



Fifth meeting of the Consultative Committee of the ITC Trust Fund / Minutes

The Consultative Committee of the ITC Trust Fund met at ITC headquarters on 9 March 2012 at 10.00 a.m. The Committee adopted the following agenda:

1. Introduction and welcome
2. CCITF Report 2011
3. Draft Annual Report 2011
4. Strategic Plan 2012-2015
5. Operational Plan 2012
6. RBM demo
7. ITC Benchmarking Programme
8. Any other business

Item 1: Introduction and welcome by Patricia Francis

The Executive Director, Ms Patricia Francis, welcomed participants and extended her warmest greetings to H.E. Frederick Agha, Ambassador of Nigeria and outgoing Chair of the General Council of the WTO. She extended her sincere thanks and appreciation to Canada, The Netherlands, and Switzerland for transferring their contribution for 2012. After requesting members to consider the Agenda it was adopted unanimously.

Ms Francis recalled that the main purpose of the meeting was to introduce the documents listed in the agenda. She formally introduced the new Acting Director of Strategic Planning, Performance and Governance, Ms Victoria Browning who assumed her function in January 2012 and Mr Robert Trocmé who has only just taken up his duties as External Relations Officer in replacement of Ms Elaine Bisson who has recently retired.

Item 3: Draft Annual Report 2011

Moving directly to item 3, Ms Francis started by giving a brief overview of ITC's Annual Report, as well as an update on ITC's overall performance, the budget exercise, and highlights on the recent staff survey.

Annual Report highlights:

Ms Francis reminded the CCITF that the delivery section of the newly designed report is organized along the five priorities of ITC's new Strategic Plan: *Building awareness; Strengthening TSIs; Enhancing policies; Supporting enterprises; Mainstreaming inclusiveness and sustainability.*

Acting on last year's comments and on a benchmarking exercise, the new structure includes in-depth case-stories to bring the work of ITC to life through real examples with real outcomes.

Key points in this year's report are the following:

- 2011 was a very good year for ITC: delivery targets were met and performance metrics exceed those of previous years.
- The report includes highlights of ITC's extensive work in results-based management, particularly the internal training to embed best practice across the organization.
- ITC is increasing its emphasis on large programmes and will continue to direct a large proportion of resources towards sub-Saharan Africa.
- As always, the report provides a comprehensive view of the project and awareness-raising work that ITC was engaged in throughout the year.



Due to deadlines for translation and distribution of the Annual Report in time for the JAG in May, Ms Francis asked CCITF Members to provide feedback on the draft report by COB Monday, 12 March.

Overall performance:

- In 2011 ITC exceeded its TRTA XB target of USD 44 million achieving USD 47.8 million (gross). In real terms this is an increase of 3.5%, exchange contributing 15.5% to the overall 19% increase.
- At the same time ITC is continuing to focus on outputs, outcomes and results to ensure that every TRTA dollar spent brings real payoffs in development.
- ITC also filled more fixed term vacancies in 2011 than in the preceding two years. ITC filled or completed 56 competitive selections for fixed term jobs in 2011 and has completed 17 competitive selections for fixed term jobs to date in 2012 (37 vacancies filled in 2010).

Regular budget objectives:

Within a context of 0-growth for WTO and 5% reduction across the UN Secretariat, ITC obtained a 3.5% increase over 2010-2011 budget. This additional amount is mainly related to the cost of 24 months of the new posts which were provided in the last biennium when the budget covered only 18 months of salary along with statutory requirements.

ITC Staff Survey, carried out in December 2011:

Prior to addressing the issues that were raised in the staff survey, Ms Francis clarified that ITC's definition of "Management" is Chiefs of sections and Directors (MAG). The staff response rate to the survey was 56% which the consultants, Dalberg; agreed was a very high when compared to other organizations.

