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FOREWORD

Not yet finalized
ITC AT A GLANCE

Not yet finalized
OVERVIEW

Trends in global trade

After a contraction of 22.8% in 2009, the dollar value of world exports rebounded in 2010 with 22% growth. For the first three quarters of 2011, the 2010 trend in world exports was sustained. Among developing countries, exports grew by 22.4% against the same period in 2010, while exports of developed economies grew by 19.9%. Although export performance between developed and developing countries diverged markedly in 2010, the growth gap narrowed in 2011. The export growth of the least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and sub-Saharan African (SSA) countries was very strong in 2011, outperforming the developing country average. This growth, however, is strongly influenced by the small export bases of these countries, which continued in 2011 to be characterized by narrow export baskets and dependence on a small number of markets.

The situation of developing and transition-economy countries is further hindered by the continued marginalization of LDCs. As highlighted during the Fourth United Nations Conference on Least Developed Countries, there is upward progress in category after category of economic and human well-being indicators by developed and dynamic developing countries, while LDC trends are close to flattening.1 In spite of modest per capita growth and human and institutional successes over the past decade, LDCs and small states have little scope to diversify their economies beyond primary commodities, which leaves them vulnerable to economic shocks. Middle-income developing countries face challenges of their own, as the wage gap with high-income economies narrows, causing them to lose their comparative advantage in labour-intensive industries.

The trade policy landscape

The Doha Round of trade negotiations at the World Trade Organization (WTO), which started in November 2001, has yet to be concluded. Despite the deadlock, the WTO remains the principal forum where developing and transition-economy countries have the bargaining power to negotiate and enforce commitments and rules governing international trade, to the benefit of the private sector. Not surprisingly, WTO accession bids and negotiations from developing and transition-economy countries remains encouragingly dynamic. WTO’s Eighth Ministerial Conference provided an opportunity to congratulate the Russian Federation and Montenegro for their accession to the rules-based trading system – the preferred way of participating in the global market economy. The simultaneous accessions of Samoa and Vanuatu provided another cause for celebration. ITC supported the two LDCs’ aspirations by facilitating consensus-building and public-private dialogue on WTO accession issues.

Beyond the multilateral sphere of WTO negotiations, preferential trade agreements (PTAs) are proliferating. With approximately 300 PTAs coming into force in 2010, exporters face a very complex regulatory environment. This complexity hurts small and medium-sized enterprises (SMEs) in developing and transition-economy countries disproportionally, as they lack the resources to react swiftly to threats and opportunities emerging from PTAs.

Emerging challenges

Uncertainty about world’s economic prospects poses unique challenges for exporting and export-ready SMEs in developing economies, because a downturn in industrialized countries, especially if prolonged, negatively influences demand for exports. A drop in export demand is particularly detrimental to SMEs which, more often than not, are new market entrants. It forces them to diversify and turn to alternative markets where they have little experience or that are still unexploited. At a high level, therefore, it is crucial for developing countries to diversify sectors, products and trading partners to reduce the risks of uncertainty prevailing in exports markets. That said, short-term incentives for diversification are weaker, as the relative prices of manufactured goods have fallen in recent years.

while commodity prices have risen. Whatever the case, export concentration continues to be a structural characteristic of LDC economies. Furthermore, globalization of value chains and consequent fragmentation of production processes otherwise known as ‘international production sharing’ creates an additional challenge to SMEs in developing and transition-economy countries.

As the preference for tariffs has diminished, non-tariff measures have become more significant as determinants of market access. In particular, developing and transition-economy countries face increasing challenges in the form of regulatory regimes that may negatively affect private sector investment. For example, there are increasing numbers of non-tariff requirements (e.g., sanitary and phytosanitary measures and other technical barriers to trade) with which SMEs must comply. The compliance structure is further complicated by the web of requirements that are either official regulations or private voluntary standards. This complexity and lack of transparency is creating insurmountable barriers to trade for many SMEs.

Beyond the restrictions imposed on goods as they cross borders, SMEs in developing and transition-economy countries are subject to an increasingly complex set of competitive challenges that restrict supply. Many SMEs in LDCs haven’t been able to compete in international markets due to poor productivity and the inability to benefit from internal and external economies of scale. This is why the issue of improving the function of national and regional value chains for key exporting sectors is gaining momentum. The same is true of the trade support institutional infrastructure, which is increasingly important. A well integrated, high-performing and coherent network of trade support institutions (TSIs) providing trade-related services to the business sector is fundamental.

Figure 1: 2011 expenditure by region

Responses and strategy

ITC’s responses have been developed through a series of projects aligned to five strategic axes: building awareness, strengthening trade support institutions, enhancing policies, supporting enterprises, and mainstreaming inclusiveness and sustainability. Project outcomes are detailed in the following chapter ‘Development Results’ according to these five categories.
Building awareness

The first category is about raising awareness and addressing market failure caused by the lack of trade information and transparency in developing and transition economies. It is also concerned with the availability of trade intelligence to stakeholders in developing countries. In this area, ITC makes a major contribution by producing a series of internationally recognised tools and trade databases. In 2011, ITC focused its efforts on:

- Maintaining, improving and expanding its range of trade intelligence tools;
- Empowering its clients to improve their market position and quality of trade-support services through the use of these tools;
- Consolidating ITC’s thought leadership in trade promotion and trade information by improving the relevance and impact of the events it organizes.

Strengthening trade support institutions

Trade support institutions (TSIs) are instrumental in the fulfilment of ITC’s mandate, given its limited presence in the field. In 2011, ITC placed special emphasis on the following approaches:

- Investing in the development of generic tools to measure and improve TSIs’ internal functioning and the services they provide to enterprises.
- Engaging in a series of bilateral projects tailored to the circumstances of individual TSIs, given that some TSIs are generalist, while others specialise in certain services such as export finance or legal aspects of exports.
- Taking a holistic and multidisciplinary approach at the sector level, to improve the institutional infrastructure related to trade in a country or region. Typically, the methodology is to empower competent TSIs to address bottlenecks along a particular value chain for export competitiveness.
Enhancing policies

To enhance policy formulation in developing and transition economies, ITC focused on deepening its work in the field of export strategy, helping countries become more nimble in the fast-changing multilateral trading environment:

- ITC continued to support LDCs in the WTO accession process. While demand for ITC assistance previously focused on multilateral trade negotiations, this has shifted towards enhancing policies on export development issues. As a result, ITC has been engaged in a series of projects to help TSIs better evaluate and communicate the implications of trade agreements – potential threats and opportunities – to the business sector.

- In terms of export strategy, which is one of ITC’s flagship solutions, ITC has deepened its support beyond development of the strategy itself. This work has broadened to include a more systematic capacity-building and coaching in the implementation of export strategies. This approach produces a greater sense of ownership of the strategy by beneficiary countries. From a value-chain perspective, this is important because it allows for strategies that maximise the value that is added in-region.

Supporting enterprises

Ultimately, it is the business sector that generates development value through exports. ITC works with enterprises either directly or through TSIs.

- Direct intervention and coaching is the first approach to supporting enterprises. ITC has concentrated this type of tailor-made support on female labour-intensive enterprises with high export potential.

- The second approach is to support multiple enterprises along a single value chain. Most often, this approach is aimed at improving strategic segments in the value chain and, again, relies on building the capacity of competent TSIs in the country or region where the project takes place.

- ITC builds enterprise capacity on a wider scale through worldwide programmes targeting specific skills required for global business competitiveness. This approach relies on partner TSIs playing the role of distributors and amplifiers of ITC’s services, while ITC’s role centres on managing the network and on quality assurance issues, maximizing the multiplier effect. For example, the MLS-SCM programme is deployed in 50 countries, and the average MLS-SCM partner institution delivers 26.5 training workshops, or 378 hours per institution.

Mainstreaming inclusiveness and sustainability

- ITC’s mission is wholly focused on delivering sustainable and inclusive development solutions to its clients. Trade generates economic value, but it must not generate negative externalities (i.e., create environmental or social harm) and it must be equitably distributed in order to generate sustainable development. In recent years, ITC has taken a proactive stance focused on two main trends.

- The development of projects focused on gender, youth, poverty or environmental issues, the main dimensions of inclusiveness and sustainability. Similar to other ITC projects, these are projects that develop support processes, but also focus on a particular target population from a sustainable development perspective.

- The second approach is the systematic mainstreaming of sustainability and inclusiveness across all ITC activities, including all development projects and internal process. In this field, gender has played the vanguard role, with progressive application of the principles of the 2010-adopted ITC gender policy.
Table 1: Strategic Framework – Indicators of achievement

<table>
<thead>
<tr>
<th>Expected accomplishments of the Secretariat</th>
<th>Indicators of achievement</th>
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</table>
| **(a) Strengthened integration of the business sector into the global economy through enhanced support to policymakers.** | (a) (i) Increased number of export development strategies developed and implemented, including cases in which trade is integrated into national development strategies as a result of ITC support to enable decision makers to develop effective trade and export development programmes and policies.  
Performance measures (number of trade development strategies)  
2008–2009: 33  
2010–2011: 51  
(ii) Increased number of country networks having generated multilateral trading system-related activities through the support of ITC to enable decision makers to understand business needs and create an environment conducive to business.  
Performance measures: (number of country networks)  
2008–2009: 74  
2010–2011: 113  
(iii) Increased number of cases in which country negotiating positions have been enriched through analytical input and business sector participation, with the support of ITC, to enable decision makers to integrate business dimensions into trade negotiations.  
Performance measures (number of negotiating positions)  
2008–2009: 50  
2010–2011: 52 |
| **(b) Increased capacity of TSIs to support businesses.** | (b) (i) Increased number of TSIs having improved their ranking on the ITC TSI benchmarking scheme through support provided by ITC.  
Performance measures (number of TSIs)  
2008–2009: 22  
2010–2011: 137  
(ii) Increased number of policy proposals involving ITC support having been presented by TSIs to the competent authorities.  
Performance measures (number of policy proposals)  
2008–2009: 21  
2010–2011: 66 |
(c) Strengthened international competitiveness of enterprises through ITC training and support.

(c) (i) Increased number of enterprises enabled to formulate sound international business strategies through ITC training on export management issues, delivered directly or indirectly.

*Performance measures (number of enterprises)*

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<tbody>
<tr>
<td>495</td>
<td>2,497</td>
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(ii) Increased number of enterprises enabled to become export-ready through ITC training activities focusing on export-readiness, delivered directly or indirectly.

*Performance measures (number of enterprises)*

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<tr>
<td>238</td>
<td>1,700</td>
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</table>

(iii) Increased number of enterprises having met potential buyers and, as a result, having transacted business through ITC support.

*Performance measures (number of enterprises)*

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<tbody>
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<td>381</td>
<td>1,620</td>
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DEVELOPMENT RESULTS

Building awareness

Access to trade intelligence and awareness of the opportunities and threats associated with international trade are key factors in assisting developing countries and economies in transition to benefit from exports. Since ITC’s inception in 1964, building awareness and assisting developing countries with access to trade and market information has been at the heart of the organization’s work.

In 2011 ITC’s work in the trade intelligence field addressed four main areas: maintaining, improving and supporting the use of the ITC global public goods; building the capacity of TSIs to analyse, process and disseminate trade intelligence to SMEs in order to expand exports; using trade intelligence to achieve tangible outcomes; and building awareness on key issues related to trade and sustainable development.

Trade intelligence as a global public good

Scope and outreach

For many of ITC’s beneficiaries, the organization is synonymous with its global public goods: market analysis databases, the LegaCarta database, Market News Service, trade directories, research and publications, and other tools and services accessible to thousands of users to facilitate export decision-making. ITC’s approach to global public goods is to provide intelligence that makes a difference to its clients, with timely and factual information that directly impact on SME export success, and to make much of this intelligence readily accessible worldwide through its global public goods. For example, a 2011 evaluation of ITC’s market analysis tools found that, on average, 85% of respondents say that the ITC tools make it easier to obtain trade-related data, compared to other resources available on the market.

In 2011, there were over 180,000 registered users of ITC’s suite of integrated market analysis tools such as Trade Map, Market Access Map, Investment Map and Standards Map. The organization also produced regular Market News reports presenting price information and trends for nine sectors. These were circulated by email, direct mail and online to 450 TSIs and over 45,500 users through 22 TSIs acting as multipliers, and 150 women trade-related associations. ITC’s work in centralizing information on private and voluntary standards through Standards Map has become increasingly important in assisting businesses and organizations to make informed trade decisions. In 2011, the Standards Database centralized information on 70 private standards, covering 60 product groups, and is being applied in over 180 countries worldwide.

Intelligence on legal aspects affecting business and trade is highly valued by many SMEs. In 2011, ITC developed model contracts and negotiating tools as global public goods to assist SMEs in doing business. The model contracts were translated into Arabic, French, Portuguese and Spanish, and training has been provided. Policymakers have easy access to a centralized database of treaties, international conventions and instruments to facilitate multilateral trade engagements through ITC’s update of its LegaCarta tool.

Trade intelligence is also an intrinsic ingredient to effective private-sector participation in policymaking. In 2011, ITC upgraded five information modules to form the core chapters of the ‘National Trade Policy for Export Success’ guide. The ‘Public Private Collaboration for Export Success’ publication was finalized and translated into French and Spanish. The best illustration of the business implications of policy are case studies. A number of case studies were produced throughout the year in support of the public-private dialogue platforms implemented jointly by ITC and national and regional partners. Fifty-four issues of the Trade Policy Business Briefing were produced and distributed to 4,000 recipients.

Building capacity

ITC’s global public goods go beyond the dissemination of information. The organization also works to ensure that the use of intelligence is optimized through regular, tailor-made capacity building for
policymakers, TSIs and SMEs. In 2011, ITC’s integrated capacity-building programmes enabled participants to make more informed business and policy decisions based on market analysis, and to train other TSIs and SMEs to get the most value from trade intelligence. After receiving training on ITC’s market analysis tools, Serbia’s Chamber of Commerce and Industry has expanded its portfolio of services to SMEs through the design and delivery of tailor-made programmes on online market research. Staff of the Department of Agriculture in South Africa has developed five in-depth research reports on export opportunities for South African agricultural products, after an intensive training programme on market analysis. The department has improve its services to South African exporters of agricultural goods by providing this intelligence to its client base, who are able to make more informed exporting decisions. Representatives of the Georgian Employers Association are engaged in more informed export development initiatives after participation in an intensive workshop on ITC’s market analysis tools and other trade information sources. Through ITC’s Trade for Sustainable Development (T4SD) programme (funded by Window I of the ITC Trust Fund), around 500 participants took part in capacity-building workshops on voluntary standards and Standards Map alone. These workshops not only build awareness of the impact of standards, they enable participants to use ITC’s tools to enable more informed decision-making. In Mozambique, ITC supported IPEX, the national trade promotion organization in

Regular capacity-building of private-sector organizations and policymakers to effectively participate in trade policy took place in 2011. Partner TSIs who are now better able to engage the trade policy process from a business perspective include: the Vietnam Chamber of Commerce and Industry, the Philippines Chamber of Commerce and Industry, and the Federation of Indian Chamber of Commerce and Industry. The policymakers participating in the WTO’s Regional Trade Policy Courses considered the training module on the business opportunities stemming from the multilateral trading system as most relevant (as indicated by systematic evaluations carried out by the WTO).

Beyond intelligence tools
ITC has become the lead agency in identifying and understanding non-tariff obstacles to trade from the private-sector perspective. The organization’s Non-Tariff Measures (NTM) programme, funded by the UK, commenced in 2010 and has led to the completion of business sector surveys in 13 countries (Burkina Faso, Egypt, Hong Kong, Kenya, Madagascar, Malawi, Mauritius, Morocco, Paraguay, Peru, Rwanda, Sri Lanka, Uruguay) by the end of 2011. Surveys are close to completion in three more countries (Jamaica, Senegal, and Trinidad and Tobago). The NTM surveys and reports provide a neutral, external perspective to identify areas in need of improvement in a country’s internal business environment, as well as obstacles faced in foreign markets. Capacity-building of local survey specialists on the NTM classification and survey method is an important component of this project. The data from these surveys will soon be made available through ITC’s trade intelligence tools.

Achieving outcomes through trade intelligence
ITC is increasingly using access to intelligence and tools as an ingredient in achieving outcomes with partners in developing countries. The organization builds on its competitive advantage in trade intelligence to work with TSIs and policymakers toward achieving positive change for enterprises through more targeted business strategies and better-informed policies. This is being achieved through ITC’s large programmes and through standalone projects.

...Beyond pure trade issues
Access to trade intelligence enables better policy decisions. As a result of an ITC study on the tariff and non-tariff measures applied by malaria-endemic countries to imports of these products, Cameroon, Ghana, Madagascar and Zimbabwe have committed to eliminating their tariffs applied to anti-malarial products. This will enable more affordable treatment for sufferers, as well as prevention of malaria in these countries.

...In the business environment
As the project gains momentum, the findings of the NTM surveys and reports will increasingly be used by development partners and ITC to achieve outcomes. The first NTM report on Sri Lanka was released to the public during the WTO ministerial in December 2011. The Sri Lankan government has requested details on each area where action is required in order to improve the efficiency of Sri Lankan institutions. Therefore, the results of the NTM report provide a roadmap for Sri Lanka to improve its business environment. The report findings will also be used in Sri Lanka’s negotiations with trading partners to try to reduce the NTMs Sri Lankan businesses face. At the end of 2011, NTM reports for Burkina Faso, Morocco and Peru were also close to finalization. The NTM work in Burkina
Faso has already led to outcomes in the area of SPS certification. (Refer to the case story in this section.)

**Through large programmes**

Improved access to intelligence and awareness-building activities are key building blocks in most of ITC’s large programmes. Through the Canadian-funded Programme for building African Capacity for Trade (PACT) II, ITC has worked with partners in the three focus regions to use trade intelligence as a tool for diversifying and expanding African exports. Through intensive training, seven members of the ECOWAS Trade Experts Network have become trainers in ITC’s market analysis tools and methods to analyse export potential in key markets. As a result, the experts developed and published five regionwide studies on the export potential of specific products. These experts have also been enabled to produce market news bulletins on the ECOWAS priority sectors. In COMESA, partner organizations have run their own training in ITC’s market analysis tools and export potential, assisting participants to develop trade potential reports for their respective countries. COMESA’s Leather and Leather Products Institute has been strengthened to provide market information to its client base. Through PACT II, the ECCAS secretariat has worked with ITC to improve the quality of national trade data reported, to build the capacity of countries to produce more reliable data and to analyse the data provided in order to make better informed policy and business decisions. By the end of 2011, as a result of this successful partnership, ECCAS finalized a report on intra-regional trade potential based on the inputs prepared by national participants, using the improved data.

The Enhancement of Arab Capacity for Trade (EnACT) programme has also used trade intelligence to work towards real outcomes. Through EnACT Jordan, a National Trade Observatory (NTO) was established in 2011, with trained local experts providing technical and advisory assistance to the Ministry of Industry and Trade.

In the Netherlands Trust II Programme (NTF II), a trade intelligence unit on mango is being established in Senegal to help the sector improve its knowledge of market requirements and strengthen its position in non-traditional and value-added market segments. In Kenya, international market analysis and trade intelligence enabled stakeholders in the tree fruit sector to gain a better understanding of the market trends, the strategic approach of competitors and their comparative advantage. This will be used to develop a five-year sector-development plan to boost Kenyan tree fruit exports.

Access to intelligence is often necessary for sector development activities to deepen results. ITC’s work with the Caribbean Forum to strengthen creative industries in the region led to realization that, in order to further develop creative industries for export, there is a need to improve data collection and analysis that can assist enterprises, TSIs and policymakers to make informed decisions. As a result of ITC’s awareness-raising efforts, the region’s Council of Trade and Economic Development ministers endorsed a recommendation to improve market analysis on creative industries in the region.

**Building knowledge and facilitating participation in trade and development**

*Trade on the world stage in 2011*

The international trade arena is dynamic and complex. Building awareness of the opportunities and challenges that developing countries face in the area of international trade is a key role of ITC. The organization boosts trade awareness by providing thought leadership and encouraging debate, making complex research accessible and practical for the general public, and orchestrating trade-related events such as the World Export Development Forum (WEDF).

2011 was a significant year for awareness of trade. The Third Global Aid for Trade Review took place in July under the banner of ‘showing results’. ITC contributed the following six case stories to the review: African Cotton Development Initiative, Ethiopian Coffee Quality Improvement, the Ethical Fashion Programme, Aid for Trade and Export Performance in Uganda, the Modular Learning System for Supply Chain Management and Market Analysis Tools and Capacity Building for developing countries. The review highlighted that the Aid for Trade Initiative remains a priority for developing countries and donors alike, and that results are evident. However, more work is needed to improve the measurement of outcomes and impact.

**Linking events to outcomes**

ITC is committed to linking its major events to outcomes. In 2011 the organization successfully held WEDF as part of Fourth United Nations Conference on the Least Developed Countries (LDC-IV) in
Istanbul. The outcome of the event was the development of a number of project-idea documents aimed at developing inclusive tourism in LDCs. These project ideas are to be developed into bankable business proposals for presentation to potential donors. ITC also participated in the WTO Ministerial Conference and the 100th celebration of International Women's Day.

**Encouraging debate**

Encouraging debate on topical trade issues is a vital part of building awareness. In 2011, ITC launched its Seminar Series to facilitate knowledge exchange among trade and development experts in Geneva. The first seminar debated ‘China’s role in the new global order’, celebrating 10 years of Chinese membership in the WTO. It is envisaged that this programme will grow in 2012 and beyond.

**Awareness of new issues**

Building awareness is at the heart of a number of ITC programmes, particularly those in new and innovative areas such as NTMs, Women and Trade, and Trade and Environment. With regard to NTM, in 2011 the programme was launched in each country with a stakeholder meeting including representatives of the public and private sectors. In addition, roundtable discussions and public-private dialogues were held to increase transparency and awareness of the impact of NTMs. To date, this has been completed in 16 countries.

With several NTMs associated with the environment and climate change, awareness-building is an important part of ITC’s Trade Climate Change and Environment Programme (TCCEP). Funded by Window I of the ITC Trust Fund, the programme produced a how-to guide on carbon footprinting for SMEs and is engaged in raising trade and environmental issues in the media. A special study on trade in endangered species has been produced in partnership with CITES for use by government authorities and NGOs in Southeast Asia. The programme is also charged with raising environmental awareness within ITC to make all projects and programmes ‘greener’. An Emissions Reduction Strategy was produced and a staff Green Guide has also been finalized.

