

Minutes: CCITF Meeting on 2nd June 2023

The meeting of the Consultative Committee of the ITC Trust Fund took place in a hybrid mode on 2nd June 2023 in Geneva. ITC's Executive Director (ED), Ms. Pamela Coke-Hamilton started the session by welcoming participants to the meeting and outlining the agenda.

The [2022 CCITF Report](#) showcases ITC's financial and development results performance, in comparison with the [2022 Operational Plan](#) targets.

1. CCITF Report (January – December 2022)

Funding Position in 2022

The ED stated in 2022 ITC received \$99.6 million of XB funds, a 10% increase from 2021 driven by Window II contributions. However, the number of new agreements for voluntary contributions decreased from over \$90 million in 2021 to \$59 million in 2022. Despite this, the ED emphasized that the project pipeline remains healthy, and ITC expects an increase in signed agreements this year, aligned with major ITC donors' funding cycles. ITC's Regular Budget (RB) has remained stable and is expected to stay the same. The ED thanked the funders for their valuable contributions to ITC through XB and RB budgets.

Financial Delivery

The ED stated that in 2022, XB expenditures reached a record high level of \$114.6 million, an increase of 7% compared to 2021. The RB budget delivery stood at 96%, and XB delivery stood at 109% of the OP targets, which can be seen on Tables 2 and 6 in the report.

The ED pointed out that this year, ITC presented its financial delivery according to the new Strategic plan matrix of impact areas and core services (Figure 3). The two largest impact areas were 'Sustainable and resilient value chains' and 'Inclusive trade'—together accounting for almost 60% of XB delivery. The largest core service area was 'Improved MSME firm-level capacities to trade', which accounted for over 40% of XB delivery.

Performance against targets set in the 3-tier corporate scorecard of 2022

The ED presented the year's development results against the targets set in the three-tier corporate scorecard and progress on the 2022 technical assistance milestones.

On Tier 1 indicators on ITC's contribution to the SDGs, about 80% of ITC's project delivery contributes 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. She also provided narratives and gave examples of how ITC's work contributes to the "5 interlinked Ps" of the 2030 Agenda – people, prosperity and planet, supported by peace and partnerships.

The ED discussed the corporate scorecard's Tier for development results, emphasizing outcome and output indicators. Noteworthy achievements included: 500,000+ beneficiaries reported increased trade awareness, 58 cases of trade-related policies favouring MSME competitiveness were introduced or changed with input from the business sector, 500 registered cases of performance improvement, and over 27,000 MSMEs showed enhanced international competitiveness.

In the non-quantified category, SheTrades Global event was cancelled in light of global conditions. Instead, ITC delivered a capacity building programme for women led businesses, "The Road to Global: Dubai Exports". The World Export Development Forum, ITC's annual flagship event was postponed, and will take place between 26-29 June 2023 in Mongolia.

The ED highlighted that the Window 1 contribution to ITC's corporate results were largely framed by ITC's core activities – maintenance of Global Public Goods. Window 1 also helped launch and start implementation on ITC's four moonshots, in the cross-cutting areas of gender, youth, green/sustainable growth and digital.

The ED highlighted significant technical assistance milestones (Chapter 3.5) that contribute to ITC's development outcomes in Tier 2. These milestones include the launch of an upgraded BSO benchmarking platform, the availability of the Trade Obstacles Alert Mechanism platform in 15 African countries, and the establishment of a new Broadband Commission Working Group by ITC and GSMA, alongside 18 other organizations, to promote digital inclusion of MSMEs.

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

The ED mentioned that ITC received an unqualified audit opinion from the Board of Auditors and closed 43% of the 2021 and earlier audit recommendations, against 47% planned. However, ITC already have preliminary information from the Board of Auditors on the percentage of audit recommendations to be closed this year, which is expected to be 53%. Other highlights include over 90% of XB delivery published to IATI, ITC's work towards the diversity target of 50% women in senior positions is continuing and the social media followers increased by 26%.

The ED mentioned that ITC's Tier 3 key performance indicators (KPIs) are complemented by milestones related to efficiency and effectiveness. Notable achievements during the year include the successful implementation of the internal Partnerships4Purpose (P4P) initiative, the launch of ITC's new corporate website, and the establishment of a platform by ITC's Innovation Lab to foster knowledge sharing among colleagues. Additionally, ITC conducted workshops and trainings on trade policy in Lao and Nepal, made progress at the country level through the signing of Cooperation Frameworks (CFs), and actively participated in the Common Country Analysis (CCA) process.

