

37th Meeting of the Consultative Committee of the ITC Global Trust Fund
Minutes

The thirty-seventh meeting of the Consultative Committee of the Global Trust Fund took place on 6 October 2008 at 3.00 p.m. The Committee adopted the following agenda:

Agenda item 1: Approval of the draft minutes of the 36th meeting held on 14 May 2008

Agenda item 2: Approval of the General Conditions for the implementation of ITC Trust Fund (the following documents were distributed under this agenda item):

- a) Background Note – Governance: Informal Meetings on a possible new Consultative Board
- b) Design and implementation of a new ITC Trust Fund
- c) General conditions for the implementation of the ITC Trust Fund
- d) General conditions for the implementation of the Global Trust Fund
- e) Text for inclusion in the 2008 Report of the Consultative Committee

Agenda item 3: Financial report as at 30 June 2008

Agenda item 4: Update on recent developments in ITC and forthcoming events

Agenda item 5: Draft ITC Strategic Plan, 2009 – 2012

Agenda item 6: ITC Annual Report 2007 and Report of the Consultative Committee for 2007

Agenda item 7: Any other business

Agenda item 1: Approval of the draft minutes of 36th meeting held on 14 May 2008

The Executive Director, Ms P. Francis, asked members for any comments on the minutes of the 36th CCGTF meeting. The minutes were adopted and approved.

Agenda item 2: Approval of the General Conditions for the implementation of ITC Trust Fund Composition of the advisory body:

The Deputy Executive Director of ITC, Mr. Stephen Browne, briefly outlined the 3 options that were retained on the composition of an advisory body for the ITF after the informal consultation that took place on 10 September 2008. These options are as follows:

Option 1: The Board would consist of 20 developing country members (four representatives for each developing region) and 20 donor country members, the Executive Director of ITC, one representative of UNCTAD and one representative of the WTO.

Option 2: The Board would consist of 20 developing country members (including LDC representation) and 7 donor country members, the Executive Director of ITC, one representative of UNCTAD and one representative of the WTO.

Option 3: The status quo would be maintained. That is the current CCGTF structure remains unchanged.

The Deputy Executive Director emphasized, that the roles of board members and observers is becoming more and more ambiguous and not to much thoughts should be wasted on potential differences of the two categories. Moreover, he underlined the **importance of adequate regional representation**, independent of the formal status as committee member or observer. He recommended to not enter into detailed discussions on the composition at this meeting but to leave the issue in the hands of a working group that is supposed to provide a proposal. This working group consists of members from Belarus, India, UK and Switzerland.

Ms. Eva K. Murray, Director, Division of Programme Support, introduced the documentation that had been circulated to the Committee for discussion under "Agenda Item 2 (a-e)". She particularly explained the changes and amendments made in the documents as compared to the last CCGTF meeting in May 2008. These changes were highlighted in the track change versions of the distributed documentation.

Committee members had several comments and questions on technical and administrative implications of the new ITC Trust Fund (ITF):

(1) Operating reserve: The Director, Division of Programme Support, clarified that the Operating reserve is supposed to be used exclusively for technical cooperation activities or to advance trust fund money. A reasonable level of the OR money allows ITC to advance with a project, when there is already a pledge but donor funds have not yet arrived in the accounts of ITC.

(2) Overheads: Upon a donor's request it was reaffirmed that the ITF would be charged with 13% of all expenditures for programme support services provided by ITC, upon receipt of funds. It was further explained that as per a United Nations General Assembly decision ([see http://www.intracen.org/ccgtf/welcome.htm](http://www.intracen.org/ccgtf/welcome.htm) under "Thirty-sixth Meeting") the 13% would be charged to all types of technical cooperation trust funds – not only the ITF. System wide exceptions are described in the publication "Understanding ITC's Financial Resources and Status Report to the CCGTF".

(3) Reporting and Results based management: ITC was requested to provide definitions of a "substantive report" and "Results based management" (RBM). Members further recommended RBM efforts to be tagged with timelines so as to arrive at a common understanding on terms and compliance with priorities.

In this context, both the Executive Director and the Deputy Executive Director pointed out that ITC is unable to commit to timelines as long as there are no additional funds for RBM available. This is against the background of the General Assembly's refusal of ITC's request for an additional post for RBM during the 2008-2009 biennium budget process. It was recalled that ITC was the unique UN organization that was not asked to bring forward additional request for RBM.