A key component of ITC’s Women and Trade programme is building awareness of gender issues in trade and mainstreaming gender into TRTA work, including the work of ITC. In 2011 ITC has worked closely with the EIF and the WTO, resulting in gender mainstreaming of seven DTIS updates as well as the WTO workplan on Aid for Trade in Rwanda. The programme has also conducted research in conjunction with the International Federation of Business and Professional Women to develop a deeper understanding of the gender make-up of key sectors in partner countries, in order to maximize impact of activities on women.

**Case study: Burkina Faso – Bringing non-tariff measures into the light**

As growth in the global economy has slowed, protectionist forces have persisted – even expanded – in the form of non-tariff measures (NTMs). Generally speaking, NTMs consist of anything that gets in the way of commerce, including administrative fees, paperwork, inspections, product certifications and standards, or even harassment and crime.

Because NTMs are so varied and affect different business sectors in different ways, they can be difficult for policymakers in developing countries to identify and measure. Without that insight, there is no foundation for action. This was the case in Burkina Faso.

“Many efforts had been made in my country since 1991 to clean up the business environment and simplify export procedures,” says Sériba Ouattara, National Coordinator for Implementation of the Enhanced Integrated Framework (EIF) and formerly a special advisor to the Ministry of Trade. “Despite these reforms, there were still difficulties, in particular with non-tariff measures.”

In 2010, at the government’s invitation, ITC investigated the incidence of NTMs that Burkinabe companies faced at the international and regional level. The in-depth survey of 172 companies gave small companies a chance to voice their concerns about the problems they encounter, and it threw up some surprises for local officials.

The survey revealed that the majority of Burkinabe companies – 60% – run into NTM hurdles in their normal course of business. Even more troubling, in a country where more than 90% of the population works in agriculture, was that the majority of reported NTMs involve agricultural goods. The study showed that exporters tend to face more obstacles than importers, with exporters having to deal with
administrative delays in Burkina Faso as well as costly sanitary and phytosanitary (SPS) certification requirements by partner countries.

“At the ministerial level, we were surprised to find that we were imposing taxes on exporters,” says Paulin Zambelongo, Councillor of Economic Affairs at the Ministry of Trade. “Through its research, ITC enabled us to discover exactly what problems the companies had, and then it engaged with the companies in finding solutions.” Zambelongo helped write the report on ITC’s survey results.

Technical requirements such as SPS certification are the most frequent obstacles encountered by exporters of agricultural and agro-food products in developing countries. But in Burkina Faso exporters face a double burden. In addition to the strict regulations imposed by importing countries, companies also face internal obstacles, such as the dearth of facilities to comply with regulations.

To illustrate the problem, Zambelongo cites two examples. In 2010, an exporter complained that he had lost all his goods at the Chinese border because he simply had not known that his goods required phytosanitary certification. More recently, an exporter of sesame seeds told Zambelongo that she had been forced to absorb the cost of destroying merchandise she had already shipped, which was found to have some quality problems.

“If there had been an accredited laboratory in Burkina Faso, she would not have had this problem,” he says. “Not only did she have to buy the merchandise and pay for its transport, she then had to pay to destroy it.”

The ITC survey identified three priority actions: to rationalize SPS procedures and provide related technical aid to exporters, to ensure transparency in export procedures and requirements, and to establish accredited laboratories that could provide certificates guaranteeing the quality of Burkina Faso’s exports.

A national approach to SPS requirements

Having established a road map for change with the NTM survey, ITC is now engaged with the government on each of the action areas. It is currently working with the Ministry of Trade to formulate a request for funds from the Standards and Trade Development Facility (STDF) – a global partnership focused on building SPS capacity in developing countries – to enable a national SPS implementation in Burkina Faso. This would save considerable time and cost for exporters, and could increase agricultural exports considerably, according to Mathieu Loridan, associate market analyst at ITC.

ITC is also developing a global database on NTMs and, in an effort to demystify SPS regulations, may work with authorities to build an information portal, allowing companies to find relevant trade information and share their experiences with other companies.

Because processed products such as shea butter and meat face higher barriers to trade than do unprocessed foods, such as shea nuts and cattle, accreditation could also make it easier for companies in Burkina Faso to move up the value chain.

ITC has been working with the West African Economic and Monetary Union (UEMOA) to train consultants on new food safety standards. A non-negligible aspect of ITC’s involvement, according to the UEMOA’s senior technical counselor, is the organization’s role in highlighting and publicizing the region’s progress and in communicating the importance of certification system to governments and exporters.

For now, however, the certificates issued by laboratories like the Laboratoire national de santé publique (LNSP) and the DTA are not recognized by trading partners in the European Union – Burkina Faso’s main trade partner – or North America. As a result, many companies have to resort to intermediaries such as France-based ECOCERT.

“The products must be certified and follow certain hygienic practices. ECOCERT takes some six months to deliver the required biological certificate,” revealed one survey participant, who exports almonds, shea butter and cashews to France, Canada and Belgium. Another respondent estimated the certificates required nine months. In contrast, domestic certification could take as little as 2–3 weeks.
As with all trade and development programmes, the ultimate outcomes of the work will take time to be realized, but Ouattara voiced his optimism:

“The business environment will be improved, which will improve the competitiveness of our businesses,” he says. “It will help us diversify our exports, because we can encourage the development of other products. And this of course will increase export earnings and reduce our trade deficit. If you look at the bottom line, it’s the people, the business owners and workers, who will benefit from the elimination of NTMs, and we are convinced this will help reduce poverty.”

Case study: Coffee guide marks 20 years of service

The Coffee Exporter’s Guide – an exhaustive, practical and neutral source of information on the international coffee trade – has just been published by ITC in its third edition. First published as Coffee – An Exporter’s Guide in 1992 and updated in 2002, the 2012 edition has been eagerly awaited across the coffee industry by growers, traders, exporters, transportation companies, certifiers, associations, authorities and others in coffee-producing countries.

Well-thumbed by newcomers and experienced trades people alike, The Coffee Exporter’s Guide has become a standard industry reference. In addition to providing authoritative information on subjects such as logistics, risk management and quality control, the new edition includes sections on climate change, the role of women in the coffee sector and comparisons of sustainability schemes.

“This book sits on our trading desk,” says Chino Lizano, who works with the companies Nature’s Best Coffee and Deli Café in San Jose, Costa Rica. “We refer to it as our bible, which we check when any question or doubt arises in our business. This is a useful and handy tool that everyone in the coffee trade should have.”

“I’ve always had the hard copy on my bookshelf,” says Shirin Moayyad, director of coffee for Peet’s Coffee & Tea, a major specialty coffee roaster and retailer in the United States. “I had the first print version from 1992, when I was just learning the industry in Papua New Guinea and had no exposure to the international picture of coffee.”

“The Coffee Exporter’s Guide is undoubtedly one of the most consulted publications in our library’s extensive collection,” says Martin Wattam, who manages the library of the International Coffee Organization in London. “It provides a comprehensive yet concise source of practical information to the International Coffee Organization’s diverse network of stakeholders across the global coffee sector.”

Extending development impact

In developing countries, the book is being used as a tool to improve coffee quality and visibility in international markets. In October 2011, as part of the NTF II programme, Uganda’s National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) used The Coffee Exporter’s Guide in an ITC training session for farmer associations. Just two months later, participants were already improving how they store, dry and sort coffee.

Five of these farmer associations went on to win top prizes at the Taste of Harvest National Cupping Competition in January 2012, where an international expert panel judged the taste and quality of coffee of 35 Uganda Arabica coffees. The Ugandan winners, with the support from the NTF II programme, proceeded to the annual African Fine Coffee Conference, where international buyers and traders “cupped” the best coffees from each country, in a regional competition.

The Rainforest Alliance, which certifies coffee for biodiversity and sustainability, uses the book as part of its mandate to sensitize consumers. “The book takes us step by step in learning about the market for coffee beans,” says Mario López, who works with the Rainforest Alliance in Guatemala. “It is a very valuable document.”

In the Central American chapters of the International Women’s Coffee Alliance, women in the coffee industry are benefitting from the guide as they team up with NGOs to reach international markets. Project2Love is an American foundation, based in California, which sources coffees from women producers in Central America. Founders Mery Santos, owner of the El Dorado Roasting Company, and Renee Planje use The Coffee Exporter’s Guide and the Guide to Geographical Indications, both published by ITC, as “valuable tools to make people familiar with the industry.”
An industry standard for training
In Zambia, the book is shared with farmers through its national coffee association. “Upon reading the guide, I immediately arranged to have copies for each of our large-scale farmers, who constitute the largest percentage of our productive membership,” says Joseph Taguma, general manager of the Zambia Coffee Growers’ Association. “As someone involved in teaching farmers and staff on coffee quality and trading matters, I still find that The Coffee Exporter’s Guide is a valuable source for teaching materials. It is easy to follow and deals with the real issues of coffee quality and trading.”

“When I started as an independent coffee trader, I had no idea about the trading, milling or export process of this commodity,” says Faye Campos W., chief executive officer of FC Trading, based in Alajuela, Costa Rica. “Through The Coffee Exporter’s Guide, I began to know the world of coffee. It took me through the entire process – production, process, quality control and especially everything related to marketing: negotiation, price fixing, shipping conditions and documents, insurance and all the necessary information to sell and export coffee. This book was the basis for developing my current experience.”

An online, living network
The companion website, www.thecoffeeguide.org, is a knowledge-sharing tool which uses the content of The Coffee Exporter’s Guide as a basis to serve producers, exporters and those who support them in coffee-producing countries worldwide. The site comes alive thanks to a network of highly experienced volunteers who answer visitors’ questions on the website’s discussion board. The discussions have influenced the content of the latest edition of the guide.

“A unique feature of The Coffee Exporter’s Guide – and this came in the picture sometime after the first publication – has been the online question-and-answer section,” says Joseph Taguma. “It has provided a platform for cases which one may not have thought much about. This has really been very helpful. I have used this service and gotten answers to my own questions.”

The book’s greatest strength may be in the numbers. Over 100 industry experts, companies and institutions, in partnership with ITC, have worked to make the guide relevant, neutral and ‘hands-on’. Industry associations have played an important role in making sure the book is well used. “Along with other directors, I ensured that The Coffee Exporter’s Guide was part and parcel of each annual conference and exhibition,” says Taguma, who is also the former chairman of the Eastern African Fine Coffees Association. “The guide was a high point of our last conference, with different aspects of the guide highlighted by specialists. As more farmers seeking to produce quality coffee still need to be reached, I hope the guide will be made available to them through such conferences for many years to come.”
Strengthening trade support institutions

Trade support institutions such as government administrations, trade promotion organizations (TPOs) and other TSIs such as chambers of commerce or sector organizations are a priority of ITC’s technical assistance activities. Because ITC has limited presence in partner countries, it relies on the sizeable network of TSIs to instil export impact for good at the country and regional levels. TSIs are therefore recipients of technical assistance and vital partners in the delivery of the vast majority of work carried out by ITC. In 2011, ITC’s work with TSIs focused on four main areas: developing targeted global public goods for TSI development, providing tailor-made support for overall TSI performance, providing specialized support for targeted TSI services, and facilitating a holistic approach to the export development infrastructure in a sector, country or region.

Global public goods for TSIs

As a small organization, ITC is unable to provide tailor-made solutions to all TSIs in partner countries. Based on data from 2010 and 2011, ITC is able to directly support 36 TSIs of the total 964 operating in the developing world, per year. In order to broaden its reach beyond direct technical assistance, ITC develops and maintains a suite of tools that TSIs can use to improve their performance in servicing SMEs in developing countries.

In 2011, ITC improved its portfolio of global public goods, for roll-out in 2012. Three training modules designed to build TSI capacity have been completed and two more are currently under development. The modules focus on institutional assessment, strategy and management, service portfolios,
networking and performance measurement. From 2012, the training modules will be integrated into programmes focused on strengthening TSIs.

Assessing organizational effectiveness against good practice among peers is vital to improve performance and sustain relevance in serving clients. ITC is developing a benchmarking programme for TSIs to assist organizations in diagnosing strengths and weaknesses against industry-specific good practices, as a first step in initiating a process of change and improvement. The pilot phase of this programme concentrated on TPOs and was completed in 2011 with the full commitment of a diverse, representative group of TPOs from around the world ensuring the development of a product designed for and by beneficiaries. These TPOs are: MATRADE of Malaysia, PROEXPORT of Colombia, UEPB of Uganda, AUSTRADE of Australia, FINPRO of Finland and BEDIA of Botswana. The benchmarking methodology was agreed in 2011 and the tools and system were designed and tested by the pilot TPOs. Constructive and detailed feedback will guide full implementation in 2012 and the project will expand to other TSIs after 2013. In addition, a web-based platform to share good practice and case studies to assist the change process is under development. The pilot programme TPOs recognized the benchmarking process as a good instrument on the path to organizational improvement.

**Strengthening TSI performance**

ITC provides solutions to improve the overall performance of TSIs to better support businesses in developing countries. In 2011, support was provided to a number of organizations, including Apex Brasil, Ipex Mozambique, and the network of TSIs in Peru’s Northern Corridor regions.

Since 2009, ITC has advised Apex Brasil in a number of high-performance areas of TSI service provision prioritized by the agency. Two components of this tailor-made support, funded directly by Brazil, were concluded in 2010. In 2011, ITC assisted Apex Brasil in identifying strengths and weaknesses by mapping its products and services. A core team in the agency was enabled to develop mechanisms for measuring the relative efficiency and effectiveness of services. These skills were applied in the development of a new corporate strategy, which aligns the services of Apex Brasil to the exporter community and the outcomes it aims to achieve.

To improve the operational and strategic management capacities of the Palestine Trade Centre (PALTRADE), an institutional assessment was carried out which led to the identification of capacity-building areas within the Palestine Trade Centre. These needs will be addressed during 2012 with the roll-out of a mix of capacity-building training courses and networking interventions to link PALTRADE to other best-in-class TPOs. A client survey has been commissioned, with the assistance of ITC, to identify barriers to trade and what PALTRADE can do to help.

Up to the end of 2011, ITC formed part of a joint implementation team with UNIDO to improve the business environment and trade facilitation in Mozambique. ITC’s primary objective in this EU-funded project was to strengthen IPEX, the principal TPO of the country. IPEX leadership has been enabled to coordinate public and private stakeholders in Mozambique behind a joint National Export Strategy, which awaits final approval by policymakers. The services of IPEX to the SME community in Mozambique have been strengthened through the provision of regular, relevant trade intelligence on a web-based platform, including information on packaging.

Intensive collaboration between TSIs, SMEs and policymakers took place in Peru during the update of the country’s national export strategy in 2009 and 2010. During this process, the need to strengthen business development services in the Northern Corridor region of Peru was identified by stakeholders. A three-year programme, funded by Switzerland, began in 2011 and aims to strengthen the capacity of local TSIs to provide services that address the needs of the region’s agri-food exporters. In 2011, the network of TSI improved its business offering to local enterprises, as it is better able to identify their needs. Work is also underway to enhance the design, adaptation and delivery of services. Measuring effectiveness and ensuring sustainability will form part of this integrated programme in the coming year. An informal consultation mechanism has been established to strengthen the dialogue with national authorities on structural problems that undermine the long-term export potential for the region. This will be consolidated going forward. The early achievements of this programme are a result of strong collaboration and active participation of private, public and academic institutions.
Specialized support to TSIs

In addition to support in improving overall TSI performance, ITC also provides bespoke technical assistance. In 2011, specialized support was provided in fields such as access to finance, legal aspects of foreign trade, quality management, trade intelligence and foreign trade representation.

In Zambia, ITC worked in partnership with the Zambian Development Agency and local banks such as Zanaco and Investrust to improve access to finance for exporting SMEs. Forty-five Zambian SMEs are able to develop bankable business plans and conduct sound financial management after receiving coaching through the partner TSIs. Local banks are more aware of the business potential as well as the risks associated with SME loans, but are committed to faster processing and more accurate assessment of loan applications using dedicated tools.

Since 2007 ITC has provided assistance to Madagascar to improve its legal framework for international trade. In 2011, the final year of collaboration, a market study on the country’s mediation needs was completed, contributing to improved understanding of the needs for arbitration and mediation services. In Haiti, ITC worked with public- and private-sector institutions to improve the management of the country’s participation in international treaties. In 2011, a country report on the legal framework for international trade was completed, and stakeholders defined 43 priority international conventions for the next biennium.

ITC contributes to the WTO’s Standards and Trade Development Facility (STDF) to improve the capacity of developing countries to meet export standards. In 2011, ITC assisted Nigeria in building the capacity of the sesame seed and shea butter sectors with regard to sanitary and phytosanitary (SPS) measures, in partnership with the Nigerian Export Promotion Council (NEPC). In the United Republic of Tanzania, the Horticultural Development Council (HODECT) established the infrastructure and scope of its future service delivery system in order to improve its standards- and quality-related business development services to the industry. This has positioned HODECT as the lead TSI in horticulture and tourism to address linkages between the value chains.

Enhancing the capacity of a country’s foreign service to represent its business interests has been a high-demand service from ITC. In 2011, improving the trade-promotion and export-development skills of foreign trade representatives formed part of a number of projects such as EnACT Algeria, PACiR in Cote d’Ivoire and NTF II in Bangladesh.

Building the infrastructure for export development – A holistic approach

Strengthening all the TSIs within a selected value chain toward a common purpose enables a holistic approach to developing the soft infrastructure that supports trade promotion and export development in a country or region. This approach takes time and entails risk; however, there is much to be gained in terms of sustainability of results and local ownership. ITC employs this holistic approach to TSI strengthening in a number of its large programmes, including PACT II, NTF II and AAACP.

The overarching goal of PACT II is regional integration within its three programme regions in Africa: COMESA, ECCAS and ECOWAS, through international trade. Therefore, development of a regional structure of TSIs supporting the needs of a regionally integrated private sector is an important outcome for the programme. In each region, ITC assists so-called ‘apex TSIs’ to institutionalize a network of national and regional TSIs and to institute systems to manage for results. A TSI mapping system allows apex TSIs to identify the expertise and synergies of TSIs in the network, and to assess the network’s strengths and weaknesses. In 2011, institutional mapping has been conducted in all three regions to varying degrees. The platform for the institutional networking structure was established in each region and will be administered locally. Results-based management tools were integrated into the operations of the secretariats and TSIs in the three regions. More information about PACT II can be found in the case story in this section.

The sector development programme funded by the Netherlands Trust Fund (NTF II) focuses on enhancing the competitiveness of high-potential sectors in selected countries. This is achieved through strengthening the network of TSIs (general and sector-specific) to deliver improved export-related services to SMEs. For example, in 2011, TSIs in Bangladesh added a business-to-business (B2B) matchmaking service to their service portfolio after successfully linking Bangladeshi SMEs in the IT services sector to potential buyers in Europe.
In Uganda, general TSIs and those in the coffee sector are better able to manage for results, while deepening training and advisory services to SMEs. The capacities of the coffee sector association, NUCAFE, were assessed, leading to a new strategic approach to its mission of improving the livelihoods of coffee farmers and farmer associations. A mixed team of international and national consultants surveyed NUCAFE Farmer Associations to identify their perceptions of the services offered and opportunities to create new services in the future.

In Senegal, the national TPO and horticultural sector associations have increased their specialization in trade information services for the mango sector and now provide advisory services in the area of contract farming. The Fresh Produce Exporters Association of Kenya has increased its specialization in advisory services on fruit trees and plans to integrate its learning into the organization after project completion. In South Africa, the Small Enterprise Development Agency (Seda) is using knowledge and skills gained through an Export Mentorship and Advisory Training Programme (EAMTP) to provide customized advisory services to SMEs to grow their export business. The South African Rooibos Council (SARC) has developed a holistic approach to strengthen the strategic position of the industry to penetrate new markets. The Durban Automotive Cluster (DAC) has added an ‘export readiness gap analysis’ service which helps second-tier manufacturers of automotive parts identify weaknesses that are affecting their export competitiveness.

ITC has worked with women-owned enterprises in Peru, first through a project funded by Spain and now through the UK-funded Women and Trade Programme. Although only starting in 2011, the Peruvian TPO PromPeru is already able to offer specialized advisory services to SMEs in the alpaca sector. Through its work with ITC, PromPeru gained a network of contacts in the United States and enhanced expertise in alpaca garment design, promotion and marketing. From mid-2012 women alpaca entrepreneurs will be able to advance their design skills through a dedicated degree in textile design through an agreement reached with Instituto del Sur in Arequipa. This work has potential to position Arequipa as a world centre for alpaca clothing design. More information about this programme can be found in the case story in this section.

ITC is also working in partnership with Mexican TSIs to empower women-owned businesses producing silver and bead jewellery to transact business in the United States. Since mid-2011, selected companies have improved their knowledge of US market requirements in terms of design and quality. ITC, in collaboration with Mexico’s Secretaria de Economía, will continue to provide assistance during 2012 to these companies to develop new jewellery lines and establish business linkages.

Strengthening TSIs in a regional value chain for sustainable export results was intrinsic to the EU-funded All Africa Caribbean Pacific Commodities Programme (AAACP), which ended in 2011. This is particularly true for the strategy and sector development of the cotton, textiles and clothing sector in Africa, however, a holistic approach was also instituted for each of the agri-food commodity sectors in programme countries. The approach for cotton was to strengthen national TSIs and the regional network of TSIs supporting the African cotton business. In 2011, the national cotton associations of the United Republic of Tanzania, Uganda and Zambia improved their structure, governance and operations to improve effectiveness for business in the cotton sector. Mozambique, Zambia, Zimbabwe and Malawi established a sub-regional cooperation arrangement on cotton called MoZaZiMa. The African Cotton Association (ACA), which promotes African cotton to Asian markets, endorsed a 2011–2016 business plan, enabling long-term effectiveness for African businesses. It also established a ‘Comité de Commercialisation’ and defined its work plan. The benefits of these initiatives are likely to be continued with ITC’s support through a follow-up programme in 2012.

A regional approach to strengthening TSIs for SME development in Africa was also an objective of an EU-funded project to strengthen the network of business development service providers on the continent, with a focus on services for quality, packaging and supply-chain management. By strengthening the network of business development specialists in 2011, TSIs now have a more robust infrastructure of skills to provide specialist services to the SME community.

Case study: Putting the focus on regional impact

In July and October 2011, through a programme organized by ITC and the Common Market for Eastern and Southern Africa (COMESA), a group of Ethiopian leather tanners travelled to India and Italy to meet with prospective buyers. The business owners, all members of the Ethiopian Leather Industries Association (ELIA), not only landed new contracts, they also learned techniques to improve
the marketability of their products by engaging with these customers. The business meetings were part of the PACT II project, ITC’s Program for Building African Capacity for Trade, which assists African producers in finding new export markets and increase their production.

