# REPORT OF THE 54<sup>TH</sup> SESSION OF THE ITC JOINT ADVISORY GROUP MEETING

Geneva, 25 November 2020



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#### Contents

| Opening Session  | 1  |
|--|----|
| Opening remarks by the Chair of the 53 <sup>rd</sup> session | 1  |
| Opening remarks by the Chair of the 54th session             | 1  |
| Statement by Secretary-General of UNCTAD                     |    |
| Statement by WTO Deputy Director-General                     |    |
| Statement by Executive Director of ITC                       |    |
| Statements by delegations                                    | 6  |
| Presentation of the 2020 Annual Evaluation Synthesis Report  | 8  |
| Closing Session  | 9  |
| Chair's summary  | 9  |
| Executive Director's Closing Remarks                         | 10 |

### Report of the 54th session of the ITC Joint Advisory Group

Geneva, 25 November 2020

#### **Opening Session**

#### Opening remarks by the Chair of the 53rd session

- H.E. Ms. Kirsti Kauppi, Ambassador, Permanent Mission of Finland to the United Nations Office and International Organizations at Geneva, on behalf of the Chair of the 53<sup>rd</sup> session of the Joint Advisory Group (JAG), former Ambassador Ms. Terhi Hakala, opened the 54<sup>th</sup> session.
- 2. Ambassador Kauppi noted that the COVID-19 pandemic brought a moment of extraordinary crisis with devastating impact on the International Trade Centre's (ITC) core clients the micro, small and medium-sized enterprises (MSMEs). She pointed out that the recovery will need to have MSMEs at the centre, making the work of ITC more needed than ever.
- 3. Ambassador Kauppi made reference to the Annual Report and results achieved in 2019, which marks the year of ITC's highest ever delivery to-date. She applauded ITC's undeterred focus on the base of the pyramid, quick response to the crisis, and its flexible approach in adapting delivery mechanisms.
- 4. Ambassador Kauppi underlined the importance of ITC's work and reiterated her country's ongoing support for ITC in the coming years. She equally encouraged all members and partner organizations to continue their collaboration with ITC in its quest to realize good trade and build resilience.

#### Opening remarks by the Chair of the 54th session

- 5. H.E. Ms. Athaliah Lesiba Molokomme, Ambassador, Permanent Mission of the Republic of Botswana to the United Nations Office and other International Organizations at Geneva, took up her position as Chair of the 54<sup>th</sup> session of the JAG.
- 6. In her opening remarks, Ambassador Molokomme stated that investing in the ITC means investing in the recovery and resilience of micro, small and medium-sized enterprises. She cited examples of ITC's work in her home country Botswana where ITC has supported mainstreaming trade into national development plans through the national export strategy, strengthened the Botswana Investment and Trade Centre, and built the capacity of MSMEs. She also referenced joint work through the Trade Impact Group on trade and gender, co-chaired by ITC, Botswana and Iceland, which culminated in the launch of the Buenos Aires Declaration on Trade and Women's

Economic Empowerment at the 11<sup>th</sup> World Trade Organization (WTO) Ministerial Conference.

- 7. She pointed out that in 2019, ITC's interventions reached over 100 countries, of which 89% were priority countries, including least developed countries (LDCs), Landlocked developing countries (LLDCs) and small island developing States (SIDS), showing ITC's commitment to achieving 'good trade' in the most vulnerable communities, while promoting fair, inclusive and sustainable international trade. She also referenced ITC's long-standing partnerships and the effort to develop new avenues of collaboration, among others with the WTO and the United Nations Conference on Trade and Development (UNCTAD), across many areas.
- 8. Ambassador Molokomme underlined the negative impact of the health and economic crisis on MSMEs across the developing world, as lockdowns slowed down demand for goods and services and logistical and trade linkages were disrupted. She added that enterprises across the world needed to adapt their operations and rethink their business models.
- 9. She congratulated ITC for adapting its operations swiftly to the 'new normal' and continuing to provide support despite the challenges. She stated that ITC has proven to be an agile organization throughout the pandemic and adapted swiftly to a virtual delivery mode via livestreams, virtual coaching, webinars, and e-learning opportunities. For example, ITC provided useful and timely intelligence on COVID-19-related trade restrictions with its Market Analysis Tools.

