

Minutes: 29th CCITF Meeting on 28th May 2024

The 29th meeting of the Consultative Committee of the ITC Trust Fund took place in a hybrid mode on 28th May 2024 in Geneva. ITC's Deputy Executive Director (DED), Ms. Dorothy Tembo started the session by welcoming participants to the meeting and outlining the agenda.

The 2023 CCITF Report showcases ITC's financial and development results performance, in comparison with the 2023 Operational Plan targets.

1. CCITF Report (January – December 2023)

Funding Position

The DED stated that in 2023, ITC received \$117.7 million of extra-budgetary funds (XB), an 18% increase from 2022, driven by Window 2 contributions. The value of new agreements signed for voluntary contributions increased from \$59 million to \$159 million in 2023, providing ITC with a solid funding basis for the coming years. ITC's Regular Budget (RB), funded in equal parts by the UN and the WTO, has remained stable and is expected to remain the same. The DED thanked the funders for their valuable contributions to ITC through RB and XB budgets.

Financial Delivery

The DED indicated that in 2023, ITC financial delivery stood at \$152.7 million, the same level as 2022. The RB budget delivery stood at 99%, and XB delivery stood at 107% of the Operational Plan targets, which can be seen on Tables 2 and 6 in the report.

The two largest impact areas were 'Sustainable and resilient value chains' and 'Inclusive trade' — together accounting for almost 56% of XB delivery. The largest core service area was 'Improved MSME firm-level capacities to trade', which accounted for over 44% of XB delivery.

Delivery in ITC's priority countries remained stable at 75%, with 38% in least developed countries (LDCs) and 29% in landlocked developing countries (LLDCs). In terms of regional-specific delivery, 42% was focused on Sub-Saharan Africa, 30% on Asia-Pacific, and 12% on the Middle East and North Africa. The remaining 16% of XB region specific delivery focused on Eastern Europe and Central Asia and Latin America and the Caribbean.

Performance against targets set in the 3-tier corporate scorecard

The DED presented the end-year development results against the targets set in the three-tier corporate scorecard and progress on the 2023 technical assistance milestones.

On Tier 1 indicators on ITC's contribution to the SDGs, approximately 80% of ITC's project delivery contributed to SDG 8 on economic growth and decent work, SDG 17 on partnerships for the goals, SDG 5 on gender equality and SDG 1 on no poverty. The DED highlighted how ITC's work contributes to the "5 interlinked Ps" of the 2030 Agenda – people, prosperity and planet, supported by peace and partnerships.

The DED discussed the corporate scorecard's Tier for development results, with a focus on outcome and output indicators. These include 500,000+ beneficiaries reporting increased trade awareness, 100+ cases of trade-related policies favouring MSME competitiveness being

introduced or changed with input from the business sector, 500 registered cases of performance improvement, and over 36,000 MSMEs demonstrating improved international competitiveness.

The DED highlighted Window 1 (W1) contribution to ITC's corporate results by emphasizing its successes across ITC's impact areas such as sustainable and resilient value chains, inclusive trade, green trade, digital trade and regional integration. Notable achievements were many and include piloting a tool to assist developing countries and MSMEs prepare for the EU Corporate Sustainability Due Diligence Directive in projects in East and West Africa, establishing a new governance structure for the SheTrades hubs, now comprising a network of 16 in-country and two regional Hubs, and launching the green moonshot, which has raised awareness and contributed to discussions on trade-related environmental measures, reaching over 1,380 stakeholders.

The DED identified major technical assistance milestones (Chapter 3.5) that contribute to ITC's development outcomes in Tier 2. These include the launch of the SME Diagnostic and benchmarking platform in several ITC projects, the establishment of the NOVICA Artisan Empowerment Hub in Uzbekistan to serve the Central Asia region, and the implementation of a gender toolkit for agriculture value chains in Pakistan, Côte d'Ivoire, Liberia, and Sierra Leone.

Key operational performance indicators, and ITC's progress on the efficiency and effectiveness milestones.

The DED stated that ITC received an unqualified audit opinion from the Board of Auditors and closed 53% of the 2022 and earlier audit recommendations, compared to 47% planned. Other key achievements include over 90% of XB delivery published to IATI and ITC reaching the diversity target of 50% women in senior positions.

The DED emphasized that ITC's Tier 3 key performance indicators (KPIs) are complemented by milestones related to efficiency and effectiveness. Notable achievements include expanding ITC's collaboration with the UN system by signing Cooperation Frameworks (CFs) in seven countries, revising the international project management guidelines, launching an updated version of the Open Data website and releasing its first client data management policy.

