

## Minutes: CCITF Meeting on 1 June 2022

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The meeting of the Consultative Committee of the ITC Trust Fund took place in a hybrid mode on 1 June 2022 in Geneva. ITC's Executive Director (ED), Ms. Pamela Coke-Hamilton started the session by welcoming participants to the meeting and outlining the agenda.

Ms. Coke-Hamilton mentioned that 2021 was the fourth and final year of implementation of ITC's Strategic Plan 2018-2021. The [2021 CCITF report](#) showcases ITC's financial and development results performance, in comparison with the [2021 Operational Plan](#) targets.

### 1. Funding Position in 2021

The ED stated that for XB funding, ITC witnessed positive developments in terms of funds received, new grant agreements signed and further diversification. She extended her thanks to new partners such as Bhutan, UNESCO, UNFPA, Danish Refugee Council, Microsoft amongst many others. ITC received \$90.7 million XB funds in 2021 and the total value of new XB funding agreements signed in 2021 was over \$94 million. Including RB funding, ITC delivered a total of \$147.5 million in 2021.

Delivery in ITC's priority countries remained stable at 88%, of which 45% was delivered in least developed countries (LDCs). 48% of regional-specific delivery focussed on sub-Saharan Africa, followed by the Asia Pacific and the Eastern Europe- Central Asia regions (27% and 10% respectively). The remaining 15% of XB region specific delivery focused on the Middle East/ Northern Africa and Latin America and the Caribbean.

### 2. Targets & Results

Over 65% of ITC's delivery contributed to SDG 8 (decent work and growth), SDG 17 (partnerships), and on SDG 5 (gender equality). Moreover, 23% contributed to SDG 2 (zero hunger), SDG 1 (no poverty) and SDG 9 (innovation and infrastructure). Emphasis was put on the fact that these results correspond to ITC's focus on building the competitiveness of MSMEs with a strong focus on employment and income opportunities especially for women, small-holder farmers, and groups at the bottom of the pyramid including artisans and refugees.

The actual delivery met or exceeded the planned target for most outcome indicators. Under outcome A, more than 410,000 beneficiaries attained greater awareness of international trade, with about 38% of registered users of ITC databases being women. Over 90 cases of trade-related policies, strategies, or regulations were introduced or changed in favour of MSME competitiveness, with business sector input. The results for the A2 indicator (number of trade related policies, strategies or regulations developed or changed with business sector input, as result of ITC support) fell slightly short of the planned target due to delays in final endorsement.

Under Outcome B: With 479, ITC significantly exceeded its target of 350 cases in which institutions improved operational or managerial performance as a result of ITC support. Under Outcome C: over 25,000 MSMEs reported improved performance, of which over 9,000 were women-owned or operated. More than 5,000 MSMEs transacted international business, out of which over 2,000 were women owned or operated.

The C3 target on number of MSMEs having transacted international business was not met due to difficult business conditions owing to COVID-19 which led to fewer international business transactions. Ms. Coke-Hamilton explained that the shortfall was partially due to the fact that a significant number of results in this area are usually achieved via direct buyer-seller meetings which could only partially take place. Virtual settings and online events often do not achieve the same results, especially for first time sellers.

ITC delivered on all its obligations on output level and all of ITC's corporate output indicators were fully achieved or exceeded. Some flagship events such as WTPO were successfully operationalised but some such as the SheTrades Global event and World Export Development Forum (WEDF) had to be postponed.

Ms. Coke-Hamilton explained that she met with the Mongolian Minister of Foreign Affairs and they mutually decided to postpone WEDF to May or June 2023, to make sure that the program would be delivered in the best possible manner, and not be impeded by the travel restrictions.

ITC's unearmarked core funding continued to be fundamental for ITC's ability to be agile and deliver impact. The report, therefore, showcases multiple contributions related to core funding, particularly in the area of promoting digital, and regional trade.

