## REPORT OF THE 56<sup>TH</sup> SESSION OF THE ITC JOINT ADVISORY GROUP MEETING

Geneva, 13 September 2022



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September 2022 Original: English

Fifty-sixth session

ITC/AG(LVI)/288

Geneva, 13 September 2022

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Joint Advisory Group on the International Trade Centre

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## Report of the 56th session of the ITC Joint Advisory Group

Geneva, 13 September 2022

### **Opening Session**

### Opening remarks by the Chair of the 55th session

- 1. H.E. Mr. Paul Bekkers, Ambassador, Permanent Representative to the WTO, Permanent Mission of the Kingdom of the Netherlands to the United Nations Office and other International Organizations in Geneva opened the 56<sup>th</sup> session.
- 2. Ambassador Bekkers referenced the Annual Report and congratulated ITC on continuing to deliver despite the challenging global context. He highlighted how ITC's support has been instrumental in putting small businesses on the path towards recovery and sensitizing policymakers about the need for better policy instruments.
- 3. Ambassador Bekkers noted that small businesses continue to be affected by COVID-19 pandemic and the war in Ukraine. In such a context, he called for continued focus on least developed countries (LDCs), Landlocked developing countries (LLDCs) and Small Island developing States (SIDS)— areas where ITC continues to remain active.
- 4. Ambassador Bekkers highlighted that the Netherlands was pleased to partner with ITC through the Netherlands Trust Fund V (NTF V) programme— leveraging digital technology to improve trade competitiveness in the agribusiness and tech sectors. He also encouraged all delegates to continue and expand their collaboration with ITC.

### Opening remarks by the Chair of the 56th session

- 5. H.E. Ms. Usha Chandnee Dwarka-Canabady, Ambassador, Permanent Representative to the WTO, Permanent Mission of the Republic of Mauritius to the United Nations Office at Geneva, took up her position as Chair of the 56<sup>th</sup> session of the JAG.
- 6. In her opening remarks, Ambassador Dwarka-Canabady reminded everyone that the pandemic exacerbated inequalities, which were further compounded by climate change, conflict and inflation. Through all these challenges trade has stood as one of the few promising developments.
- 7. Ambassador Dwarka-Canabady took the example of her own country Mauritius and highlighted ITC's impactful work on trade and market intelligence platforms through the Trade Easy Portal and the Trade Obstacle Alert Mechanism. Tools such as these have made it easier for small businesses to understand export requirements, grow their incomes and report trade obstacles such as non-tariff barriers. She added that

- ITC's programmes help spread trade obstacle alert mechanisms throughout Africa in support of the African Free Continental Free Trade Area.
- 8. Ambassador Dwarka-Canabady underlined the negative impact of the pandemic on women and commended ITC for reaching its ambitious objective of connecting three million women to markets through the SheTrades initiative. She added that the Mauritius Economic Board has been working closely with ITC to launch a SheTrades hub in Mauritius in 2023.
- 9. She appreciated ITC for empowering small businesses to tackle climate change with an increasing focus on green competitiveness in its Strategic Plan 2022-2025. She noted that this was in line with the larger concern about the environment becoming a trade barrier.
- 10. Ambassador Dwarka-Canabady encouraged ITC's partners to continue their support and invited other partners to join the cause. She called for tangible support to enable developing countries to reap the benefits of trade with the work of ITC continuing to drive a more inclusive and sustainable global economy.
- 11. Ambassador Dwarka-Canabady closed by saying that the Annual report demonstrated that an investment in ITC is a value-for-money contribution to achieving the SDGs.

### Statement by Secretary-General of UNCTAD

- 12. Rebeca Grynspan, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) highlighted excellent results of ITC from the Annual Report 2021 and emphasized the need for stronger multilateralism to deal with challenging times.
- 13. Ms. Grynspan noted the continued collaboration between ITC and UNCTAD through initiatives like the Global Trade Helpdesk and World Tariff Profiles that give MSMEs and policymakers access to crucial trade and business information.
- 14. Ms. Grynspan mentioned that in 2021 and 2022, UNCTAD and ITC have established, launched, or enhanced 24 trade facilitation portals in Africa, the Middle East, Central Asia, South Asia and South-East Asia, which have improved ease of trade.
- 15. On the topic of sustainability, Ms. Grynspan highlighted the critical work ITC and UNCTAD are undertaking to foster sustainable trade and support aligning national and global trade, development and environment agendas. This is evidenced through initiatives such as the BioTrade self-assessment tool, the work on voluntary sustainability standards and joint proposals for national green export reviews. ITC and UNCTAD co-organized events in conferences such as the COP26, the UN Biodiversity Conference, the UN High-Level Political Forum and the UN Forum on Sustainability Standards.