As a result of their prospecting efforts, the companies increased their exports to Italy and India to such an extent that they have had to expand their production facilities to meet demand.

“Effectively, the new business partners helped with the evolution of the products themselves, as well as growing our members’ businesses,” said Abdissa Adugna, secretary-general of ELIA, which has 57 members representing the country’s entire leather industry. “[The programme] has also helped our members improve their communications and market outreach, enabling them to better target the more developed markets in India and Italy. Traditionally, leather exports from Ethiopia target Italy.”

Providing technical support to the RECs

Much of ITC’s work involves building the capacity of trade support institutions (TSIs) such as COMESA so they can, in turn, assist small and medium-sized exporters more effectively. As part of PACT II, ITC is working with the three main African regional economic communities, or RECs, in support of their charters as free and open trading areas, and to improve efficiencies in African trade.

In 2011, PACT II’s third year, ITC coordinated 25 capacity-building workshops in 18 countries, on topics ranging from ECOWAS mango and ECCAS coffee export strategies to regional and intra-regional market opportunities. The US$ 20.5 million PACT II project is funded by the Canadian International Development Agency (CIDA).

A highlight of the past year was the ECOWAS Export Actors Forum, held in Cotonou, Benin, in December, according to Philippe Tokpanou, regional trade advisor at the Economic Community of West African States (ECOWAS). More than 150 participants from 14 of the 15 ECOWAS member states – including high-level government representatives and private entrepreneurs – met to discuss challenges and priorities, and to formulate a plan for regional export development.

“Despite the impressive growth in the region over the past decade, our infrastructure needs to be improved and our barriers to trade need to be reduced,” Tokpanou said. “This is what the continent’s private sector exporters see as a daily challenge and what we were able to help them communicate to the highest levels of government at the forum.”

Establishing a network of trade expertise

PACT II has also been working with ECOWAS to establish a new mechanism for strengthening regional trade. ECOWAS-TEN is a network of public and private sector trade experts, founded in 2010, representing all 15 member countries of the REC. Its mission is to promote and develop exports in West Africa, thereby contributing to economic and social development.

“States or institutions aren’t the ones facing trade problems, it is the players themselves,” said Serge Bombo, deputy managing director of the Association for the Promotion of Exports of the Côte d’Ivoire (APEX-CI) and president of ECOWAS-TEN. “We are directly addressing the issues involved in exports, and thus it is the exporters who come to speak.”

ECOWAS-TEN shifts the level of issue resolution from the macro level to the micro level, Bombo said. So it addresses the needs of firms and the problems that exist within value chains. The group aims to systematically analyze and strengthen each of the main regional value chains – mango, cashew, palm oil and shea, for example – to increase activity and create jobs.

“We’ll start with mango, looking at the whole process, from planting to export,” Bombo said. “We’ll identify the gaps and discover what needs to be reinforced to add value to the product.”

In addition to trade-focused problem-solving, the group provides a forum for private-sector advocacy, allowing stakeholders to take ownership of the issues and resolve them. The 15 offices facilitate the flow of information, a path for resolution for each country, and the inclusion of different entities representing different angles on trade.

"At the subregional level, the support we receive from the ITC is very important," he added. “ITC has given us a structure and orientation by providing methods, methodologies and tools."
Towards greater intra-African trade

With support from ITC and input from exporters, COMESA has designed a strategic plan for 2012–2016 aimed at expanding exports, including within the region. ELIA’s Adugna has similar aspirations for the leather sector in Ethiopia. “The aim for the ELIA is to increase the number of goods exported from Ethiopia to the region, such as to Kenya and Sudan. So we need COMESA to lead the implementation of the planned expansion in trade between COMESA countries.”

Assisting African exporters in finding trade opportunities within the continent will be a focus of ITC’s work in coming years. According to Constantine Bartel, acting chief of ITC’s Office for Africa, intra-regional trade in Africa is only 10% of the total, compared with 50% in Asia. “This indicates a huge untapped potential for trade among neighbouring countries, which we will help them exploit,” he said.

Case study: Building capacity in Peruvian textiles

After 10 years of making knitwear as a subcontractor, Nelly Puertas of Arequipa, Peru, decided to design and market her own collection. In summer 2010, she attended a meeting organized by PromPeru, the Peruvian export-promotion agency, where members of ITC’s Peru/Alpaca project team discussed opportunities for small-scale garment makers in the ‘capital of alpaca production’ to sell their goods abroad. This was the spark she needed.

ITC and PromPeru had also encouraged Puertas to display her collection – named Alpacolca after alpaca wool and nearby Colca Canyon – at Peru Moda, the annual fashion-industry trade fair in Lima, starting in 2010, which was the first time she had ever shown her work at a trade fair.

“I was surprised by the interest in my brand and collection,” Puertas said. “I made over 100 contacts at Peru Moda, a deal with Finland has gone through and I have also negotiated deals with buyers from Brazil, the United States, India and France.”

Since then, her entrepreneurial spirit has not dissipated. Between September and December 2011, Puertas received advice from designers, attended ITC training sessions on access to the United States market, participated in a major trade event (PROMO) with Peruvian trade representatives, and took part in a training and prospecting mission to Los Angeles.

Puertas now employs four full-time staff in her workshop and brings in contract workers to help with large orders. She plans to increase her efficiency and price-competitiveness by investing in industrial-grade equipment, including a Stoll knitting machine. With the help of ITC, she is also preparing new designs and samples for two marketing trips in spring 2012: a sales mission to Denmark, organized by PromPeru, and this year’s Peru Moda.

“Through training and valuable advice, the project has guided me towards new markets and ways of accessing them, so I can say I have the foundation to keep growing and innovating,” Puertas said. “But it does not end here, because I know I must continue my training and continue to empower others based on the experience I have had.”

Universities as trade support institutions

ITC’s work with trade-support institutions (TSIs) such as PromPeru includes training staff so that they, in turn, can educate local entrepreneurs. As with many ITC programmes, training TSI employees adds a multiplier component, helping to spread practical knowledge in an effective and sustainable way.

In some cases, academic institutions can serve this function. Drawing from its experience in the region, ITC is now contributing to the curriculum of a three-year college programme with Instituto del Sur (ISUR) in Arequipa, called Textile Design Career. Set to begin by July 2012, the programme consists of coursework related to textile design, knitting and weaving, which will build local knowledge and ensure a lasting impact after the Peru/Alpaca project ends later this year.

ISUR’s Textile Design Career programme will fill a vital gap, as local students and people working with alpaca wool have no way to study textile design in southern Peru. The programme will cater to a steady flow of between 180 and 200 students at a time, predominantly women, according to programme director Mariana Masias, a freelance textile designer from Peru who studied in Italy. ISUR
will offer evening courses to accommodate students who cannot leave their business to attend daytime classes.

"The new curriculum is aimed at the new generation, and continuing-education courses will be aimed at business owners," Masías said. "The owners have children, and most of these businesses are passed down through generations. It’s sustainable because you will always have students."

The collaboration with ISUR is just one example of ITC working with academic institutions in its capacity-building efforts. In 2011, ITC set up a similar programme with the Pakistan Institute of Trade and Development (PITAD) to train government officials before they joined their ministries. It also set up a mentorship programme with the World Trade Institute (WTI) at the University of Bern, Switzerland, to facilitate the transfer of capacity and methodology. A textile design course has also been developed in colleges in Kyrgyzstan, as part of ITC’s work there, and training workshops for Algerian Foreign Trade Representatives have been organized in two subsequent years with the Institut Diplomatique et des Relations Internationales (IDRI).

**Export capacity-building for women in business**

In 2011, ITC provided support to PromPeru and the American Chamber of Commerce in Peru for providing courses on US requirements for alpaca clothing and accessories to 24 women business enterprises in Arequipa, which is the country’s second most populous city, as well as Huancayo and Puno. PromPeru will offer additional training to these enterprises in 2012 on assorted export-management topics.

“PROMO activities include visits to companies by foreign trade representatives of Peru based overseas, so that the FTRs know the industry and understand our market position,” said PromPeru's Mariela Chávez Basurto. “PROMO also provides seminars on business opportunities and customized meetings in the style of a business conference, at which employers receive valuable information about relevant topics such as conditions of access to the United States market, the consumer, distribution forms and entry strategies.”

Last year, 10 enterprises and several representatives of Peruvian trade-support institutions travelled to Los Angeles to shore up their understanding of costing and pricing, colour trends and alpaca clothing manufacture using the latest software and relevant websites. A special product display and contacts with showroom owners and other distributors at the LA apparel mart helped female alpaca-garment suppliers enter the United States market. PromPeru, supported by ITC’s project, will continue to provide training on a variety of export-management issues.

ITC is providing 30 businesses in Arequipa and Puno with design consulting, half of which are expected to be capable of adapting their collections to meet the demands of US buyers by the end of the year.

By the end of 2012, through ITC’s efforts, the number of women who will have received training by institutions in Peru – namely PromPeru, the American Chamber of Commerce and ISUR – will climb steadily.

“It is always the objective of ITC to leave a lasting impact – not just a few more export figures, but more local institutional capacity to help exporters,” said ITC Project Manager Bertrand Monrozier. “While ITC’s role in the three-year project is expected to be finished at the end of 2012, there are good indications that PromPeru and other TSIs in the south of the country will have the motivation and increased capacity to continue the job.”

**Enhancing policies**

Despite intensive efforts to conclude the Doha Development Agenda through the WTO, negotiations have reached an impasse. This has had an impact on ITC’s work with policymakers, since the emphasis in demand has shifted from issues related directly to trade negotiations to export-development and trade-promotion issues. Subsequently, ITC’s support to policymakers to integrate the business sector into the global economy has increasingly targeted improved national and regional policy effectiveness for export development and trade promotion within the current international context. Overall results of this work are favourable. ITC’s 2011 client survey indicates that 76% of
policymakers who interacted with ITC have valued ITC’s support of their organization or government over the past three years (2009–2011).

From negotiation to export promotion and trade development

Export strategy: overview
Real change in the trade landscape and dynamics of a particular sector, country or region can only be effected through strategic, integrated initiatives involving a broad and representative array of stakeholders from public and private sectors, in order to identify a common vision, determine the strategic requirements to make that vision a reality, and manage the implementation of this action plan. In this context, an export strategy represents the best-possible comprehensive assessment of trade-related needs. From this initiative, countries have a tangible, informed platform from which to attract investment for future initiatives.

This is the essence of ITC’s approach to export strategy. ITC’s methodology is in high demand, although the organization does not have the capacity to implement this approach for every programme country. In 2011, in addition to working with individual sectors and countries, export strategy played an intrinsic role in a number of ITC’s large programmes including AAACP, PACT II, NTF II and ENACT. Placing export strategy at the forefront of large programmes demonstrates the intent to achieve positive change for sustainable development through exports.

The export strategies developed by countries with the advisory services of ITC are developed as global public goods for TRTA. In addition, in 2011, ITC has enhanced its support tools and literature in English and French to support countries in developing their export strategies. Export strategy support systems were improved to better manage and monitor activities.

Country-specific export strategies
In 2011, ITC contributed to the export strategy processes of a number of countries. Key stakeholders endorsed the national export strategy of Dominica after an integrated strategy process involving improved public-private dialogue to aid the burgeoning export culture in the country. Beyond strategy development, a mechanism to manage implementation of the strategy has been confirmed with capacity building for the key partners involved in the implementation process. The export strategy development process in Dominica triggered a number of new policy proposals by TSIs to grow exports from the island nation.

Improved public-private dialogue was also a significant achievement in 2011 for the export strategy processes in Jamaica, Liberia, Uganda and Yemen. A key characteristic of ITC’s export strategy methodology is to ensure that trade forms an integral part of countries’ national development plans. In 2011 policymakers in Liberia and Yemen were better prepared to mainstream trade into national planning processes and other policies. TSIs in Jamaica also prepared new policy proposals resulting from the development of the country’s export strategy.

From documenting to implementing: The large programme experience of export strategy
Increasingly, ITC’s work in export strategy is moving beyond the strategy document towards ensuring the implementation of these strategies through coordinated implementation management mechanisms which are established and managed by national and regional institutions. In 2011, ITC made a concerted effort to strengthen the support provided to partners after export strategies are designed with a particular focus on two of ITC’s large programmes: the Canadian-funded Programme for Building African Capacity for Trade (PACT II) and the EU-funded All Africa Caribbean Pacific Agricultural Commodities Programme (AAACP).

In the case of AAACP, which was completed at the end of 2011, detailed regional cotton, textile and clothing sector strategies were developed in West and Central Africa, while sector strategies were also developed for high-value commodities in partner countries. More detail on the individual products in each country can be found in the section on supporting enterprises.

Rather than simply produce a strategy document, partner institutions were enabled to jointly produce plans of action and implementation frameworks to accompany each of the regional and national sector strategies. In West Africa, the governance structure to ensure the implementation management of the regional cotton strategy was established by the West African Economic and Monetary Union (WAEMU). The implementation framework has been recognised by the bodies of the WAEMU
Commission as the lead institution for mobilising resources for the implementation of the strategy and for providing effective support in the development of the cotton-textile-clothing industry in the region. Similar results have been achieved in 2011 for the PACT II mango sector strategy in the ECOWAS region and each of the sector strategies developed for the targeted agri-food industries under AAACP. This implementation management approach increases the feasibility of attaining results from the export strategy process.

Export strategy as the catalyst for change – A regional sector experience

Export strategy can urge policymakers and the private sector to think not only about how to expand and improve current exports, but also to create a vision for potential exports. As an implementing partner, ITC is challenged to consider beyond present possibilities. In 2011, under the PACT II programme, ITC worked with partner institutions in the Common Market for Eastern and Southern Africa (COMESA) to develop a regional strategy for the leather sector that goes beyond the production of raw materials towards value-added leather goods. The move to greater value addition was at the insistence of COMESA itself. The region is committed to this strategy and will invest its own funds towards implementation, ensuring local ownership.

The participatory approach to strategy development is challenging, even within the single-country context. The COMESA experience with leather involved 15 countries, each with an existing leather sector. However, through collaboration between countries and across the private and public sectors, COMESA has chosen to position itself as a regional supplier of value-added leather products. Sixty per cent of the representatives in this participatory process came from the private sector, ensuring business buy-in, and national governments were represented by senior policymakers.

Implementation of this bold strategy will require significant coordination and collaboration between member states and at regional level. The region has already confirmed its strategy management and implementation mechanism team and built their capacity for this role.

The private sector voice in trade policy

Much of ITC’s work to integrate the business sector of developing and transition economies into the global economy involves bringing private-sector interests and perspectives into the policymaking process. In 2011, ITC approached this work from three angles: business implications of regional integration, organized business participation in public-private dialogue, and LDC accession to the WTO.

The stalling of the Doha Development Agenda has coincided with a flood of parallel trade arrangements including agreements to foster greater regional integration. In 2011, private sector-led initiatives aimed at activating public-private consultation processes on policy issues at regional level intensified. The business sector in the Southern African Development Community (SADC) is more acutely aware of the business opportunities and threats associated with the region’s Free Trade Area (FTA) through a public private dialogue event in region and the drafting of a position paper on the challenges for the private sector stemming from the SADC FTA, along with policy recommendations to mitigate these challenges. After similar public-private dialogue event for the East African Community (EAC) participants initiated the design of a road map to address the challenges they prioritized from the implementation of the EAC Common Market Protocol. Case studies on the business implications of regional integration were also produced for the clothing and textiles sector in the Andean Community and for financial services in Central America. ITC’s advisory support services in regional integration are made possible thanks to Window I of the ITC Trust Fund.

Regional integration is a core thrust of PACT II. ITC supports the inclusion of the business voice in this policy process by supporting the establishment and strengthening of private sector apex bodies for public private dialogue at the regional level. These bodies represent the regional private sector voice and also increase private sector awareness of the implications of regional integration. In 2011, the role of the COMESA Business Council (CBC) as the apex private sector body was fortified through increased membership, diversified funding and business linkages with other regional and international bodies. The organization secured funding from other donors in addition to its PACT II budget and was highly active in presenting the business voice through policy papers and public-private dialogue events. In the ECOWAS region a formalized public-private dialogue mechanism is a step closer with the establishment of the Export Actors Platform (EAP) and the Trade Experts Network in 2011. The EAP led the identification of the issues of immediate concern for the private sector relation to the implementation of the ECOWAS Trade Liberalization Scheme. 2011 also saw the established of three dedicated regional apex bodies in Economic Community of Central African
States (ECCAS) – Chamber of Commerce, Employers Association and Women Entrepreneurs Association. Leaders of these organizations are sensitized to the challenges and opportunities associated with business advocacy at a regional level and are in a better position to represent the concern of their constituencies in this regard.

Increasing private-sector confidence of LDCs in the WTO accession process is a key objective of ITC. This objective is pursued thanks to funding from Window I of the ITC Trust Fund. The organization engages the private sector in this policy process through building awareness of the business implications of accession to the WTO, while ensuring that the private sector voice makes an important contribution to the negotiations. In 2011, ITC assisted private-sector involvement in the accession processes of Ethiopia, Lao PDR and Samoa. In each of these countries, 2011 saw a marked improvement in private-sector confidence in WTO accession. Ethiopia envisages concluding its negotiations on WTO accession by 2015. The East African nation used 2011 to assess the implications of financial sector liberalization by studying the experience of other countries. Through the public-private dialogue mechanism, parties agreed to conclude that reform of financial services is necessary. In Lao PDR, sector associations have indicated that key sectors are now prepared for accession and have identified the need for WTO membership to strengthen domestic reform and to provide stability and direction to the regional integration process. ITC’s 2011 Joint Advisory Group meeting included a panel session on ‘Trade Capacity for WTO Acceding LDCs’. During this session, the immediate past president of the Samoa Chamber of Commerce imparted her experience in gaining the understanding, confidence and ownership of the private sector in Samoa’s bid for WTO accession. ITC’s support in this process was recognized by Director-General Lamy in his official speech during the announcement of Samoa’s accession at the 8th WTO Ministerial Conference in December.

ITC has also supported, to a smaller degree, public-private dialogue to support the Government of the Russian Federation in building stakeholders’ confidence in their accession to the WTO. Dialogue was held in Belarus and in the Chuvash Republic.

Increasing capacity for trade policy formulation

To effectively engage in the multilateral trading arena, developing countries need to build sustainable capacity for better informed trade policy development. This need was identified by Pakistan and is the main objective of an EU-funded programme that ITC is jointly implementing since 2011 in the South Asian nation, in partnership with WIPO and UNIDO.

The key TSI leading this initiative, the Pakistani Institute for Trade and Development (PITAD), has established a strategic partnership with the world-renowned World Trade Institute (WTI) in Bern, enabling access to global experts in the field of trade policy. Future Pakistani trade policy specialists will have access to world class training in trade policy development. In 2011 work has commenced on the revision and upgrade of the PITAD core curriculum using a mentorship and coaching approach for PITAD master trainers and WTI experts. As a measure of early success, the WTI Executive Board has approved co-accreditation of certain modules delivered by PITAD.

The foundations for a locally driven, institutionalized public-private dialogue were established in 2011 with the government’s endorsement of the Public Private Dialogue Steering Committee and the activation of its Executive Committee. Dialogue was held on regional integration and trade in services. These resulted in key policy recommendations for priority sectors.

Case study: Assisting Samoa’s accession

“For a small island in the Pacific, the road to the WTO in Geneva is long and winding,” said WTO Director General Pascal Lamy at the World Trade Organization’s 8th Ministerial Conference in December 2011. “Thanks to the ITC, as well as to the WTO technical assistance teams for the support awarded to Samoa… and congratulations to the Samoan government and its people for having reached the WTO accession finish line.”

After 13 years of deliberations, Samoa’s accession to the WTO was ratified, a key step towards accelerating the Pacific island nation’s economic growth and increasing the prosperity of its people.

ITC provides assistance to least-developed countries (LDCs) like Samoa that are working towards integration into the multilateral trading system. A major focus of this support is to bring the private
sector actively into the WTO accession process and, following accession, to assist small and medium-sized enterprises (SMEs) in exploiting new market opportunities offered by WTO membership. At the same time, ITC also works with acceding governments in identifying sectors with high export potential and develop export strategies.

**Closer ties to the wider world**

WTO membership gives LDCs the assurance that their trading partners will be bound by the same rules, putting local businesses on fair and equal footing with their international competitors. In Samoa’s case, the country has enjoyed preferential tariff levels with its main trading partners; however, those concessions are due to expire after Samoa graduates from LDC status this year. As a WTO member, Samoa has now gained favored-nation status among all of the organization’s 155 members and access to markets that have been virtually closed to Samoa until now.

Samoa is going to work hard to make the most of its membership, according to Samoan Deputy Prime Minister Fonotoe Lauofo. “The country is not going to sit on the sidelines, but is looking forward to active participation in discussions at the WTO,” he said. “After having negotiated membership for 13 years, the obvious question is how the long-coveted membership in this rule-based system will serve our needs.”

Membership also carries a symbolic value, as it raises the country’s profile and helps its tourism sector, says Oli Ah Mih, a board member of the Samoan Hotel Association and owner of a 70-room hotel in the capital Apia. As an importer, he also welcomed the pressure that the WTO put on the government in the 1990s to lower import tariffs before commencing negotiations. “The government used to look upon tariffs as a tool for revenue generation,” he said. “This has changed.”

**Getting over the fear**

An essential part of the accession process was helping business people to “get over the fear” of WTO membership, notes Margaret Malua, executive secretary of the Samoan Chamber of Commerce and Industry (SCCI). Their main concern was that the private sector did not have the strength, currently, to face greater competition in the domestic market. To facilitate understanding and debate, part of ITC’s role was to explain the policy-centred technical issues at the heart of the negotiation in practical business terms.

“We needed to provide the reasoning to the business community – how it would affect our trade policies and the competitiveness of their business,” Malua says. “There was also a call for transparency in government decisions, especially given the concern that Samoa would lose protection with WTO membership.”

Through a series of workshops, ITC facilitated a dialogue between the business community and government negotiators, ensuring that the interests of the private sector were understood and taken into account during the accession process.

These meetings culminated in November 2011 when ITC led a National Workshop on Samoa’s Accession to the WTO. The workshop drew more than 60 prominent stakeholders representing the private sector, Samoan government, NGOs, civil society, women entrepreneurs and specific interests such as tourism, agriculture, church groups and village communities.