During 2022, a comprehensive set of evaluations and reviews took place, totalling 27, along with 51 finalized project completion reports (PCRs). The outcomes and broader recommendations derived from these assessments will be consolidated and presented in the annual evaluation synthesis report. In Annex III of the report, ITC's top corporate risks and mitigating actions taken by year-end are mentioned. The risk profile shows decreased seriousness of certain risks after mitigation measures were implemented during the last year, as per the year-end assessment of senior management. A major risk-mitigation measure is ITC's Moving Forward Action Plan.

The ED concluded the statement by thanking the funders for their support— crucial to ITC achieving the good results in 2022 and opened the floor for questions and for comments.

Delegates' Questions and Comments

Germany (Donor Coordinator): On behalf of ITC's funders, the donor coordinator thanked the ED and the ITC team for the 2022 report and acknowledged ITC for its sustained effort and significant results. She also thanked fellow delegates of donor countries for their inputs and general support of ITC.

Donors expressed appreciation for the well-prepared report by the ITC team, highlighting that the staff performed effectively in 2022. Regarding the UNOG Staff Survey, donors found the detailed updates on the Six Point Plan valuable and suggested receiving written updates every

three months to track progress on reforms. Donors commended ITC's budget delivery in 2022 and understood that the lower-than-planned delivery in priority areas was influenced by the large project GRASP. They requested insights on the challenges of operating in LDCs and information about the project pipeline for LDCs. Additionally, they inquired about any actions taken on the mentioned LDC strategy during the last CCITF meeting.

Donors appreciated ITC's scorecard highlights, showcasing its ability to work with both traditional and new export products and markets, while acknowledging the challenges posed by rapid technological developments. They were pleased to see ITC reporting on environmental efforts and achieving or exceeding targets for most indicators. Regarding indicator C4, the slightly lower result (80%) was explained by ITC's engagement with micro-entrepreneurs through a "family approach. More information was asked about the support provided to women and its connection to export promotion or entrepreneurship.

The donor coordinator mentioned that indicator A4 had a lower-than-expected result (53%) in 2022 due to challenges in Afghanistan and delays in finalizing results in Guinea and Pakistan. Further clarification was sought on whether the delay was temporary in nature.

Donors were satisfied with the leverage achieved through the W1 Business Development Fund (BDF) and requested more information on its measurement. They welcomed the use of W1 funds for maintaining Global Public Goods. Positive outcomes of moonshot initiatives for Gender, Youth, Green, and Digital, particularly in Zambia, were acknowledged, with additional details requested on future plans and fundraising prospects.

Donors questioned the relevance of AI technology for ITC's stakeholders and the status of AI models for data analysis. Collaboration with UN Country Teams, streamlining needs assessments, involvement in UN Common Country Analysis processes, and signing Cooperation Frameworks were emphasized.

The "Partnership for Purpose" initiative was commended, and clarification was requested on partner selection and interest assessment. The Mentoring Programme for gender equality, diversity, and inclusion was praised, with further information sought on its continuation.

ITC's maintenance of climate-neutrality and high client satisfaction levels were appreciated. Queries were raised regarding the average vacancy rate and the need for stronger funding diversification due to increased dependence on the EU.

Responding to the interventions of delegates, the ED thanked everyone for their participation, appreciation, comments and questions. Regarding the ITC Moving Forward updates, the team is willing to provide detailed information on key milestones, considering sensitive points that may require cautious handling.

Regarding the project pipeline for LDCs, ITC has a robust pipeline for Window 2 projects, with approximately \$100 million worth of projects expected to be signed, supported by committed funders. An Intervention Plan outlining ITC's contribution to the Doha Plan of Action for LDCs has been published.

Regarding ITC's engagement with micro-entrepreneurs and the "family approach," efforts are being made to address the constraints faced by women in business and integrate them into activities. The A4 indicator, related to policy and regulation improvements for MSMEs, is expected to show progress in 2023, depending on policy development and implementation in countries like Pakistan and Guinea. The ED clarified that the leveraging figure is calculated based on the ratio between the value of Window 2 signed agreements that received BDF and BDF allocations.

The ED emphasized that the moonshot initiatives are long-term investments that will continue to be implemented until the end of the Strategic Plan in 2025, results will attract further investments. Further updates on the initiatives and fundraising prospects will be provided.

