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Committee of the Global Trust Fund*

**Joint Advisory Group on the International Trade Centre UNCTAD/WTO
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Note

The following abbreviations are used:

ABAC	APEC Business Advisory Council
AITIC	Agency for International Trade Information and Cooperation
ARTNeT	Asia-Pacific Research and Training Network on Trade
ATF	Asia Trust Fund
ATIIFTAP	Association of Training Institutions for Foreign Trade in Asia and the Pacific
CAEMC	Central African Economic and Monetary Community
CAN	Andean Community of Nations
CBI	Centre for the Promotion of Imports from Developing Countries (Netherlands)
EMD	Enterprise Management Development
ESF	European Services Forum
ETB	E-Trade Bridge
EU	European Union
FICCI	Federation of Indian Chambers of Commerce and Industry
FNSEA	Fédération nationale des syndicats d'exploitants agricoles
GTF	Global Trust Fund
ICT	Information and communication technology
IDRC	International Development Research Centre
ILO	International Labour Organization
IMF	International Monetary Fund
ISO	International Organization for Standardization
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
JAG	Joint Advisory Group on the International Trade Centre UNCTAD/WTO
LDC(s)	Least developed country(ies)
MERCOSUR	Southern Common Market
MTS	Multilateral trading system
NAMA	Non-agricultural market access
NGO	Non-governmental organization
Norad	Norwegian Agency for Development Cooperation
OECD	Organisation for Economic Co-operation and Development
OIF	Organisation internationale de la francophonie
SME(s)	Small and medium-sized enterprise(s)
SSTP	South-South Trade Promotion Programme
TABD	Transatlantic Business Dialogue
TRTA	Trade-related technical assistance
TRIPS	Trade-related Aspects of Intellectual Property Rights (Agreement on)
TSI(s)	Trade support institution(s)
TSS	Trade in Services Section
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNICE	Union des industries de la Communauté européenne
WAEMU	West African Economic and Monetary Union
WEF	World Economic Forum
WSIS	World Summit on the Information Society
WTO	World Trade Organization
WWF	World Wide Fund For Nature

INTRODUCTION

1. The proposal to establish a Global Trust Fund (GTF) and a Consultative Committee was adopted at the twenty-eighth session of the Joint Advisory Group (JAG) in June 1995. The implementation of GTF-financed activities started in early 1996.

2. During 2005, the GTF continued to be an essential mechanism for broadening the outreach of ITC's technical cooperation activities. Complementing the ITC regular budget, the Fund enabled ITC to provide certain services to partner countries and to field activities for a larger number of beneficiaries. Six Window II programmes were operational in 2005.

3. The combined and mutually supporting resources and activities under Windows I and II allowed ITC to respond effectively to the collective requirements of partner countries. In particular, Window I enabled ITC to ensure the availability of key senior expert staff and thus expand the range of complementary trade-related functions available from the organization. A new Window III, created at the beginning of 2005, facilitated donors' earmarking of contributions for co-financing of specific joint ITC/European Commission programmes.

THE CONSULTATIVE COMMITTEE

4. The Consultative Committee, chaired by the ITC Executive Director, advises the ITC secretariat on, and ensures transparency in, the utilization of the Fund.

5. The Committee currently has 19 members: Canada, China, Cuba, Denmark, Finland, Germany, India, Ireland, the Islamic Republic of Iran, Madagascar, Nepal, the Netherlands, Nigeria, Norway, the Russian Federation, Sweden, Switzerland, the United Kingdom and Venezuela. In addition, the following have been granted observer status at their request: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Cameroon, Chile, Egypt, Ethiopia, the European Commission, France, Italy, Japan, Malta, Pakistan, Panama, Peru, Romania, Slovenia, Tunisia, Turkey and the United States of America.

6. In accordance with the Committee's working procedures, members are nominated for a one-year period between annual JAG sessions. The Committee recommends, as in previous years, that each regional grouping should decide whether its representation should be extended for another year or whether one or all of its representatives should be replaced by new members, taking due account of the need to ensure continuity in the Committee's work. Likewise, any country interested in proposing itself to represent its region should request observer status in order to become acquainted with the Committee's procedures before formally taking over from the outgoing member.