- 16. In the context of the current crisis, ITC and UNCTAD worked together to monitor trade flows with a focus on trade restrictions in food. This joint advocacy had been crucial to stop the number of trade restrictions from growing.
- 17. Ms. Grynspan concluded by highlighting the need for stronger cooperation and multilateralism in the face of current challenges. She extended her appreciation and full support for the work undertaken by ITC.

### **Statement by WTO Deputy Director-General**

- 18. Xiangchen Zhang, Deputy Director-General of the World Trade Organization (WTO) delivered the statement on behalf of Director General, Dr. Ngozi Okonjo-Iweala.
- 19. Mr. Zhang congratulated ITC for the good work as reflected in the Annual Report. He reflected that trade revolves around people who sometimes need support in accessing international markets and thatITC provideds this crucial on-the-ground assistance.
- 20. He highlighted the number of interlocking challenges that confront the world including rising geopolitical tensions, COVID-19, war in Ukraine, rising poverty, and climate change. Today, it is important to examine how ITC navigates this world as trade is part of the solution: putting poverty back on a downward trajectory, mitigating and adapting to climate change, making supply chains and food systems more resilient and preparing for future pandemics.
- 21. Mr. Zhang noted that during WTO's 12<sup>th</sup> Ministerial Conference (MC12), members took important steps forward on ocean health, COVID-19 and the food crisis. However, this success needs to be bolstered by action to ensure that the WTO is "fit for purpose". Actions include facilitating the entry of MSMEs into regional and global value chains and coming to terms with the future of trade which focuses on digital, services, and green.
- 22. Mr. Zhang emphasized that the future of trade must be inclusive and ITC's focus on women and MSMEs is timely. He added that ITC multiplied its impact across all developing country regions by partnering with local organizations, whether it is increasing cotton yields in Zambia, improving access to finance in rural Pakistan, helping Ukraine export berries to the EU, enabling Colombian farms to obtain export certification or supporting women entrepreneurs in the Middle East.
- 23. Mr. Zhang underlined that having witnessed ITC projects on the ground, the work of ITC needs to be scaled up and urged donors to step up their support to further this. He also wants ITC to do more by consciously working with additional partners that can bring the requisite financing to the table.
- 24. Mr. Zhang emphasized that the heads of ITC, UNCTAD and WTO need to work together and ensure better coordination.