The consensus of the meeting was that that the accession terms negotiated by Samoa were satisfactory, as the immediate effect on the economy would be minimal, and that ample time was given for the country to adjust to the changes.

“ITC’s support was instrumental in alleviating the fears, in allowing the business community to learn from the experience of other LDCs that have joined the WTO and in finding a voice for the business community to influence the government’s negotiating position,” says SCCI board member Sili Epa Tuioti. “The impact of ITC’s support reaches far beyond accession, as now the communication channels between the business community and those responsible for trade policy in government have been established. The government now routinely comes to the private sector to seek its views on policy.”

**Beyond accession**

Throughout the process ITC has stressed to the Samoan government that it needs to develop a comprehensive trade policy and development policy to improve the quality of exports, exploit new
markets and opportunities, and raise international competitiveness. During the past few years, ITC has supported Samoa in two technical assistance projects.

In 2009, ITC assisted Samoa in preparing a Fruits and Vegetables Sector Development Strategy, which identified market segments with the highest export potential. More recently, ITC has increased the export capacity of SMEs in the agro-processing sector by establishing ISO food safety management systems, a key requirement for many export markets. These projects were financed by the European Union.

Meanwhile, ITC’s involvement in Samoa’s WTO accession has now shifted to identifying how the country can benefit from membership. “We need to find the niches in which we are most competitive,” Tuioti said. “The opportunities are not in the mass market, but among niche, value-added products,” he added, citing organic agriculture as an example.

ITC has earned the praise of local stakeholders for its contributions, particularly its support of the business sector. “It’s difficult to find funding for the private sector, so establishing this project with ITC has really helped us,” Malua says. “It’s helped us to know what to ask for, and the type of support ITC can provide. With ITC, it’s very easy for the private sector to get things done in a timely manner – without any red tape.”

With Samoa’s accession complete, ITC’s commitment to Samoa does not end, says Friedrich von Kirchbach, director of ITC’s Division of Country Programmes. “Indeed, we will continue to provide assistance in the post-accession phase to ensure smooth and orderly implementation of the commitments made by Samoa in its accession protocol.”

Supporting enterprises

Contributing to sustainable development by enabling SME exports from developing countries is the raison d’être of ITC. As a relatively small international organization, ITC cannot satisfy demand for direct TRTA on its own. ITC typically uses TSIs in partner countries to build sustainability beyond the end date of ITC’s intervention. Based on data collected during 2010-2011, ITC currently has an annual capacity to directly train 1,250 enterprises in basic business and export management, and coach 750 enterprises to generate exports. Thus, the organization’s approach to supporting enterprises is segmented between tailor-made initiatives focused on export-led enterprise development, integrated sector development, and indirect support in developing countries to broaden ITC’s reach. In order to achieve outcomes, all assistance provided by ITC to SMEs is guided by market demand.

Tailor-made assistance to SMEs: Targeting high-value exports and South-South trade

Directly supporting SMEs to achieve export success is a key component of a number of projects in ITC. This is done in conjunction with TSIs and local consultants in partner countries to ensure sustainability of outcomes beyond the project duration.

In 2011 the EnACT programme in the Middle East and North Africa assisted several exporters in target industries to export to international markets. In addition to strengthening TSIs and building awareness through trade intelligence, the programme has a focused approach to export-led enterprise development by identifying products with high export potential and high value. It works through predominantly local consultants and specific international experts to improve product specificities in order to reach the standards demanded by non-traditional markets and build relationships with potential buyers for sustainable exports.

For example, Moroccan enterprises have improved the design and quality of their leather goods and upgraded their marketing skills through the EnACT programme. As a result, in 2011, these Moroccan companies succeeded in obtaining new export orders for leather goods from Japan and Europe, generating employment for women and young people in the sector. Each Moroccan-made leather bag creates 18 hours of employment. As a result of the EnACT programme, major luxury European brands have engaged Moroccan companies as potential long-term suppliers, placing Morocco on the map in the world of luxury leather goods. Similarly, Tunisian and Jordanian SMEs from the handicrafts
sector have received initial export orders in 2011 as a result of bespoke quality-improvement initiatives, coaching in marketing and participation in a targeted international trade fair.

As a result of previous support received through EnACT in trade-fair participation, some of these women-owned enterprises were enabled to exhibit independently. Jordanian ceramics are now available for sale at the Louvre Museum in Paris. Work in Algeria is at a less advanced stage; Algerian women entrepreneurs were exposed to export opportunities and challenges specific to Algeria through tailor-made workshops. In Egypt, EnACT focuses on the export of engineering products and services to the African market, facilitating South-South trade. A report on export potential was prepared in that regard. EnACT also aims to assist businesses in the region to trade with each other. Due to the current crisis in traditional markets, it is important to encourage Arab enterprises to trade within the region. EnACT has assisted Egyptian companies to source automotive components from Morocco and Dead Sea cosmetic products from Jordan. It is hoped that these initial sales can result in longer term intra-regional trade relationships, in particular between the Maghreb and the Mashriq.

Similarly, in sub-Saharan Africa, ITC has worked with sector organizations in Benin to use an innovative combination of access to finance, mobile technology solutions and linkages to other African markets to enhance exports of pineapples to Morocco and neighbouring West African markets. This project, funded through Window I of the ITC Trust Fund, assists poor producers to use technology for income generation and promotes South-South trade. Initial orders through business generation meetings reached over US$ 1 million. Long-term export engagements are close to being agreed between exporters from Benin and buyers from Togo, Burkina Faso and Morocco.

Linking companies to regional and international value chains plays a central role in the tailor-made approach to supporting enterprises. In Latin America, for example, the Latin Pharma project linked SME entrepreneurs producing natural products to the pharmaceutical industry in the region. Over 700 bilateral meetings were held resulting in direct business deals of US$ 3 million. Previous experience in Latin Pharma demonstrates that more business is generally conducted after the initial contact through the bilateral meetings. In 2011 ITC also established the Global Platform for Action, linking women-owned business enterprises with multinational supply chains. More information about this initiative can be found in the case story in this section.

Expanding intra- and inter-regional (South-South) trade between the Mekong region in Southeast Asia and Central and West Africa is also a core initiative led by the ITC and the Organisation Internationale de la Francophonie (OIF). This joint project commenced in late 2011, however, SMEs established business partnerships between the regions with potential business transactions of US$ 235 million in wood and wood products, building materials, cashew nuts, mine products. In addition, 36 TSI Staff and service providers to the business community, of whom six are women, have upgraded their services to SMEs by acquiring the skills to train and implement ISO 22000 in Benin and Togo. Ten food and agri-food exporting SMEs have been audited in Benin and Togo by the 36 trainees in preparation for ISO 22000.

In Central Asia, Tajikistan and Kyrgyzstan, ITC works with TSIs and SMEs in the textile and clothing sector to increase sales to Russian and EU markets. In 2011, the Swiss-funded programme enabled 10 SMEs in each country to upgrade their product range based on tailor-made advice on trends and requirements in relevant markets. These companies are better positioned to meet the demands of export markets after intensive training and mentoring on quality and productivity and using trade intelligence for results. More information about the Trade Promotion in Kyrgyzstan project can be found in the case story in this section.

A sector approach to supporting enterprises

ITC also works to help enterprises achieve export success through an integrated sector approach, identifying challenges in the sector value chain and working with partner organizations and enterprises to address them.

Supporting enterprises through export-driven sector development for high-potential commodities in vulnerable countries has been a key focus. 2011 was the last year of the five-year, EU-funded All Africa, Caribbean and Pacific Agricultural Commodities Programme (AAACP), which ITC implemented with key international partners including the World Bank and FAO and regional and local institutions.
ITC focused on the development and implementation of sector value-chain strategies for commodities with high export potential and those that could significantly impact on food security in the respective regions. The objective shared with local stakeholders is the strengthening of the institutions within the targeted sectors and implementation of the endorsed strategies with local partners. A regional value chain strategy was developed and implemented for the cotton sector in Africa and a range of agri-food commodities were the focus for other regions. The goal is to benefit from more integrated value chains that are efficiently produce competitive products. More outcomes will come to light in coming months, however, significant achievements for enterprises and communities are already evident. ITC hopes to extend the achievements of AAACP in future programmes.

AAACP has enabled the first fully washed sample shipments of coffee from Cameroon and the DR Congo achieve a 25% premium in the EU market on the back of significant increases in the quality of the output. A network developed by women coffee growers in post-conflict zones in the Congo resulted in their first sales to exporters in many years. Coffee from Cameroon is now on sale in Paris, Lyon, Frankfurt, London and Geneva. Cameroon has also benefited from pilot exports of flour, couscous and other commodities to markets within Africa and Europe. These products have had increased local value addition through improving processes at each step of the value chain. Arabic Gum producers in Mali and Burkina Faso have received a boost in income through improved product quality and higher sales volumes. The acacias trees that produce the gum are now more valued and protected by rural communities and the trees in turn have contributed to the prevention and reversal of desertification. AAACP enabled new sales of Liberian cassava to schools, buyers of infant food and refugee camps in neighbouring countries and sales of value added spices from Ethiopia directly to buyers in India, significantly increasing income in those communities.

The approach deployed in the cotton sector Africa was a regional one, working closely with regional economic commissions, strengthening cotton-related associations to address weaknesses in the supply chain and linking African producers with markets in Asia. Capacity building work with enterprises resulted in improving the image of cotton and strengthening trade relationships. TSIs and enterprises also invested in infrastructure to improve the quality of the cotton produced. Cotton ginners from Malawi, Mali, the United Republic of Tanzania achieved direct sales of US$ 4.4 million to major Asian markets as a result of this programme, with several new contracts currently under negotiation. Mali’s exports to target markets increased by an average of 125% and the Malian cotton TSI saved close US$ 500,000 in transportation costs to West African ports as a result of new efficiencies.

In Samoa, where fruit and vegetables is the priority sector, six fruit-and-vegetable enterprises have obtained ISO certification, enabling increased sales to major markets in the Pacific region such as Japan, New Zealand and the United States. ITC’s market match-making has facilitated new sales of new Samoan product lines and increased exports from, among others, a women-led community enterprise. The improvements in the coconut supply chain in the Solomon Islands, as well as the improved product itself, have attracted investment in value-addition facilities for coconut oil and coconut drink, which will vastly increase income for the local industry.

The results achieved in Grenada due to ITC’s interventions in the nutmeg sector are considerable and have placed the sector, which is run and owned by the farmers themselves, as a clear priority for the government going forward. Exports of the spice from Grenada have trebled since the beginning of ITC’s programme in the country, from 200 to 600 metric tons. The number of farmers delivering nutmegs has increased by 250% and more farmers are returning to replanting and production. The sector injects six times more income into the local economy monthly since the beginning of the intervention (from EC$ 100,000 to EC$ 600,000).

Another example of the sector approach to supporting enterprises is the second phase of the sector development programme funded by the Netherlands Trust Fund (NTF II). The programme began in 2009 and focuses on enhancing the export competitiveness of diverse sectors with high export potential in five target countries, using an integrated approach to increase exports from those countries. NTF II works with IT and IT-enabled services in Bangladesh, tree fruits in Kenya, mango in Senegal, Rooibos and automotive components in South Africa and coffee in Uganda. The programme was also designed to work with the fishing sector in Yemen; however, recent political instability has halted ITC activity in the country. NTF II uses a sector-led approach to support enterprises; therefore, the first stages of this four-year programme focus on strengthening the institutions within the sectors. In 2011 capacity building activities in key areas identified as priorities by partner organizations took place in all target countries. By the end of 2011, stakeholders in Uganda completed the update of the
coffee sector strategy with the support of ITC in order to have a strong agreed framework for the development of the sector. Coffee farmers were enabled to improve the quality of coffee exports in a relatively short period as a result of training delivered to coffee farmer associations on coffee drying, sorting and storage. In Kenya, the “Fruit Team” established within the Fresh Produce Exporters Association of Kenya (FPEAK) works with three Commodity Working Groups, including strong private sector representation, to devise a strategic long term vision to boost exports of Kenyan avocados, mangoes and passion fruit. The private sector plays a major role in identifying the supply side constraints and actions needed to overcome weaknesses and improve the export competitiveness of the sector. In South Africa, the inception phase involving in-depth market research resulted in the joint adoption of a strategy to increase competitiveness of the Rooibos sector and implementation of this strategy has commenced. A gap analysis tool was developed for the automotive components sector and an action plan to improve the export readiness of 2nd-tier manufacturers was endorsed by stakeholders. The project plan for NTF II Senegal was signed by all partners during the WTO Ministerial meeting in December 2011. As part of this project, SMES in the mango sector are using the market opportunity study completed in partnership with ITC to penetrate to new market segments and improve their position in export markets. In Bangladesh, some beneficiary companies in the IT and ITES sector have been awarded pilot contracts by European businesses as a result of NTF II business linkage efforts. It is expected that this initial success will result in a steadier stream of outsourcing business provided to Bangladeshi SMES which will result in increased exports and more jobs for young people.

ITC is also increasingly supporting enterprises in service sectors and creative industries. In the Caribbean, ITC successfully worked with partners to develop and organize the burgeoning Creative Industries in the region, with funding from the EU, in order to support enterprises for export. A new craft collection labelled “Contemporary Caribbean Design” was launched and exhibited at the Design Caribbean trade fair in the Dominican Republic after working directly with entrepreneurs to improve product design and quality. The trade fair was also supported by this initiative and resulted in companies selling over 90% of their products. Some producers have established contact with major companies in the industry.

The SADC Supply Chain and Logistics Programme, funded by the Flemish Government, focuses on the development of agricultural value chains in selected Southern African countries and connects these to suitable markets. As a result of this programme, 15 pome and stone fruit farms in the Western Cape region of South Africa that collectively employ 200 permanent staff and 1,000 casual seasonal workers strengthened their linkages with supermarkets and export agents focused on the EU market and improved food safety measures and the quality of their products. In Malawi, small holder farmers have improved the productivity of their farms and the quality of their produce. As a result, farming families have increased their income through repeat business with formal markets within Malawi. Producers in Mozambique have secured initial sales of marula oil to a South African buyer after capacity building and investment in infrastructure to crush marula seeds into higher value export-quality oil.

Multiplying ITC support to enterprises

ITC’s tailor-made and sector development approaches to supporting enterprises reach a limited number of companies worldwide. To broaden the organization’s reach, ITC develops systems-based programmes that promote a multiplier approach to supporting enterprises for export development. By accrediting TSIs to run systems in their respective countries ITC empowers institutions with a competitive advantage to replicate ITC’s methodology and, therefore, ITC services are delivered indirectly.

The Modular Learning System for Supply Chain Management (MLS-SCM) is the prime example of ITC’s one-to-one-to-many approach. The programme, funded by Switzerland, builds a network of partner institutions that deliver certified training programmes in supply chain management to SMEs in developing countries. This programme structure has been accredited by ISO. By the end of 2011 institutions in more than 50 countries were enabled to offer MLS-SCM, with eight new institutions joining during the year. These institutions have access to trained trainers, have defined their target groups and course offerings, are able to develop effective course designs and programme marketing strategies that are suitable for their respective countries and offer online tools. In 2011, 5,400 MLS-SCM exams were taken. In total, the MLS-SCM programme delivers around 260,000 participant-hours of training per year to 21,000 participants. The average MLS-SCM partner institution delivers
26.5 training workshops, or 378 hours per institution. ITC on its own would not be able to deliver this kind of volume. In 2011 ITC has begun to standardize the MLS-SCM approach in a systemic manner in order to maximize the reach of ITC’s support to enterprises in developing countries.

A similar philosophy is employed through ITC’s Counsellors and Trade Advisors Programme (CTAP) whereby ITC builds the capacity of business advisors as trainers to coach and guide entrepreneurs for export success. In 2011 CTAP was incorporated as a component of a number of large programmes including EnACT in Morocco, Tunisia and Algeria and NTF II in Uganda. The business advisers, experts and trainers coached by ITC represent a network of expertise in local markets that enables the organization to reach beyond its direct capacity. With the support of the European Union, ITC activated a network of private sector SME advisers trained to deliver ITC methodology and training in the fields of quality management to packaging and supply chain management. By the end of 2011, the packaging institutes of Ghana and Kenya had deployed training programmes for SME managers using the experts trained by ITC as well as ITC’s training material.

Case study: Towards export-quality manufacturing in Kyrgyzstan

Fifteen per cent growth in the Kyrgyz clothing sector during the first 11 months of 2011 – double the previous year’s rate – was welcome news to a government battling a record trade deficit. Exports by clothing companies jumped by US$ 20 million between January and November, and this is due in part, according to Kyrgyz officials, to ITC’s trade-promotion work in the sector.

While there are no published statistics yet, anecdotal evidence shows that ITC-supported companies have added staff and increased wages. Both have been made possible by new sales contracts, as well as quality and productivity improvements at the companies.

“The task of bringing the food processing and clothing sectors up to international standards, and thus becoming an impulse for positive economic development of the Kyrgyz Republic, is tremendous,” said Deputy Economy Minister Oleg Pankratov. “It has been a practical and successful programme in sectors with substantial problems.”

Primavera, a clothing maker in the capital Bishkek, has increased its revenues by 30% and its headcount by 20% this year, according to owner Olga Kim. Thanks to the introduction of an ITC-supported quality-management programme, which awards seamstresses bonuses based on quality, many of Primavera’s 70 workers have seen their pay increase by one-fourth since the beginning of the year. Participation in training courses has increased their output, while reducing the number of defects.

“We only started tracking defects thanks to the ITC programme,” Kim said. “What you cannot measure, you cannot improve.”

Across town at Lilastyle, finding new buyers and moving up the value chain have been key benefits of the ITC trainings. The company, which manufactures girls’ prom dresses for the Russian market, has doubled the unit sales price of its products over the past two years, according to owner Tatiana Pavelnko. Through ITC, she and her colleagues have learned how to get the most out of industry fairs and how to present their products to potential buyers.

Pavelnko, who dusted off her grandmother’s sewing machine in the late 1990s to make her first blouse, now employs 50 people. She had vague ideas about quality management, but the ITC project gave her the tools to implement them. “We knew what to do, but we did not know how,” she said.

Potential for growth

The textiles and clothing sector in Kyrgyzstan represents 7% of the country’s total industrial output and employs around 120,000 people, 70% of them women. It was identified by the government as an industry for trade promotion due to its high potential for exports and offset the country’s growing trade deficit.

In 2008, the government approached ITC to implement a trade promotion project focusing on the sector, with a budget of US$ 1.84 million over three years, financed by the State Secretariat for Economic Affairs (SECO).
Damira Aitykeeva, who heads the Garments Design Department at the Kyrgyz State University of Construction, Transportation and Architecture has participated in the ITC project as a national consultant on productivity and production. She has incorporated into the university curriculum many of the ideas she learned from ITC’s international consultants. “What this industry is lacking is competent middle managers,” she said. “Modernizing the curriculum and making students focus more on their future clients will address this issue going forward,” she said.

None of the 15 companies Aitykeeva works with had any organized quality control in place before. They did not even measure their defects, she said. Productivity was low as a result, and the quality level was suitable only for the low end of the export market. “Many of these companies were founded by people who are not from the industry, but traders, or even teachers and lawyers,” she explained. Aitykeeva was trained by ITC’s international consultants and has taken over following-up with beneficiary companies. As part of her work at the university, she has added two more companies as clients, and she sends her students as interns to small firms in Kyrgyzstan and Tajikistan.

Back at Lilastyle, Pavelenko has big plans for the next few years. She is planning to move the company from its current location at her former family house to an industrial site with three times the floor space. In the volatile economic climate, however, she is treading carefully. If all goes well and sales continue to increase, she will be able to complete construction of the 750 m² plant in two years. As for Kim, her plans are focused on helping some of her middle managers to open up franchise operations, using her techniques, methodologies and sales channels. “I have many plans, but the key is having great employees,” she said. “We need to continue to invest in our people.”
Case study: Facing up to gender bias in corporate spending

“As women business owners, we need two things,” says Erka Tsevegrash, president and CEO of the Gandirs Group construction firm in Mongolia. “First, we need to meet buyers. But that’s not enough because, second, we need to understand their purchasing requirements and how to meet those requirements.”

Tsevegrash’s needs are universal to women business owners around the world, and were precisely the issues that the Global Platform for Action on Sourcing from Women Vendors addressed at its Women Vendors Exhibition and Forum (WVEF) in September 2011. While large corporations procure goods and services locally, they have historically not made an active effort to buy from women-owned businesses, leaving these vendors without information on how to access and successfully bid on tenders.

To fill this gap, ITC and its partners – including representatives from selected Fortune 500 companies, governments and institutions – formed in 2010 the Global Platform for Action on Sourcing from Women Vendors to increase the share of corporate, government and institutional procurement from women vendors, bringing greater economic benefit to women and their communities.

According to the World Food Programme, women reinvest 90% of their earnings in family well-being. When women are in control of their income, a number of positive results follow: infant mortality decreases, child health and nutrition increases, economies expand and cycles of poverty are broken.

Today the platform’s reach is truly global, with a network of more than 50,000 members.
Making connections

The Global Platform for Action on Sourcing from Women Vendors works on multiple levels, bringing women business owners together with corporations, institutions and governments seeking to increase their purchases from women vendors, and working with trade support institutions (TSIs) to build the skills and knowledge of women business owners.

WVEF was the programme’s first major event. Held in Chongqing, China, the conference drew more than 300 women business owners, corporate executives and procurement managers, government leaders and trade support institutions. It is at WVEF that Tsevegrash and more than 150 other women business owners sought to open new doors.

Monique Ward, Accenture’s procurement lead for the Asia-Pacific region, started thinking about how her company could actively source products and services from women-owned businesses at ITC’s 2010 World Export Development Forum. “We are largely a services organization,” says Ward, “so much of our purchasing is for things such as paper, technology and coffee for employees.”

One year later, at the Women Vendors Exhibition and Forum, Ward signed a letter of intent for Accenture to explore further opportunities with the International Women’s Coffee Alliance (IWCA). “It’s a first step in exploring what opportunities exist for Accenture to source coffee from the IWCA in Asia Pacific,” says Ward. “There are still some hurdles to go through, but this gives us a starting point to how we can make it work.”

That is just one of the connections made at WVEF, where US$ 14.8 million in business transactions were reported. Nigest Haile, the country focal point for ITC’s ACCESS! programme in Ethiopia and the founder and executive director of the Center for African Women Economic Empowerment, had already been working on projects connecting rural African women with buyers before attending WVEF.

“She has the opportunity to hear what the buyers are looking for and connect them with some women back home who are exporting handicrafts, jewelry and coffee.”

