

Minutes: CCITF Meeting on 19th October 2022

The meeting of the Consultative Committee of the ITC Trust Fund took place in a hybrid mode on 19 October 2022 in Geneva. ITC's Executive Director (ED), Ms. Pamela Coke-Hamilton started the session by welcoming participants to the meeting and outlining the agenda.

Ms. Coke-Hamilton mentioned that the format of the mid-year CCITF report was modified to make it more succinct, while reflecting that ITC was working under a new Strategic Plan 2022-2025. The mid-year [2022 CCITF Report](#) showcases ITC's financial and development results performance, in comparison with the [2022 Operational Plan](#) targets.

1. **CCITF Report (January – June 2022)**

- **Funding Position in 2022**

The ED stated that ITC received \$46.7 million of XB funds during Jan-Jun 2022, a 23% increase compared with Jun 2021, driven by Window II contributions. The value of new XB funding agreements signed by mid-year, was almost \$17 million.

ED highlighted that ITC's Regular Budget (RB), funded in equal parts by the UN and the WTO, has been stable over the last years and was expected to remain the same. She thanked the donors for their valuable support to ITC through XB contributions and their support to the RB budget through both the WTO and the UN.

- **Targets & Results**

ED stated that ITC's financial delivery was fully on track, with targets expected to be achieved by year-end. At mid-year, ITC delivered USD 76 million, or 52% of the 2022 target budget, similar to the mid-year delivery in 2021. RB delivery stood at 51%, while XB delivery stood at 53%.

ITC also presented the financial delivery according to the Strategic plan matrix of impact areas and core services. Mid-year XB delivery ranged from 46%-58% against the 2022 Operational Plan targets.

The two largest impact areas were 'Sustainable and resilient value chains' and 'Inclusive trade' which jointly accounted for 62% of XB delivery. The largest core service was 'Improved MSME firm-level capacities to trade', which accounted for 43% of XB delivery.

Regarding geography of delivery, 42% focused on sub-Saharan Africa, followed by the Asia-Pacific and Middle East and North Africa regions (32% and 13% respectively). The remaining 13% of XB region-specific delivery focused on Eastern Europe and Central Asia, and Latin America and the Caribbean.

The share of priority countries in country specific delivery was 72% compared to a target of 80%. This was a lower percentage than in previous years due to high delivery in Pakistan, where ITC was implementing one of its largest projects called GRASP, funded by the European Union. In Pakistan, the regions where ITC works have a very low Human Development Index, if these were included as priority countries, the share would rise to nearly 90%.

The share of LDCs in country-specific delivery was at 38%, compared with a target of 40%. For LLDCs, it was 26% compared to a target of 30%. This was a consequence of slower than planned delivery in projects in the Central African Republic, Nepal and Lao People's Democratic Republic due to operational challenges, mainly linked to COVID-19.

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

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

On Tier 1 indicators, regarding ITC's contribution to the SDGs, similar to last year, about 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 remaining 20% contributed to targets under SDGs 2, 3, 4, 9, 12, 13 and 16.

For Tier 2 Corporate only the status of the output indicators was presented, a change from last year's report. Results for the development outcome indicators will be presented in the full-year CCITF Report, because many projects conduct outcome surveys on an annual basis, hence the numbers at mid-year do not adequately capture progress on the targets. At the output level, ED stated that ITC's delivery was largely on track, including the delivery of documents like the Annual Report and the CCITF reports.

Window I contributions to ITC's corporate results by mid-year included the development or maintenance of global public goods, innovative replicable tools and methodologies, and business development. ED mentioned that ITC specifically invested this year in four strategic projects or 'moonshots' in women's economic empowerment, green and sustainability, youth, and digitalization. An example of the work undertaken through the 'green moonshot' includes developing a climate competitiveness assessment methodology and a new portal of climate related market opportunities for SMEs that will be launched at the UN Climate Conference 2022 (COP27). All moonshot results for 2022 will be reported at year-end.

ED highlighted ITC tools that have adapted to reflect global situations. The Market Access Map features an additional Ukraine-related dashboard, ITC's trade briefs also put a spotlight on the effects of conflicts on trade in the recent months. ITC was updating its trade strategy map tool this year, the repository of strategic policy documents dealing with trade and development issues.

With regard to reporting on the major technical assistance milestones, ED highlighted the introduction of a simple status update in the report, in view of donor feedback on the length of the previous reports. The technical assistance milestones support the achievement of ITC's development outcomes in Tier 2. Some of the examples of completed milestones at half-year include the Finance for Action approach tested in the Caribbean and presented to Caribbean Development Bank, an African Continental Value Chain Diagnostic developed to identify opportunities and barriers in cross-country value chain development under the AfCFTA and a coffee impact network, linked to the Alliances for Action Coffee Guide.