Survey results and responses to the issues raised in the survey were communicated and shared in an all ITC staff meeting. ITC plans to repeat the survey annually to track performance. Areas needing improvement and the actions ITC will take to respond include:

1. **Clarity of objectives:** It is anticipated that the automation of RBM, linking outputs and outcomes, and publishing the strategic plan and updated corporate logframe for 2014 -15 will all contribute to the clarity of objectives.
2. **Client focus and impact:** Further development of country needs assessment methodologies, integrating and customizing projects to better meet client needs, larger projects and regional protocols should contribute to the view that there was a need to improve overall impact.
3. **Internal communications:** Much has already been done: quarterly MAG; more frequent All ITC meetings; improved intranet. ITC will reinforce communications advisory services to staff, and organize more effective divisional and All ITC meetings, coupled with sessions in small groups. Communications is also working on a more comprehensive internal communications strategy.
4. **Strengthen leadership and accountability:** In 2012 ITC will carry out management and supervisory skills trainings as required by the UN. A performance management programme will be rolled out, and accountability awareness sessions will be organized.
5. **High staff interest in professional development:** In 2012 efforts will be made to improve the staff performance appraisal process, encourage lateral moves (19 last year) and develop a succession planning process to support staff when they apply for jobs.

Item 2: Report for 2011 on the ITC Trust Fund

The Director of the Division of Programme Support, Ms Eva K. Murray presented the report to the CCITF for the period of 1 Jan to 31 Dec 2011.

ITC is moving towards a standard report with self-explanatory tables on financial and outcome based performance with less narrative. The report describes the source of funds, their status and use. An update is also given on the regular budget.

- The report provides examples of some of the projects funded by W1, the share of unearmarked W1 funds and the 4 principle categories of TRTA funded in 2011.
- It also includes a summary of the progression of ITC's Regular Budget over the last three biennia. The increase in the RB funds in the 2010-2011 biennium is due to the 8 plus 2 posts newly funded.
- Section V of the report describes project delivery by region and for global public goods and corporate efficiency while also comparing XB expenditure over the last 5 years.
- The report includes the estimate of funds spent per strategic objective. Currently 90% of projects highlight their contribution to ITC's strategic objectives.
- Finally, the report provides a detailed list of projects funded by the ITC Trust Fund and outputs and outcomes for the year 2011.

Comments / Q&A:

Mr Hugo Cameron, Delegate for Canada and Coordinator of the CITTFF Donor Group commended ITC for the quality of the documentation provided and significant improvements in transparency. Members welcome the 2011 staff survey and the follow-up measures aimed at maintaining ITC's motivational professional environment. Donor countries look forward to next year's survey and trust that Senior Management will take necessary steps to address the key concerns raised under Clarity of objectives, Communications, and Leadership and Accountability.

The Algerian Delegate commended ITC on behalf of the Algerian authorities on the successful implementation of ENact in Algeria and inquired about the possibility for Algeria to benefit from ITC's technical assistance to facilitate WTO accession. The Executive Director replied that this option could certainly be discussed with the WTO but that ITC's assistance for accession was primarily focused on LDCs. She added that ITC would need additional resources to expand this mandate to other countries.

The following answers were given in response to requests from Committee Members:

Regarding differences in the order of indicators between the 2010 and 2011 annual reports and missing targets in AR 2011, ITC agreed to revert to the initial order (*Support to enterprises* to be listed before *Support to policymakers*) and to include the missing targets as per AR 2010. ITC also agreed to include a graph in the annual report to illustrate progress in RBM work.

The Mexican Delegate noted that it could be useful to release some of the technical assistance / project results online publicly earlier in the year. She encouraged a crosscutting exercise by which other regions could benefit from programmes that have proven successful for specific sectors – i.e. the Caribbean could benefit from best practices developed for coffee in East Africa.

The United States Delegate expressed the concern, shared by several other donors, that there remained significant inconsistency and lack of understanding of outputs and outcomes in the Report to CCITF table, particularly given the rollout of RBM training. ITC agreed that some managers and staff may require additional training or assistance. The RBM reporting application that ITC is currently working on will support these efforts as well as additional training and coaching planned for this year.