Purchasing from women makes good sense

Platform members recognize that seeking out women-owned businesses to consider as vendors taps into a latent supply chain. Barry Friedman, Walmart’s senior vice president of Corporate Affairs, said during the event, “There are distinct advantages to diversity in our supply chain: it strengthens it and it adds creativity and competition.” Ward sees another advantage, too. “Women-owned businesses are generally smaller, and that means they can better adapting to market demands.”

In many cases, going global is about starting local. Getting into the supply chain of a national subsidiary can be the first step in getting into the company’s global supply chain. “Whenever we approached multinational companies locally, we were told that approvals for purchasing were done through the headquarters,” says Archana Bahtnagar, managing director at Haylide Chemicals and president of the Madhya Pradesh Association of Women Entrepreneurs (MAWE). “People were not willing to look at products developed locally.”

Philip DeVliegher, director of global supplier diversity for Marriott International, knows that scenario well. “The challenge for multinational companies lies in the local companies truly being inclusive and in identifying suppliers we do business with. What we are doing now is identifying who those potential suppliers could be, and bringing them to the table. They’re not necessarily out front.”

Marriott is finding solutions through the platform. “WEConnect linked Marriott to ITC, so we are now able to source women suppliers in China, Africa and the Middle East,” says DeVliegher.

But making connections is not the final step. It is critical that women business owners have the skills to meet the demands of the buyers, which is where trade support institutions come in. ITC assists TSIs with training women business owners in areas such as costing and pricing, innovation in product development, and meeting standards for health, sanitary and packaging requirements. In 2011, the platform worked with TSIs including PromPeru, the American Chamber of Commerce in Peru, the Fondo Nacional de Apoyos para Empresas en Solidaridad (FONAES), the Women’s International
Textile Alliance (SPINNA), the International Women’s Coffee Alliance (IWCA), and the International Federation of Business and Professional Women.

Bhatnagar was among the women business owners who signed contracts with businesses they met at WVEF 2011. But she acknowledges that increasing women’s overall share of corporate, government and institutional procurement is a long-term process. ‘Things don’t happen overnight,’ she said. ‘ITC has made the commitment to this, and it is meaningful because this kind of dialogue doesn’t happen elsewhere.’

In 2011, the platform extended its reach to include governments, which are increasingly expected to increase purchases from women-owned enterprises. On the sidelines of the World Trade Organization’s Ministerial Conference in December 2011, ITC brought together participants from 32 countries, predominantly high-level government officials, for the inaugural Government Procurement Roundtable on Sourcing from Women Vendors. The group agreed on an action plan to assist governments in crafting policies and practices that support procurement from women.

Towards WVEF 2012
The second WVEF will be held in 2012, supported by a growing network. “Each year, platform members spend more than US$ 700 billion purchasing goods and services,” says Meg Jones, manager of the Women and Trade Programme at ITC. “Leveraging this group can have a tremendous impact on the global supply chain.

Gender equality in trade
While gender equality is a basic human right, it is also a matter of economic efficiency and competitiveness, leading to the achievement of other key development outcomes. Evidence shows a strong correlation between increased international trade and increased female employment in export-oriented industries, and often higher wages.

ITC’s Women and Trade Programme works with governments, the private sector and trade support institutions to bring greater economic benefit to women through increased participation in export trade. ITC also works directly with women entrepreneurs and women working in export-oriented value chains.

The programme aims to achieve these objectives:

- Influence programming and policy at national and international levels to address gender-based constraints to trade;
- Build the capacity of trade support institutions to support businesswomen;
- Strengthen the competitiveness of women entrepreneurs;
- Mainstream gender into ITC’s policies, processes and activities.

Mainstreaming inclusiveness and sustainability
Trade is widely recognized as an important contributor to economic growth. However, export growth does not automatically translate into human development and is therefore not an end in itself. ITC actively integrates human development objectives into its TRTA activities with particular emphasis on gender, poor communities and the environment. Building awareness of the opportunities and challenges associated with export development for each of these three areas is a key component of ITC’s work in inclusiveness and sustainability. However, the organization goes beyond building awareness to furthering its objectives for human development through export growth.

Women and Trade
ITC has three approaches in making trade work for women: ensuring an enabling business environment for women-owned businesses, delivering gender-focused export development programmes and mainstreaming gender into ITC from a corporate perspective.
Facilitating an enabling environment
Making the business environment friendlier to women-owned business enterprises (WBEs) and strengthening institutions that support WBEs has been an important part of ITC’s work to enable WBEs to take advantage of export opportunities. In 2011 ITC worked closely with the Enhanced Integrated Framework (EIF) Secretariat to ensure Aid for Trade work in LDCs funded through the EIF specifically considers the impact on women. LDCs are now able to produce action plans for the Diagnostic Trade Integration Studies (DTIS) which address the needs of women. Gender was also mainstreamed into the WTO draft workplan on Aid for Trade in Rwanda and in three project proposals prepared by LDCs for EIF Tier II funding. Four NTM gender reports were completed for Sri Lanka, Rwanda, Morocco and Malawi. This information on the obstacles in the business environment that specifically influence WBEs will enable policymakers in these countries to implement a roadmap to ease the cost of international trade for women. NTM gender reports for Kenya, Peru and Burkina Faso are under development.

Many of the informal cross-border traders actively transporting goods between the border regions in Eastern and Southern Africa are women. The livelihood of these women and their families depend on the business environment in the border regions, however, due to the informal nature of their business, risks are high. In 2011, ITC launched a programme, funded by Window I of the ITC Trust Fund, to work with institutions and traders in the border regions between Uganda and Rwanda to facilitate the cross border trading and to assist informal traders to transition to formal SME status. A network of trade facilitation practitioners on both sides of the border created a simpler, speedier, transparent and more predictable trading environment for women cross border traders enabling these entrepreneurs to better exploit export opportunities. This was made possible through, for example, a single window desk at border posts, capacity trade hubs at four border posts, associations of women cross border traders and tailor made capacity building for the entrepreneurs and the awareness raising for the officials. The success of this programme has encouraged the development of larger initiative incorporating women traders in the East African Community and South Sudan.

Building institutions
Enhancing the participation of women in export is a key component of the PACT II programme, which strengthens regional institutions for trade development in Africa. Through ACCESS! local and regional institutions tailor their service portfolio to meet the needs of WBEs. ACCESS! focal point institutions have been established with ITC support in Uganda, Ethiopia and Ghana. In 2011, these institutions have provided numerous services to women entrepreneurs in their respective countries, including: assessments of the potential for export competitiveness of WBEs, training in export strategy and business counselling services. By strengthening these institutions, ITC enables local solutions to serve the needs of WBEs and assist them in improving their export competitiveness. As an example of the success of this model, the Ethiopian ACCESS! focal point institution is replicating and extending the business counseling component of the programme using its own resources. This is an illustration of the relevance of the services for the local business community and is a promising signal for the sustainability of this programme beyond the project duration.

A sector approach
ITC has identified a number of key export sectors in which women can derive greater economic benefit from their participation in export-oriented value chains. Through the UK-funded Women and Trade Programme, as well as through projects supported by Window I donors, ITC supports women in: coffee in East Africa, alpaca in Peru and silver jewellery in Mexico. ITC works with partners to identify the key threats and opportunities for women in the sectors and implement initiatives to take advantage of market opportunities while addressing constraints faced by women.

Market demand is necessary in order to achieve outcomes in export development. In 2011 the Women in Coffee project has enabled the pilot-sales of branded “women-coffee” in Walmart and discussions are at an advanced stage with Accenture and Marriott Hotels for the branded product. After intensive training, 35 Mexican business women have improved their skills in business management and have a greater understanding of US market requirements for the silver jewellery industry and the demands of US buyers. 15 WBEs met with buyers at two targeted trade fairs. Two of the entrepreneurs have provided quotations to buyers after their first participation in a trade fair. Peruvian women in the alpaca industry have adapted their product design to match US preferences and market requirements after consultations with industry experts and in-depth training. Initial orders have been secured by some entrepreneurs. It is hoped that this will translate into more regular business as the project progresses further into the sales and marketing components in 2012.
Supporting sustainable local institutions is a cornerstone of ITC’s approach to sector development; gender-focused programmes are no exception. Women in the coffee sectors of Burundi, Kenya and Rwanda established national chapters of the International Women’s Coffee Alliance (IWCA) to institutionalize the empowerment of women in the sector in their respective countries. Women in coffee-producing countries beyond this programme (Viet Nam, Brazil and India) have been so inspired by the gains associated with working together that they too will establish national IWCA chapters in 2012. Women in the sector now also have better information on accessing finance through the publishing on ITC Technical Paper: Microfinance in Africa – Schemes for Women in the Coffee Sector. Peruvian women in the Alpaca garment sector are benefiting from improved services from their TSIs.

Gender mainstreaming at ITC
ITC’s efforts in empowering women through trade go beyond special programmes that are gender-focused. The organization is also committed to ensuring that the way it does business in general is gender-sensitive. In 2011 ITC’s senior management team adopted the ITC Gender Mainstreaming Policy and action plan, which were developed through an open, consultative process. A Gender Working Group with representatives from across the organization was established to ensure broad stakeholder buy-in. The templates and guidelines for project design were enhanced from a gender perspective and gender mainstreaming has been incorporated in the design phase of a number of ITC projects.

Poor communities and trade
Export growth alone does not guarantee poverty reduction. However, enabling poor communities to produce value added products in high demand on international markets with fair labour standards can make a significant contribution to improving livelihoods. This is precisely ITC’s approach to poverty reduction: linking poor communities to market opportunities. In 2011 a number of projects implemented this approach with communities in Africa and Asia.

Improving production capacity is an important step toward export success. ITC is currently concluding the second phase of a silk sector development project in Cambodia, funded by New Zealand, working with rural communities that have practiced the skill of silk weaving for many generations. This phase has focused on building the productive capacity of these rural communities, predominantly women, to match market demand through improving technical skills, establishing centralized services to ensure consistent quality and promoting specialization in each community. An end of project survey will be conducted in early 2012, however, it is evident that the project has enabled the communities involved have benefited from increased income and improved the economic empowerment of women in the communities. The weaving communities are in a better position to innovate and respond to the demands of export markets through improved skills in management, technical production skills, and cooperation with other communities. The achievements of this project will be continued by a follow up export diversification and expansion programme in 2012 to be funded through the EIF.

Integrating products from poor communities into tourism value chains has been identified as a priority for a number of least developed countries. ITC has contributed to the One UN programme in Mozambique, improving livelihoods of poor communities through strengthening tourism-related cultural and creative industries. The multi agency programme, funded by Spain’s MDG fund, ended in 2011 and made a significant contribution to community-based cultural tourism in the Maputo, Inhambane and Nampula provinces of Mozambique. Local musicians and craftspeople are in a better position to understand commercial contracts for their work after dedicated contract guides were developed for their respective sectors. Public and private sector stakeholders in tourism have collaborated in the development of cultural tourism itineraries. Poor communities in Inhambane and Nampula have been enabled to develop and manage cultural tourism tours. 4 cultural tourism tours were developed and are now operational. In parallel, the Government developed a dedicated promotion plan for cultural tourism and assist the communities to market the tours. Mozambican SMEs and TSIs are better positioned to market local cultural and creative industry products for export after intensive capacity building in the area of design and marketing for international markets. In 2011 ITC worked on the project design of tourism-led value chain projects for the United Republic of Tanzania, Uganda and the Pacific. The organization also commenced work on a Swiss-funded project in Laos linking the agriculture and handicraft sectors to sustainable tourism. This multi-agency project, launched in July 2011, is still in its initial stages. Training needs have been assessed and some training has been designed and conducted.
In Viet Nam, ITC is the coordinating agency for a Spanish-MDG funded programme under the One UN umbrella contributing to sustainable green value chains linking poor communities to more profitable markets in handicrafts and small furniture. After a focus on understanding the value chain in 2010, 2011 saw a shift to marketing and trade promotion. Participating companies and TSIs have an improved understanding of the export requirements for the United States market and opportunities associated with Fair Trade certification.

ITC’s Ethical Fashion programme, funded by Window I of the ITC Trust Fund, represents an approach to the design, sourcing and manufacture of clothing and lifestyle products which maximizes benefits to people and communities while minimizing impact on the environment; inserting disadvantaged African communities and their groups of informal manufacturers – mostly women – into an international value chain associated with household brand names in the fashion industry. 2011 was an important year for this programme in East Africa in the consolidation of the local support system and infrastructure and in implementing a plan to ensure the sustainability of the project, reducing dependence on ITC. The business model and infrastructure can be replicated in other regions. In 2011 work has begun to establish Ethical Fashion West Africa. The Ghana-based initiative will be funded by Switzerland and will be operational from 2012. ITC is also assessing the feasibility of an Ethical Fashion Programme in Haiti. More information about this programme can be found in the case story in this section.

Trade and the environment

Climate change is the defining development challenge of the 21st century. Markets have responded to this challenge with consumers choosing to reduce their carbon footprint through directing their purchasing power to sustainable, biodiversity-based products. ITC supports SMEs and TSIs in developing countries to respond to this niche demand through three approaches: niche sector development, intelligence on standards, and by greening ITC. The majority of the work focused on the environment takes place through ITC’s Trade, Climate Change and Environment Programme, funded by Window I of the ITC Trust Fund.

Niche sector development

ITC works with the Zambian Development Agency to develop the organic agriculture sector in Zambia. After intensive training in 2011, 17 companies linked to 15,000 farmers and nine TSIs are better positioned to implement organic production, processing and marketing, organic honey and Internal Control Systems. A local TSI, Kasisi Agricultural Training Centre, has deepened its services to SME clients as it has been enabled to deliver capacity building on organics. Tailor-made support has been provided to two Zambian companies, improving their potential for organic certification. Overall, exporters and TSIs are more aware of organic market requirements.

Biodiversity trade is the focus of the niche sector development programme in Peru, in partnership with PROMPERU and GIZ, and designed according to the needs expressed by SMEs and TSIs in the biotrade field. Over 80 Peruvian exporters of natural products and researchers in biodiversity are better informed about US market trends and requirements for the exports of natural products after dedicated workshops organized by PROMPERU and the Peruvian Biotrade Platform. Four guides related to exporting natural products to the United States have been produced for the Peruvian market. The Latin Pharma initiative held at the end of 2011 also contributed greatly to promoting biodiversity trade in Latin America through linking producers of natural products to the region’s pharmaceutical industry. Initial results indicate sales at the even exceeding US$ 3 million. This is likely to expand significantly post event.

ITC works with partners to assist exporters in developing countries to meet carbon standard, with a particular focus on assisting Kenyan exporters to reduce emissions from the horticultural sector. In 2011, ITC has finalized a Sustainability market assessment on cotton and climate change. Professionals of the horticulture sector in ACP countries are better informed about market requirements for ACP producers and on carbon and water standards after workshops were held in conjunction with COLEACP in Kenya.

Bio-global public goods

A common obstacle for companies wishing to take advantage of niche market opportunities associated with sustainability and biodiversity is lack of access to information on standards, requirements and market trends in these niche areas. In 2011 ITC made a wealth of bio-related intelligence available to SMEs and TSIs in developing countries through the publishing of the
Standards Map database on 70 private standards covering more than 60 product groups in over 180 countries worldwide. This Trade for Sustainable Development project is possible due to the financial support of contributions to Window I of the ITC Trust Fund as well as contributions from Switzerland and the European Union. Capacity building in order to optimize the use of the tool was also provided to about 500 participants through workshops and webinars.

In 2011 ITC has also published the Sustainability Market Assessment on the Trends in the Trade of Certified Coffee and completed drafts of a guide on How to Package for Sustainability and Organic Products and a how-to guide on Product Carbon Footprinting, as well as a number of sector-specific guides in relation to sustainability issues.

A study on trade in python skins, with a focus on South East Asia, was conducted in collaboration with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). This study is being used by government authorities and NGOs in the region to improve sustainable sourcing practices.

A global internet-based information system for organic market and production data has been updated and maintained, in partnership with the Swiss Research Institute of Organic Agriculture. The database supports decision-makers in governmental administration, TSIs and other actors of the international organic sector by providing fast and easy access to current organic market and production data.

Greening ITC
ITC is committed to reducing its carbon footprint in line with the UN’s commitment to ‘greening the blue’. In 2011 ITC approved an Emissions Reduction Strategy, positioning it to implement cost- and carbon-saving measures. Environmental screening has been integrated into the project design guidelines and templates to ‘green’ project cycle management and ensures that environmental risks and opportunities are considered during all future projects and contribute to improved environmental outcomes. The organization has also produced a Staff Green Guide to assist employees in making informed decisions to reduce their individual carbon footprint and contribute to reducing the carbon emissions of the organization.

Case study: Breathing new life into Cameroon’s coffee sector

Until last year, small-scale farmer Anna Ngouet was at the mercy of coffee buyers who regularly came around to her 500-plant farm in western Cameroon. Stuck at the bottom of the value chain with no way to process her coffee cherries, and therefore no way to accurately weigh the beans inside the fruit, Ngouet had to accept a ‘best guess’ price from the buyers. Adding to her troubles, local children had taken to stealing any harvested produce that was waiting to be sold, while she was away or in her field. So when a buyer arrived, she could not afford to decline any offer, as she might be robbed of her coffee harvest the next day.

In 2011, Ngouet’s circumstances changed. Thanks to ITC, NGO Café Africa and the World Bank, a community-based coffee washing station was established 17 km from Ngouet’s farm – close enough for her to transport her produce immediately after every harvest. There, she is able to process, store and sell her beans at a fair market price.

By washing her coffee cherries, removing the pulp and exposing the raw beans, she adds value to her product and can monitor the quality of the raw coffee she is producing. At the facility, she records the weight of her coffee beans and is sure of the correct price in her dealings with buyers. Her position thus improved, Ngouet has seen a significant increase in her income. According to ITC figures, farmers typically see a 25% increase in price when they have access to a community washing station. Ngouet now has more funds to pay day-workers and has plans to invest in fertilizer and new tools. “With the money that is left over,” she adds, “I pay for school, I pay the hospital and also for food,” she said.

“I’m pleased, because this year I have not had a problem with children stealing,” she added. “Before, there were bandits always watching me, but now every time I harvest I can take the cherries directly to the station. This puts my mind at ease.”

Turning an ailing coffee sector around
Since 2008, ITC has been working in Cameroon to assist in the redevelopment of the country’s once-flourishing coffee sector, which began to decline in the late 1980s and was further weakened by the
over-production crisis of 2001. The collapse of Cameroon’s coffee sector reflects a complex interaction of factors: fluctuating market prices, unsuccessful sector liberalization, low investment and many other factors along the value chain. As plantations suffered from neglect, and the skills and resources to care for the coffee plants dwindled, the volume and quality of coffee from Cameroon declined, and annual exports dropped from a high of 90,000 tons per year to just 35,000 tons in 2009.

“Practically everything you see today in Cameroon was built from coffee resources,” says Apollinaire Ngwe, chairman of the Interprofessional Committee of Cocoa and Coffee. “As a cash crop, coffee was the only thing that allowed rural people to have money, buy clothes and send their children to school. During the golden age of coffee, there was no oil. Oil came later.”

Shrinking coffee exports, and the resulting loss of revenues, has had a marked socio-economic impact in rural Cameroon, contributing to acute poverty, food insecurity and poor access to basic services such as education, healthcare and sanitation.

But in recent years, the government recognized that a valuable resource was being lost, and Cameroon’s Ministry of Commerce turned to ITC to help create a national strategy for coffee that could renew the competitiveness of Cameroon’s coffee and rebuild the supply chain that generated income for so many families. Funding was secured from the European Union’s All African, Caribbean and Pacific (ACP) Agricultural Commodities Programme.

Following an intensive 11-month planning period, the new coffee strategy was adopted by the government in October 2009. It identified three key objectives:

1. Augment the volume of production and improve quality by raising the level of expertise and facilities;
2. Streamline commercialization internally and provide training along the supply chain;
3. Develop new markets for competitive products.

“The coffee industry has needed this for a long time; especially since the liberalization and the crisis, we were sailing by sight for a while,” says Mefinja Francis, managing director of the Central Union of Agricultural Cooperative Societies of the West. “Although the government had a lot of goodwill, we did not know how to start this recovery. Through the contribution of ITC with Café Africa, we came out with a document that pleases everyone.”

In 2010 and 2011, ITC assisted in bringing the strategy to life. To raise production, Cameroon’s coffee sector needs to regenerate declining plantations and renew planting of disease-resistant stock. ITC trained 96 community extension volunteers, including on-farm training, in good agricultural practices. This group is serving 1,200 coffee farmers who rely on extension services for information and guidance.

To improve quality, ITC installed coffee washing stations in four coffee-growing regions of Cameroon, a model proven to produce better-sorted coffee of consistently higher quality that demands higher prices. ITC also led a series of workshops and consultations in rural communities, training 119 producers on coffee quality.

ITC is also promoting Cameroonian coffee in the United States, Japan and other countries. In France, coffee from Cameroon has returned to the French market as an appellation, and two French roasters have declared the products to be of excellent quality, with potential for future development.

“We received substantial support and useful techniques from the International Trade Centre, which contributed to a participatory process that led to the development of a strategy,” said Omer Maledi, director of studies and promotion, National Office of Cocoa and Coffee. “ITC allowed Cameroon to master the methodology, and in this way we will be able to update our strategy and assist others.”

A testament to the success of the Cameroon coffee sector rejuvenation, the project is being replicated in seven coffee-producing provinces in the Democratic Republic of Congo which, if fully funded, could provide direct support to an estimated 400,000 coffee farmers.

**Beyond coffee**

In June 2011, ITC expanded its assistance to another of the Cameroonian government’s priority sectors: cassava. The project aims to enhance the traditional techniques used in cassava
transformation, increase locally added value and expand markets. As with coffee, the goal is to help smallholder farmers move higher up the value chain by processing more of their produce, and at the same time increase food safety, productivity and thus profitability through the introduction of advanced processing techniques – crucial for a product like cassava, which can be toxic for human consumption if not properly processed. ITC built facilities, installed processing equipment in three farming communities, trained 60 lead farmers (who train others) in food processing and food safety, and assisted with marketing the products in Gabon, Equatorial Guinea and the Central African Republic, to augment local sales.

Case study: African craftsmanship meets high fashion

In the four years since ITC first approached the world’s biggest fashion houses to promote its Ethical Fashion Initiative, the programme has gone from strength to strength. Starting from little more than a solid strategy and a selection of East African raw and reclaimed materials, the initiative is now providing sustainable employment to 12 core communities of producers in Kenya and Uganda – approximately 1,200 people – coordinated from a business and production hub in Nairobi. During peak periods, additional communities are involved, and one production surge saw 7,000 people working for the programme.