7. The Committee met twice during 2005 to review the ITC secretariat's proposals for earmarking of funds under Window I and the progress of the four ongoing programmes financed by Window II, namely: 'Business development and the WTO Agreements (World Trade Net)', 'South-South Trade Promotion', 'E-Trade Bridge for SMEs – A capacity development programme for e-facilitated trade' and the 'Export-led Poverty Reduction Programme (EPRP)'. It also discussed and supported two new Window II programmes, 'Capacity Building in Export Strategy Design and Management' and 'ServiceExportNet' which began operations in June 2005. On results-based reporting under Windows I and II, the Committee noted that while ITC had made good progress in providing impact-based reports on Window II programmes it should continue its efforts in this regard. Likewise, in order to arrive at more analytical reporting on the utilization of Window I funds, ITC should continue to present selected accomplishments under Window I, as it had done for the first time in 2005, in order to illustrate results.

8. The Committee took good note of the secretariat's request to donor Governments to be more expeditious in finalizing and transferring contributions to the GTF. In 2005 ITC had continued to experience delays in receipt of funds that in turn resulted in delays in programming and delivery of its activities. This situation could be avoided if donors announced their intentions before the end of the calendar year.

9. Contributions under Window I are used primarily to finance technical expertise, programme development activities in the priority areas agreed by JAG, and country-specific activities – principally the formulation of tailor-made programmes – for which insufficient resources are available from the regular budget and other sources. They also finance other activities in support of ITC’s work, such as missions, meetings of experts and independent evaluations. These are un-earmarked contributions that are allocated periodically by the ITC Secretariat on the basis of the most pressing needs, taking due account of the parameters set by the Consultative Committee.

10. According to the usual practice, the available resources in a given year are allocated up to May of the following year, i.e. when new pledges are announced or confirmed at the annual JAG sessions. This ensures the continuity of the technical expertise financed from GTF and makes it possible to fund activities that have to be initiated before new contributions are made available.

First International MLS-IPSCM Network Round Table

ITC’s First International MLS-IPSCM Network Round Table, financed by Window I and organized jointly with Egypt’s Foreign Trade Training Centre (FTTC), was held in Cairo from 24–26 January 2005. It brought together more than 50 specialists from 34 countries around the world, mostly from current MLS-IPSCM network member institutions but also some from institutions in the process of joining the network. Participants considered the round table to be highly successful because it provided them with valuable opportunities to learn from each other about best practices in designing and implementing their MLS-IPSCM-based training and consultancy support programmes, and to come up with practical solutions to their needs. It also allowed them to conceptualize, discuss and plan new initiatives and activities, including joint projects to support each other in developing their programmes. The round table made concrete proposals and recommendations in eight key areas, and led to the establishment of several working groups to pursue the implementation of these proposals.

11. Total funds available in 2005 amounted to US\$ 4.67 million, an increase of 8% from 2004 (US\$ 4.34 million). The following provides an overview of allocations within the various subwindows as at end December 2005:

- **Core staff** (US\$ 1,303,409). This subwindow partly financed 12 senior expert staff in the specialized areas where ITC needs to maintain professional expertise so that it can adequately fulfil its mandate. These staff were also financed from other sources such as details to country and multi-country projects, the support costs budget and the use of vacant posts from the regular budget whenever possible. This strengthened

ITC’s capacity to provide advisory services in areas such as export of services, market analysis, enterprise management development, export packaging, export finance, legal aspects of foreign trade, export quality control and business advocacy.

- **Missions by ITC staff** (US\$ 44,280). These missions were related to the regular programme of work. They were undertaken for various purposes, including participation in specialized meetings and liaison with existing or potential partner organizations, which could not be financed from the regular budget.
- **Programme development activities** (US\$ 514,877). This subwindow financed activities to strengthen ITC’s research and service delivery capabilities. Funds were allocated, *inter alia*: for development of an international packaging network; to enhance the transparency of trade in services by adding services data to TradeMap; and for the development of ITC tools such as the ‘Food safety management systems’ and the ‘Environmental management systems’ (Fitness Checkers, developed jointly with ISO).