The ED mentioned that ITC has started utilizing AI models for text-based data analysis, recognizing their transformative power. Partner selection for the "Partnership for Purpose" initiative is based on alignment with the Strategic Plan and their ability to add value, with thorough assessment and due diligence processes. The relaunch of the mentorship program is not planned for 2023 due to resource constraints, but it may be considered in 2024.

The "average vacancy rate" refers to the percentage of vacant Regular budget positions, while the recruitment timeline KPI encompasses all types of funds.

Finally, the ED expressed appreciation to Dorothee Schwill for her contributions as the ITC donor coordinator.

2. Update on the implementation of the “ITC Moving Forward” Initiative

Nasser Shammout, Acting Director, Division of Programme Support, presented the update on the “ITC Moving Forward Initiative” which includes the Six-point plan to tackle prohibited conduct at ITC and the Twenty Point Plan for improved Operational Efficiency at ITC. He detailed the progress made under each of the points in the plan with leadership and colleagues committed to ensure a stronger and better ITC. He mentioned a key aspect of bringing change is to ensure that these are institutionalized, keeping the momentum on the progress and clearly communicating decisions.

The Netherlands: Appreciated ITC for working towards improving the work culture and institutionalizing change. The Netherlands raised a concern regarding the duration of staff contracts being directly affected by extrabudgetary (XB) funding. They suggested exploring ways in which donors can provide support and create more stability to create a basis for longer term contracts that are financed by XB. He equally raised the potential departure of the Ombudsman and whether she will present a report with recommendations at the end of her term. The delegate also sought clarification on the role of the Joint Inspection Unit (JIU). Additionally, he said that it might be helpful to circulate slides and send written updates to demonstrate the progress ITC is making in dealing with prohibited conduct and work place culture. This would enable ITC’s direct counterparts to share the information with their own constituencies and demonstrate that ITC is making good progress on its institutional reform.

Sweden: The delegate congratulated the progress ITC was making in addressing the work culture and prohibited conduct related concerns. He stressed that this is a good opportunity for ITC and measures that are being put in place may represent a golden standard for other organizations to follow. He pointed that such concerns ultimately impacted on the TRTA results and that Sweden remained a long term committed funder to ITC and encouraged the organization to keep up the good work and to share the progress made in written form.

Germany: Commended ITC for its progress with the moving forward plan. The delegate emphasized the crucial issue of delinking financing from employment. The delegate suggested to engage donors on the efforts to de-link contracts from financing.

Nasser Shammout responded that ITC has grown significantly over the past eight years. He emphasized that it is important for ITC to manage its risks and explore whether long term visibility and projections can be used to provide contracts rather than directly linking it to financing. Nasser mentioned that the Ombudsman is an additional resource along with the existing channels. Currently her term has been extended until the end of the year. He clarified

that the JIU reviews the alignment of ITC principles with the practices in the UN. He added that ITC could be setting best practice in some of the corporate areas addressed through the Moving Forward plan.

3. ITC' Refugee Empowerment through Markets Initiative (REMI)

Raimund Moser, Chief of Women, Youth, and Vulnerable Communities (WYVC), along with Nishkhan Usayapant, Programme Development and Coordination Consultant, presented the REMI initiative. They provided an overview of a new ITC programme that specifically targets refugees, internally displaced persons (IDPs), and returnees that is based on ITC's experience of working with these vulnerable beneficiary communities within the last decade. The presentation covered the program's operating context, strategic approach, vision, and included examples of current and upcoming projects and partnerships.

Germany: The delegate found the presentation on such a current and urgent topic interesting and commended ITC for successfully collaborating with the private sector. Germany inquired about the role of private actors and requested further details on the system-wide approach being employed.

Raimund Moser explained that the private sector plays three key roles. First, they act as partners or service providers, offering market opportunities like the collaboration with Amazon Web Services. Some private actors are also interested in becoming a market themselves. Second, there are cases where they provide pro bono training services. Third, they collaborate with the private sector on advocacy and designing inclusive solutions to address trade-related obstacles. Regarding the systems work, Raimund Moser mentioned that they focus on regulations, trade-related costs, and infrastructure aspects. The collaboration with Sweden on Market Systems Development (MSD) allows them to explore catalytic factors in-depth.

The ED thanked all participants of the meeting for their continued support and engagement.