Part of ITC’s Poor Communities and Trade Programme, the initiative connects international fashion companies and distributors with micro-producers based in marginalized communities. Skilled workers who have not historically been part of the larger value chain are able to use their skills to create high-end products that can legitimately claim to be ethical.

Simone Cipriani, head of the Poor Communities and Trade Programme at ITC and chief technical adviser for Ethical Fashion, attributes the programme’s success to a line of work that is wholly market-based. “There is a growing demand from consumers for fashion that is good to people and good to the environment. We simply met this demand with the right products and we put our trust in the women informal producers and workers of Africa.”

Since inception, Ethical Fashion has at least doubled its output every year, surpassing 350,000 pieces in 2011 – a testament to the quality of the work generated by the local craftspeople.

“The idea is that we want the communities we work with to become permanent suppliers, so it’s not really about involving them in the design, or making the products ethnic, which might be fashionable for a season,” said Jeremy Brown, lead product development advisor for ITC’s Ethical Fashion Initiative. “Instead, we teach them how to manufacture well. In that way, we’re building something that can last.”

Winning with Westwood

In 2011, the Ethical Fashion team welcomed iconic British fashion designer Vivienne Westwood to its Nairobi hub – her first time at the site since her company began working with Ethical Fashion in 2008. Westwood met with artisans, led training workshops and learned about the local skills and communities as she developed her new collection with the women. As a result, Vivienne Westwood Ltd extended its commitment to producing accessories in Kenya, and increased its orders. Three years after the first meeting with Westwood Ltd, Ethical Fashion workers are now producing 15 items for the company, including purses, ladies’ and men’s bags, and luggage.

“We are not interested in just getting a cheap product,” said Christopher Di Pietro, marketing and merchandising director for Vivienne Westwood Ltd. “What’s important is that it’s ethically made.”

Underscoring the success and long-term viability of the collaboration, Westwood’s 2011 Ethical Fashion Africa line has been nominated for the prestigious Best Design of the Year award by the Design Museum in London; winners will be announced in summer 2012.

Vivienne Westwood herself is looking for an even higher impact. Inspired during her visit to Kenya in June 2011, she commented, “It’s quite incredible to think that we might save the world through fashion.”
Not charity. Just work.
The Ethical Fashion Initiative business model is not only focused on making goods that markets demand, it also ensures that the women, who make up about 90% of the Ethical Fashion Initiative’s workforce, gain skills that will serve them in the long term.

A crucial step in the relationship with Ethical Fashion customers is assessing the feasibility of manufacture, which involves developing products that can be made with local skills and equipment, using local materials, and manufactured efficiently by a number of people working together.

"With a collection we're working on now for mass distribution, for example, we're not using any specialized equipment," Brown said. “It all has to be produced on a foot-powered Singer machine, without electricity, so any piece of the collection can be made in the most remote areas.”

Major retailers are also realizing the business potential and corporate responsibility of sourcing products which are ethically made. The Ethical Fashion Initiative is now working with American company Wal-Mart, which is one of the biggest powers in retail sales, on plans for 2012 retail distribution of Ethical Fashion’s products. The initiative’s partnerships with Swiss retailer Manor and Italian retailer Coop Italia have grown in 2011 and will continue in 2012 as the initiative takes on new challenges with expansion.

"We don't want to compete only on price, but on craftsmanship," Brown said. “For a lot of the products we create, you wouldn’t be able to tell whether it’s been made here or in Italy. It’s just nice, contemporary stuff."

Job done. So much to do.
The Ethical Fashion Initiative now enjoys a steady flow of orders, well-established customer relationships, and capable and experienced staff. The ITC team is therefore turning its attention to West Africa – replicating the TRTA development model potentially to Ghana, Burkina Faso and Mali – as well as to Haiti. These countries have traditions of artisanal textile production that will provide a broader range of materials to current and future customers. Along with the geographic expansion, the programme will grow beyond wearable fashion and into interior design items.

"We are recognized by the industry as the initiators of the Ethical Fashion movement," Cipriani said. “What we really did was prove that the poorest of the poor are reliable producers and traders when given the right opportunity to engage."

Social impact through economic empowerment
The Ethical Fashion impact assessment team regularly carries out surveys to assess how the programme has influenced the workers’ lives. In 2011:

- Women report that their income has increased by between 95% and 300%
- 78% have been able to utilize the skills learned through the initiative for other jobs
- 90% claim the income enabled them to improve their homes
- 88% cite their ability to now make independent financial decisions
- 54% cite their ability to invest as the most important change in their lives
- 84% have better access to fresh foods
- 72% feel they receive more respect from their families
- 36% of households now have women (mothers) in charge of the decision-making on household issues
INTERNAL ORGANIZATIONAL RESPONSES

Results-based management

In 2011, ITC put considerable effort into building a more performance-oriented culture. Initiatives centred on training and coaching ITC staff to improve their knowledge and practice of results-based management (RBM). These activities have contributed to a common understanding of the elements of performance-oriented project design. They have developed around three main areas: templates, training and follow-on coaching.

Templates support quality and procedural requirements in the management of a project cycle. In 2009, ITC’s project design template was developed with the support of the Project Quality Assurance Group. In 2011, this template was further improved and completed, following a testing phase for project design that was led by a multi-section group comprising project designers, project implementers and management representatives. The template refinement process was conducted in concert with a training programme on RBM, emphasizing project design. This consisted of a series of tests, correcting and validating steps and resulting in a UN Board of Auditors (BoA) ‘good practice’ designation.

RBM training provided ITC staff with a clear understanding of the phases of project design, while familiarizing them with the practical use of ITC templates. Special attention was placed on creating logical frameworks that align a project’s objectives with practical activities to achieve the required result – with indicators that can be measured. The main goal was to make sure logical frameworks are used by project designers to link objectives to a work plan and budget.

Ninety staff members were trained and assessed on project design issues. The mandatory course was addressed not only to project designers, but to P3- and above staff from all ITC divisions, including senior managers. In 2012, project design training will be extended beyond the first group to 45 additional people, covering all project managers down to P2. As part of ITC’s plan to roll out best practices across all facets of the project cycle, RBM training in 2011 will be expanded in 2012 to other aspects of project management, including project evaluation.

Augmenting the training, ITC initiated a new coaching approach, to help project managers improve their reporting on the outputs and outcomes of their projects. The Division of Market Development (DMD) played a pioneering role in analyzing the existing monitoring and reporting materials of each DMD project, with a view to improve quality and coherence, and to ensure stronger links to ITC’s corporate objectives and indicators. As a result, the quality of 2011 reporting has improved substantially and DMD managers have acquired experience and understanding of the importance of reporting on results.

To further facilitate the work of project designers and the RBM reporting process, a special initiative was undertaken by the ITC Management Group (MAG). This consisted of the middle management aligning ITC’s organizational sections to the corporate logical framework. This resulted in a series of outputs, outcomes and indicators specifically identified at the section level, each of them connected and contributing directly to the broader ITC logical framework.

To better measure the relative scope of ITC interventions, understand ITC’s ‘market share’, and identify opportunities to optimize its intervention strategy, ITC initiated a series of statistical analyses in 2011, the results of which will be available in 2012 and incorporated into the Performance Reporting Dashboard, which was piloted in 2011 as a tool to provide senior managers and project managers with a summary of project delivery. The dashboard will be further enhanced as a reporting tool for ITC’s RBM reporting requirements.

In 2011, resources were allocated to developing and implementing a new ITC corporate logical framework (or logframe) to be implemented for the 2014-2015 biennium. Compared to 2012-2013, the new logframe contains important changes related to expected accomplishments and indicators of achievement, as well as performance measures. The new logframe will:
• Initiate a gradual move from outcomes to impact measurement. Beyond monitoring outcomes, the new logframe puts the focus on the economic and social impact of ITC’s activities on a country’s export and growth performance.

• Integrate inclusiveness and sustainability into project reporting. Three categories of indicators are targeted: economic (export-generated), social (jobs- and income-supported) and environmental (enhanced export-related sustainability).

• Embed a significant gender-mainstreaming ambition. The new approach proposes to monitor four out of eight outcome indicators on a gender basis (access to trade intelligence, impact of awareness activities, enterprise strengthening and business generation) and one out of three impact indicators (jobs and income supported).

The motivations for introducing a new logframe for the ITC are threefold. First, while ITC’s 1967 mandate included ‘trade information services’ in addition to ‘trade promotion advisory services’, the previous framework was only focused on ‘trade promotion services’. Accordingly, the first expected accomplishment of the proposed framework is centered on assessing performance of ‘trade information services’ so as to include all functions of the ITC. Second, the proposed framework is expected to facilitate greater coherence within ITC through the alignment between project indicators and the proposed corporate level indicators. Finally, for ITC’s donors and beneficiaries, aligning the framework to the actual functions of the organization should contribute to more efficient communications.

Development of the new corporate logframe has followed a participatory approach, involving ITC middle managers, donors and beneficiary countries in 2011. It will be presented in May 2012 to ITC stakeholders during the Joint Advisory Group meeting for review and endorsement. Subsequently, ITC’s strategic framework will be submitted to the Committee for Programme and Coordination of the General Assembly (CPC) for approval. This process should then continue with the insertion of the new corporate logframe as the strategic framework of the organization in ITC’s programme budget proposal for the 2014–2015 biennium. ITC’s programme budget will then be presented for final approval to the UN General Assembly and the WTO General Council.

Accountability framework

The accountability framework of ITC is based on results-based management and monitoring. Therefore, the progress in RBM described above has a direct effect on ITC’s accountability framework. An improved capacity to plan work, and to report on it, has a positive effect on the relevance and impact of the organization. According to the UN General Assembly, “Accountability is the obligation of the Secretariat and its staff members to be answerable for all decisions made and actions taken by them, and to be responsible for honoring their commitments, without qualification or exception.”

To this end, ITC has developed a series of standards of personal accountability, integrity and ethical conduct as well as financial disclosure.

Within this context, ITC produced an anti-fraud and anti-corruption paper in 2011, following the policies of the UN Secretariat. The objective was to report on the actions taken to prevent and combat corruption within ITC, following ITC’s accountability framework and in line with the UN Convention Against Corruption and the UN accountability framework.

Efforts have been made to increase staff and management awareness of this issue. In 2011, a series of mandatory trainings was completed by ITC staff members, of which the following were closely related to accountability:

• The integrity training module consists of a pre-assessment, a self-directed learning module and an ‘integrity challenge’. This online course was completed by 37% of ITC staff in 2011 and full participation is expected by 2012.

• The ethics training module is structured to raise staff members’ awareness of ethical conduct and to promote a high standard of integrity among all ITC staff. The 2011 completion rate was 87%.

2 GA Definition of Accountability (A/RES/64/259).
Furthermore, a training programme on accountability is under development, with a pilot to be implemented in 2012.

Each year, ITC submits a work plan to the Office for Internal Oversight Services (OIOS), which promotes good governance and accountability at ITC through audits, evaluations, inspections and investigations. It may issue recommendations to improve internal controls and organizational efficiency. In 2011, to contribute to ITC’s goals of aid effectiveness, OIOS shifted the focus of its auditing of ITC, undertaking project risk assessments as a first step. The first OIOS Project Risk Audit in 2011 focused on identifying the risks for a single project and assessing how well the project controls mitigate those risks. The selected project was the NTF II project for the coffee sector in Uganda, whose objective is to ensure effectiveness of the umbrella institutions and competitiveness of coffee-farming organizations in gaining access to the European Union market. The results of the audit are expected in 2012.

This work was complemented by the external audit of the UN Board of Auditors (BoA), which for the current period is the National Audit Office of the United Kingdom. In addition to auditing the financial management of ITC, BoA provided advice on ITC management issues. The issue for 2011 was the project design process. Here again, the results of the audit are expected in 2012.

Although most of the evaluations will be concluded in 2012, with a full management response and corresponding follow-up on the accepted recommendations, the process itself provided some benefits. During this year, the evaluations were primarily concerned with ITC’s large programmes, the evaluation of the PACT II programme being the most advanced. There are two noteworthy impacts of this evaluation. First, it put beneficiary countries and organizations at the very centre of the approach. This means that programme managers have put a special emphasis on beneficiaries when choosing project strategies and involving them in the activity design and budget preparation. The second major benefit of the evaluation process was to clarify roles and accountability for results.

**Upgrading financial management**

In 2011, ITC continued its effort to link the outputs, outcomes and impact of its work to the expenditure of resources. As the present enterprise resource planning (ERP) system dates to the early 1990s, success will be contingent on deploying a new ERP system, which is to be implemented progressively over the period 2013–2015.

New elements and additional analysis were incorporated into the monthly and quarterly financial reporting, highlighting matters requiring management attention. This has enhanced management discussions and facilitated informed decision-making. Monthly financial reporting to management has also resulted in more efficient management of extrabudgetary resources, especially the ITC Trust Fund (ITF) W1 funds. Better cash-flow forecasting has resulted in better resource planning and availability. The level of unliquidated obligations for prior years has also declined.

ITC Financial Management is preparing for implementation of International Public Sector Accounting Standards (IPSAS), in coordination with the United Nations. A full set of accounting policies and procedures has been drafted, and discussions are continuing on the impact of ITC’s main currency, Swiss francs, on the design of the United Nations’ ERP, and the resulting costs. An instructor-led training will be launched in 2012, focusing on pre-implementation issues and the preparation of the IPSAS-compliant financial statement.

**Investing in people**

ITC Human Resources in 2011 focused on the improvement of individual performance and organizational impact through its work under the goals of the ITC People Strategy. This work has led to improved human resources monitoring and reporting, enhanced recruitment processes and output, and a supportive learning and development framework to promote excellence within the organization.
Attracting world-class talent

The first goal of the People Strategy is to source and attract world-class talent from around the world. ITC has increased its efficiency and productivity in many areas relating to staff recruitment. Use of the recruitment monitoring tool, developed in 2010, continued to reduce ITC’s vacancy rate, which at the end of 2011 stood at 25%, a significant improvement over the 38% reported the previous year. The tool is also being used to identify causes of delay in the recruiting process, by division and by funding source.

Increased recruiting efficiency is reflected in the number of vacancies filled. In total, 56 competitions were completed in 2011, and 40% of these vacancies were filled by internal candidates. In addition, a modular coaching programme was introduced to help hiring managers better understand the recruitment and selection system, and their role within it.

More consultants and individual contractors were engaged by ITC during the past year, with 738 consultancy and individual contractor contracts and amendments issued – resulting in 33,217 days worked, compared to 25,621 days during 2010. Of the 738 contracts, 243 were given to women and 495 to men, with 94 nationalities represented.

In 2011, ITC rolled out its new Staff Selection System, governing the organization’s fixed-term staff. The system was developed by adapting the existing United Nations Staff Selection System to ITC’s needs, while fully aligning with the United Nations Staff Rules and Regulations.

ITC also put into effect two new recruitment policies, namely the Administration of Temporary Appointments and Central Review Bodies, to provide a coherent recruitment framework for the organization, as well as allowing ITC to move its recruitment processes towards the use of the INSPIRA recruitment platform in the future.

Learning, training and development

The second and third goals of the People Strategy promote excellence in leadership and people management and support all ITC staff in their continuing professional development and performance improvement.

In 2011, two new initiatives were rolled out – the Learning and Development Strategy and the Mandatory Training Programme – and an ITC Learning Advisory Board was established to provide strategic guidance on the learning and development objectives of ITC.

The ITC Learning and Development Strategy focused on the development of skills to promote operational output, incorporating successful programmes such as Project Design Training, Performance Management Training and Management Skills and Leadership Training, as well as a range of mandatory UN training programmes.

Staff welfare and diversity

The fourth People Strategy goal is to provide ITC staff with a healthy and supportive workplace in which diversity is recognized as an asset. ITC Human Resources updated several related policies, including the policy covering ‘prohibition of discrimination, harassment, including sexual harassment, and abuse of authority’, as well as the presentations on stress management.

To promote diversity within ITC, 36% of all ITC fixed-term recruitments during 2011 were filled by nationals from LDCs and other developing countries. These new hires contributed to the overall 38% of serving ITC staff members who are from LDCs and developing countries. ITC’s 266 staff members represented 73 countries at the end of 2011.

Efficient, transparent, responsive processes

Goal five of the People Strategy relates to the development of efficient, transparent and responsive human resources processes to support ITC’s business delivery. This goal has been central to ITC’s adoption of UN policies during 2011, with extensive consultation between ITC management
representatives and representatives of the ITC Staff Council leading to the promulgation of eight new ITC policies aimed at improving organizational and personal performance.

ITC Human Resources has also worked to streamline many administrative processes relating to areas such as entitlements, educational grants and home leave, to provide staff with more efficient and responsive procedures.

Communications and outreach

ITC is increasingly aware of the benefits of, and requirements for, effective communications. In 2011, ITC increased its communications and information outreach, continuing to raise awareness of the importance of export-led growth for developing countries. The Communications and Events section organized and supported numerous events, including the World Economic Development Forum (WEDF), relaunched ITC’s publications programme, created the new ITC website and published over 100 news articles and press releases, more than double the volume of the previous year.

Laying the foundations for increased outreach to new audiences, the team created a social media strategy and relaunched ITC’s YouTube channel and Twitter account. In addition to these corporate initiatives, the communications team increased its support to individual ITC projects and programmes.

ITC will build on these foundations in the 2012–2013 biennium by reaching a wider audience and raising awareness of the importance of inclusive and sustainable growth in developing countries and transition economies.

ITC website

In 2011, ITC relaunched its main website, www.intracen.org, which follows a new, client-focused architecture by directing its three main audiences (exporters, policymakers and trade support institutions) to tailored information and regular news updates. ITC edited, reorganized and migrated its existing web content to the new content management system (CMS), and repurposed content that was not previously included on the website. Most of the content is available in French and Spanish, as well as English – a major improvement over the previous site. Information on projects is provided, along with country-specific content, including trade statistics and trade contacts. The new site has registered traffic growth of over 30%.

Using the new CMS, ITC has also relaunched some of its most popular websites: International Trade Forum (www.tradeforum.org), The Coffee Exporters Guide (www.thecoffeeguide.org), and The Cotton Guide (www.cottonguide.org). ITC also created a new website for women exporters in Africa as part of the Pact II programme (www.womenexporters.org). Using the new CMS as a single platform enables the cost-effective creation of web properties with more advanced functionality than the previous standalone technologies could offer. This work will continue in 2012.

Customer relationship management

In 2011, ITC selected Microsoft Dynamics 2011 as the platform for its new customer relationship management (CRM) system. Following a needs assessment and the specification of requirements, ITC and its CRM implementation vendor developed a prototype of the system in the fourth quarter of 2011, while migrating 25,000 contacts from multiple ITC databases. The remaining 50,000 contacts will be migrated in the first quarter of 2012, leading to a rollout across the organization.

Once fully operational, the system will enable the organization to interact with clients in a much more efficient manner by replacing a number of legacy applications and merging decentralized databases, thereby allowing for improved client service and information-sharing across ITC’s divisions. The system will be rolled out in three phases.

Phase I (to be rolled out in Q2 2012) includes customer relationship management, event management and request management. In this phase, ITC is centralizing its client contact information, communications and interactions into one location which all staff can access. This will
allow staff to see all interactions between ITC and its beneficiary countries, donors and strategic partners including:

- Projects participated in;
- Events and training seminars attended;
- Network memberships;
- Newsletters subscribed to;
- Needs expressed during Joint Advisory Group and consultative committee meetings;
- Requests for assistance or information.

**Phase II** (anticipated for Q4 2012) will cover document management. During this phase, the CRM system will be further developed to manage and automate processes related to:

- MOUs, grants and letters of agreement;
- Written correspondence;
- Publications;
- Statutory reporting.

**Phase III** (dates to be determined) will integrate the CRM system with ITC’s website and also provide functionality for ITC clients to access and update their CRM profiles directly.

**Online courses**

In 2011, ITC put in place a corporate e-Learning platform, which is now hosted on a dedicated server and managed by an external provider selected through a competitive procurement process. The e-Learning CMS, called Moodle, was selected and a range of courses have already been delivered. These include, notably, 11 webinars on market analysis and a webinar on market intelligence for trade attachés. The platform has been piloted in 2011 to deliver blended learning on market analysis for beneficiaries in South Africa, Western Africa (ECOWAS region) and Mauritius.

In December 2011, a pilot was successfully undertaken with foreign trade representatives from Uruguay based abroad. This three-day course on market intelligence demonstrated the efficiency of distance learning and the need to reinforce this delivery channel in ITC’s programmes. This approach, which brought together, virtually, 15 participants from throughout the world to work with ITC trainers, avoided the carbon emissions that would have been generated, had the attendees needed to travel. In this single distance-learning case, 25 metric tons of CO₂ emissions were saved – equivalent to the emissions of a family sedan driving over 150,000 kilometres.

Following the successful completion of the pilots, ITC will integrate the e-Learning platform into its website and roll out further courses. The initiative will contribute substantially to ITC’s programme delivery in the field and increase ITC’s ability to raise the capacity of TSIs, policymakers and enterprises in developing countries to acquire knowledge and competencies in the field of export development.
CORPORATE RESULTS

Client survey

In October 2011, for the fifth consecutive year, ITC conducted a survey to better understand its clients’ perceptions and expectations, with a view to improving the quality and relevance of ITC’s work.

The survey was conducted during a record year of trade-related technical assistance delivered by the agency, making the perspectives of clients all the more important to gather and analyze. The online survey, which contributed to the preparation of ITC’s 2012–2015 Strategic Plan, was complemented by a series of phone interviews with policymakers and managers from trade support institutions and private enterprises, to gather deeper input and explore potential priorities for the future. An external agency, Dalberg Global Development Advisors, provided an independent assessment of the survey in the design phase and in the analysis.

Approximately 1,000 ITC clients responded to this year’s survey, spread across all regions: 25% from Africa, 22% Asia, 21% Latin America, 7% Arab states, 5% Eastern Europe and 17% from OECD countries.

ITC assessed the profiles of the respondents in detail. For example, 60% were senior managers or heads of a company or organization, and 82% indicated that they were directly involved in the selection of trade-related products and services for their organization.

Confirming the extended reach of ITC’s web-based services, over 50% of respondents stated that they interact with ITC through its web presence, online tools and services.

Overall, ITC clients confirmed that the organization is continually progressing in meeting their expectations, with more than three-quarters of all respondents indicating that the quality of ITC’s products and services have evolved positively over the past three years. This year’s result represents a 5% increase over 2010.