Committee members recommended providing more clarity on the vision of RBM.

(4) Soft-earmarking: It was noted that there still exists some degree of confusion among members with regard to the definition, character and deployment of different levels of earmarking fund contributions. The Deputy Executive Director assured that although the definitions of fund earmarking might differ across various donors, ITC is willing to accommodate different degrees of earmarked funds into the 2 Windows of the new ITC TF. This includes also the possibility of "soft earmarking" by donors, with a general indication of priorities.

The Director, Division of Programme Support, agreed to come up with further clarifications on this issue in order to arrive at a common understanding and to circulate the revisions to the Consultative Committee membership.

The Executive Director emphasized that although donor contributions frequently follow predetermined priorities ITC would welcome a more flexible situation for ITC. This would enable ITC to adapt the use of funds to ongoing needs and priorities within their fields of work.

It was agreed that ITC would amend the Conditions of the ITF according to the comments and then circulate the new version. Adoption will then be made by email.

Agenda item 3: Financial report as at 30 June 2008

Ms. Eva K. Murray, Director, Division of Programme Support, gave a presentation on ITC's Financial Resources as of 30 June 2008 and the distributed Status Report to the CCGTF.

She gave an introduction on the regular budget (RB) and extra-budgetary (XB) funding and provided a detailed picture on the deployment of programme support costs. ITC expenditures were presented by source of funds and by components for RB and XB, respectively. The current status of ITC resources including staff figures and a historical projection of ITC technical assistance were also shown.

Updated figures of the presented data will be presented at the next CCGTF meeting and at the December 2008 JAG.

Committee members appreciated the new reporting format, however, a number of recommendations for improvement were given. In particular, members asked for more explanatory notes on the financial accounting figures and requested more information on the type of donors and the different types of staff (e.g. JPOs) included in the staffing information, respectively. Committee members also encouraged ITC to improve presentation of the data.

Committee members agreed on the revision of document 2b (Design and implementation of a new ITC Trust Fund) and endorsed the document 2c (General conditions for the implementation of the ITC Trust Fund) with revisions to be agreed by email circulation within a period of 2 weeks time.

Agenda item 4: Update on recent developments in ITC and forthcoming events

The Executive Director briefed on recent developments in ITC. She highlighted ITC's activities in **preparing the Strategic Plan 2009-2012** that follows the previous work on the Operational Plan 2008. She valued the Strategic Plan as an important example for ITC's spirit and effort to move forward.

During 2008 **ITC established the Resource and Partnership Group**. ITC has put together a foundation for a sound resource mobilization strategy, an effective client relations management system and looked to clarify the roles and functions of the organization as well as to determine a corporate approach to partnerships.

The **Trade and Development Cluster had been developed** between UNCTAD, WTO, UNIDO and a number of different organizations. Some of these partnerships are not limited to UN organizations but also exist to other trade and development institutions.

ITC has also looked at the **Strategic Framework, Strategic Objectives and Output Indicators** in order to determine how ITC's values - vision, integrity, pragmatism, excellence and responsiveness - fit into ITC's mission.

In 2008 **ITC launched its new logo and brand image** and began a process of consolidating common messaging across all of its activities. It has relocated a number of functions into a single Communications and Events section within the Office of the Executive Director.

First steps towards **enhancing the contribution of information systems** to ITC operations have been taken. The IT Services section has been restructured and ITC has appointed a new section chief. There is commitment to producing an IT/IS Strategy driven by a new Working Group, which will be supported by external expert advice to identify priority areas for improvement. For example, ITC's website currently undergoes a considerable refurbishment. Video conferencing has been used more frequently. Costs have been reduced and contact can be maintained more regularly.

In 2008, ITC has approved a **new Evaluation Policy** and a series of documents, which will significantly raise the standard of evaluations and the quality of action responses to findings and recommendations. The Policy and the procedures were developed taking into account the guidance and experience of UNEG

The **emphasis on country management of trade development** will bring long-term benefits, as will the requirement to collaborate with complementary organisations in support of developing countries. Raising standards by being **committed to measuring impact** requires more consultation with counterparts who will be responsible for the actions during the impact phase. Each of these features inevitably adds time and inputs to the design phase. Donors have also raised their expectations in seeking both, value for money and sustainable capacity building. The current year, 2008, has seen all of these pressures intensify. As a result fewer new projects have reached the beginning of implementation during the year. In 2009 and 2010 it is expected that there will be a noticeable increase in the rate of new project starts and also some larger scale projects will be started.