In tier 3 of the corporate scorecard ITC was making good progress in nearly all areas. For example, ITC achieved a 69% compliance rate on 'advanced travel arrangements' which is an increment by 39% comparing to 2020. Similarly, ITC closed 48% of the audit recommendations, which is higher than 24% achieved in 2020. ITC is working towards achieving its diversity target of 50% and currently stands at 46.5%. While ITC's fundraising pipeline was \$57 million against a target of \$80 million, the reason behind this was that some grant agreements were finalized in the last part of 2021, thereby pushing the variable 'XB fund secured for the following year and beyond' higher and lowering the variable 'total value of projects under development and in discussion with funder'.

ITC maintained robust controls on internal preventable risks to minimize hazards such as fraud or harassment of any kind or putting the health and safety of its employees at unacceptable risk. As for external and strategic risks, most of the risks remained stable. A few risks showed an upward trend triggered by pandemic or the post-pandemic conditions in programming countries and by other security risks in countries of operations.

To mitigate such risks, ITC established a Crisis Management Committee in March 2021 under the leadership of ITC's Deputy Executive Director to enable quick Senior Management decisions with inputs from relevant parties across ITC, when needed. There is also an increased risk of engaging with partners who commit fraud or corrupt acts, simply due to our expanding network of partners. ITC has control mechanisms in place to minimize these risks, such as a due diligence review, grant committee reviews of large MoUs and agreements on special audits of partners post implementation.

A new risk was added to the framework in 2021: the inability to achieve the same level of results based on the same level of inputs in an environment that is very challenging for MSMEs. The risk was high in 2021 as some projects engaged in extensive re-negotiations of budgets, activities and results with funders and while some new projects that started during the pandemic had challenging inception phases. ITC mitigated the risk of not meeting expectations through project-level discussions with funders and adjustments to project plans and results. However, the risk remains high at the corporate level where the organization set ambitious goals to match budgetary targets. Some of ITC's corporate indicators were not achieved.

### **3. Performance against milestones for 2021**

Regarding ITC's delivery on milestones set in the Operational Plan 2021, Ms. Coke-Hamilton presented a few examples. Two regional trade intelligence portals were launched (the Central Asia Trade Intelligence Portal and the Eastern Partnership Trade Helpdesk). The 2021 SME Competitiveness Outlook was published with the title "Empowering the Green Recovery". It identified actions MSMEs can take to become more competitive, resilient and sustainable, and the measures BSOs, lead firms in value chains, governments and international organizations can put in place to support MSMEs. Over 3 million women were connected to the market between 2018-21 under the SheTrades initiative. More than \$90 million of South-South trade and investment deals were facilitated in 2021.

ITC's efficiency and effectiveness milestones complement the Tier 3 indicators of the corporate scorecard. Examples of achievements during 2021 include the roll-out of the [Strategic Plan 2022-25](#), the launch of the Beta version of the ITC's [Open Data website](#), and the development of ITC's new [website](#), which went live in March 2022.

### **4. Evaluation**

The ED also gave a brief overview of the Independent Evaluation Unit's (IEU) work. The IEU is a valuable sense-check on the results, strategies and abilities of ITC as an organization. One achievement during 2021 was the IEU's Annual Evaluation Synthesis Report which analysed the effectiveness of the Strategic Plan 2018-2021 as a tool to improve organization's performance. The IEU's findings in areas related to vision planning, measurement, reporting and decision making were presented to ITC Member States and discussed at the annual ITC Joint Advisory Group Meeting in November 2021. The report's recommendations were accepted in full by senior management and a dedicated management response to address the recommendations were prepared. Key learnings of the 2021 AESR have been used and incorporated in the design of ITC's Strategic Plan 2022-25.