Export capacity building among service providers with disabilities (phases I & II)

Most developing countries have traditionally neglected the potential of service exporters with disabilities. Window I funds allowed ITC to assess whether it could address this problem. During phase I ITC documented over 160 cases in six Latin American countries of service providers with disabilities who had links with foreign clients. The cases include individuals with motor, sensory and cognitive impairments. Services provided range from banking, tourism and translation to technical support, electronic library and quality control for personal care products. Operational methodologies were developed in order to build the needed institutional capacity among NGOs assisting disabled individuals. In phase II of the project ITC and a Brazilian NGO will test the methodologies in Brazil in close cooperation with national TSIs. The project targets both SMEs and independent service providers who: (i) already operate successfully locally and wish to export; (ii) are not performing to their potential; and (iii) require greater capacity to meet increased demand for services. This work innovatively combines ITC’s expertise in trade in services with local know-how on the economic integration of professionals with disabilities.

- **Formulation of tailor-made programmes and other country- or region-specific activities** (US\$ 377,724). Funds in this subwindow enabled ITC to meet requests from specific countries for project and programme development assistance, based on its needs assessment and programme design methodology. It was also possible to react quickly to requests for small-scale, self-contained

technical cooperation activities that could not be financed from other sources. The subwindow also allowed ITC to maintain and strengthen the dialogue with beneficiaries. Funds were allocated, *inter alia*, for the development of a large-scale project for competitiveness enhancement of the clothing sector in Central America, and to assist the Ministry of Tourism in El Salvador in the assessment of the tourism business management sector and development of a strategy for the tourism sector.

- **Meetings of experts** (US\$ 162,000). This subwindow made it possible to launch initiatives such as ITC's LegaCarta – a multilingual

web-based system on commercial model laws and multilateral trade treaties and instruments designed to assist trade promotion organizations, policy makers and academic institutions in optimizing their country's legal framework on international trade – during a four-day workshop in Geneva.

- **Evaluations.** No evaluations were undertaken using Window I financing.
- **Other activities** (US\$ 130,000). This subwindow was created in 2004 to finance activities for the export development of organic products from LDCs and other low-income developing countries.

Progress reports on Window II programmes

12. The paragraphs below describe the activities undertaken under the six Window II programmes that were operational during 2005.

I. Business advocacy for trade (World Tr@de Net) – (INT/W2/13A)

Introduction

13. The World Tr@de Net expanded its coverage to include 62 networks of public-private stakeholders in Africa, Asia, Latin America and the Caribbean, Eastern and South-Eastern Europe, the Caucasus and Central Asia. The existing networks provided a platform for business representatives and trade officials to assess the implications of the ongoing WTO negotiations as well as of regional and bilateral agreements on the institutional and regulatory framework in which business has to operate. Activities during 2005 focused mainly on the key topics under negotiation in the run-up to the WTO Hong Kong Ministerial Conference and aimed at fostering business advocacy to ensure that the business priorities were accurately reflected in negotiating positions ahead of the 2005 'July approximations' and in the WTO Hong Kong Ministerial Declaration. ITC's business partners in developing and transition economies strengthened their proactive participation in designing the multilateral trading system (MTS), as witnessed by the quantitatively and qualitatively increased requests for support from the World Tr@de Net.

14. The central objectives of World Tr@de Net were addressed in 2005 by:

- Providing country network members with up-to-date information on the business implications of priority sectors in the Doha negotiations; and

- Supporting business communities through networking activities to better define and position their interests with regard to MTS, towards a balanced outcome of the Doha negotiations.