- **Evaluations and Risk management**

ED presented Tier 3 of the corporate scorecard on key operational performance indicators and progress on efficiency and effectiveness milestones.

ED noted that while many of the KPIs are reported at year end, the status of could be reported at mid-year. ITC received an unqualified audit opinion from the Board of Auditors, closed 43% of audit recommendations against 47% planned, published 89% of XB delivery to IATI,

reached 48.6% of women in senior positions and signed 29 United Nations Sustainable Development Cooperation Frameworks (UNSDCFs).

ITC's Tier 3 KPIs are complemented by ITC's efficiency and effectiveness milestones. ED highlighted some examples of achievements during the first half. The internal Partnerships4Purpose (P4P) Engagement Strategy was finalized; ITC's new corporate website which went live in March 2022; in collaboration with WTO, ITC continued to support MSMEs through the Informal Working Group of WTO, the Standards and Trade Development Facility, and the WTO Trade Facilitation Committee. ITC has continued to play an active role in UN Country Teams by shaping UN country-level reporting on contributions towards the SDGs and has enhanced internal processes — like integrating ITC with the UN Inspira platform for recruitment and upgrading its existing procurement tools and processes, by implementing an online bidding system.

The ITC Independent Evaluation Unit has worked on evaluations of the SheTrades Initiative, the NTF IV Programme, and the midterm Evaluation of the ITC MENATEX Programme. The unit also continued to work on Developmental Evaluations that aim to support projects in complex environments, in the planning, implementation and monitoring of outcomes (in South Sudan, Eswatini and Iraq). These evaluations will culminate in suggestions for good RBM practices and requirements for large projects.

On corporate risks and mitigating actions implemented in first half of the year, none of the risks presented are new but the compounded crises ITC clients' face has driven up the likelihood that these risks might materialize. "The 4 Cs" of Conflict, COVID-19, Climate Change and Cost of living have affected beneficiary countries funders and operations.

ED stated that ITC prioritized risk mitigation within the risk category, medium high. In general, the risks were seen to be within the risk appetite of the organization, supported by the internal controls and mitigation actions functioning well. For example, to mitigate the risk of ITC becoming unable to fully deliver on its commitments in unstable environments, the lessons learned during the Covid lock-down were utilized. Remote delivery models were adopted for basic or foundation trainings, before engaging in face-to-face trainings, often in collaboration with an implementing partner organization. ITC's Crisis Management Committee has enabled teams to systemically deal with implementation challenges caused by conflict and instabilities.

Another example was the risk of implementing partners committing fraud, assessed as decreasing, even though the work with implementing partners has increased. ITC's risk controls have evolved and functioned well evidenced through strict controls that are related to partner risk assessments, the grants approval process – including through the Grants Committee – as well as frequent monitoring and audit of grants, to anticipate and prevent any possible fraudulent action. Furthermore, grants are disbursed in tranches that are conditional to fulfilment of contractual obligations by implementing partners.

ED emphasized that there was strict enforcement of existing controls for zero-tolerance risks, such as policy awareness or mandatory trainings related to fraud and harassment of any kind.

In times of crisis and competing needs, funders have difficult choices to make and ITC's risk of receiving a reduced amount of funds was increasing. ED appealed to donors to advocate that inclusive and sustainable MSME development was an important part of the solution for the multiple crises the world is facing, and that XB contributions to ITC made an impact on trade and development.

On a concluding note, ED encouraged funders to support ITC's risk mitigation on the RB budget through their countries' support in RB budget meetings both here in Geneva and New York. ED thanked everyone for their valuable support and opened the floor for questions.

Delegates statements

Korea (Donor Coordinator): On behalf of ITC's funders, the donor coordinator thanked the ED and the ITC team for the 2022 mid-year progress report and appreciated the opportunity to review ITC's performance against targets set in the Operational Plan 2022. Donors appreciated ITC for its great work and had a number of questions.

On the CCITF report, donors appreciated the new matrix-based presentation of ITC that was aligned with the Strategic Plan 2022-2025. Donors welcomed useful information added to the section under "managing for results", elaborating ITC's engagement with WTO and UN and noted that certain information such as the scorecard on Tier 2 development outcomes will be included only in the full-year report. On this, a donor enquired if ITC could look into deepening analysis of inclusive trade to other vulnerable groups including persons with disabilities.

Donors positively noted that ITC's risks have improved noticeably, especially when it comes to risks related to delivery in unstable or inaccessible countries, implementing partners committing fraud and W2 funding. Donors welcomed the inclusion of a new 2022 risk relating to "insufficient consideration of inclusiveness, environmental and social sustainability aspects in W2 projects". They questioned whether inflation and currency fluctuations impact project delivery. On Ukraine, donors noted that a Ukraine-related dashboard covering temporary export and import measures has been added to the Market Access Map. Related to this, donors enquired how the war in Ukraine affected ITC's Risk 2 assessment.