Figure 3: Proportion of respondents observed positive evolution in quality of ITC products and services
In terms of ITC’s priorities for the future, respondents most frequently expressed a need for innovation and the development of new tools and training programmes, notably for replication by other organizations and to extend the capacity of trade support institutions. Respondents emphasized the value of partnerships, particularly with the private sector, as well as the importance of working on projects that have a positive social and environmental impact.

The survey generated approximately 700 responses to the question: “Which specific needs would you like ITC to address in the future?”, including the following:

- Support on training and capacity building in areas including export strategy, market entry and trade intelligence;
- Specific market intelligence; detailed information on markets;
- Dedicated programme in support of SMEs; private sector in general;
- Sector-specific information, focusing on online information and market opportunities;
- Support on quality, compliance and procurement;
- Sector strategy support;
- Distance learning;
- Periodic information on ITC services.

This information is invaluable, and is being shared throughout the organization to ensure the survey results are incorporated into section-level priorities and development plans.

Overall, the survey shows that ITC is on the right track in terms of meeting clients’ expectations and is continually improving the quality and relevance of its products and services. Positive results have already been achieved by applying solid RBM principles throughout the organization, and clients expect ITC to maintain an even stronger focus on achieving and demonstrating impact for its interventions.

**Joint Advisory Group**

The 45th annual meeting of the ITC Joint Advisory Group (JAG) was held in Geneva on 30 June and 1 July 2011. The meeting was attended by 145 delegates from 73 countries, six international organizations, four intergovernmental organizations, two nongovernmental organizations and one observer mission. The secretary-general of UNCTAD and the director-general of the WTO attended the meeting. The excerpt below provides a summary of the main points raised by delegates. These are addressed by ITC in its Strategic Plan for 2012–2015 and in the 2012 Operational Plan.

**Annual Report on 2010 Activities**

Delegates from 36 countries contributed to the discussion following the presentation of the 2010 Annual Report by ITC’s deputy executive director and the director for programme support.

With broad consensus, the JAG commended ITC on its technical assistance programmes and its progress in implementing results-based management. Delegates said the annual report represented a significant advance on the previous year and that that ITC was on track in establishing a strategic approach to project design and delivery, taking a stronger analytical approach than before. ITC was commended for its ongoing efforts in delivering high-quality, demand-driven programming.

Some donor-country delegates recommended a stronger overview, linking ITC projects to strategic objectives, a sharper assessment of results and outcomes, and a demonstration of value for money. Several said they believed an improved corporate logical framework would improve the reporting.

Delegates broadly welcomed progress made in the development of a results-based management approach to project development and delivery, and also the introduction of quality assurance mechanisms to enhance ITC’s performance. There was a dynamic discussion of the appropriate level of emphasis on outcomes versus impacts in ITC’s reporting.
Delegates applauded ITC’s increased focus on delivery to the most vulnerable countries – the LDCs, LLDCs, SIDS and the sub-Saharan African states. Some delegates from countries in other regions expressed hope that donors would not overlook their need for ITC’s support. Concern was also expressed by some delegates that certain regions – Latin America, the Caribbean and Eastern Europe and Central Asia – continued to attract few resources. The impact of the Arab Spring on the work of ITC was discussed, and delegates said they believed the changes would make the work of the agency even more important, to help the countries rebuild their economy.

There was a call for ITC to follow up on the LDC-IV conference in Istanbul. Several countries commended ITC for organizing the WEDF parallel to the LDC-IV with a focus on tourism, the private sector and poor communities, and some delegates recommended that ITC concentrate more on the services sector.

Many delegates from beneficiary countries described ITC activities in their country, and expressed hope that the agency would continue to support them. All of the countries involved in the EnACT programme spoke about its importance and positive impact, urging the main donor, Canada, to continue its support and hoping the programme’s activity would intensify.

Acknowledging the forthcoming Aid for Trade Global Review, some donor countries said ITC was one of their most important partners in Aid for Trade. The review meeting would provide an opportunity to define good practice for integrating the poorest countries into the global trading system, and ITC’s role is to give the private sector a voice.

Many countries emphasized the continuing importance of ITC’s work in mainstreaming gender into its activities at headquarters and in the field, welcoming the launch of the Women and Trade programme. For some donors, this was a key element in ITC’s work programme.

Finally, the importance of close working relationships with all stakeholders was emphasized, in particular with partner countries, and appreciation was expressed in this regard. One delegate said that, as ITC is a small agency with a broad client base, partnership was critical. Fostering partnerships between governments and the private sector was also an important part of ITC’s work.

Financial overview

Overall resources

A cumulative amount of US$ 135.19 million (2010: US$ 122.53 million) was available as overall resources for 2011. The opening balance, including rephased and unallocated resources from 2010, amounted to US$ 47.10 million. Net contributions received totaled US$ 88.09 million (2010: US$ 78.06 million) and the overall cumulative expenditure was US$ 92.3 million (2010: US$ 75.36 million). A balance of US$ 42.89 million remains for activities in 2012 (table 8).

Table 2: Status of resources (gross, in millions), as at 31 December 2011

<table>
<thead>
<tr>
<th>Description</th>
<th>Opening balance</th>
<th>Net income received*</th>
<th>Expenditures</th>
<th>Total cash at hand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regular budget</td>
<td>2.96</td>
<td>38.68</td>
<td>40.25</td>
<td>1.40</td>
</tr>
<tr>
<td>2. Programme support costs</td>
<td>3.00</td>
<td>5.10</td>
<td>4.25</td>
<td>3.85</td>
</tr>
<tr>
<td>3. Extrabudgetary resources, Window I</td>
<td>15.03</td>
<td>17.21</td>
<td>15.75</td>
<td>16.49</td>
</tr>
<tr>
<td>4. Extrabudgetary resources, Window II</td>
<td>26.11</td>
<td>27.10</td>
<td>32.05</td>
<td>21.16</td>
</tr>
<tr>
<td>5. Total extrabudgetary resources</td>
<td>41.14</td>
<td>44.31</td>
<td>47.80</td>
<td>37.65</td>
</tr>
<tr>
<td>Total*</td>
<td><strong>47.10</strong></td>
<td><strong>88.09</strong></td>
<td><strong>92.30</strong></td>
<td><strong>42.89</strong></td>
</tr>
</tbody>
</table>
Overall expenditure in 2011, including regular budget, extrabudgetary resources and programme support costs (PSC), was higher than in 2010, as shown in the figure below.

Figure 4: Expenditure pattern 2005–2011 (US$ million net)

**Regular budget**

The regular budget is funded equally by the United Nations and WTO, and is allocated for the 2010–2011 biennium to cover the organization’s running costs, including salaries and common staff costs. It also finances general research and development on trade promotion and export development, part of which results in published studies, market information and statistical services.

Regular budget resources available for 2011 amounted to approximately US$ 41.65 million (2010: US$ 34.82 million) including cash carried forward from 2010. As at 31 December 2011, an approximate amount of US$ 40.25 million (2010: US$ 31.86 million) was recorded as expenditure; this translates to an implementation rate of about 96.6% (2010: 92%) vis-à-vis available 2011 regular budget resources. It is to be noted that the regular budget is approved in Swiss francs and expenditures are also controlled in Swiss francs. The increase in the regular budget expenditure is due to the higher staff costs and fluctuations of the US dollar against the Swiss franc. Staff costs are higher because of the eight new established posts and two general temporary assistance posts approved for the biennium 2010–2011. However, staff costs were lower than budgeted because many RB vacant posts for which recruitment is underway are occupied by temporary staff or consultants at lower costs.

As ITC follows United Nations financial regulations and rules, amounts not expended by the end of the 2010–2011 biennium are be refunded back to the UN and WTO.
Table 3: Expenditure by type, in US$

<table>
<thead>
<tr>
<th>Division</th>
<th>Staff and other personnel costs</th>
<th>Travel</th>
<th>Contractual services</th>
<th>Operational expenses</th>
<th>Acquisitions</th>
<th>Grants and other</th>
<th>TOTAL expenditure</th>
<th>Staff and other personnel costs (%)</th>
<th>Other costs (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBIS</td>
<td>4,741,916</td>
<td>96,454</td>
<td>19,568</td>
<td>197</td>
<td>-</td>
<td>-</td>
<td>4,858,135</td>
<td>98%</td>
<td>2%</td>
</tr>
<tr>
<td>DCP</td>
<td>6,660,647</td>
<td>123,400</td>
<td>16,203</td>
<td>1,326</td>
<td>-</td>
<td>-</td>
<td>6,801,576</td>
<td>98%</td>
<td>2%</td>
</tr>
<tr>
<td>DMD</td>
<td>6,700,452</td>
<td>71,842</td>
<td>32,296</td>
<td>312,018</td>
<td>-</td>
<td>-</td>
<td>7,116,608</td>
<td>94%</td>
<td>6%</td>
</tr>
<tr>
<td>DPS</td>
<td>9,472,851</td>
<td>33,993</td>
<td>659,660</td>
<td>2,986,096</td>
<td>1,023,930</td>
<td>1,631,454</td>
<td>15,807,985</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>OED</td>
<td>4,255,797</td>
<td>110,521</td>
<td>1,117,936</td>
<td>178,650</td>
<td>157</td>
<td>-</td>
<td>5,663,060</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>31,831,663</td>
<td>436,210</td>
<td>1,845,662</td>
<td>3,478,266</td>
<td>1,024,087</td>
<td>1,631,454</td>
<td>40,247,363</td>
<td>79%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Note: DBIS = Division of Business and Institutional Support; DCP = Division of Country Programmes; DMD = Division of Market Development; DPS = Division of Programme Support; OED = Office of the Executive Director.

Extrabudgetary funds

Extrabudgetary resources are dependent on agreements reached with donors on an ongoing basis, with project budgets often covering multiple years. The increase in extrabudgetary expenditures was due to exchange rate movements, as well as higher spending resulting from the decision to implement a greater number of larger programmes. Available extrabudgetary funds for 2011 include the following:

- US$ 41.14 million rolled over from 2010
- US$ 44.31 million net contributions received in 2011

This gave a total of US$ 85.45 million for 2011 and subsequent years as compared to US$ 81.31 million for 2010 and subsequent years.

The delivery target of US$ 44 million gross, equivalent to US$ 39.29 million net before PSC, was set for 2011. This target represents an increase of 9.5% over 2010. As shown in figure 5, the pattern of spending in 2011 was higher than that of 2010. As of 31 December 2011, ITC had reached a total delivery of US$ 42.75 million net (2010: US$ 35.88 million) under extrabudgetary funds. The 2011 gross figure was US$ 47.8 million – up from US$ 40.17 million.

The trend of higher extrabudgetary expenditure is expected to continue in future years, as demand for ITC services continues to grow. There is thus a balance of US$ 37.65 million (2010: US$ 41.44 million) to be used for activities in 2012 and subsequent years.

Table 4: Extrabudgetary delivery (net) by expenditure type, in US$

<table>
<thead>
<tr>
<th>Division</th>
<th>Technical assistance personnel costs</th>
<th>Travel</th>
<th>Contractual services</th>
<th>Operational expenses</th>
<th>Acquisitions</th>
<th>Grants and other</th>
<th>TOTAL expenditure</th>
<th>Technical assistance personnel costs (%)</th>
<th>Other costs (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBIS</td>
<td>6,312,377</td>
<td>289,169</td>
<td>817,342</td>
<td>145,544</td>
<td>67,621</td>
<td>733,090</td>
<td>8,365,142</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>DCP</td>
<td>9,983,720</td>
<td>979,389</td>
<td>1,842,247</td>
<td>412,860</td>
<td>270,807</td>
<td>2,037,449</td>
<td>15,526,473</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>DMD</td>
<td>6,845,467</td>
<td>232,072</td>
<td>1,341,956</td>
<td>207,885</td>
<td>112,514</td>
<td>477,218</td>
<td>9,217,112</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>DPS</td>
<td>1,382,376</td>
<td>2,641</td>
<td>309,873</td>
<td>32,466</td>
<td>-</td>
<td>-</td>
<td>1,727,555</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>OED</td>
<td>5,732,038</td>
<td>167,323</td>
<td>978,878</td>
<td>177,137</td>
<td>42,545</td>
<td>827,474</td>
<td>7,925,394</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>Total</td>
<td>30,255,978</td>
<td>1,670,794</td>
<td>5,290,296</td>
<td>975,892</td>
<td>493,487</td>
<td>4,075,231</td>
<td>42,761,677</td>
<td>71%</td>
<td>29%</td>
</tr>
</tbody>
</table>
Programme support account

In line with United Nations financial procedures, ITC charges standard programme support costs of 13% for technical cooperation-financed activities, 12% for associate experts, 7% for European Commission and EIF-funded projects and 10% for UNDP-funded projects. The PSC costs cover project and programme management, central administrative functions and backstopping of projects.

PSC expenditures as of 31 December 2011 amounted to US$ 4.25 million (2010: US$ 3.33 million) against total net income of US$ 5.1 million (2010:US$ 4.37 million) resulting in an excess of income over expenditure of US$ 0.73 million (2010:US$ 1.04 million). The increased income is mainly due to the increase in delivery of technical cooperation activities. The cumulative surplus of the PSC fund after adjustments to the reserves amounted to US $ 3.85 million (2010: US$ 3 million). This fund balance will be carried forward to 2012 to fund any shortfall in income during the year and future liabilities such as after-service health benefits and training costs related to the implementation of IPSAS and Umoja.

Programme support operating reserve

The United Nations guidelines on administration of programme support costs financed from extrabudgetary funds (ST/AI/286) require an operating reserve to be maintained at the level of 20% of the annual programme support income. This reserve is held in a separate account to protect against unforeseen shortfalls in delivery, inflation and currency adjustments, or to liquidate legal obligations in the case of abrupt terminations of activities financed from extrabudgetary resources. If the reserve is used, the established level should be restored as soon as possible and no later than the beginning of the following year. ITC has strictly adhered to these guidelines and the reserve amounted to US$ 1.01 million for the period ending 31 December 2011. In 2011, this reserve was increased by US$ 145,000 to maintain the 20% level of the annual programme support income.

Trust Fund Operating Reserve

Both the United Nations Board of Auditors – A/63/5 (Vol. III) – and the Evaluation of ITC funded by Denmark recommended that ITC take steps to increase the amount of its operating reserve to the prescribed level of 15% of its annual expenditures, in line with United Nations Financial Regulations and Rules (ST/AI/284). As agreed by the members at the 40th meeting of the Joint Advisory Group in
April 2007, ITC continues its efforts to increase this reserve incrementally. The organization is, however, limited in its options for increasing the reserve, as the only two ways to do so are through interest earned or voluntary contributions. It is thus likely that it will take a number of years to reach the United Nations recommended level. A higher reserve would provide greater flexibility for operational management. As of 31 December 2011, the trust fund operating reserve amounted to US$ 4.26 million, up from US$ 3.7 million a year earlier. The current level of the operating reserve is equivalent to 10% of the 2011 trust fund expenditure while, based on 2011 expenditure, the reserve should amount to US$ 6.4 million.

Donor contributions and resources

Table 5: Schedule of voluntary contributions received for technical cooperation projects as of 31 December 2011

<table>
<thead>
<tr>
<th>Donors</th>
<th>2010</th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W1</td>
<td>W2</td>
<td>Total</td>
</tr>
<tr>
<td>African Management Services Company (ATMS/AMSCO)</td>
<td>217,000</td>
<td>217,000</td>
<td>-</td>
</tr>
<tr>
<td>Associate experts – France</td>
<td>191,845</td>
<td>191,845</td>
<td>210,124</td>
</tr>
<tr>
<td>Associate experts – Germany</td>
<td>329,364</td>
<td>329,364</td>
<td>498,845</td>
</tr>
<tr>
<td>Cambodia</td>
<td>39,000</td>
<td>39,000</td>
<td>-</td>
</tr>
<tr>
<td>Canada</td>
<td>930,269</td>
<td>6,180,312</td>
<td>6,279,581</td>
</tr>
<tr>
<td>China</td>
<td>90,000</td>
<td>90,000</td>
<td>-</td>
</tr>
<tr>
<td>Denmark</td>
<td>2,297,399</td>
<td>2,297,399</td>
<td>2,459,420</td>
</tr>
<tr>
<td>European Union</td>
<td>5,937,029</td>
<td>5,937,029</td>
<td>6,470,794</td>
</tr>
<tr>
<td>Finland</td>
<td>2,176,871</td>
<td>146,610</td>
<td>2,323,481</td>
</tr>
<tr>
<td>France</td>
<td>131,062</td>
<td>131,062</td>
<td>-</td>
</tr>
<tr>
<td>Germany</td>
<td>2,534,854</td>
<td>2,534,854</td>
<td>2,718,169</td>
</tr>
<tr>
<td>ILO</td>
<td>4,975</td>
<td>4,975</td>
<td>-</td>
</tr>
<tr>
<td>Ireland</td>
<td>1,109,741</td>
<td>1,109,741</td>
<td>1,283,880</td>
</tr>
<tr>
<td>Italy</td>
<td>140,056</td>
<td>140,056</td>
<td>-</td>
</tr>
<tr>
<td>Japan</td>
<td>226,509</td>
<td>226,509</td>
<td>106,957</td>
</tr>
<tr>
<td>Malaysian Herbal Corporation Sdn. Bhd.</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Mali</td>
<td>97,589</td>
<td>97,589</td>
<td>-</td>
</tr>
<tr>
<td>Netherlands</td>
<td>-</td>
<td>1,181,533</td>
<td>1,181,533</td>
</tr>
<tr>
<td>New Zealand</td>
<td>180,425</td>
<td>415,386</td>
<td>595,811</td>
</tr>
<tr>
<td>Norway</td>
<td>2,464,696</td>
<td>2,464,696</td>
<td>2,753,836</td>
</tr>
<tr>
<td>OCIPED</td>
<td>46,767</td>
<td>46,767</td>
<td>103,952</td>
</tr>
<tr>
<td>Organisation internationale de la Francophonie</td>
<td>160,548</td>
<td>160,548</td>
<td>85,536</td>
</tr>
<tr>
<td>South Africa</td>
<td>136,064</td>
<td>136,064</td>
<td>141,537</td>
</tr>
<tr>
<td>Sudan</td>
<td>47,070</td>
<td>47,070</td>
<td>-</td>
</tr>
<tr>
<td>Sweden</td>
<td>4,248,000</td>
<td>4,248,000</td>
<td>4,543,350</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2,715,333</td>
<td>2,715,333</td>
<td>3,880,054</td>
</tr>
<tr>
<td>Switzerland/EIF</td>
<td>502,340</td>
<td>502,340</td>
<td>-</td>
</tr>
<tr>
<td>UNIDO</td>
<td>-</td>
<td>3,254,723</td>
<td>3,254,723</td>
</tr>
<tr>
<td>USAID</td>
<td>62,950</td>
<td>62,950</td>
<td>-</td>
</tr>
<tr>
<td>World Bank</td>
<td>740,000</td>
<td>740,000</td>
<td>-</td>
</tr>
</tbody>
</table>
### Donors

<table>
<thead>
<tr>
<th>Donors</th>
<th>2010</th>
<th></th>
<th>2011</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W1</td>
<td>W2</td>
<td>Total</td>
<td>W1</td>
</tr>
<tr>
<td>World Trade Organization (WTO)</td>
<td>54,973</td>
<td>54,973</td>
<td>32,210</td>
<td>32,210</td>
</tr>
<tr>
<td>Grand total</td>
<td>15,942,255</td>
<td>21,577,274</td>
<td>37,519,529</td>
<td>17,293,777</td>
</tr>
</tbody>
</table>

*Excludes contributions received under inter-organizational arrangements and revolving funds.

### Partnerships

ITC builds export success with developing country producers and service providers either by helping them respond to, or create new, sustainable market opportunities that benefit all parts of society. It is a complicated business to achieve commercial development of productive sectors of an economy, while focusing as well on social inclusion, reducing environmental impact and equitably benefiting SMEs, youth, and poor communities, and promoting gender parity. No single agency or organization has managed to do this successfully on its own.

### Aid for Trade: Sector development partnerships in action

Many factors of production, development activities and support services need to be aligned for a sector value chain to be competitive. Because of this, ITC is often called upon to play the role of architect and integrator for a large number of stakeholders implicated in sector trade development along value chains and trade corridors.

ITC does this through its participatory approaches, facilitating stakeholders to define market-led sector development strategies and organize their implementation. The existence of a good, well coordinated strategy that stakeholders clearly own attracts partners for implementation. As activities may be spread over several years, ITC invests time and effort to develop durable partnerships along value chains between producers and regional and national institutions, key technical service providers such as specialised agencies and buyers, and import and professional support services in target markets. The following examples of partnerships demonstrate how ITC’s open and inclusive approach has extended the impact of its work, led to integrated solutions and turned opportunities into real, new, sustainable business.

### Market-to-supplier development partnerships

New market collaboration partnerships that have been developed by ITC following this methodology in 2011 include: The China Cotton Association, China National Textile and Apparel Council, Vietnam Textile and Apparel Association, and the Confederation of Indian Textile Industries, all of which have been assisting cotton producers from Africa to improve quality outturn, reduce contamination and increase transparency in traded cotton. More than US$ 15 million new direct-order contracts have been placed as a result, under the EC-funded All ACP Agricultural Commodities Programme (AAACP).

The Union of Industry and Commerce in Italy and the Indian Federation of Leather and Leather Products Manufacturers have joined forces with ITC in a Canadian-funded Programme (PACT II) to support value addition, communications and manufacturing improvements along the value chains of East and Southern African leather-producing countries, undertaking technical field missions and inviting African producers to view their own processes in action. Although new sales are not the first priority, more than US$ 5 million of new contracts have been secured against process and quality improvements.

ITCs Ethical Fashion initiative is yet another example of how strong partnerships between buyers, designers, development agencies and producers – facilitated by ITC – have led to real impact in poor communities, with benefits that last beyond the life of development projects.

ITC has also entered into partnerships that can assist its project beneficiaries to better understand and adapt to specific market non-tariff requirements. In this area the EC-funded COLEACP, PIP and EDES programmes provide information and technical assistance on compliance with EU food safety
legislation. In a similar way partnerships with Swiss and the Netherlands import promotion agencies (SIPPO and CBI) provide specific information on their markets.

**Value-chain development partnerships**

On the supply side of the value chain, particularly in agri-foods sectors, ITC brought similar market experience and knowledge to facilitate and shape closer market-led partnerships between actors in value chains who depend on each other to achieve equitable growth. ITCs value-chain perspective and facilitation of sector development strategies have helped other development agencies and NGOs engaged in rural community and agricultural development to organize their work around the market and social development objectives of the beneficiaries.