This situation has been compounded by **ITC's internal restructuring**, which has involved the filling of over 30% of all ITC posts following a selection process. ITC is looking forward to finalize the **process of post-filling** for most of the posts in 2009. Since January 2008, 51 positions have been advertised – 9 professionals, 36 project and 6 general staff - of which 43 selection processes are still ongoing. An additional number of 45 posts will be announced in the next months. Of particular note is the fact that of the 11 Chief of Unit (or equivalent) posts, 10 have been completed or have reached the stage of having a preferred candidate identified following interview and testing. However, no candidate has yet been appointed to any of those posts since the selection process could not yet be determined due to the still outstanding approvals from UNCTAD and WTO, which whom ITC is closely working together to progress quickly with this issue.

ITC has **developed an ITC Organisational Competency Framework** with the following 7 competencies being identified as being central to the ongoing success and development of the Organisation and its staff:

Integrity, Vision, Teamwork & Leadership, Excellence & Accountability, Client Commitment, Pragmatism and Communication.

The Framework **is a management tool designed specifically to help with management of ITC's human resources**. It sets out the personal and management skill requirements of staff at different levels in the Organisation and will be used to underpin various core HR activities such as recruitment, appraisal and career development.

The **inaugural ITC's People Strategy is currently under development** and will break down HR into its constituent parts and provide clearly defined, proactive policies and fair, open and transparent processes; each with measurable success criteria. Each HR element will demonstrate how it can assist ITC in fulfilling its mission and strategic objectives and will include delivery priorities, accountability and long-term targets. **The draft People Strategy currently has 5 primary goals:**

1. To source, attract and recruit world-class talent to ITC on a global basis.
2. To promote excellence in the fields of leadership and people management.
3. To encourage and support staff in their continuing professional development.
4. To provide staff with a facilitative, diverse and supportive working environment.
5. To develop efficient, transparent and responsive HR processes to support ITC business delivery.

Forthcoming events:

The Executive Director mentioned the following forthcoming ITC events:

- WEDF in Montreux starting on Wednesday 8 October;
- 7th World Conference of Trade Promotion Organisations in The Hague from 12 – 14 October with the theme "Tomorrow's TPOs: Keeping pace with the drivers of change";

- JAG meeting on 10 and 11 December where we will have more information on our 2009 programme of activities and the Strategic Plan for 2009 – 2012.

The Executive Director further assured ITC's assistance in accommodating country representatives' wishes to attend any of those meetings. Further, she stated that ITC has sent invitations to representatives from countries that have been shortlisted to be awarded in the WTP in The Hague.

Agenda item 5: Draft ITC Strategic Plan, 2009 – 2012

The Executive Director (ED) gave a slide-presentation to outline the Draft ITC Strategic Plan. Since the Strategic Plan is currently a "living" document, the presentation focussed on showing excerpts to highlight main insights. In November 2008 more information on this will be shared.

The Strategic Plan pursues the following purposes:

- it clarifies ITC's direction over four years,
- it aligns ITC planning with project timelines,
- it emphasises partnerships with beneficiaries and other stakeholders,
- it facilitates external and internal dialogue to arrive at an achievable and affordable programme,

and it will be reviewed and updated annually

ITC's Strategic Plan relates to other management documents as follows:

The Strategic Plan should be perceived as the "chapeau" under which ITC will present a Consolidated Programme Document (CPD) for the JAG. This CPD will be extracted from the Strategic Plan. The Operational Plan is then a concrete description of how ITC matches its resources based on the CPD/Strategic Plan. Finally, the Annual Report provides an ex-post view on the performed activities

With the Strategic Plan ITC wants to match clients' needs and demands with a view on a Country focus and on leadership for TRTA projects. In terms of a current situation analysis, ITC is looking at (a) several trade trends, which are all critical in decision-making on ITC's future activities, at (b) ITC's need and effort to look for partners and counterparts to measure impact, as well as on (c) upcoming challenges, such as to input local context and trade trends to frame capacity building project design and to contribute to regional integration and regional market development.

ITC has therefore spent transition funds for external advice, which is essential to move forward and to be able to provide a sound resource mobilisation and effective financial management as well as to continuously upgrade staff competencies and management processes.