Item 4: Strategic Plan 2012-2015

The Deputy Director General, Mr Jean Marie Paugam, presented the Strategic plan 2012- 2015. During his presentation he focused on 3 new features: ITC's new corporate logframe, measurement of socio-economic impact of TRTA, and gender focus in trade intelligence.

The draft Strategic Plan for 2012–2015 includes **a new strategic framework and corporate logframe for the period starting 2014–2015**. This logframe sets ITC's future direction for TRTA delivery. It is the framework against which the agency will measure performance as of 2014.

ITC's current client-based logframe has clarified the organization's objectives and enabled closer monitoring of results. However, the client-based approach fails to capture cross-cutting activities such as awareness building and global public goods. It focuses on outputs rather than long-term socio-economic impact; it measures quantity rather than quality.

The new corporate logframe proposes a solutions-oriented approach which seeks to incorporate a wider range of objectives and results. It will focus on the following corporate objectives:

1. Raising awareness: improving the availability and use of trade intelligence.
2. Enhancing the institutional infrastructure for trade promotion and export development.
3. Maximizing impact in enterprise competitiveness and export performance.
4. Mainstreaming inclusiveness and sustainability in trade promotion and export development

In 2012, ITC will embark on a consultation process to ensure the endorsement of the logframe by key stakeholders, including donors. As of 2013, ITC will make incremental shifts toward the strategic objectives outlined in the new logframe.

In a **preparatory phase (2012–2013)**, ITC will continue to report its results according to the 2010-2013 Logframe. During this phase, ITC will build stronger knowledge of statistical targets, develop monitoring and evaluation systems and processes, and build partner capacities to facilitate quality data collection and reporting.

In the **first phase of implementation (2014–2015)**, ITC will begin to measure results achieved under the four corporate objectives. However, the commitment to report these results will be limited to only the first 3 objectives to refine statistical measurement of baselines and results.

In the **second phase of implementation (beyond 2015)**, ITC will report on all 4 corporate objectives. The validity of these objectives will be ultimately confirmed by **using quantitative socio-economic indicators to measure their long-term impact on inclusive sustainable growth:**

- SME generation
- Job creation, and impact on youth
- Positive impact of TRTA on the environment
- Gender mainstreaming in trade policies and initiatives

As part of its Women and Trade Programme, ITC is committed to mainstreaming a gender-responsive approach in all areas of its work. **This commitment extends to providing trade intelligence that is gender-disaggregated to better address trade capacity constraints:** the economic losses resulting from gender inequalities must be contrasted with the productivity gains associated with women's empowerment in export industries.

Item 5: Operational Plan 2012

Mr Jean Marie Paugam moved on to presenting ITC's Operational Plan for 2012.

ITC faces a challenging external environment in 2012. Budgetary constraints in traditional donor countries, coupled with greater demand for accountability, are increasing the need to demonstrate tangible results. The key challenge for ITC is to consolidate what has been accomplished while preparing for the future.

2011 was a challenging and rewarding year for ITC, resulting in extraordinary growth in delivery, around 10% above target. In 2012, ITC will consolidate this performance to ensure quality in process and outcomes while maintaining the current level of delivery. ITC aims to stabilize extra-budgetary delivery at around US\$ 48 million in the coming year.

To ensure quality in project design and delivery and improve corporate efficiency key challenges are the following:

1. To prioritize quality in portfolio development and project implementation
2. To develop PQAG training and monitor implementation across the organisation - ITC will be recruiting a new P3 to support this work.
3. To harmonize and automate output /outcome indicators, knowing that approximation is inevitable when measuring economic and social impact.
4. To make sure that responsibility is transferred from project design to the level of project management.
5. To continue reorienting the portfolio towards large projects, a real challenge as the number of large projects in the pipeline is diminishing.
6. To embed RBM at corporate level – presentation to follow.