For example, an ITC-facilitated stakeholder strategy validated in 2011 brought together many agencies under the Global Mechanism Against Desertification (based in Rome) in a partnership that is now spreading among the Sahelian countries. The strategy and implementation plans defined the path to equitable commercialisation of gum arabic production from acacia trees, so that local communities value the trees planted, and which in turn control desertification and protect them. Both Burkina Faso and Mali have submitted new anti-desertification projects for funding under the Enhanced Integrated Framework with ITC as an implementing partner.

In Cameroon, ITC’s partnership with the World Bank and other local agencies such as the Organisation National du Cacao et du Café (ONCC) and Le Conseil Interprofessionnel du Cacao et du Café (CICC) led to a vibrant stakeholder engagement that has transformed working practices and behaviour on many levels in the country’s coffee and cocoa sectors. In 2011, these project partners went on to assist coffee producers in the Democratic Republic of Congo (DRC) through a countrywide participatory process to design and implement their own development strategy. The implementation partnership now includes Oxfam, investors in regional roasting capacity, the Common Fund for Commodities (CFC), CARE International and the Ministry of Agriculture and Rural Development. The manioc and plantain sectors in Cameroon followed a similar process with a partnership between ITC, IITA, the World Bank, FAO and IFAD working with the same communities and local partners. The activities were defined with beneficiaries and organized through a registered stakeholder coordinating body.

In the Pacific, also under the AAACP, ITC initiated a partnership between the Asia Pacific Coconut Community (APCC) and Solomon Islands coconut producers to provide technical support from within the region that could continue beyond the life of the programme. In Fiji and Samoa, ITCs approach led to many sector stakeholders, such as the Secretariat of the Pacific Communities (SPC), FAO, NZAID, AusAID and UNDP, engaging in new agri-food community trade and nutrition-development partnerships.

In addition, under the NTF II programme, funded by the Government of the Netherlands, ITC is working with many implementing partners along the value chain. For instance, in Bangladesh, ITC, the Bangladesh Association of Software & Information Services (BASIS), professional associations such as DFSME, and UK Intellect worked together to enable exporting companies from the IT and ITES sector to increase their visibility in the European market and secure contracts to deliver IT services to European businesses. In Uganda, small coffee farmers in the National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) are benefiting from a partnership between ITC, Café Africa, 4C and EAFCA, which has led to substantial improvements of the quality of their coffee to meet export market requirements. Similar partnership approaches are being applied in this project’s sector-development components in Kenya, Senegal and South Africa. In implementing the NTF II activities, ITC is building a stronger and closer partnership with CBI (Centre for the Promotion of Imports from developing countries [Netherlands]) so beneficiaries can learn from CBI’s experience in assisting developing countries to gain market share in the European market.

One of the largest partnerships that has been supported by ITC is with the stakeholders of the cotton and textiles sectors under the EU-Africa Partnership for Development – Framework of Action for Cotton (“Cadre d’Action”). Formulation of regional cotton and textiles sector development strategies brought stakeholders together to develop solutions to overcome the sometimes-fragmented development approaches of the past. In West, East and Southern Africa, the strategies and implementation plans have been validated by heads of state. Validation in Central Africa is expected in March 2012.
The cotton and textile development strategies help stakeholders articulate how they will align and coordinate their activities to respond to the requirements of target markets. The programme is moving ahead according to plan, under the observation and guidance of regional stakeholder-led coordination bodies and working groups including representatives from NEPAD, CAADP, development banks, sector markets, producer and technical support associations, development agencies and other regional partners. As a result, improvements in cotton quality, employment and working practices, as well as reduced contamination, are being achieved.

In 2012, ITC intends to develop more of these types of partnerships to achieve a more pro-active stance to programme design with donors. The UN Secretariat in New York has created a Value Chain Development (VCD) platform to support this process, which cuts across the One UN and other regional development frameworks.

**Partnership with Africa’s RECs**

ITC continued to work with three African regional economic communities (RECs), namely COMESA, ECOWAS and ECCAS, to foster alliances between different sectors for trade development and promotion. In this context, ITC supported REC-led forums and platforms that bring together public- and private-sector stakeholders to build regional capacity for agro-industrial value chains (leather, mango and coffee) and for market analysis and trade information services development through training, networking advice and support, and experience exchanges. These capacity-building efforts, mainly supported through PACT II – prepare RECs to determine their role in regional trade sector development.

**Partnerships for global public goods and services**

ITC signed a memorandum of understanding in October 2011 with the World Bank, UNCTAD and the African Development Bank to cooperate in giving developing countries access to trade and market data through ITC’s Market Access Map application and the World Bank's Integrated Trade Solution (WITS). The cooperation will include collecting and sharing data on customs tariffs, official non-tariff measures (NTMs), trade in services and anti-dumping duties. The agreement builds on a history of cooperation between WTO, the World Bank, RECs and ITC for continual improvements to the consistency of data and published indicators, efficiency gains and overall improvement in global trade transparency.

In addition to cooperation on market-access data, ITC continued its partnership with UNSD in 2011, by which ITC disseminates trade data from COMTRADE as well as sharing trade data with COMTRADE. The ITC-UNSD cooperation goes beyond data-sharing to include the exchange of experience on data treatment and processing, leading to the harmonization of statistics.

ITC continued to work closely in 2011 with UNTCAD’s Virtual Institute to build the capacity of universities, think tanks and other academic institutions in developing countries to use market analysis tools and methods to assess trade performance and identify export potential. In 2011, ITC and UNCTAD’s Virtual Institute worked together to deliver training to over 178 beneficiaries from 34 countries including LDCs, sub-Saharan African states and small-island developing states of the Caribbean, as well as China, India and the Russian Federation. Through this partnership, ITC reaches out to academic institutions – an important user group of ITC’s market analysis tools, almost 40% of whom are from developing and least developed countries.

ITC’s Trade for Sustainable Development (T4SD) project is a partnership-based programme to improve transparency and facilitate comparisons of over 80 private and/or voluntary standards such as Rainforest Alliance, 4C and Fair Trade through its Standards Map tool [www.standardsmap.org](http://www.standardsmap.org). T4SD works with the private sector, NGO community, UN agencies and bilateral donor projects. Standards-setting bodies collaborate with T4SD on quality-controlling data in Standards Map. Other partners, including GIZ, UNDP, UN Volunteers, COLEACP and USAID STAR+ support the dissemination and capacity-building of Standards Map. A partnership has also been forged with the Committee on Sustainability Assessment (COSA) to provide more information on the social and environmental impact of voluntary standards.
Improving access to trade information services

In 2011, ITC continued its reinforcement of the WTO Reference Centres in 17 LDC and accession countries. Training sessions and symposia brought together the heads of the Reference Centres in LDCs to build their information management skills and provide them with the necessary tools for the efficient running of a Reference Centre. Cooperation will continue in 2012, with ITC organizing direct access to its information resources in the Reference Centres and including the centres in its accession-support activities.

Both ITC and CBI have a long history of providing market information for exporters and TSIs in developing countries. CBI’s market information portfolio coverings 25 sectors in the agricultural, industrial, service and consumer markets, targeting Europe as a destination market. With CBI, ITC is developing a suite of new market intelligence products in collaboration with other international organizations and its network of industry and sector experts. In 2011, this partnership focused on the production of a pilot for the ASQ (Answers and Solutions to Market Intelligence Questions) product covering specific trade-related themes, provision of ITC content for CBI’s Product Factsheets and TrendMapping.

ITC provides organizational and information support to the European TPOs Working group for Information Processing. Twice a year, the managers of information services and web services of some 40 TPOs across Europe meet and generate insights and opportunities for further peer-to-peer collaboration to determine best practices in the field of trade information services.

Aid for Trade and SPECA

ITC continued to deliver on improved aid efficiency through various initiatives in Eastern Europe and Central Asia. For SPECA countries (the UN Special Programme for the Economies of Central Asia), ITC collaborated closely with UNECE, UNDP, ITFC and other agencies on the Aid for Trade Roadmap for SPECA.

Representatives of Azerbaijan, Kyrgyzstan, Tajikistan and Turkmenistan, as well as Turkey, UNECE, ESCAP, IMF, ITC, ITFC, UNDP and UNIDO participated in the sixth meeting of the SPECA Project Working Group on Trade held in Ashgabat. The meeting reviewed the results of the SPECA Ministerial Conference on an Aid for Trade Roadmap, held in Baku in December 2010, and the implementation of the recommendations in the Baku Ministerial Declaration. Project Working Group participants expressed support for the efforts of the SPECA countries to improve integration into regional and international trading systems. The concluding declaration emphasized the importance of improving information exchange and cooperation among donors, implementing institutions and beneficiary countries in the region, and considered the possibility of organizing a donor meeting in the coming 18 months, and a regional capacity-building seminar on trade mirror statistics, with ITC’s support.

One UN Pilot Albania

The Government of Albania-UN Programme for Cooperation (2012–2016) brings together the support of 19 UN agencies, funds and programmes, and the International Organization for Migration to Albania’s development priorities. As a member of the CEB interagency Cluster on Trade and Productive Capacity, ITC – in partnership with UNDP, UNIDO, UNCTAD, UNECE, and FAO —will contribute to enhancing the capacities of state institutions to promote enterprise competitiveness, supply-chain integration and investment by providing market intelligence tools and support to the export credit guarantee fund.

Aid for Trade Road Map for the Arab States

During 2011, ITC reinforced its partnership with the International Islamic Trade Finance Corporation (ITFC). In the context of the Aid for Trade initiative, ITC attended various meetings on the Aid for Trade Road Map for the Arab States and contributed to the formulation and design of the programme document, where ITFC, UNIDO, UNDP and ITC are the main partners in the programme
implementation. ITFC, which is leading this initiative, will launch the programme during the UNCTAD XIII conference in Doha, Qatar, in April 2012.

Letter of Agreement with UNDP, Jerusalem under a CIDA financed project

In partnership with the United Nations Development Programme (UNDP), the Palestine Trade Centre (PalTrade) and the Canadian International Development Agency (CIDA), ITC is executing a project in the occupied Palestinian territory to increase employment through foreign trade. In this project, ITC is providing its international expertise, tools and methodologies in trade development, PalTrade is implementing the local activities and UNDP is taking care of the overall management, reporting and cross-cutting issues.

EnACT

EnACT partnerships in the five countries it covers include relationships with the Ministries of Trade and Industry in each country and working-level activities with trade support institutions (CEPEX in Tunisia, Maroc-Export In Morocco, ALGEX in Algeria, FTTC in Egypt and JEDCO in Jordan). Other working partnerships and memoranda have been put in place with sectoral entities such as the Engineering and White Goods Council in Egypt, the FEDIC (La Fédération des Industries du Cuir) in Morocco and the ANART (Agence Nationale de l'Artisanat Traditionel) in Algeria, to name a few.

CEB Inter-Agency Cluster on Trade and Productive Capacities

ITC is a member of the CEB Inter-Agency Cluster on Trade and Productive Capacity, which was created to streamline coordination and assistance of UN agencies specialized in the area of trade development. The cluster works at the country level to strengthen the development impact and national ownership of UN assistance.

The Swiss State Secretariat for Economic Affairs (SECO) selected the Lao PDR as a pilot country to implement a trade-related technical assistance programme with the cluster focusing on trade and productive capacity. The three-year programme (2011–2013), called Enhancing Sustainable Tourism, Clean Production and Export Capacity in Lao PDR will be jointly implemented by ITC, ILO UNCTAD and UNIDO. UNOPS is the trust fund manager.

ITC’s role in the project focuses on improving the competitiveness of the country’s tourism sector by:

- Strengthening the quality and variety of handicrafts that international tourists and hotels can purchase from Laotian producers;
- Creating linkages between horticultural (fruit and vegetable) producers and the hospitality industry, ensuring that local produce is used for hotels’ restaurants and food services;
- Assisting Laotian handicraft producers to explore the potential for exports to neighbouring countries and the larger geographic region.

ITC is working through sector associations to improve processes and products at the artisan and community levels, working towards the creation and promotion of heritage branding, and encouraging linkages with the hospitality industry to ensure that locally produced linen and furnishings are increasingly purchased for use in hotels. In addition, ITC is training farmers in organic agriculture and varieties of fruits and vegetables that are required by hotels, and in product hygiene.

ITC/OIF

The Organisation internationale de la Francophonie (OIF) and ITC decided to merge their efforts in 2000 as facilitators for the effective integration of French-speaking economic groups into the global economy by implementing projects promoting intra- and inter-regional trade. In 2011, the OIF and ITC partnership focused on strengthening the economic linkages between two African regional economic communities (UEMOA and CEMAC) and three Mekong Francophone countries, namely Cambodia, Lao PDR and Viet Nam. The total potential business transactions reach up to US$ 235 million in wood and wood products, building materials, cashew nuts, rice and mine products.
Trade law partnerships

ITC joined forces with a One UN initiative led by UNIDO to develop skills in the use of model contracts for the creative industries. ITC continued to collaborate with UNCITRAL for increasing harmonization of trade rules through accession to multilateral treaties in the areas of contracts, e-commerce and dispute resolution. Haiti and Madagascar were the focus of this collaboration. ITC pursued its collaboration with the 16-country Organization for the Harmonization of Trade Law in Africa (OHADA) through joint publications on the formal and informal sectors, cooperatives and commercial leases, and through joint capacity-building exercises in Central Africa. ITC also continued its collaboration with commercial arbitration and mediation centres, focusing on training and certification of mediators, with the aim of facilitating the speedy resolution of small disputes involving SMEs.

Access to finance partnerships

In the Democratic Republic of Congo, ITC partnered with UNDP on an initiative to improve the business environment, with an emphasis on enhancing SMEs’ access to finance. The project sought to strengthen the financial management skills of SMEs and the capabilities of banking institutions to better evaluate the needs and risks of SMEs. The partnership resulted in the Bank of the Central African States (BEAC) requesting ITC’s assistance in accessing financial support for SMEs. In Zambia, ITC, in collaboration with ILO, is implementing an access to finance component of a project funded by the African Development Bank. Based on the positive results achieved by ITC’s Access to Finance programme in Zambia, ITC has been asked to implement its Access to Finance programme under a One UN project targeting the timber sector in 2012–2015.

WEConnect International

In 2011, ITC cemented partnerships with WEConnect International, the Chongqing Foreign Trade and Economic Relations Commission, the International Federation of Business and Professional Women (BPW), the International Women’s Coffee Alliance, SPINNA and Quantum Leaps to conceive and deliver joint activities under the Global Platform for Action on Sourcing from Women Vendors. In addition, an MOU was signed by ITC and BPW, under which ITC renewed its commitment to provide trade support strengthening services to create linkages between buyers and sellers in 96 countries. This led to sales of US$ 15 million in 2011.

ISO

Since 2009, ITC and ISO have undertaken a unique initiative aimed at building linkages between NSBs and TPOs for export success. The work has raised awareness and established connections among 130 officials in 60 countries through a series of three regional workshops (Malaysia 2009, Cuba 2010, Tanzania 2011), as well as follow-up initiatives and a joint ISO/ITC publication, Building Linkages for Export Success.

In 2011, the regional workshop organized jointly by ITC and ISO brought together 50 officials from National Standards Bodies and Trade Promotion Organizations representing 22 Anglophone countries in Africa. They explored how their linkages can be strengthened to improve the international competitiveness of enterprises and develop joint country action plans.

Staffing

As at 31 December 2011, ITC had 266 full-time, part-time, regular and project staff and seven associate experts, representing 73 nationalities. An additional 410 consultants and individual contractors (141 women and 269 men from 79 countries) provided further technical expertise.

ITC’s regular staff is composed of 45% men and 55% women, with an equal balance of men and women at the senior management level. ITC is headed by the executive director, who reports to the secretary-general of UNCTAD and the director-general of WTO.
### Table 6: Diversity of ITC’s regular staff by origin

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**Participation in high-level meetings**

**Global Compact Conference**
New York, March

On the 100th anniversary of International Women's Day, ITC's executive director participated in a panel discussion on 'Promoting Empowerment Through Suppliers and Entrepreneurs: Gender Equality and the Value Chain'. The discussion centred on gender-sensitive approaches that
companies are taking along the value chain, as well as the use of inclusive business models to enhance economic empowerment of women around the world.

**MLS-SCM Global Network Roundtable**  
**Kuala Lumpur, April**

ITC’s Modular Learning System in Supply Chain Management (MLS-SCM) Global Network Roundtable 2011 brought together experts in supply-chain management from around the world to exchange views and share best practices under the theme of ‘How to Build Sustainable Supply Chains’. The event, hosted by MAPICS Consultancy Sdn Bhd, brought together more than 70 members of the MLS-SCM network and resulted in the sharing of best practices and approaches to SCM training and certification. The Dhaka Chamber of Commerce and Industry was the winner of the best MLS-SCM training institution of the year award.

**LDC-IV, Istanbul**  
**Istanbul, May**

The Fourth United Nations Conference on Least Developed Countries (LDC-IV) is the gathering held every 10 years that assess the status of LDCs and makes recommendations to improve their social and economic condition. ITC’s executive director spoke at CEB’s Inter-Agency Cluster on Trade and Productive Capacity on ‘Mobilizing, Devising and Implementing Trade-Related Assistance for LDCs’. She took part in the high-level interactive thematic debate on ‘Human and Social Development, Gender Equality and Empowerment of Women’.

**World Export Development Forum**  
**Istanbul, May**

ITC’s flagship event focused on sustainable tourism in least developed countries. The conference, themed ‘Private Sector Engagement with LDCs for Tourism-Led Growth and Inclusive Sustainable Development’, took place within the framework of the Fourth United Nations Conference on the Least Developed Countries (LDC-IV). WEDF brought together 200 high-level tourism experts from the private and public sector to share their expertise in plenary sessions and to develop pilot projects in four workshops.

**African Development Bank-EMRC SME Forum**  
**Lisbon, June**

ITC participated in this event to increase the growth and flow of financial and nonfinancial support to SMEs in sub-Saharan Africa. ITC presented its access-to-finance programme for SMEs as an example of a technical assistance approach that incorporates a nonfinancial support component.

**Aid for Trade Initiative – The Asia-Pacific Experience**  
**Jakarta, June**

ITC participated in the regional review meeting on Aid for Trade, hosted by the Government of Indonesia in collaboration with the ADB and WTO. ITC’s executive director participated in the panel on private sector initiatives in the Asia-Pacific region and shared the organization’s broad experience in working with the private sector as an advocate, partner and beneficiary in implementing Aid for Trade initiatives.

**Third Global Aid for Trade Review**  
**Geneva, July**

The Third Global Review of Aid for Trade, hosted by the WTO, brought together trade development institutions to work towards furthering the Aid for Trade agenda and to share best practices. The executive director enriched the discussion by bringing in the perspective of SMEs in developing, least developed and transition economies. ITC developed five case stories in response to the call from the
WTO and OECD to illustrate the outcome and impact of Aid for Trade through its projects, namely, Ethical Fashion, Ethiopian coffee quality improvement, African cotton development initiative, supply-chain management and market analysis tools and capacity building for LDCs. To further contribute to the theme of showing results, ITC also conducted extensive surveys to assess the business perspectives on the role of Aid for Trade in enhancing export performance of enterprises in Uganda, Kenya, Mauritius and Rwanda.

RIO+20 Conference
Astana, September

During the Seventh ‘Environment for Europe’ Ministerial Conference, ministers from the ECE region agreed to take the lead in the transition to a green economy. In that connection, ITC provided inputs on organic agriculture in Europe for the inter-agency report, ‘From Transition to Transformation: Sustainable and Inclusive Development in Europe and Central Asia’, prepared jointly by all the United Nations entities active in the field of sustainable development and the green economy in the ECE region. The report is a comprehensive and substantive contribution to RIO+20.

Women Vendors Exhibition and Forum
Chongqing, September

The Women Vendors Exhibition and Forum was the first international event in the 10-year strategy of the Global Platform for Action on Sourcing from Women Vendors. It brought together more than 250 women entrepreneurs and representatives from 55 large corporations that are looking to procure from women-owned businesses. The event was organized by ITC, the Chongqing Municipal Government, the Chongqing Foreign Trade and Economic Relations Commission and WEConnect International. Nearly US$ 15 million in transactions were conducted at the event and many relationships between buyers and vendors were made.

27th Ministerial COMCEC
Istanbul, October

The Government of Turkey invited ITC to attend the 27th meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC). The meeting was an opportunity for ITC to liaise with partners in the OIC member countries (including the Arab States) at national and regional levels.

Aid for Trade and SPECA
Ashgabat, November

As a member of the SPECA Aid for Trade Steering Committee, ITC participated in the 2011 SPECA Economic Forum ‘20 Years of Regional Economic Cooperation in Central Asia: Successes, Challenges and Prospects’, as well as the Sixth Session of the SPECA Project Working Group on Trade and Aid for Trade Implementation and Monitoring Council Meeting. The SPECA Economic Forum focused on the successes and challenges of regional economic cooperation and integration in Central Asia, on the occasion of the 20th anniversary of the countries’ independence. ITC shared its expertise on the challenges to regional cooperation in Central Asia and the role of the private sector in overcoming them.

LatinPharma
Lima, November

The ITC LatinPharma event brought together over 140 participants from more than 10 Latin American countries where producers, buyers and distributors of pharmaceuticals and natural medicines had the opportunity to negotiate new business deals. Over 700 bilateral meetings were held during the event, which aimed at promoting South-South trade by establishing real commercial linkages within the region. Participants reported that between US$ 2.1 million and US$ 4.3 million worth of contracts were under negotiation as a direct result of the meetings. A series of conferences on national and
regional trade opportunities for the pharmaceutical industries and bio-products were also organized during the event. ITC coordinated this event in collaboration with PromPeru and other TPOs from the region.

**ECOWAS Export Actors Forum**  
Cotonou, Benin, December

ITC’s executive director participated, with the Beninese government and ECOWAS Commission leaders, in the inaugural meeting of the ECOWAS Export Actors Forum (EAF). The EAF is one of the key ECOWAS trade support institutions, which facilitates regional trade and export competitiveness for agro-business value chains with high export potential: mango, cashew nuts, palm oil, rice, shea and sesame. ITC commended the approach taken by ECOWAS, as one of the early PACT programme deliverables, to build cross-sectional partnerships among policymakers, business, civil society and development agencies to support increased trade and export in these sectors.
APPENDIX

Not yet finalized