In 2023, 18 evaluations and reviews were conducted, in addition to 35 finalized project completion reports (PCRs). The findings and broader recommendations extracted from these assessments will be compiled and presented in the Annual Evaluation Synthesis Report (AESR). In Annex III of the report, ITC's top corporate risks and mitigating actions taken by year-end are mentioned. The risk profile indicates a reduction in the severity of four main risks – operational upgrade delays, increasing operational costs (including energy costs), public perception and reputation – due to the implementation of mitigation measures over the past year. The ITC's Moving Forward Action Plan is one such measure that has been instrumental in mitigating these risks.

The DED concluded by thanking the funders for their support— crucial to ITC achieving the good results in 2023 and opened the floor for questions and for comments.

Delegates' Questions and Comments

United States of America (Donor Coordinator): On behalf of ITC's funders, the donor coordinator congratulated ITC's senior management and staff for the 2023 report and commended the organization for its on-going efforts and significant results.

The donors noted that in 2023, ITC delivered 75% of its assistance in its priority countries and intends to deliver \$148 million in trade-related technical assistance in 2024. However, they voiced concern about the lower target of 40% for LDC delivery compared to the 45% planned in ITC's Strategic Plan 2022-2025. The donors requested ITC to take steps to ensure its LDC delivery meets set targets.

The donors noted that XB were utilized at a rate of 107% of the planned budget, especially in digital trade. They were pleased ITC's results in increasing firm-level capacity for MSMEs, particularly women-led MSMEs.

The donors appreciated the highlights on Window 1 contributions towards strategic priorities such as sustainable and resilient value chains, inclusive trade, green trade, digital trade and regional integration. They showed an interest to closely monitor progress towards ITC's moonshots in the areas of green, digital, gender and youth.

The donors welcomed the inclusion of an indicator on 'numbers of jobs created and maintained'. They requested information on the percentage of these jobs that are full-time and asked for gender-disaggregated data. The donors applauded ITC's efforts in digitalizing and simplifying access to its digital tools.

Referring to the progress made on the ITC Moving Forward Action Plan (MFAP), they requested benchmarked information about progress on the reduction of short-term contracts for staff over the last year, and further information on the next annual staff satisfaction survey.

Responding to the intervention from the Donor Coordinator, the DED thanked everyone for their participation, appreciation, comments, and questions.

Regarding the question on the corporate indicator on jobs, the DED stated that it is expected that the number of projects reporting on this indicator will increase over time. The DED underscored that all ITC projects have the potential to contribute to job creation and maintenance, particularly those where ITC works directly with MSMEs. The jobs created or maintained are reported according to the project logical frameworks. Currently, the majority of the jobs are reported through specific programmes. There is no standard definition of jobs created or maintained. Projects report jobs for ITC's corporate monitoring regardless of the durations. Some projects report gender-disaggregated data and full-time equivalents, but it is not mandatory. The DED pointed out that ITC works from multiple angles to reduce poverty and inequalities, improve access to the job market, increase the length of job tenure, and improve job quality, safety and security.

Regarding the lower percentage of LDC assistance compared to the 45% planned in ITC's Strategic Plan 2022-2025, the DED explained that ITC is making efforts to mobilize more resources for LDCs. However, the percentage of LDC delivery is a result of the ability to mobilize and implement funds for LDCs as well as work in countries that are not classified as LDCs, but equally require ITC's support.

Regarding the progress with the reduction of short-term contracts for staff, the DED highlighted that by the end of 2023, the use of short-term, temporary contracts had dropped by 3% compared to 2022. The estimate for the end of 2024 is a drop of 35.3% compared to 2023.

Regarding when and how the next annual staff satisfaction survey will be conducted, the DED indicated that the first staff satisfaction survey was conducted in December 2023. However, it has been recommended to schedule the next survey during a slower period in 2024.

Sweden welcomed ITC's progress on green trade, environmental markers, climate actions, and biodiversity. Sweden appreciated the inclusion of environmental markers in each project and commended ITC's new Sustainability Compact and efforts to align with emerging EU Due Diligence (DD) regulations. Sweden applauded ITC's work on sustainable and resilient value chains as well as support for MSMEs in meeting new DD requirements. Regarding digitalization, Sweden requested information on ITC's new platform on deforestation regulations, including EU regulations. Sweden also emphasized the positive efforts made to improve ITC's work environment and look forward to receiving further information on the upcoming staff survey. The DED appreciated the positive feedback and suggested that ITC's deforestation platform could be a presentation topic at a future CCITF meeting.

