

Minutes of the 23rd Meeting of the Consultative Committee of the ITC Trust Fund

The Consultative Committee of the ITC Trust Fund (CCITF) took place online on 24 June 2021 between 10:30 a.m. and 12. Executive Director (ED), Ms. Pamela Coke-Hamilton, welcomed participants and sought endorsement of the [agenda](#).

1) CCITF Report 2020

The ED presented the [CCITF report](#), which reviews the utilization of the ITC Trust Fund and showcases financial and development performance in comparison with the Operational Plan targets. Ms. Coke-Hamilton stated that ITC delivered good quantitative and qualitative results, despite the COVID- related challenges during the year.

Part I: Financial performance on contributions and delivery

The ED stated that **developments in terms of XB funds received, new grant agreements signed and funder diversification were positive**. XB funds received slightly increased from \$120m in 2019 to \$121m in 2020. The total value of new XB funding agreements signed in 2020 for projects running up to 2024 was over \$125m.

ITC delivered \$129m (RB and XB) in 2020, the same as in 2019 and 96% of its planned \$135m budget. The three largest focus areas (FA) were FA 5 (Inclusive and Sustainable Trade), FA 4 (Connecting to International Value Chains), and FA 2 (Building a Conducive Business Environment), jointly accounting for over 70% of XB delivery. The ED explained that delivery in FA 1 (Providing Trade and Market Intelligence) and FA 3 (Strengthening Trade and Investment Support Institutions) were less than average, as some technical assistance components could not be delivered due to the pandemic.

The share of priority countries in region-specific delivery remained stable at 88% (8% above target). The share of LDCs in region-specific delivery was 49% (target: 50%). 50% of delivery focused on sub-Saharan Africa, followed by Asia-Pacific and Eastern Europe – Central Asia (26% and 12% respectively). Due to the pandemic, there was a shift from travel towards recruitment of experts to facilitate remote delivery.

Part II: Results against corporate scorecard and milestones

In terms of Tier 1 (contribution to SDGs), ITC estimates that over 60% of its 2020 delivery focused on Goals 5, 8 and 17 and 24% on Goals 1, 2, and 9. The ED informed that as of 2020, ITC also started to track its contribution to SDG 13 on Climate action.

In terms of Tier 2 (aggregation of project results to corporate indicators), delivery met or exceeded the set targets in absolute terms for all outcome indicators, except indicator B1 (cases of institutions having improved performance). The ED explained that the strong delivery was facilitated by ITC's flexible responses during the pandemic and stronger collaboration with partners. In terms of corporate outputs, ITC delivered on all its major obligations with the exceptions of having postponed WEDF and the WTPO conferences to 2021. The ED stressed that ITC's unearmarked, core funding (W1 and RB) continues to be of critical importance for ITC's development assistance and allows ITC to respond to the evolving challenges of its beneficiaries.

In terms of Tier 3 (internal operational indicators), the ED indicated that ITC would continue to improve in areas where it nearly met objectives, namely compliance on advance travel (39% versus 40% planned), closing audit recommendations (24% versus 53%

planned), ensuring diversity in senior positions (46% women versus 50% planned) and improving the pipeline of new projects (\$39m against \$150 million target).

In terms of risks, ITC maintained robust controls on internal preventable risks, to minimize any opportunity for a hazard such as fraud or harassment of any kind. In terms of external and strategic risks, the ED highlighted implementation delays due to the pandemic, cyber-security, and declining W2 funding.

ITC reached most of its 2020 milestones, with the exception of event-based cancellations due to COVID-19. Among the milestones still in progress, work remains ongoing on the benchmarking platform, expansion of Alliances for Action work in Cameroon, DR Congo and Pakistan, as well as continuing support to Uzbekistan, Iraq and Sudan in their WTO accession advancement, among others. Among achieved milestones, ITC mainstreamed investment, e-strategies and youth development in national-level strategies for Mozambique's Investment Roadmap; Mongolia's Trade and Investment Roadmap and e-strategies in Kyrgyzstan, Uzbekistan, Tajikistan and Curaçao; supported 123 digital startups through FastTrackTech in seven countries; and launched two new SheTrades hubs.

