

Draft Donors' Statement
56th Session of the ITC Joint Advisory Group
13 September 2022

Chair, Director-General Okonjo-Iweala, Secretary-General Grynspan, Executive Director Coke-Hamilton, excellencies, distinguished participants,

It is my pleasure to deliver this statement on behalf of the group of ITC donors.

At the outset, donors would like to thank Ambassador Paul Bekkers of the Netherlands for his service as Chair of the 55th Session. We also congratulate Ambassador Usha Chandee Dwarka-Canabady on assuming the Chair of the 56th Session. We welcome the opportunity of this Joint Advisory Group meeting to engage and exchange perspectives with ITC and ITC partner countries.

(Appraisal of ITC activities since 2021)

1. Thank you to Executive Director Coke-Hamilton for the presentation of all that ITC has achieved over the past year and a half. The ITC Secretariat also deserves great appreciation for preparing the Annual Report 2021.
2. It has been a very challenging, busy and fruitful year and a half for ITC. ITC interventions across 130 developing and least developed countries have been yielding significant results. ITC's market intelligence programmes have been assisting tens of thousands of MSMEs better tap and diversify into promising markets, including through digital tools. ITC has been assisting many governments in mainstreaming export and e-commerce in their national development strategies. A number of governments have been supported in their efforts to accede to the WTO or participate in WTO Investment Facilitation negotiations. The institutional capacities of hundreds of business support organizations were also strengthened with ITC support, thereby helping to promote more conducive ecosystems for small businesses.
3. Donor members are particularly pleased with ITC's growing focus on making trade greener, more inclusive of women and youth, and more digitally connected for small businesses. For example, the 2021 SME Competitiveness Outlook – ITC's flagship report – provides a 20-point Green Recovery Plan to foster competitive and environmentally sustainable MSME. Indeed, "empowering connected sustainable trade" was the theme of the 8th Global Review of Aid for Trade held at the WTO in late July. [We take this opportunity to thank DG Okonjo-Iweala and the WTO for all the work that went into organizing the event.] Executive Director Coke-Hamilton and her team were also very actively engaged at the Global Review, having co-organized a number of sessions on these topics.

4. The Annual Report shows that ITC devoted more financial resources in 2021 to promoting and mainstreaming inclusive and green trade than any other focus area¹: this chimes with the broader trend where 51% of aid for trade commitments included climate-related objectives and 42% of those from bilateral donors included a focus on gender in 2020. We appreciate that the Executive Director has prioritized these themes for the coming years. Supporting these goals is, as the WTO DG put it at the Global Review, “investing in trade”.
5. Much to its credit, ITC has highlighted the importance of making sure these goals do not inadvertently work against each other. For instance, ITC has been attentive to ensuring that strengthening connectivity through information & communications technology, which emits significant greenhouse gas, does not come at the expense of transitioning to green². Even more so, through various projects ITC actively promotes the twin transition between digitalization and sustainability objectives. Similarly, sustainability and inclusivity should also go hand in hand with the more traditional focus of reducing poverty and creating jobs. In this regard, we acknowledge that 46 percent of ITC financial delivery went to achieving SDG 8, decent work and economic growth, and SDG 1, no poverty.³

(Donor contributions)

6. The contributions of ITC donors have been key enablers of ITC’s activities. Such contributions, including unearmarked or soft-earmarked funding as well as project-based funding, are part and parcel of ITC’s ability to deliver. Unearmarked funding provides ITC with flexibility to meet partner countries’ needs, while earmarked funding enables targeted projects that allow ITC to support donor priorities. Against the backdrop of a very challenging geopolitical situation and increasingly competing needs for funding, donor members continue to see great value in supporting the work of the ITC.⁴
7. Donors also welcome ITC’s ongoing efforts to diversify funding sources even as it retains the trust of traditional funders. We hope that ITC’s outreach to multilateral agencies, international foundations and businesses,⁵ in addition to

¹ See p.97 of *Annual Report 2021*.

² See p.48 of *Annual Report 2021*.

³ See pp.8-9 of *Annual Report 2021*.

⁴ ITC anticipates that the current level of financial resources will be maintained for the immediate future. See p.96 of *Annual Report 2021*.

⁵ At the 25th CCITF, the ED listed Bhutan, UNESCO, UNFPA, UN-OHRLS, Danish Refugee Council, International Standardization Organization, Department of Commerce of Hunan Province China,

governments and national development agencies, continues to bear fruit.

8. The Executive Director and ITC have been regularly engaging in in-depth and interactive consultations with donors, submitting to rigorous reviews of how donor-financed programmes are being implemented and how to ensure value for money. ITC is very transparent on governance, corporate output and oversight issues, and undergoes multiple performance evaluations annually.⁶

Synthesizing 16 evaluations and reviews, this year's Annual Evaluation Synthesis Report, found "expertise" and "agility" as well as alignment with beneficiary needs to be particular strengths of ITC.⁷ We look forward to hearing ITC's thoughts on follow up to the 5 recommendations on improvements. ITC's commitment to holding itself to very high standards of transparency and accountability is a large part of what makes donors confident that ITC truly delivers the bang for the buck.

(Other donor priorities)

9. During meetings of the Consultative Committee on the ITC Trust Fund, donors have drawn attention to some additional key points that are worth sharing here at the JAG.
10. First, LDCs should continue to be at the center of ITC's aid for trade delivery, even as we realize that political instability can impact existing projects in some LDCs.⁸
11. Second, the work of the ITC does not take place in a geopolitical vacuum. ITC's mid-term Strategic Plan 2022-25 presciently highlighted how geopolitics and conflict directly impinge upon the work of ITC; and how linkages between trade, humanitarian and development assistance will become more important. Russia's illegal invasion of Ukraine is a stark manifestation, as ITC's activities in Ukraine have been directly impacted, as well as ITC's actions in other partner countries affected by Russia's war of choice. Donors have condemned and continue to condemn Russia's actions in the strongest possible terms and call for their immediate cessation. We appreciate ITC's efforts to keep donors informed of the latest developments in its activities, both in Ukraine and other conflict areas.

Microsoft, Federated States of Micronesia Petroleum Corporation, SHI International.

⁶ See pp.80-81 of *Annual Report 2021*.

⁷ See pp.i, 1, 6 of *2022 Annual Evaluation Synthesis Report*

⁸ Challenging security situations in LDCs such as Afghanistan and Myanmar have been cited to explain why LDC delivery targets have been falling.

12. Third, we support ITC's partnerships with other international organizations, not least the WTO and UNCTAD. The heads of these three organizations penned in an op-ed on the eve of the Aid for Trade Global Review that they "work together so that trade works better for development"⁹. We couldn't agree more. [The presence of all three leaders of the Geneva trade hub today is heartening to see.]
13. In closing, let me reiterate the appreciation of donors for the great work ITC has been doing. We look forward to continuing to work with ITC to help promote inclusive and sustainable recovery, focused on the needs of MSMEs.

Thank you.

⁹ 26 July 2022, "A World in Crisis Needs Both Trade and Aid".