Donors appreciated the explanation provided, why this year's mid-year delivery of technical assistance to priority countries, including delivery to LDCs was lower than in the 2021 mid-year report. Donors wondered whether the declining share of LDC delivery was likely to improve. Donors understand the importance of W1 for ITC and value the detailed information on W1 contribution towards corporate results. Donors mentioned that they would appreciate an explanation as to why the W1 delivery rate tended to be lower than for W2 delivery.

They also welcomed the progress on closing open audit recommendations and appreciated the direct reference to ITC's goal to assist countries with their notifications. Donors hoped to get additional details about TRTA, focusing on guidance and training for officials on timely submission of notifications and comments during rulemaking. Donors also enquired about ITC's thoughts on follow up to the recommendations in the Report of the Board of Auditors for 2021 on field operations and a comprehensive work force plan.

Donors thanked ITC's efforts to provide further clarity on the Moonshots through presentations during meetings and welcomed the priority areas of the Moonshots, which are well-aligned with donor preferences. They hoped to get further context on the reasons for the cancellation of SheTrades Global and three youth-related technical assistance milestones.

Donors also enquired about the potential risk of contributing to all 17 SDGs and wanted to understand the reduction in traffic to the new website.

The Donor Coordinator ended by introducing the next Donor Coordinator, Germany, and thanked ITC and ED for the great work.

Sweden: Was pleased to be a strategic partner of ITC, with Sida working closely with ITC to appraise a new 2022 W1 grant. Sweden assessed that the mid-year CCITF report demonstrated great progress by ITC. Sweden noted that during the first months of 2022, the

ratio between W1/W2 funding was USD 1.2 million to USD 45.5 million, with a risk of a shrinking ratio leading to lower flexibility for ITC. Sweden appreciated that ITC has above-target delivery towards countries in conflict or at the risk of relapsing to conflict. Sweden wondered what strategies ITC could undertake to strengthen delivery in priority countries and recommended strategies like a Structured Funding Dialogue to encourage donors to provide funding towards corporate strategic targets. On corporate scorecards, Sweden recognized the strong delivery achieved in the first half of the year but believed it would have been useful to have a reference to the scorecards with a full set of corporate indicators. To strengthen the reporting on Priority Country delivery, Sweden highlighted that ITC could consider adding LDC or priority country disaggregated targets. Sweden was pleased to hear that the SheTrades Program had been evaluated. In conclusion, Sweden was happy to note that Sida was working with ITC on developing MSD tools and looked forward to continuing the fruitful collaboration in the future.

The Netherlands: Netherlands mentioned that they would be happy to inform colleagues in New York regarding the 5th Committee meeting. They also noted that the LDC target was important but they understood that large projects in Pakistan and Iraq made up a substantive percentage of delivery. They requested ITC to share the concept note on Ukraine and agreed that a large regional presence would contribute to increased overhead costs for ITC — an important discussion point. Netherlands ended by congratulating the donor coordinator for his positive contributions.

European Union: Thanked the Donor Coordinator for his efforts and ED for her presentation.

Germany: Thanked the Donor Coordinator for his dedicated work, perfectly voicing the perspectives of donors. Germany was honoured to take over the role for the next year.

Responding to the interventions of delegates, the ED thanked everyone for their participation, appreciation, questions, and suggestions. On the question regarding inclusion of persons with disabilities, Ms. Coke-Hamilton mentioned that ITC is developing a number of project proposals that focus on women, youth, refugees, migrants and now also indigenous groups. ITC looks at disabilities within each group and there is a possibility of standalone projects if there is adequate funding. Regarding the question on inflation and currency fluctuation as a risk, ED stated that ITC has not listed this as a risk since it is an ongoing issue that ITC deals with daily and hence requires constant monitoring.

On the concern about LDC delivery, ED mentioned that the below target delivery is linked to the current W2 project portfolio, where ITC's largest projects in Pakistan and Iraq reduce the relative delivery in LDCs. Many middle-income countries, have areas of poverty. She assured donors that resource mobilization efforts were very much focused on LDCs, with over 64% of business development funds in 2022 having been invested in project development for LDCs.

ED explained that the lower share of W1 spending, compared with W2 spending was mainly explained by the moonshots. Since the development of the moonshots required discussions and identification of synergies across different ITC teams, it took some months to decide on the strategies and the 2022 workplan. On the Russia-Ukraine conflict, ED stated that it affected ITC's operations. ITC currently implemented two projects in Ukraine: one with the objective to link SMEs in the fruits and vegetable sector to global and domestic markets and another with the objective to improve access to trade and market intelligence for the Eastern Partnership Countries. In both cases, ITC has discussed with the funder and stakeholders how to modify the project work plans.