To prepare for the future ITC must identify new value zones. Key themes in TRTA that may be explored in 2012 and further developed in coming years could include:

- Trade in services
- Trade intelligence
- Intellectual property as a generator of value-addition
- Information technologies in TRTA

To prepare for the implementation of the corporate logframe starting in 2014, ITC must improve corporate efficiencies, develop and start implementing a strategy for resource mobilization (2012), while also consolidating governance and accountability – see OP 2012, pp.16-17.

Item 6: RBM Dashboard Demonstration

ITC gave a demonstration of the “dashboard” which is being developed as a new business intelligence tool. The PowerPoint presentation was communicated to CCITF members after the meeting by email as requested.

Regarding progress in the setting up of the application, the main messages are the following:

- The RBM application / costing solution will be implemented in the context of the roll out of IPSAS / UMOJA – the new United Nations ERP System.
- ITC commits to report on the results by the end of 2012. If a solution is found for costing, the report will only show a small proportion of projects (new 2012 projects) at the end of year.
- The application will have to go through several internal validation steps before effective sharing with donors can take place.

Comments / Q&A:

Mr Hugo Cameron commended ITC on the quality of the Operational Plan and draft Strategic Plan. He noted that ITC was on target for the corporate level logframe and asked questions on behalf of CCITF Members.

Referring to the Fourth United Nations Conference on LDCs which was held in Istanbul in May 2011, the Turkish Delegate confirmed Turkey’s commitment to the development of South-South cooperation for the development of LDCs. As host country of the event, Turkey will be making available a total of USD 200 million annually to LDCs, starting in 2012. Turkey will also be contributing to ITC programmes under Window 1.

Ms Patricia Francis extended her sincere thanks and appreciation to Turkey for its proactive work with ITC to find an opportunity to fund an appropriate TRTA activity in Africa and Australia who has recently joined the group of ITC donors and whose un-earmarked contributions will enable ITC to fund projects in countries that do not benefit from earmarked funding. She also thanked the Russian Federation for joining the CCITF and hoped that they would soon consider a contribution to the Trust fund.

The following answers were given in response to requests from Committee Members:

What progress is ITC recording in moving to larger projects and programmes and how is this being incentivized? The Executive Director confirmed that the pipeline of current big projects is coming to an end. ITC needs to capitalize on positive evaluations received for large programmes and start reflecting on a new resource mobilization strategy as proposed the Strategic Plan 2012-15. ITC is engaged in active dialogue with African and Latin American countries, regional development banks and the EU to further develop region-wide programmes. Mid-term evaluations of the larger programmes should enable ITC to make concrete proposals by mid-year.

In response to a question on why *Trade and the Environment* are mentioned as a key objective in the Strategic Plan the Deputy Executive Director confirmed that ITC’s corporate logframe highlights gender as well as the environment even though efforts so far have been mostly on gender.

The Deputy Executive Director also reminded CCITF Members that focus on LDCs, LLDCs, SIDSs, and African countries in particular is the heart of ITC’s mandate. LLDCs are located in Central Asia (12); and many LLDCs (15) are located in sub-Saharan Africa.

Missing mention of projects in draft: Following a request by the EU the *Promoting CARIFORUM Creative Industries Project* was included in the Operational Plan as well as Data and Market Analysis Tools for Low Income Countries Phase I. The updated document will be available shortly. As for the ALL ACP Programme, it was not included in the Operational Plan for 2012 because it ended on 30 December 2011.

The German Delegate welcomed ITC's work on indicators and offered to facilitate exchange with German technical agencies specializing on impact evaluation. Germany will be holding a workshop on this theme in April 2012 and ITC staff is welcome to participate. Mr Paugam thanked Germany for the offer. While ITC is known for developing innovative tools internally, the organization welcomes external input which can certainly accelerate the process.

In response to a concern expressed by the Swiss delegate on the difficulty of relating TA statistics to macroeconomic impact, the Deputy Executive Director replied that ITC was fully aware of the challenge. The purpose of the templates ITC is currently developing is to systematize beneficiary reporting to identify and communicate relevant correlations to donor countries rather than determine hard evidence. With regard to specific causality on the development of exports, which was also raised, he added that building TPO capacity to identify new markets can only be measured over time. He also indicated that reporting on gender impact, though challenging, is an ITC-wide corporate initiative.