### **5. Delivery of ITC's Strategic Plan 2018-2021**

Ms. Coke Hamilton mentioned that the report on [Delivery of ITC Strategic Plan 2018-21](#) gave a balanced view of ITC's achievements and progress towards its commitments made under the Strategic Plan 2018-21. While this plan served as the bedrock of ITC's interventions during the period, there were external circumstances that required ITC to be flexible and responsive to the needs of its clients. One significant external event was the establishment of the African Continental Free Trade Area (AfCFTA), which quickly assumed strategic importance for ITC. A second event was the outbreak of the COVID-19 pandemic which required ITC to adopt to hybrid and flexible approaches to deliver.

ITC made significant progress towards achieving, and in some cases, exceeding the targets that ITC committed to. ITC had committed to growing the XB delivery by 18% between 2018 and 2021 to meet the demand of its services and ITC exceeded this target achieving a 68% growth.

ITC set out to reach over 15,000 MSMEs annually and connect 3 million women to the market along with building skills of 100,000 youth and catalyse \$100 million of investment trade deals by 2021. In actual terms, ITC reached an average of 19,500 MSMEs annually and connected 3,018,181 million women to market. ITC built skills of over 100,000 youth and through the South-South trade and investment programs such as Supporting Indian Trade and Investment

for Africa (SITA) and Partnership for Investment and Growth in Africa (PIGA), ITC catalysed over \$147.5 million USD in investment deals.

ITC consistently delivered over 80% of its country-level assistance in least developed countries, landlocked developing countries, small island developing states, small vulnerable economies, conflict-affected and fragile states and sub-Saharan Africa. ITC prioritised work in green economy, agriculture, and digital trade sectors for employment creation and inclusive growth.

In terms of efficiency and effectiveness targets, ITC again had made some great strides. In 2018, ITC started publishing data according to International Aid Transparency Initiative (IATI) standards for over 60% of the planned XB delivery which has now increased to 90% by the end of 2021. With the institution of UN-SWAP 2.0 Roadmap and the creation of a new gender unit, ITC succeeded in increasing its compliance with the UN-SWAP 2.0 framework from 81% to 88% by the end of 2020.

ITC developed a guide on *Mainstreaming Sustainable and Inclusive Trade: Guidelines for International Trade Centre projects* for project managers. Finally, the Resource Mobilization strategy was updated and ITC received financial contributions from an increasingly diverse range of funders and was able to attract over \$420 million in contributions which is double the amount attracted in 2014-17.

## **6. ITC's Outlook for 2022**

Ms. Coke-Hamilton said that 2022 remains uncertain with multiple challenges such as the pandemic and its effects, the Russian invasion of Ukraine, political instability in many of ITC's partner countries, climate change and severe food crises.

In 2022, ITC plans to deliver \$145 million of trade-related technical assistance. The XB target was set at \$105 million which will be combined with \$40 million of Regular Budget resources provided to ITC via UN and WTO budgets.

Since the last meeting, the ED continued, ITC has embarked on realignment wherein ITC has introduced some changes to the structure of the organization using existing resources to ensure that ITC delivers effectively on its commitments outlined in the Strategic Plan 2022-2025 and [Operational Plan 2022](#).

Another area of focus for ITC are the 'Moonshots' which were discussed in the previous informal CCITF meeting. Ms. Coke Hamilton said that the organizational changes that have been put into place will ensure ITC remains fit-for-purpose, agile and in a stronger position to not only deliver on its commitments but also ensure that ITC remains responsive to the dynamic needs of the world and its stakeholders.

On a concluding note, the ED thanked everyone for their valuable support and for believing in ITC and its work.

## **7. Delegates statements**

On behalf of ITC's funders, the donor coordinator thanked the ED and the ITC team for the presentation and for sharing the progress ITC has made. The donors thanked delegates countries for continuously supporting ITC and its interventions. The fact that most donor countries increased their contributions speaks about the confidence the donors have in ITC. At a general level, some donors inquired if ITC could align the first of the bi-annual CCITF meetings with the delivery of the ITC board of auditors reports and the ITC financial

statements. Doing so would enable the CCITF to conduct a more complete review of the previous year.