Achievements

15. **Business information and tailor-made support material.** To nurture an informed public-private sector dialogue between the business community and trade negotiators and to allow for meaningful contributions to the Doha negotiations, the programme maintained its focus on providing business-relevant information and background materials to World Tr@de Net members. Information materials include revised business guides, progress reports on six key areas of negotiations of priority interest for business (agriculture, NAMA, services, paragraph 6 of the Doha Ministerial Declaration on the TRIPS Agreement and Public Health, negotiations on the establishment of a multilateral register for geographical indications for wines and spirits, and outstanding implementation issues). Updates were published in January and September 2005, and translated into French and Spanish. Through its monthly newsletters, distributed to all country networks' members and accessible online, the World Tr@de Net provided updated information on the Doha negotiations, WTO accession-related issues, trade policy reviews (TPRs), dispute settlement issues, and on regional and bilateral trade negotiations of specific interest for business operators. Publications, technical papers, progress reports and updated versions of information packs on TBT and SPS publications were distributed at World Tr@de Net events, and at Business for Development (B4D) and JITAP meetings. A wide range of information materials, including country papers and case studies on sectoral issues relevant to MTS are accessible on the website (www.intracen.org/worldtradenet).

World Tr@de Net growth
<ul style="list-style-type: none"> • Ten new networks established in 2005 increasing the country networks to 62. • Total number of business representatives in developing country delegations to WTO Ministerial Conferences increased from 99 in Cancún to 144 (not counting observers) in Hong Kong. • Increasing partnerships in organizing B4D activities (funded by the United States State Department, SIDA, seco): <ul style="list-style-type: none"> – B4D in Macao (China) organized in partnership with UNESCAP, B4D in Hong Kong (China) organized in partnership with AITIC; – Developed country business representatives in B4D: Union des industries de la Communauté européenne (UNICE), Transatlantic Business Dialogue (TABD), APEC Business Advisory Council (ABAC), European Federation of Pharmaceutical Industries (EFPIA), European Services Forum (ESF), European Chemical Industry Council (CEFIC), Confederations of National Associations of Tanners and Dressers of the European Community (COTANCE), National federations of employers, National federations of farmers. – Parliamentarians and trade researchers from developed and developing countries joined the national teams of participants.

World Tr@de Net website and publications

World Tr@de Net website, 2003–2005

	2003	2004	2005
Monthly average/visitors	4,986	5,963	12,088
Annual total/visitors	59,837	71,553	145,060

World Tr@de Net publications, 2004–2005

Title	Items	Languages	Published	Distributed (2004)	Distributed (2005)
<i>Business Guide to the World Trading System</i>	1	E/ F/ Sp	1999	726	943
<i>Business Guide to the General Agreement on Trade in Services</i>	1	E/ F/ Sp	2000	796	1,005
<i>Business Guide to Trade Remedies</i>	4	E	2003/2004	655	963
<i>WTO Negotiations Progress Reports*</i>	5	E/ F/ Sp	Updates (twice/year)	6,900	7,400
Other publications*	17	E/ F/ Sp	2000-2005	5,663	9,704
Total	28			14,740	20,015

* Because the reports are also available as free downloads, the actual outreach is higher than this.

16. **Country networks.** New public-private networks were launched following kick-off meetings in 10 additional member countries (Bolivia, Colombia, Côte d'Ivoire, Ecuador, Mexico, Panama, Paraguay, Peru, the Russian Federation and Venezuela). Action plans, jointly developed by business representatives and trade officials, prioritized training and capacity-building activities to be supported by the programme and/or other TRTA.

17. Country-driven initiatives, designed and implemented by country facilitators with the support of the ITC team, were sponsored by the World Tr@de Net grant scheme. These activities included the organization of information sessions and dissemination of briefing materials on MTS-related issues, the organization of workshops on WTO, regional trade agreements, and trade in services issues. Through the provision of grants, the World Tr@de Net is further sponsoring MTS-related activities linked to the application of Market Access and TradeMaps in 13 member countries: Albania, Bangladesh, Bulgaria, Cambodia, Malawi, the Republic of Moldova, Mongolia, Mozambique, Nepal, Nigeria, Pakistan, Trinidad and Tobago, and Viet Nam.

18. Country networks and their facilitators have further served as the backbone for the preparation of the B4D meetings (see below), through the identification of participants, discussion of priority issues, and submission of country papers and case studies. This backstopping work by networks in Africa, Asia, Latin America and the Caribbean, and

Eastern Europe and Central Asia, was key to the success of the thematic regional meetings. Last but not least, the work done by country networks, in conjunction with the expertise developed by the World Tr@de Net, has been instrumental in identifying needs from business operators related to WTO and other trade agreements that can be addressed by separate TRTA programmes.