25. Mr. Zhang ended by calling for more cooperation to leverage strengths and deliver more trade impact for good.

### Statement by Executive Director of ITC

- 26. Ms. Pamela Coke-Hamilton, ITC Executive Director, gave her gratitude to the Netherlands and Ambassador Bekkers for his leadership of the 55<sup>th</sup> session of the JAG and thanked Ambassador Dwarka-Canabady for accepting to chair the 56<sup>th</sup> JAG. She equally thanked the WTO Deputy Director-General Mr. Zhang and UNCTAD Secretary-General Ms. Grynspan for their cooperation and the joint Geneva trade hub initiatives.
- 27. Ms. Coke-Hamilton mentioned that there was a crisis of four C's: COVID-19, climate, conflict and cost-of-living. She illustrated the scale of the challenge by mentioning the stalled progress on SDGs, the rising food prices and the images from Pakistan underscoring the devastation from climate change. Amidst all the problems, she saw two silver linings: the record high of nearly \$50 billion in aid for trade disbursements and the nature of the crises which makes the work of ITC even more important.
- 28. In light of these challenges, Ms. Coke-Hamilton voiced that multilateral agencies need to create a more sustainable, connected and inclusive future. She emphasized that in a time when organizations are judged by their delivery, she was proud to present ITC's Annual Report 2021.
- 29. Ms. Coke-Hamilton noted that in the last year, ITC helped partners chart a roadmap to recovery, when MSMEs were struggling to keep their businesses afloat. ITC stayed agile, recognizing market opportunities, financing needs and competitiveness of beneficiaries.
- 30. Another key milestone for ITC last year was the launch of its new Strategic Plan for 2022 to 2025. Looking ahead, Ms. Coke-Hamilton mentioned that ITC would keep delivering trade that is sustainable, inclusive and transformative, and thanked stakeholders for their inputs during the process of drafting and validating the Strategic Plan.
- 31. Ms. Coke-Hamilton spoke to ITC's ability to surpass targets in 2021 by bringing out examples. ITC had nearly 10 million visits to Trade Map, provided more than five thousand days of trainings to project beneficiaries and helped more than 25,000 MSMEs improve their competitiveness. She added that ITC achieved its ambitious goal of connecting three million women to market. ITC also exceeded its 80% target for delivery to priority countries namely, least developed countries, landlocked developing countries, small island developing States, conflict-affected countries and sub-Saharan Africa.
- 32. Ms. Coke-Hamilton referenced ITC's flagship report, the SME Competitiveness Outlook, which focused on empowering the green recovery. In line with this, ITC will

- also take part in COP27– bringing the voice of trade, the private sector and MSMEs into the climate debate.
- 33. She provided examples of ITC's work on formalizing small-scale cross-border trade in West Africa, the FastTrackTech programme, and ITC's work in sustainability standards in the clothing industry.
- 34. Ms. Coke-Hamilton showed her appreciation for donors. She added that they are also proud that some developing countries are also reaching out to ITC to obtain services which they fund themselves and thanked WTO and UNCTAD membership for their support for ITC's regular budget.
- 35. She underscored that ITC's finances were in a good position. In 2021, ITC delivered around 150 million dollars across regular and extra-budgetary funding, through nearly 130 projects a record. ITC signed nearly 95 million dollars in new funding agreements. Last year, ITC received 14 million dollars in unearmarked and soft-earmarked contributions to Window 1, funds that allow ITC to innovate and push its business model.
- 36. Ms. Coke-Hamilton thanked WTO and UN members for their trust in ITC's management and strategic priorities, crucial to achieving strong results. She also appreciated the hard work, dedication and creativity of ITC staff.
- 37. Ms. Coke-Hamilton mentioned that she would like to address structural problems through moonshots: four "big pushes" on gender, green, youth and digital connectivity. Looking ahead, on gender, ITC would prioritize scaling up platforms including SheTrades and bring policy and advocacy toolboxes to sectors such as public procurement. On green, ITC will improve the climate competitiveness of SMEs through tools on climate change risk, market barriers and opportunities. On youth, there will be a focus on sectors that can unlock the potential of young people in trade, namely tech, agri-business and sports. On digital connectivity, ITC's new "SWITCH ON" initiative will push global advocacy on digital issues.
- 38. Ms. Coke-Hamilton reassured everyone that ITC will move forward on resource mobilization, especially during this critical period when funders are programming for the medium-term and difficult budgetary choices are being made. ITC would ensure that business processes remain fit for the complex global environment.
- 39. Ms. Coke-Hamilton concluded by highlighting the story of a beneficiary, a date exporter in Pakistan, from the GRASP programme. During the devasting floods in Pakistan the beneficiary applied for an expedited grant from the programme which allowed him to salvage a large share of his business. Ms. Coke-Hamilton ended on a reflective note by saying that such stories illustrate why ITC undertakes its critical work.