On the question whether ITC was diluting its work by contributing to all 17 SDGs, Ms. Coke-Hamilton mentioned that ITC has a key focus on SDG 8 (Decent Work and Economic Growth).

SDG 17 and SDG 5 have also consistently ranked high. All SDGs were interlinked. For example, supporting women in economic activities could be reported uniquely under SDG 8, or only under SDG 5, Gender Equality, or both. ITC allowed reporting under both, and ITC project managers attributed percentages to each of the targets.

On TRTA notifications, ED clarified that ITC provided training in making notifications to WTO under the transparency provisions only in its project countries, and this was in addition to other capacity building activities. Concerning the Board of Auditors recommendations on field operations, ED mentioned that ITC was reviewing its approach for setting up a physical presence in the field. ITC planned to develop a corporate approach on opening field offices, informed by best practices, but ITC needed to be mindful not to increase overheads. Concerning workforce planning, it was being addressed as a core component of the new HR Strategy which aims to build out predictability and coverage for the workforce.

Regarding the cancelling of the SheTrades Global event, ED mentioned that it was due to ongoing concerns over the feasibility of the event in light of current global conditions. Regarding the cancellation of the youth-related technical assistance milestones, ED clarified that following the discussions and development of the 'youth moonshot', a new approach was taken, and other deliverables were prioritized. ITC will report on the results at the end of the year. ED also highlighted that ITC was planning to conduct a user survey in Q1 next year to assess the new website.

On Sweden's question regarding a Structured Funding Dialogue, ED mentioned that ITC can explore what that would mean for specific sector and issues. On the enquiry regarding the full set of corporate indicators, ED highlighted that the quantitative indicators that will be used to capture results at corporate level have been set out in the Operational Plan. In addition to those presented in this mid-year report, they will include the corporate outcome indicators. ED also stated that ITC will not be able to increase the percentage of closed audit recommendations by end-year because the status was only assessed once a year by the Board of Auditors. Lastly, on disaggregated targets for priority delivery, Ms. Coke-Hamilton highlighted that ITC keeps working on improving the granularity of results data.

ED noted that ITC would share the concept note for Ukraine and thanked Korea for their great work as a Donor Coordinator and welcomed the new Donor Coordinator, Germany.

2. Gender Moonshot

Anna Claudia Mori, Partnerships & Project Development Officer, presented the Gender moonshot and drew out key lessons learned. From SheTrades, she highlighted the work done on enabling an inclusive policy environment, building competitiveness of women entrepreneurs, improving the livelihoods of women producers and leveraging private sector support. The impactful results also motivated the programme to reflect on lessons which included, focusing on more targeted advocacy, possibly expanding initiatives, leveraging existing tools better and more substantial gender mainstreaming. These lessons have greatly informed the creation of the gender moonshot.

Miguel Jiménez Pont, Head of the Independent Evaluation Unit, presented the evaluation of the SheTrades programme covering the 2016-2021 period. Some of the key findings include that SheTrades presented a strong brand, focused on ambitious targets and the SheTrades platform has been a main entry point for beneficiaries. Limited staff capacity and uneven results through national institutional actors were some of the challenges. The evaluation also presented recommendations, including a more strategic focus on transforming sectors, better

tracking of beneficiaries and effective tools to cater to in-house needs for gender mainstreaming.

Comments and closing

On the gender presentation delegates asked questions about the collaboration with WTO, operational lessons being captured, the challenges faced working with Gender and Trade Ministers and SheTrades Hubs. Delegates appreciated the inclusion of initiatives like public procurement which they hope to hear more about. In response, ED highlighted that ITC has been involved with the Informal Working Group on Trade and Gender at WTO since the outset. She also added that through the Aid for Trade Global review and the WTO Public Forum, ITC has brought a strong gender perspective to global discussions. On SheTrade Hubs, the team clarified that hubs were decentralized and country driven. ITC provided methodologies on collecting gender disaggregated data and bringing counterparts to trade fairs and supporting Hubs through ITC initiatives. Working with Ministers posed a challenge in terms of dealing with high rotation in Ministries. SheTrades team mentioned that through working on initiatives such as public procurement, the team observed that there was willingness from governments, but this was constrained by lack of data on women, making the shift from commitment to action difficult. Lastly Miguel Jiménez Pont highlighted that through operational lessons there was an opportunity to create more transformative impact and mainstream gender across ITC's work by focusing on knowledge management, tracking results of beneficiaries and diffusing it through the organization.

The ED thanked all participants of the meeting for their continued support and engagement. She hopeful to see collaborations to continue in the future.