19. **Networking activities and exchange of experiences among network members.** At the request of its Latin American members, the World Tr@de Net organized a regional workshop in Buenos Aires, Argentina, on 1 and 2 November, which brought together participants from farming associations, agricultural producers and exporters, and government negotiators from the Latin American and Caribbean region. The event, entitled 'Business Advocacy for Trade in Agriculture: Lessons for Hong Kong and Beyond', was co-hosted by the Chamber of Exporters of the Argentine Republic. The workshop provided first-hand information on the current multilateral trade talks in agriculture, taking into account recent developments including regional agreements. It also provided participants with a forum where they could exchange experience on advocacy in agriculture, and provided opportunities for networking at a regional level. Countries present included: Argentina (host), Bolivia, Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

20. **Business for Development and other contributions by the World Trade Net.** Based on the success of its 2003 Business for Cancún initiative, and the first series of events launched within the framework of the World Trade Net Programme in 2004, the B4D initiative was pursued in 2005. Its main objective was to enrich dialogue, at regional level, between business and trade negotiators to enable a better and more transparent consideration of business inputs by governments in WTO negotiations. During the year, these activities were supported by additional financial contributions received from the United States State Department and *seco*.

21. Building on the strong support from the WTO Secretariat, UNCTAD, Geneva-based delegations, and UNESCAP, the B4D initiated partnerships with AITIC, IMF, the World Bank, and increased integration with trade-related research institutions (ARTNeT), specialized business associations, (UNICE, TABD, ABAC, FICCI, CAN) and parliamentarians. In 2005, four B4D meetings promoted the advance of a business advocacy culture in Asia-Pacific, the Caucasus, Central Asia, Latin America and South-Eastern Europe.

22. In the run-up to the WTO Hong Kong Ministerial Conference, ITC joined forces with international and local partners in a series of B4D events to give voice to business concerns on the Doha Development Agenda. The events provide a forum for exchanging views on the business implications of topics under negotiation in WTO and helped participants to develop a greater common understanding of the key regional trade-related issues and their implications for business, ahead of the completion of the Doha Round negotiations.

23. B4D also tackled issues specifically relevant to regional integration and WTO accession. It supported constructive proposals on how to integrate business priorities into WTO negotiations more effectively and facilitated experience-sharing among business advocacy professionals, while reviewing the impact of public-private sector dialogue on trade issues.

24. In Asia-Pacific, business representatives seized the opportunity of a dialogue, jointly organized by UNESCAP and ITC, to voice their views at an event hosted by the Government of Macao (China) from 4-6 October, entitled 'Delivering on the WTO Round: A High-level Government-Business Dialogue on Development'. The three-day event saw a series of interactive discussions, hosted by experts from UNESCAP, ITC, WTO, IMF, World Bank and ARTNeT, among more than 30 private business associations and some 140 individuals representing 25 governments.

25. In South-Eastern Europe, the World Trade Net joined with the Croatian Chamber of Economy for the dialogue 'Challenges for Business and Government on the Road to the WTO Hong Kong Ministerial Conference', held in Dubrovnik, Croatia, on 25 and 26

October. The meeting addressed the state of WTO negotiations, including ongoing discussions on agriculture, market access for industrial products, services, and trade facilitation, and tackled a variety of other issues, notably regional integration and WTO accession. It brought together policy makers and business leaders from Eastern and South-Eastern Europe, the Caucasus and Central Asia for an interactive discussion on the Doha Round and WTO Accession issues. Participating countries included: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, The former Yugoslav Republic of Macedonia, the Republic of Moldova, Romania, the Russian Federation, Serbia and Montenegro, Tajikistan, Ukraine and Uzbekistan.

26. Finally, on the eve of the WTO Hong Kong Ministerial Conference, 50 countries were represented at an event entitled 'A Business-Government Forum in Hong Kong', held on 11 and 12 December. The forum sought, against the background of WTO negotiations, to nurture public-private sector dialogue and increase common understanding of business implications and ways and means to jointly define priorities by focusing on mechanisms to promote business concerns. Speakers included representatives from a variety of organizations including UNICE and FNSEA, (France), FICCI (India), ESF, ABAC and TABD. The forum was jointly organized by ITC and AITIC, in close cooperation with the WTO Secretariat. Participants involved representatives from LDCs, developing countries, economies in transition and developed countries.