#### Statement by Secretary-General of UNCTAD

- 10. Mr. Mukhisa Kituyi, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) highlighted the continued collaboration between ITC and UNCTAD in a number of important areas. Notably, the agencies have worked closely together to support the socio-economic response to the pandemic under the "building back better" priorities of the UN Secretariat.
- 11. On e-trade, ITC has been an active supporter of UNCTAD's "eTrade for all" initiative, by participating in eCommerce week, supporting the eTrade Readiness Review for Côte d'Ivoire, and being a partner in UNCTAD's eTrade for Women initiative, a network for women leaders in e-commerce.
- 12. Secretary-General Kituyi made reference to the ongoing cooperation with ITC toward the implementation of the Buenos Aires Declaration on Women and Trade. UNCTAD and ITC have also continued their long-standing collaboration on non-tariff measures (NTMs) and the Global Trade Helpdesk.
- 13. Together with WTO, the two agencies publish the World Tariff Profiles and monitor progress in attaining the trade-related Sustainable Development Goals through a joint platform. He added that ITC, UNCTAD and WTO collaborate on the cotton by-products

- industry through a joint technical approach, and in the area of trade facilitation through implementing transparency-related reforms across 16 countries.
- 14. In the area of sustainability, the Secretary-General referenced the recently co-authored report "Linking Voluntary Standards to Sustainable Development Goals" and the ongoing collaboration in promoting sustainable supply chains and BioTrade standards. He welcomed that ITC is expanding assistance to businesses transitioning towards green business practices through its new 'Green to Compete' strategy.
- 15. In closing, Mr. Kituyi stated that UNCTAD looks forward to continuing close collaboration with ITC and expressed his full support to new Executive Director Ms. Pamela Coke-Hamilton.

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

- 16. Mr. Yonov Frederick Agah, Deputy Director-General of the World Trade Organization (WTO), stated that good jobs will be central to making the recovery from the health crisis inclusive, and that MSMEs will play a critical role. He pointed to the enormous task ahead, as the pandemic is reversing years of progress on extreme poverty and hunger and threatens to widen social and economic inequalities. He added that many financially constrained governments, particularly in least developed countries, were not able to provide any substantial measure of support to businesses.
- 17. Deputy Director-General Agah pointed out that MSMEs have been hit especially hard, as they have less cushion than their larger counterparts to absorb economic shocks and are over-represented in the sectors most exposed to the contagious disease outbreak, such as travel, accommodation and food services.
- 18. As necessary steps to overcome the crisis, Mr. Agah outlined that international markets must be kept open and that the WTO reform must continue. At the same time, the benefits from trade must be shared more equally such that businesses of all sizes are able to tap into international market opportunities. In this context, he argued that ITC's work has taken on even greater importance in building back a better global economy.
- 19. He referenced the 2019 Annual Report and highlighted key achievements on market intelligence tools, women's economic empowerment and supporting youth entrepreneurs. Mr. Agah commended ITC for responding to the pandemic by providing MSMEs with analysis and tools to cope with the day-to-day disruptions to their operations. This included helping small businesses pivot to e-commerce, reduce their environmental footprints, connect to international demand, get access to trade finance and make the most of the opportunities presented by the new African Continental Free Trade Area (AfCFTA).
- 20. In concluding his statement, he congratulated ITC for its work and wished the organization further success in realizing its mandate to show that trade really works at this critical moment in history.