### Statements by delegations

- 40. Delegates applauded ITC for the strong results achieved in 2021 and found the Annual Report 2021 and the Annual Evaluation Synthesis Report to be informative and concise. Delegates expressed their trust that ITC would continue to contribute to inclusive and sustainable development with a focus on LDCs.
- 41. Areas of ITC's work most referenced by delegates included promoting and mainstreaming green trade with emphasis on livelihoods of women and youth, trade facilitation, WTO accession, digital trade and ecommerce, market intelligence as well as regional economic integration with particular emphasis on the AfCFTA.
- 42. Other areas of assistance highlighted by delegations included export strategies, NTF V, Global Trade Helpdesk, UKTP youth empowerment, textiles through the GTEX/MENATEX programme, institutional capacity of business support organizations, and South-South trade and investment.
- 43. Delegates appreciated ITC's focus on inclusive recovery in the face of COVID-19, debt burden, cash-strapped economies, rising prices but also showed caution about geopolitical trends like the war in Ukraine. Delegates saw a need to increase action in sectors affected by COVID-19 and climate change. Delegates equally identified a need to increase support to countries that have limited resources internally, particularly in fostering climate resilience and identifying bottlenecks to the implementation of free trade agreements.
- 44. Delegates commended ITC for devoting increased financial resources to promoting and mainstreaming green trade in line with the broader global trend. Delegates believe ITC should continue supporting SMEs to adapt to new needs and rules that countries are establishing to deal with climate risks. Funders requested joint solutions for sustainability: supporting green and sustainable growth to ensure that they are resilient to climate-change and can adapt.
- 45. ITC was applauded for supporting vulnerable communities like women and youth. In this context, delegates mentioned the need to continue support to initiatives like SheTrades —which they believe should keep expanding alongside the wider gender portfolio of ITC. Suggestions include, widening the scope of SheTrades to include sectors like textiles and pursuing funding to increase the impact of SheTrades Hubs. They especially emphasized leveraging digital trade to empower vulnerable communities by fostering skills and knowledge and integrating the same into national development strategies.
- 46. ITC was praised by delegations for modifying its operations and continuing its work despite global challenges. Donors commended ITC for diversifying its funding base, being transparent on governance and committing 46% of ITC's financial delivery towards SDG8 and SDG1. They also encouraged ITC to focus on delivering results and ensuring value for money. Funders encouraged more unearmarked funding to Window 1 to allow ITC flexibility in its programming.

- 47. Delegates appreciated the Strategic Plan as a vehicle to push business models to create even more competitive MSMEs, stronger business ecosystems, better regulations, and more global public goods—well reflected through ITC's support of 11 SDGs. Several delegates identified ITC as a critical agency to provide capacity building for the collective achievement of SDGs; they hope ITC continues to align its work with SDGs.
- 48. Delegates appreciated the Annual Report which shows the centrality of capacity building and the power of trade to facilitate job creation. The case studies in the Annual Report about investment facilitation negotiations and tools such as Trade Map and Export Potential Map, were especially commended.
- 49. Delegates encouraged ITC's work particularly in Africa. Delegates from programming countries called for more support towards African economic integration through initiatives such as One Trade Africa and ITC's work in trade that contributed to regional and continental economic integration, in the context of the AfCFTA. ITC was urged to continue working towards national barriers to trade and regional economic integration.
- 50. Several delegates called for stronger cooperation with multilateral institutions, including WTO and UNCTAD, with special emphasis given to the optimization of information sharing and providing a clear vision of the services ITC provides.
- 51. Programming countries called for more partnerships to improve SMEs trade capacities and encouraged ITC to boost economic and social inclusion. Suggestions included, strengthening tools to ensure effective risk assessment and increasing the development of training programmes.
- 52. Several delegates from developing countries used the opportunity to appreciate donor countries for their generous contributions. Funders reaffirmed their countries' commitments to continue their collaboration with ITC.

### Presentation of the 2022 Annual Evaluation Synthesis Report

- 53. Mr. Miguel Jiménez Pont, Head of the Independent Evaluation Unit (IEU), presented the ITC 2022 Annual Evaluation Synthesis Report (AESR). The report conveyed the critical insights generated through evaluations to ensure better learning. He mentioned that the report also contained lessons learned from the implementation of the Strategic Plan 2018-2021.
- 54. In terms of main findings, Mr. Jiménez Pont pointed out that the evaluations showed high relevance of ITC's projects evidenced through its good alignment with beneficiary needs. Effectiveness was rated very successful in six out of 16 cases. In others, external factors, such as political instability, COVID-19 were main impediments. Mr. Jiménez Pont highlighted that projects generally met standards set by ITC and funders.
- 55. In terms of sustainability, Mr. Jiménez-Pont noted that varying degrees of sustainability were found; in several instances, projects encountered challenges in integrating