Finland highlighted its Due Diligence review of the ITC MFAP. Finland stated that the KPMG Finland team visited ITC in late April 2024 and was pleased with the reception and collaboration with ITC staff. The Finnish Government has set prerequisites for the next funding allocations and is pleased with the progress of the report that is in its final stages of preparation. Once finished, it would be shared with ITC. The DED emphasized the importance of the Finnish Due Diligence review and looks forward to receiving the report and resuming collaboration.

China expressed satisfaction with ITC's delivery of development assistance and trade assistance programmes, noting contributions to SDGs and improvements in sustainable and inclusive trade. China emphasized the importance of ensuring delivery linked to digital and green trade that these are critical for innovation. The DED acknowledged the need for improvement and highlighted specific efforts to improve capacity for green and digital trade through ITC's projects.

Nepal welcomed ITC's results and donor coordinator's statement, emphasizing the priority of supporting LDCs and expanding programs to facilitate trade and investment capacities. They requested continued ITC support in LDC transition and graduation strategies, acknowledging EU projects and pipeline initiatives. The DED recognized Nepal as a longstanding partner, welcomed preparations for graduation, and assured continued support post-graduation.

The United Kingdom expressed interest in ITC's strategic objectives in relation to LDCs and donor funding, but questioned the balance between ITC's control and donor expectations. They inquired how much of the 45% LDC delivery target was within ITC's control. Regarding ITC's resource allocation, the DED clarified priorities and constraints within Window 1, emphasized soft allocation for LDCs within global and regional initiatives, and identified challenges in the Window 2 space where ITC would like to focus more on LDCs, but has received feedback that there are other areas of interests of those providing funding. The DED also highlighted specific situations in countries like Iraq and Colombia to justify resource allocation decision. The DED concluded by committing to address these challenges and continuing collaboration to increase resources for LDCs.

2. Update on the implementation of the "ITC Moving Forward" Initiative

The DED provided an update on ITC's Moving Forward Action Plan (MFAP) which includes the Six-point plan to tackle prohibited conduct at ITC and the Twenty Point Plan for improved Operational Efficiency at ITC. The DED stated that the ITC MFAP remains a collaborative endeavour including all persons across ITC. The DED delivered updates on the first six action

points focused on prohibited conduct and highlighted notable advances made on the twenty action points aimed at improving the broader workplace culture.

The Netherlands appreciated the DED's comments and requested data on the reduction of the short-term contracts.

The DED responded by elaborating on the previously mentioned data indicating a decline in short-term contracts. The DED highlighted that an initial analysis has been conducted to explore the feasibility of transitioning from short-term consultants to longer-term contractual obligations. The Human Resources department has been tasked to analyze the implications of this transition, and their findings will be presented to senior management. The decision to proceed with this transition will depend on available resources and the technical expertise required for long-term projects or programmes. The DED has assured that the Netherlands will be kept updated on the progress of this initiative.

3. Global Trade Helpdesk and the Jaipur Call to Action

Mathieu Loridan, Senior Market Analyst, Trade and Market Intelligence (TMI), and Anna Jankowska-Ericksson, Programme Officer (Trade Information), presented the Global Trade Helpdesk Initiative (GTH) and the Jaipur Call of Action. The GTH, launched at the WTO's 11th Ministerial Conference in Buenos Aires, Argentina, is a multi-agency initiative led by ITC, UNCTAD and WTO that integrates existing data and services from 11 partner agencies into a single online portal for small businesses. The GTH was designed to help small businesses access relevant trade information, simplify market research and explore market access conditions that would allow small businesses to trade. In a significant development, the GTH was recognized at the Jaipur Call for Action for Enhancing MSME's Access to Information as a key platform for providing accessible trade data for MSMEs. The Jaipur Call for Action was a consensus reached during the G20 Trade and Investment Ministers' meeting that aimed to enhance access to information for MSMEs. As a result, ITC was subsequently tasked with upgrading the system. In terms of next steps, ITC intends to integrate AI-powered content translation and video tutorials to ensure users can access the platform in their own language, generate robotic process automation (RPA) market summary reports and implement a navigational generative chatbot to provide users with trade-related information.

Given that there were no further comments or questions, the DED thanked all participants of the meeting for their continued support and engagement and closed the 29th session of the CCITF.