#### **Statement by Executive Director of ITC**

- 21. Ms. Pamela Coke-Hamilton, ITC Executive Director, thanked Finland for its leadership of the 53<sup>rd</sup> session of the JAG and Ambassador Molokomme for chairing the 54<sup>th</sup> session of the JAG. She equally thanked WTO Deputy Director-General Agah and UNCTAD Secretary-General Kituyi for their continued partnership and support to ITC and referenced the many areas where the three organizations spearhead joint initiatives. These include the Global Trade Helpdesk, the SDG Trade Monitor, as well as collaboration on trade facilitation, women's economic empowerment and connecting young entrepreneurs to markets.
- 22. In relation to results achieved in 2019, she referenced the Annual Report, which provides a full account of the corporate performance and profiles of ITC's programmes, projects and innovations. She highlighted that on almost every indicator, ITC surpassed its targets in 2019. Over 26,000 extra enterprises became more internationally competitive, ITC nearly doubled the target of policies and regulations changed to help MSMEs, and over 90% of clients rated ITC's services positively. The value of transacted business and mature international trade and investment deals facilitated by ITC amounted to \$1 billion, and trade and investment leads and deals in earlier stages of negotiation amounted to more than \$2 billion.
- 23. Ms. Coke-Hamilton underlined that ITC's ability to achieve these results was based on its clear focus on MSMEs, digital, and lifting up women, young people and poor communities by helping them move up the value chain. She explained that the successes were also driven by the formalization of ITC's sustainability and inclusiveness mainstreaming policy, which was introduced in 2019.
- 24. Ms. Coke-Hamilton stated that the year of 2020 marked one of the most significant inflection points of our lives, as the COVID-19 pandemic dramatically reshaped our world. She claimed that governments around the globe were confronted with three pandemics at once a viral pandemic, a psychological pandemic and a socioeconomic pandemic. She called on delegations to fight the viral pandemic with social distancing, prescribed protocols, treatments and vaccines; the psychological pandemic by pushing back on fear, fatigue and fake news; and the economic pandemic with targeted interventions and decisive action.
- 25. She outlined the impact of COVID-19 on the global economy and stated that previously unseen levels of government interventions became commonplace, as whole sectors of the economy were locked down to stop social interaction. As travel stopped and borders were closed, protectionism spiked especially with respect to medical goods and food items. Whole service sectors like tourism and hospitality have been devastated. The temporary export restrictions have impacted MSMEs in supply chains in every corner of the world.

- 26. Ms. Coke-Hamilton pointed out that the global recession had particularly negative consequences for women. According to ITC statistics, women-owned businesses were more affected by the pandemic, as sectors that employ mostly women retail, hospitality, light manufacturing have been hit hardest. Pointing out that domestic abuse against women has been on the rise around the globe, she referenced the UN 16-day campaign against domestic violence.
- 27. She added that for young people, the outlook has darkened substantially as education services were disrupted and employment opportunities decreased. She put emphasis on small island developing States, which have seen their economic lifeline tourism decimated, and sub-Saharan Africa that has moved into a recession for the first time in more than 25 years. She warned that if protectionism becomes entrenched, trade imbalances that exacerbate existing inequalities between regions will grow and the least developed Countries are at risk of falling further behind.
- 28. Ms. Coke-Hamilton noted that while societies focus on the pandemic, climate change remains a real threat., She announced that ITC is concluding its "Green to Compete" strategy and with this initiative, ITC recommits to a climate agenda that offers MSMEs support in adopting greener business practices. She also informed that ITC is adding SDG 13 on climate change to its portfolio of indicators, marking a strategic adjustment to mainstream environmental sustainability across all interventions and report on it.
- 29. She outlined how the pandemic forced ITC to find new ways to deliver projects and programmes to stakeholders worldwide. For instance, the inaugural Good Trade Summit took place virtually, the SME Trade Academy has seen a boom in online users with more than 100,000 course-takers, and ITC's market analysis tools reached more than 1 million registered users. She referenced ITC's comprehensive "15-point Recovery and Resilience Action Plan" and proposed three bold ways to mitigate COVID-19 and climate change effects: regional integration with focus on the AfCFTA; closing the MSME finance gap by exploring risk-sharing or first-loss guarantees; and doubling down on digital by addressing the connectivity deficit, establishing modern regulations and supporting e-commerce.
- 30. She pointed out that despite the repercussions, COVID-19 could, in some areas, present an opportunity to build back boldly and put gender equality, social responsibility, and environmental protection at the heart of the recovery.
- 31. Ms. Coke-Hamilton mentioned ITC's new corporate 'One Trade Africa' programme, which will be launched in 2021 and will empower MSMEs to access regional business opportunities and ensure that women and young people are part of the continental market. The programme will also support African countries with access to trade information through the African Trade Observatory.
- 32. With reference to Trade Promotion Organizations (TPOs), Ms. Coke-Hamilton congratulated the winners of the World Trade Promotion Organizations Awards, which ITC organized in October. She added that at this time of crisis, TPOs and other