The Annual Evaluation Synthesis Report (AESR) for 2020 established that ITC's projects are overall well aligned with the organization's Results Framework. An opportunity for improvement could be more detailed theories of change (ToCs) for projects. **The AESR concluded that ITC is a good investment, as viewed through the lens of evaluation.**

2) Donor Statement

On behalf of ITC's funders, the delegate from the Netherlands thanked ITC for the comprehensive report on activities in a difficult year. **Donors acknowledged the efforts made to explain ITC's governance and oversight mechanisms** following the interaction on 12 May and note that several of their recommendations were incorporated (hyperlinks, added transparency in Annex I, added Annex IV on regular reports, linkages to WTO work).

Overall, donors are very satisfied with the implementation and achievements in this difficult year. Donors referred to the overview of innovations related to COVID-19 as particularly useful and welcomed that ITC was able to generate positive developments due to the pandemic, such as the boost to the SME Trade Academy. Donors welcome the continued focus on Women and Youth and ITC's new Green to Compete strategy.

Referring to results that ITC narrowly missed, donors asked whether ITC would take **remedial actions to ensure that it reaches the C4 indicator in % terms, on women-owned MSMEs having transacted international business as a result of ITC support.** Donors noted that **the share of LDCs in region specific delivery was 49% (target: 50%) and encouraged ITC to continue its focus on LDCs.**

In terms of financing and audit results, **donors welcomed that the W2/W1 ratio has remained stable after several years of increase** and inquired what actions ITC would take to ensure sufficient new projects are under development. Donors also asked whether ITC's relatively high end of year cash balance (\$114m) was temporary, as well as how ITC planned to implement its open audit recommendations.

Regarding the **Strategic Plan, donors welcomed the launch of the consultative survey and asked for an update on the timeline and process of engagement.** Donors stated their

interest in making ITC even more Market Systems Development (MSD) oriented and asked for more explanations on how ITC delivers not only in the short term with one-off results but in the long-term and with systemic changes for sustainability beyond the actual intervention.

In closing, the delegate from the Netherlands thanked ITC for the excellent collaboration and indicated that **Dorothee Schwill, the delegate from Germany, would take over the role as CCITF donor coordinator.**

The ED thanked ITC's funders for their continued support. She explained that the lower share of women-owned MSMEs having transacted international business was due to circumstances linked to the pandemic, incl. postponing SheTrades Global to 2021. She underlined the severe effect of the pandemic on women and the increased need to bring women into the workforce. On the decreased share of delivery to LDCs, she explained that ITC expanded its portfolio towards other groups of priority countries, incl. Pakistan, where ITC works in very poor regions. While **ITC continued to focus on LDCs and has started new projects in LDCs, such as South Sudan and Central African Republic, the expanded delivery in non-LDC skewed the relative share. In real terms, ITC's delivery to LDCs has not decreased.** She reaffirmed ITC's commitment to achieve progress towards SDG 17 and LDCs doubling their exports.

The ED provided two explanations for the limited pipeline of projects under development: First, ITC experienced a **faster than expected progression of agreements under development to signed agreements**, which is reflected in the high value of grant agreements signed in 2020 (over \$160m, thus \$30m higher than anticipated). Second, ITC had a **slower than expected movement of the pipeline that is at a less advanced stage and not counted as part of the 'firm' pipeline, as several funders postponed decisions due to COVID-19.** She reassured that ITC is focussing on resource mobilization including broadening the partner base.

On the balance of W1/W2 funding, the ED pointed out that **while ITC's preference remains for unearmarked W1 funding, the ratio of W1/W2 funding is not within ITC's control.**

With regards to the Strategic Plan 2022-2025, the ED referred to the recently launched survey through which funders can indicate whether they seek bilateral discussions. Regional consultation meetings are planned for the next months and **ITC hopes to send a document for consultations in August.** The ED also pointed out that the JAG was scheduled for 22 September – back-to-back with the T4SD Forum.

With regards to the MSD approach, ITC had held some discussions and would discuss it further in view of the next Strategic Plan. ITC has also initiated impact evaluations last year, and piloted them this year, to focus on long-term and systemic changes. These lessons will be taken into account in the upcoming Strategic Plan.

Gerry Lynch, Director, Division of Programme Support, provided additional information on finance and audits. With regards to the question on cash surplus and carry-over balance, the referenced figure stood for XB contributions received in advance for long term projects. Many of the agreements signed in 2020 were multi-year and had large first instalments, which resulted in an increase in cash and cash equivalents. On the open audit recommendations, ITC completed its recent audits in April 2021 and received the auditors' report. ITC has now completed 7 of the 23 outstanding recommendations (31%). 12 are under implementation

(52%) and 4 (17%) were overtaken by events. Therefore, 48% (31%+17%) of prior year recommendations were cleared.

