export capacity of enterprises to respond to market opportunities	Improved international competitiveness of enterprises	Increased number of enterprises enabled to formulate sound international business strategies through ITC training on export management issues, delivered directly or indirectly
		Increased number of enterprises enabled to become export-ready through ITC training activities focusing on export readiness, delivered directly or indirectly
		Increased number of enterprises having met potential buyers and, as a result, having transacted business through ITC support
		Increased share of women-owned enterprises that report improved competency in export-related operations and that are exposed to new markets or market contacts as a result of ITC assistance



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of achievement	Annual targets			
	2016-17	2015	2016	2017
		76,500		
Number of male and female clients reporting greater awareness of international trade as a result of ITC's support		1,000	2,500	2,500
Number of cases in which trade-related policies and/or strategies and/or regulations have been improved with business sector input as a result of ITC's support		63	67	68
Number of institutions reporting improved operational and managerial performance as a result of ITC's support		60	65	65
		43		
		43		
Number of enterprises reporting improved international competitiveness as a result of ITC's support		650	1,050	1,050
		950		
Number of enterprises having transacted international business as a result of ITC's support		800	875	875
Percentile share of enterprises that are owned, operated and controlled by women reporting improved international competitiveness as a result of ITC's support		350	45%	45%
Percentile share of enterprises that are owned, operated and controlled by women having transacted international business as result of ITC's support			45%	45%

# Appendix II: ITC Focus Areas and Programmes

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Focus Areas	Programmes
<b>1. Trade and market intelligence for SME competitiveness</b>	Competitive Intelligence Programme
	Non-Tariff Measures in Goods and Services Programme
	Transparency in Trade Programme
<b>2. Supporting regional economic integration and South-South links</b>	Boosting Intra-African Trade Programme
	Promoting South-South Links Programme
<b>3. Connecting to value chains: SME competitiveness, diversification and links to export markets</b>	Value Added to Trade Programme
	e-Solutions Programme: linking businesses to markets
<b>4. Strengthening trade and investment support institutions</b>	Assess Improve Measure (AIM) for Results
	Building Coalitions of Services Industries
<b>5. Promoting and mainstreaming inclusive and green trade</b>	Supporting Youth Entrepreneurship and Trade Programme
	Empowering Women to Trade Programme
	Empowering Poor Communities to Trade Programme
	Trade and Environment Programme
<b>6. Building a conducive business environment</b>	National and Sector Export Strategies
	Trade Facilitation Programme
	Supporting trade negotiations



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