- business support organizations have proved their added value and are the 'hyphen' between the public and private sectors.
- 33. She expressed ITC's gratitude towards its funders and highlighted ITC's fruitful fundraising efforts in 2019, which resulted in \$165 million of new funding agreements signed and a \$302 million in the pipeline. ITC calculates that each US dollar in extrabudgetary funding translated into eleven US dollars' worth of international export and investment transactions, demonstrating its value-for-money ethos.
- 34. Ms. Coke-Hamilton underlined her strong commitment to enter into dialogue with funders and beneficiaries. She announced that she is beginning consultations on ITC's next Strategic Plan to run from 2022 to 2025 and welcomes input into this vital endeavour on how to pivot ITC towards recovery and resilience.
- 35. In concluding, Ms. Coke-Hamilton thanked ITC's former Executive Director, Ms. Arancha González and ITC's Deputy Executive Director, Ms. Dorothy Tembo for their leadership, and ITC's dedicated personnel for delivering under exceptional circumstances.

#### Statements by delegations

- 36. Delegates applauded ITC for the results achieved in 2019. They noted the achievements across the six focus areas related to the SDGs and found the Annual Report 2019 and the Annual Evaluation Synthesis Report to be helpful and concise. Delegates expressed their trust that ITC will continue to contribute to inclusive and sustainable development in the future.
- 37. Delegates appreciated ITC's continued focus on the most vulnerable countries and efforts to integrate least developed countries into the global economy. Countries pointed to ITC's commitment to supporting MSMEs' participation in global markets and the real on-the-ground impact achieved with entrepreneurs, especially women and youth.
- 38. Areas of ITC's work most referenced by countries included agricultural value chains with emphasis on quality improvements and standards, women's economic empowerment, trade facilitation, digital trade and e-commerce, as well as regional economic integration with particular emphasis on the AfCFTA.
- 39. Other areas of assistance highlighted by the delegations included trade promotion and market linkages through virtual trade fairs and business meetings, youth empowerment, textiles through the GTEX/MENATEX programme, export strategies, trade and market intelligence support, strengthening Trade and Investment Support Institutions (TISIs); trade diplomacy, access to finance, inclusive tourism, South-South trade and investment, trade policy, NTMs, and WTO accessions.
- 40. Delegates pointed out that supporting businesses in transitioning to greener solutions not only helps fight the climate crisis but also makes businesses more competitive. ITC