In response to a question on the cost and budgeting of the dashboard, the Deputy Executive Director informed the CCITF that for the larger part the project was absorbed by the regular budget while a smaller share was included in infrastructure and running costs – some staff costs are supported by the category *7% Corporate efficiency expenditures*, p.9 of the CCITF report. ITC manages the balance between reporting and programme delivery and the objective of the RBM application is actually to reduce costs. It should be noted that whilst ITC invested heavily in reporting last year there has also been an increase in delivery during the same period.

In response to specific questions on public access to the information to be uploaded on the RBM dashboard and on the information currently available, Mr Jean-Marie Paugam confirmed that ITC was on schedule and that the information would be accessible to all donors and the public at the end of year. ITC has recently made more project information available via the website to increase transparency before the full implementation of the dashboard. ITC is currently communicating for each project the project objective, the project value, 2010 outcomes, 2011 outcomes, the list of beneficiary countries, and the donor. This information is available via www.intracen.org/by-country/ and can also be accessed from the relevant beneficiary country pages. Information is updated regularly via ITC's internal project management tool.

Item 7 ITC Benchmarking Programme

The Director of the Division of Market Development, Ms Aisha Pouye introduced the ITC Benchmarking programme. The PowerPoint presentation was communicated to Members by email. The presentation included information on benefits for TPOs, achievements in 2011, the work plan for 2012, and the strategic vision for 2015.

In 2011 efforts were geared towards developing and testing the Benchmarking system. The model was developed, applied, and improved. Data processing and report formatting were also developed and successfully applied. The tool was endorsed by 6 pilot TPO partners: AUSTRADE, BEDIA, FINPRO, MATRADE, PROEXPORT, and UEPB. The Web platform design was completed and the portal is ready for use.

In 2012 efforts will be geared towards the consolidation of the Benchmarking System. ITC will execute phase 2 of the rollout and test the system in 8 additional countries. ITC will also launch of the web platform thus enabling access to the self-assessment tool, to benchmarking scores (AVG – MAX – MIN), to case studies and forum exchange of best practices.

As of 2013, ITC will focus on developing new modes of delivery to reach more TPOs and adapt to other types of TSIs while also developing links with other public sector performance programmes.

ITC is currently working on a detailed fundraising proposal, which will be presented to the JAG in May to encourage support for further expansion of the Benchmarking Programme (Strategy for 2013-2015).

Further investing in the programme will enable ITC to develop and sustain a worldwide platform for benchmarking sharing. The network will have a strong multiplier effect in the field, as better TSI performance leads to more effective TRTA interventions and improved export performance.

Comments / Q&A:

In response to a question from the Canadian delegate on TSI ranking, DBIS explained that the Benchmarking programme is not a ranking system per se but a self-assessment tool for TPOs and other TSIs. The tool is based on a maturity model which allows for customization based on the stage of development of the TPO so is very flexible. By identifying and sharing best practices, the system ensures a continuous learning and improvement process for partnering institutions based on “a one-to-one-to many” concept rather than a “one-size-fits-all”.

Item 8 Any other business

Ms Francis confirmed that her term as Executive Director of ITC had been extended to June 2013. She confirmed that Members would soon be provided with the 2012 WEDF agenda – end of April.

In her final remarks, the Executive Director thanked H.E. Frederick Agha, Ambassador of Nigeria for his presence at the meeting. She drew attention to the fact that, contrary to the WTO and UNCTAD, ITC does not have ministerial conferences to validate their mandate. She reminded CCITF Members that ITC needs renewed political support in international fora and at the highest level of government. She expressed her sincere appreciation to those Members of the WTO who supported the inclusion of a statement on the ITC in the 8th Ministerial Conference Declaration.