27. The World Trade Net's networking platform, as well as its team expertise and tailor-made documentation, constituted the foundation for these meetings. The network infrastructure served not only to design, prepare and organize the Business for Development meetings, but also to bring the key issues back to country level for further discussion in the World Trade Net's public-private networks.

28. The contributions of the World Trade Net's expertise and information materials are increasingly solicited and valued in other trade-related forums, bringing a necessary business perspective on WTO issues and trade negotiations, highlighting the implications of WTO for business, and stressing the importance for developing countries of business advocacy in trade policy-making. In this regard, the skills and knowledge developed by the World Trade Net team have been critical for designing and implementing other TRTA programmes sponsored by bilateral donors (e.g. EU and ATF).

Outlook for 2006

29. Despite its modest results, the WTO Hong Kong Ministerial Conference has definitely propelled the Doha Round negotiations to their final phase, with a deadline of 30 April 2006. The business sectors in developing countries are seeking to play a more

active advocacy role with their governments and have expressed the need to be suitably empowered through capacity building. To this end, business partners in developing countries and transition economies are increasingly turning to ITC for support from the World Trade Net. Business advocacy assumes an even more important role at such a crucial juncture in the negotiations as it can create conditions that enable governments to take decisions primarily based on economic and commercial interests.

30. During 2006, priority will be given to keeping members informed about the business implications of the ongoing Doha round, on an increasingly subject-specific basis. Technical material and publications will be adapted accordingly. Countries that have

confirmed their interest in becoming members of World Trade Net, including Azerbaijan, Belize, Benin, China, the Congo, Serbia and Montenegro, and Uruguay will join the programme. The B4D initiative will be pursued, with two meetings scheduled to take place in the first half of 2006, the first one in Singapore, in partnership with UNESCAP, the Government of Singapore and IDRC, followed by a meeting addressing the priorities of Sub-Saharan African countries, with the support of Norad. By mid 2006, the programme will be in a position to address specific technical assistance needs stemming from developments in the WTO negotiations, towards the conclusion of the Doha round and beyond, during its implementation phase.

BUDGETARY SITUATION
Business advocacy for trade (World Trade Net)
As at 31 December 2005
(US\$)

2005–2008 pledges						
	Expenditures Jun–Dec 05	Planned expenditures Jan–May 06	Total Jun 05–May 06	Planned expenditures Jun 06–May 07	Planned expenditures Jun 07–May 08	GRAND TOTAL
Project personnel	239,602	274,004	513,606	820,000	820,000	2,153,606
Subcontracts	27,327	20,443	47,770	70,000	70,000	187,770
Group training	260,517	207,530	468,047	747,100	747,100	1,962,247
Equipment	0	0	0	5,000	5,000	10,000
Miscellaneous	33,683	3,330	37,013	57,900	57,900	152,813
(A) Total	561,129	505,307	1,066,436	1,700,000	1,700,000	4,466,436
(B) Pledged			1,066,436	0	0	1,066,436
(C) Cash received			1,066,436	0	0	1,066,436
(C–B) Surplus/(shortfall) Cash against pledges			0	0	0	0
(B–A) Surplus/(shortfall) Pledges against budget			0	(1,700,000)	(1,700,000)	(3,400,000)

II. South-South Trade Promotion Programme (INT/W2/09)

Introduction

31. The South-South Trade Promotion Programme (SSTP) consists of a series of activities aimed at generating new trade and investment transactions between enterprises in developing countries and transition economies. It is a core activity of ITC that includes trade flow analyses, national supply and demand surveys, sectoral buyers–sellers meetings and other networking events.