- is seen as playing an important role in supporting green strategies and delegations appreciated the addition of SDG 13 to ITC's results framework.
- 41. With reference to the COVID-19 pandemic, delegates expressed grave concern about the disproportionate impact of the pandemic on MSMEs and stated that the severe repercussions on MSMEs make ITC's mandate more relevant than ever.
- 42. ITC was praised by delegations for its flexibility in adjusting its mode of delivery and working method by adapting contents and using digital tools. ITC was therefore able to continue supporting MSMEs at a time when support was most needed. Commending the demand-driven nature of the technical assistance provided, funders urged ITC to continue delivering with flexibility in the future.
- 43. Delegates saw a need to increase action in specific COVID-19-affected industries and across affected value chains, such as tourism. They equally identified a need to increase support to affected countries and regions, such as SIDS, which have been disproportionally affected. Countries called for the design of recovery plans for impacted industries for the years to come and more tailor-made support to local needs, which were identified as critical to help poorer economies get back on their feet.
- 44. Given the disproportionate impact of the pandemic on women, delegates saw an increased need for women's economic empowerment through initiatives such as SheTrades. They equally stressed a need to better understand the underlying issues that caused women to be more affected by the pandemic and to use those insights to inform initiatives in the future. In this context, delegates appreciated ITC's focus on 'building back better' and underlined that recovery efforts need to have gender equality at the forefront.
- 45. Delegates highlighted the digital economy as a particularly important avenue to rebuild post-crisis economies. Developing countries stressed the importance of capacity-building in digital services and identified e-commerce and online matchmaking as critical to help SMEs connect to international markets. Funders also encouraged ITC to focus on helping developing countries through capacity building and setting up the required infrastructure for digital trade. In this regard, delegates suggested that ITC collaborate closely with WTO and UNCTAD on setting up new digital regulations.
- 46. In terms of future priorities, delegates expressed that ITC should continue to work in relevant areas such as market intelligence, greening of trade, trade promotion networks, private-sector dialogue, South-South trade and investment and regional economic integration. Delegates from beneficiary countries highlighted the importance of the AfCFTA and stated that its implementation could be transformational for MSMEs on the African continent. Several delegates identified ITC as a critical agency in translating the agreement into tangible results for MSMEs and called on ITC and funders to support the continental free trade agreement.
- 47. Several delegates called for stronger cooperation among institutions. Funders encouraged ITC to enhance communication with current and future partners and other

trade and development organizations to create more synergies and find new partnerships and funding for specific programmes. In this regard, ITC was encouraged to continue leveraging public and private resources to increase the reach of its activities, such as SheTrades Invest and SheTrades Hubs. Furthermore, partnerships with academia were recommended for better quantitative and qualitative impact measurement. Delegates also valued ITC's contribution towards the work of WTO and UNCTAD, in particular towards the efforts of creating an inclusive and sustainable multilateral trading system.

- 48. Delegates from landlocked countries called for specific interventions for the LLDCs and delegates from Latin America urged ITC to increase support to the region, including making all digital tools available in Spanish. Funders encouraged continued focus on LDCs, noting that the share of LDCs in ITC's work portfolio decreased slightly and hoped this will increase in the future.
- 49. Delegations also expressed interest in contributing to ITC's upcoming new Strategic Plan 2022-2025. Funders expressed their plan to coordinate their priorities amongst themselves via the donor-coordinator.
- 50. Several delegates from developing countries used the opportunity to thank the funders for their generous contributions and placed on record their sincere gratitude for the cooperation. Funders reaffirmed their countries' commitments to continue their collaboration with ITC.

#### Presentation of the 2020 Annual Evaluation Synthesis Report

- 51. Mr. Miguel Jiménez Pont, Head of the Independent Evaluation Unit (IEU), presented the ITC 2020 Annual Evaluation Synthesis Report (AESR). The report conveyed the critical learning points generated through evaluations conducted throughout 2019, contributing to a more informed dialogue with stakeholders and better decision-making within ITC.
- 52. In terms of the main findings of the report, Mr. Jiménez Pont pointed out that the ITC Results Framework brings consistency and convergence to the results sought and achieved. Projects evaluated were found to be aligned with countries' priorities and the needs of the different categories of ITC beneficiaries. ITC's 'programmatic approach' launched in 2016 was found to be bearing fruits and ITC's intervention model was found to be effective, reliable, and at the same time demonstrating the capacity to quickly adapt and innovate.
- 53. In terms of sustainability, Mr. Jiménez-Pont noted that ITC's approach was progressively evolving from a project-focused approach to a longer-term engagement with countries. However, interventions remained mainly project-focused, and relatively short-term in duration. Long-term country engagement and clear project exit strategies will therefore play a key role in enhancing the performance of ITC in the future.