Donors also congratulated ITC on its achievements for promoting trade and related activities, especially its excellent work in SheTrades. Donors look forward to continuing discussions with ITC to see how trade can be leveraged as a tool to support poverty reduction.

Donors were pleased to see the development of the new GreenToCompete strategy and expressed a belief that gathering all green activities under the G2C umbrella could be an important tool to both streamline and mainstream ITC's efforts. Furthermore, donors said that ITC can also develop a corporate indicator to measure the results under the G2C umbrella. Donors welcomed the addition of Goal 13 on climate change to ITC's objective and look forward to seeing more delivery of service in this area.

Donors inquired about ITC's interventions in terms of engagement with the governments in Myanmar and Afghanistan, if ITC would adjust its ambitions and goals in response to the highly dynamic and volatile environment, and on the changing balance of the W1/W2 ratio.

**From UK:** UK congratulated ITC on its achievements and for the completion of the Strategic Plan 2018-2021 and to shared insights in the context of UKTP. The representative mentioned that UK appreciates ITC being agile despite the many challenges that has come its way. Few highlights that were shared are the SheTrades Hubs established by ITC and its interventions in the domain of providing technical assistance and market intelligence. UK also commended ITC for its high value projects and good risk control mechanisms. The representative also emphasized that UK was impressed with the work done on inclusion and digital and that they were looking forward to continuing the partnership with ITC.

**From Pakistan:** Pakistan expressed its thanks and gratitude to ITC and its donors and congratulated ITC for their work and achievements in 2021. The representative mentioned that Pakistan was very appreciative of the support received from ITC thus far. The representative mentioned that supply shocks, climate change and other very pressing issues were destroying livelihoods which could be addressed via increased cooperation and hence encouraged ITC and other donors to continue the support.

**From the Netherlands:** In relation to Pakistan's comments, the Netherlands expressed content that ITC is meeting the demands of partner countries. The representative suggested to table the newly identified risk, inability to achieve the same level of results based on the same level of inputs in a more challenging environment as a risk. However, he commented that it was also critical for donors to continue to support and invest in SMEs that are in fragile contexts. He cautioned that discussions about using resources efficiently should not take away from working in challenging environments simply because numbers guide decision making, as smaller numbers may still lead to bigger impact.

**From Sweden:** Sweden expressed its thanks to the staff of ITC for the good work and facilitating information sharing for this conversation. The representative commented that the current situation was volatile and fragile which makes the continuation of funding even more critical.

**Responding to the interventions of delegates, the ED** thanked everyone for their participation, feedback, encouragement, questions, and suggestions. ITC heard that the committee requested a continued focus on the LDCs and that members wanted ITC to engage in the UN Resident Coordinator System and partner with others. Ms. Coke-Hamilton assured the committee that this was fully aligned with the objectives.

Regarding the suggestion to align the annual CCITF report with the delivery of the ITC Financial report and audited financial statements and Report of the Board of Auditors, the ED noted that if the intention was to present the data in CCITF reports as per the financial statements, it would not be helpful for the donors since the two served two different purposes. Financial statements were prepared in accordance with the International Public System Accounting Standards (IPSAS) and the CCITF data was prepared on a modified cash basis.

For the suggestion to report engagement in facilitating public-private dialogues on trade under a different goal than SDG 16, the ED mentioned that the SDGs are interlinked and that it had more to do with choice. The rationale for ITC to list activities under SDG 16 was that ITC some ITC interventions speak directly to some of the SDG 16 targets.

Regarding the lower than targeted percentage of closed audit recommendations, the ED gave two reasons: firstly, ITC had in 2021 an entirely new audit team from a new country and their decision was to review the evolution of ITC's work on particular audit recommendations in 2022, rather than take a decision based on the evidence provided during the 2021 audit. Hence these recommendations stayed open. Secondly, while some recommendations were addressed by ITC, the auditors recommended additional actions. The reports of the Board of Auditors are public and the performance on individual recommendations can be tracked.