ITC will continue to offer solutions on three levels:

1. **Globally accessed solutions** in terms of offering market information and analysis, internet web based training and discussion forums as the World Export Development Forum and the World Trade Promotion Organisation Awards as well as its various publications.
2. **Regionally structured solutions** like the Project Building African Capacity for Trade (PACT II), which involves the three economic commissions COMESA ECOWAS ECCAS. ITC will strive to take advantage of Regional synergies across country projects.
3. **Country focused solutions** by offering Capacity building modules to supplement linked customised solutions for least developed countries, landlocked countries and small island developing states.

Another priority of ITC's work is to look for answers to the development goals of poverty alleviation, empowering women and environmental sustainability.

ITC perceives several requirements to be crucial on its way ahead:

- The establishment and maintenance of linkages within the organization,
- the disposal of adequate resources,
- a continuously stringent financial management, and
- a coherent people strategy.

From ITC's strategic objectives, there have been **derived eight sub objectives (as stated in the Annual Report)** over which ITC wants to achieve knowledge acquisition, competency building and a multiplier impact. The first two aims are output indicators, whereas the third aim constitutes an impact indicator.

ITC's accountability in all of these activities is continuously verified via various reporting, monitoring and evaluation requirements as well as through the establishment of a results based management culture.

The ED finished her presentation by highlighting the **central role of the Strategic Plan in consolidating ITC-internal and external factors influencing ITC projects and programmes** and their delivery of agreed outputs. These outputs fill into building of sustainable capacities and the impacts achieved by counterparts in order to achieve the overall goal of Export Impact for Good.

Committee members had several comments and questions:

(1) South-south Business: A committee member (Brazil) asked whether ITC could also pursue the promotion of south-south trade across regions and not only between regions. The Executive Director confirmed that such efforts are already in place between Africa and Asia and that it is envisaged to extent such efforts to activities between Africa and South America as well as Asia and South America, respectively.

(2) Connection between Strategic Plan and Strategic Framework: Committee members (Switzerland, Netherlands) asked how the Strategic Plan would feed the performance indicators of the Strategic Framework. It was further questioned at which level the MDGs would be reflected in the Strategic Plan as compared to the Annual Report, which comprises examples of strategic goals. The Director, Division of Market Development, Mr. Friedrich von Kirchbach, explained that it is a very important challenge to draw the link between trade trends and their contribution to the MDGs within the Strategic Plan. He announced that this issue would be discussed in further detail at the WEDF in Montreux within the Buy for Development initiative.

It was further questioned whether the Operational Plan would also be distributed among members. The Director, Division of Programme Support, Ms. Eva K Murray, clarified, that the annual Operational Plan is a purely ITC internal document which is not intended to be shared among external stakeholders. It was also clarified that Donors do not pledge against the Operational Plan but against the CPD instead. The CPD will be discussed in regional discussion preceding the JAG, similar to 2007. The ITC Strategic Plan 2009-2012 will also be distributed to donors.

(4) ECOWAS: A committee member (Nigeria) asked how the relationship with ECOWAS will develop and which activities are envisaged to foster the cooperation? ITC will convene regional meetings with Geneva based stakeholders and ITC will use the WEDF platform to refine proposals. The relationship with ECOWAS should develop in a proactive bilateral way. ITC does not decide what to do but selects a sector and works with local stakeholders. ITC wanted a flexible approach and ITC plans to have a representative in the ECOWAS Bureau.

(5) Regional representations in conference Panels: A committee member (CUBA) recommended that panels should be composed of representatives from various regions. This year, ITC had problems in finding WEDF speakers from Latin America. This might be related to this year's focus on consumer topics.

Agenda item 6: ITC Annual Report 2007 and Report of the Consultative Committee for 2007

The Executive Director introduced the Report of the Consultative Committee on its work in 2007 and also presented the final version of the Annual Report 2007. One committee member (Ireland) asked whether the Annual Report 2007 had been launched publicly and recommended future launch of Annual Reports - at least on the website. This was perceived as a very good recommendation, which ITC will pursue in future.

The Executive Director informed the meeting that ITC is frequently understood to be a department of UNCTAD within the UN in New York rather than an independent organization.

Agenda item 7: Any other business

A committee member (Netherlands) requested the documentation be sent out more in advance of the meeting next time.