- 54. As overall delivery increased substantially, he stressed the importance of stronger and better-coordinated field management to facilitate project effectiveness and improve synergies. Equally, it is important to make the results-based management system simpler and more user-friendly to enhance its effectiveness.
- 55. He summarized the key recommendations made by the report, which were accepted by senior management. They include supporting projects to use the Theory of Change (ToC) approach in a more pragmatic manner, having a more effective and user-friendly system to generate evidence for results, mainstreaming good practices to work effectively through project field offices and engaging in UN Sustainable Development Cooperation Frameworks in a more systematic way.
- 56. Mr. Jiménez Pont concluded by reaffirming that ITC represents a good investment. The overall message emerging from the 2020 AESR is that ITC achieves results across the entire ITC project portfolio in alignment with its Results Framework.

#### **Closing Session**

#### **Chair's summary**

- 57. In closing, Ambassador Molokomme thanked participants and speakers for their contributions, as well as the beneficiaries who appeared by video from Ethiopia, Bhutan, Ghana and Guinea.
- 58. Ambassador Molokomme noted that several speakers recognized the impact of the COVID-19 pandemic as devastating and that an inclusive and sustainable recovery will need to have MSMEs at the centre of efforts made. She stressed that delegations had confirmed ITC's vital role in supporting businesses in developing countries, including LDCs and SIDS, to become more resilient and respond to various new global challenges, including the coronavirus crisis.
- 59. She took note of the call for enhanced cooperation amongst all agencies and actors to have greater impact on the ground particularly in the COVID-19-context. She confirmed that several speakers praised the agility and innovative response of ITC during the pandemic period praising its "build back boldly" approach.
- 60. Ambassador Molokomme equally noted that several speakers recommended that ITC expand its focus on digital means of trade, including support for virtual trade fairs, and e-commerce. Delegates looked forward to engaging with ITC on its new Strategic Plan 2022-2025 and appreciated ITC's new 'Green to Compete' strategy as well as a greater focus on SIDS.
- 61. She summarized that ITC's efforts to boost women's economic empowerment were noted in several interventions and that speakers appreciated ITC's efforts in the areas of youth entrepreneurship, export development, diversification, connecting MSMEs to global value chains, AfCFTA, online tools, work on NTMs, technical barriers to trade

- and other cross-cutting trade topics relevant to helping MSMEs reach their full potential.
- 62. She noted that delegates encouraged ITC to continue to listen closely to the needs of beneficiaries on such topics as services trade, building closer partnerships, and improving capacity and infrastructure of developing countries for digital trade. She also referenced the special call made to put gender equality at the forefront of the COVID-19 response.

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

- 63. In her closing remarks, Ms. Coke-Hamilton thanked the Chair for her able stewardship of the 54<sup>th</sup> session of the JAG, as well as all speakers and delegations for their statements, observations and appreciation of ITC's work. She summarized her first JAG as an excellent experience and found that the statements of support and recognition of the work of ITC to be encouraging and giving ITC the momentum to reach further in 2021.
- 64. She expressed her appreciation to all funders who have committed to support ITC through both Window 1 and Window 2 of ITC's Trust Fund and made particular reference to unearmarked Window 1 contributions that provide ITC the flexibility particularly in developing responses to COVID-19 economic impact.
- 65. She thanked delegates for the statements reaffirming that ITC has stayed true to its mandate while adjusting its modes of delivery due to restrictions. She stated that the intensification of ITC's digital tools dovetails with the request by beneficiaries to scale up the digital economy, in particular e-commerce, which will be key to COVID-19 recovery plans. She equally appreciated the call for more collaboration with other organizations, including UNCTAD and WTO, and assured that ITC will place particular importance to building more partnerships and delivering through them.
- 66. Ms. Coke-Hamilton noted delegates' emphasis on ITC's efforts to help beneficiaries mainstream sustainable production and business practices into their operations and underlined that ITC is deepening its strategic focus on sustainability through its 'Green to Compete' strategy. She also thanked funders for their support on the AfCFTA, including ITC's new 'One Trade Africa' programme and welcomed the presentation on the Annual Evaluation Synthesis Report, taking note of the recommended actions.
- 67. Ms. Coke-Hamilton repeated her ambition of an active and wide participation by delegates in formulating the new Strategic Plan for 2022-2025 and closed the meeting by thanking all participants for their engagement during the 54<sup>th</sup> JAG.

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