She explained that in Myanmar, as per the UN guidelines, direct support to the de-facto authorities was put on hold but ITC's support to the private sector and MSMEs continued despite challenging situations. ITC had been providing capacity building and coaching support to the private sector, linking producers to the buyers with concrete results at company level. In Afghanistan, ITC was in line with the decisions of the international community and halted activities after the Taliban took over last August. As of now, collaboration with de-facto authorities on development projects was not acceptable for most funders. However, ITC had been requested to develop a proposal on how it may work directly with MSMEs and an ITC team was evaluating the available options and means.

Regarding the adjustment of ambitions and goals in response to a volatile environment, it was said that this was a possibility and ITC had to remain flexible to respond to certain situations. Evolving situations may have major effects on project plans which may also lead to non-achievement of the set targets. Ms. Coke-Hamilton said while this uncertainty was inevitable, the key was to remain open and transparent to the funders and other stakeholders. Regarding the extent to which hybrid solutions could be leveraged in volatile situations, the ED said that hybrid solutions work in some contexts but might not work in all, or not as effectively.

On the W1/W2 ratio, the ED said that ITC does emphasize the use and value of W1 resources and that it aimed to make this option more attractive to all its funders. However, she also noted it was the donors' choices whether to support via W1 or W2, with limited control of ITC. She stressed that W1 supported global public goods, innovation, and ITC's responsiveness.

## **8. WTPO Conference and Awards and presentation of ITC Benchmarking for Trade platform**

Anne Chappaz, Chief, Institutions and Enterprises, summarized the World Trade Promotion Organizations Conference and Awards that took place in Ghana in May 2022. She mentioned that 62 countries attended the Conference that was endorsed by the President of Ghana and visited by the Minister and Deputy Minister of Trade and Industry. The theme 'bold solutions for resilience and recovery' was a strong message to encourage Trade Promotions Organizations (TPOs) to embrace risk taking and elevation to build organisational excellence and to deliver solutions for sustainable and inclusive trade.

Other activities took place during the Conference, like the ECOWAS TPO Network AGM, practical workshops and bilateral meetings organised by ITC. 2 MOUs were signed: with the AfCFTA Secretariat and with the Ghana Agribusiness and Tech Projects (under the NTF V project).

The WTPO awarded Jamaica and Qatar for the 'best use of partnerships'; Malaysia, Austria and Canada for the 'best use of information technology'; Zimbabwe and Sri Lanka for the 'best initiatives for inclusive and sustainable trade'.

Natalie Domeisen, ITC Senior Publications Officer, detailed the work of the Communications and Events section of ITC to promote the event, before, during and after the WTPO conference. She also announced that ITC was working on new e-publications of "WTPO Awards - what makes a winner 2022" and of "Commercial Diplomacy for Challenging Times"

Andrea Santoni, Programme officer within the Institutions and Enterprises section, presented the latest upgrade of the [ITC benchmarking for trade platform](#). The platform measures the performance of BSOs to deliver sustainable and inclusive growth and allows the SMEs to self-assess their competitiveness, using multi-dimensional criteria such as management and operations, digital readiness, organisational culture, sustainability and inclusiveness.

Through the platform, BSOs will be able to connect with SMEs and work together towards the improvement of their competitiveness. For policy makers, donors and partners, it will provide the largest source of primary data on BSO and SME performance data for policy and project design. The benchmarking platform also delivers CUBED (ITC's Due Diligence assessment) methodology, a customizable comprehensive risk analysis that helps to select the most appropriate partner so as to ensure project sustainability and impact.

## **9. Comments and closing**

In response to a follow-up question on how competitiveness was measured, the team explained that a complimentary approach was taken that took into consideration both macro-level country information and micro-level diagnostics of individual focal points. This approach is important as it allows for an analysis of how external elements shape the drivers of individual SME competitiveness.

## **10. Closing**

The ED thanked all participants of the meeting for their continued support and engagement. She expressed her hope that the fruitful collaboration would continue in the future