2) ITC Reporting and IATI data visualization

Iris Hauswirth, Chief, Strategic Planning, Performance and Governance gave an overview of ITC's corporate reporting. ITC has started to list its different regular reports in Annex IV of the CCITF report. In terms of ITC's oversight bodies, she explained the work of the OIOS – the UN's internal oversight body which regularly reviews ITC, and the JIU – the UN's external oversight body, which produces more systemic thematic reports across multiple agencies, as well as the different project related reports and review meetings for W1 funders. These bodies complement the work of the external UN Board of Auditors.

Raphaëlle Lancey, Project Quality Assurance Officer, provided a [presentation](#) on ITC's open data website which is under development. The new tool visualizes the data ITC submits bi-annually to the International Aid Transparency Initiative (IATI), a voluntary multi-stakeholder initiative to improve aid transparency. ITC has been IATI-compliant since 2018, publishing 90% of its XB-portfolio by project value (around 100 projects) twice a year and has achieved a transparency score ranking of 108th out of 1260 publishers. A demonstration of the beta version highlighted the possibilities to filter information (by year, region, countries, funder, SDG). Next steps will include the publication of 2020 data in the first half of August and launching the open.intracen.org website in September.

The delegates of Germany, Korea, Sweden and Switzerland applauded this new development and commended the platform for clearly signalling how funders contribute to individual SDGs.. Delegates recommended to group countries together by classification such as LDCs, and to include project evaluations. Raphaëlle Lancey indicated that the recommendations can be taken on board in the next phase. Ivan, Sequeira, Chief, Information Technology & System, added that the application works on mobile devices.

3) Trade Briefs

Mondher Mimouni, Chief, Trade and Market Intelligence (TMI), and Julia Spies, TMI Senior Market Analyst, introduced ITC's new '[Trade Briefs](#)' ([link to presentation](#)). The brief will be provided on a monthly basis and analyze trade data to identify variations in goods exports across countries, regions, and sectors. The briefs also report on changes in market access conditions linked to temporary trade measures and to notifications of Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) measures. They feature a spotlight and special topic section showcasing innovative ITC data analysis and research.

Delegates from Sweden, Germany and Korea thanked ITC for the presentation and asked how the publication differentiates itself from other available publications and who the target audience is. Mondher Mimouni explained that ITC received several hundred inquiries from journalists per year, as well as from other international organizations, and saw the need to provide ready-made information to avoid misinterpretation of the data. He indicated that ITC was discussing how to harness synergies of existing reports with OECD and other organizations. Julia Spies indicated that the report had two unique features, namely that the data was updated monthly and that the web application allowed users to arrange the data flexibly, e.g. by region or industry. ITC would track user engagement through Google Analytics.

4) Additional Interventions

The delegate from Chad delivered a statement of support to ITC. He indicated that ITC delivered important results, especially for LDCs and added value across the important areas of norms, access and competitiveness. He underlined the strong need for real-time data to deliver projects and indicated Chad's readiness to supply data to ITC. He stressed the need for a global approach to respond to the pandemic and revive FDI inflows to developing countries after the substantial decrease in 2020. He also emphasized the importance of evaluations, as they brought credibility and enhanced the trust between donors and ITC.

The delegate stressed that technical assistance to drive SME competitiveness and institutional strengthening were critical elements for LDCs. SMEs needed to play a more important role relative to big corporations. As COVID-19 had brought the difficulties that SMEs face to the foreground, he requested ITC to do more to enhance SMEs competitiveness in LDCs, stressing their importance in helping the economy and reducing migration. ITC was doing excellent work and he encouraged donors to continue to support ITC.

The ED thanked the delegate for the kind words and stressed that ITC remained committed to supporting SMEs, particularly in LDCs. She underlined ITC's focus on SME competitiveness, but also on strengthening institutions in partner countries so that they can build capacity themselves.

The delegate from Pakistan, Haja Ranaivo, thanked ITC in a written statement. Pakistan congratulated ITC on the 2020 achievements despite the many challenges. The delegate reminded that the pandemic represented a major setback to the economic development of countries with limited resources. He stated that ITC's operations truly make a difference and thanked the countries and institutions who supported the work of ITC in 2020. Pakistan encouraged funders to continue their support, as the ITC contributions remains critical during the post-pandemic recovery.

5) Any other business and Closing

The ED thanked Julie Emond, the outgoing delegate from Canada, for her support throughout the last years and closed the meeting in stating that ITC will continue to be as relevant as possible and generate real impact.