- project results into partner structures. In those cases where sustainability was high, enabling factors included among others, a high level of autonomy of beneficiaries.
- 56. Mr. Jiménez-Pont summarized key conclusions made by the report. The results show that ITC projects do not yet reflect the strong focus that the Strategic Plan puts on environment and sustainability. The AESR found various forms of comparative advantage, namely: providing data solutions, assisting Business Support Organizations, developing national export strategies, and working with the private sector in general. Organizational strengths were found in expertise and agility.
- 57. Mr. Jiménez-Pont brought forth some recommendations made by the report. They included bringing the green transition to the forefront, increasing project responsiveness to beneficiaries' needs through an expanded in-house needs assessment toolbox, improving collaboration between co-implementing agencies at the project level, strengthening results-based management (RBM) tools and analysing, assessing, and disseminating the experience gained by projects on Value for Money.
- 58. Mr. Jiménez Pont concluded that overall, this year's AESR results were good. Although projects evaluated were designed and executed well before 2022, ITC's portfolio is already well aligned with most parts of the Strategic Plan 2022-25, in particular with its vision, mission and principles.

### **Closing Session**

### Chair's summary

- 59. In closing, Ambassador Dwarka-Canabady thanked delegates for their contribution to ITC's work. She expressed her appreciation to ITC's Executive Director for bringing forth ITC's mission in the face of current challenges and thanked UNCTAD's Secretary General and WTO's Deputy Director General for their perspectives. She also commended the high dedication and professionalism of the ITC staff, critical to achieving strong results.
- 60. Ambassador Dwarka-Canabady noted that several speakers highlighted the fallout from the pandemic, inflation, climate change and security challenges. In this context, they voiced support for ITC in steering economies back to recovery. Delegates praised ITC's new Strategic Plan, Annual Report and showed special appreciation for ITC's work in areas such as inclusivity, sustainability and digital trade.
- 61. Ambassador Dwarka-Canabady summarized key insights from the meeting. There was call for ITC to keep focusing on the most vulnerable and scale up without overstretching. She noted that although ITC cannot help everyone, they remain sensitive to individual situations. Delegates also called on donor governments to continue their investments to ITC.
- 62. Ambassador Dwarka-Canabady equally noted that the JAG meeting took stock of ITC's performance and brought out countless examples of ITC's impact, from helping

- entrepreneurs on the ground to become competitive, connecting vulnerable populations to global trade and supporting MSMEs realize its full potential.
- 63. She was encouraged to see ITC's programming on track to meet the ongoing and rapidly changing needs of MSMEs in developing countries. She believed that through close cooperation with partners, including WTO and UNCTAD, trade would continue to have a transformative impact on employment, economic resilience and poverty reduction.
- 64. Ambassador Dwarka-Canabady concluded by thanking delegates for their time and engagement in sharing the role that ITC can play to build trade capacities in countries.

### **Executive Director's Closing Remarks**

- 65. In her closing remarks, Ms. Coke-Hamilton thanked the chair for her stewardship of the 56<sup>th</sup> session of the JAG, particularly moved by her personal interest, anecdotes and engagement. She encouraged delegations to join ITC on some of their on-the-ground engagements— to see in real terms the work ITC does.
- 66. She expressed her appreciation to the staff of ITC for their continued commitment and work in light of the pandemic.
- 67. Ms. Coke-Hamilton stressed that ITC has impacted lives in fundamental ways which provides motivation to scale-up impact. An important move in this direction would be to engage more with other UN entities and organizations on the ground. She admitted that this is important and sometimes challenging due to the multiple mandates in the UN that are cross-cutting and overlapping.
- 68. Ms. Coke-Hamilton underlined that ITC is willing to think outside the box to address challenges but also needs additional resources to deepen impact. She added that ITC is aware of its shortfalls brought out by internal evaluation mechanisms and its commitment to overcome them as illustrated through the published management response.
- 69. Ms. Coke-Hamilton closed the 56<sup>th</sup> JAG meeting by appreciating delegates for their affirmation, perseverance and engagement.

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Printed by ITC Digital Printing Service on FSC paper, which is environmentally-friendly paper (without chlorine) using vegetable-based inks. The printed matter is recyclable.