32. In 2005, the programme organized seven buyers–sellers meetings and three networking events, which generated business transactions estimated at US\$ 38.5 million and gathered 434 firms from over 60 developing countries, including 22 LDCs. Furthermore, six trade flow analyses and 55 supply and demand surveys were carried out in collaboration with local TSIs and national consultants. Besides the various training seminars held during each buyers–sellers meeting to improve SME competitiveness, tailor-made workshops were held in Dakar (Senegal), Kinshasa (Democratic Republic of the Congo) and Vientiane (Lao People’s Democratic Republic) to strengthen TSI capacity on trade information management and market research.

Impact on export development

To measure the actual impact of SSTP activities, a survey was initiated in November 2005 to evaluate exports actually generated as a direct result of SSTP events held in 2003–2004. The first results of the survey show already that some enterprises that participated in five buyers–sellers meetings managed to export goods worth US\$ 13 million.

- An enterprise from Côte d’Ivoire exported textiles worth 1.8 million euros to the Democratic Republic of the Congo. This allowed the company to maintain 2,000 jobs threatened by lay-offs because of conditions in Côte d’Ivoire.
- A Kenyan food company supplied cereals worth over US\$ 3 million to United Nations humanitarian aid agencies and NGOs.
- In Latin America, a Peruvian manufacturer of medicinal natural products increased its annual sales to Brazil threefold, reaching US\$ 180,000.

Achievements

33. **Africa and the Arab region.** Within the framework of the ITC/UNDP project aimed at linking Kenyan SMEs to export markets, a buyers–sellers meeting was held in Dubai in February, in parallel with Gulfood 2005. Eight Kenyan exporters of horticultural and apicultural products started business partnerships with importers from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. As a result, new distribution channels for Kenyan products were established.

34. Under the partnership with OIF, two buyers–sellers meetings on food and wood products respectively were held to promote the expansion of intra- and interregional trade between CAEMC and WAEMU. The first event, held in Mali in March, was attended by 75 SMEs from Benin, Burkina Faso, Cameroon, Chad, the Congo, Côte d’Ivoire, Gabon, Ghana, Madagascar, Guinea, Mali, Niger, Senegal and Uganda. The second event, in Libreville in October, drew 24 companies from Benin, Cameroon, the Congo, Gabon, Mali and Togo. Business transactions in excess of US\$ 1.5 million were reported for both meetings.

35. SSTP provided its matchmaking services at the Africa Economic Summit, organized by WEF in Cape Town in June for 48 enterprises from Botswana, France, Ghana, Kenya, Malawi, Mauritius, Mozambique, Namibia, Nigeria, South Africa, Uganda, Sweden, Switzerland, the United Kingdom and Zimbabwe. SSTP matchmaking services added networking value to the summit through the establishment of new business arrangements among the participants.

36. Under the Buying from Africa for Africa initiative, ITC organized a buyers–sellers event in Dakar in September to encourage international aid agencies to procure more from African enterprises, so as to generate employment there. The meeting covered food, agricultural, water, sanitation, shelter, personnel protection and household items, and gathered 21 aid agencies and 49 companies from Benin, Burkina Faso, Cameroon, Côte d’Ivoire, Ghana, Mali, Morocco, Niger, Nigeria, Senegal and Tunisia. Business transactions worth US\$ 17 million were generated and 34 companies managed to register in the agencies’ databases of suppliers.

37. In the framework of the ITC/UNDP project ‘Relaunching of subregional integration in Central African States’ a workshop was organized in Kinshasa in September to identify sectors with potential for intraregional trade development in Angola, Burundi, Cameroon, the Central African Republic, Chad, the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe. Staff from 22 TSIs and private-sector organizations were trained on SSTP methodology and market research. The selected priority sectors were food, wood, fish and services.

38. As part of the ITC Bridges Across Borders programme, events were held in Zambia in February and in South Africa in December. SSTP organized two sessions of bilateral consultations for 171 associations of service providers and TSIs from Angola, Botswana, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, the United Republic of Tanzania, Uganda and Zambia. Participants shared experiences and information on effective models, and assessed the possibility of developing strategic alliances to tackle new markets.

39. In addition to the buyers–sellers meetings, SSTP contributed to the establishment of an institutional network in each CEMAC and WAEMU member country for the management of trade information and exchange of business opportunities among TSIs, and to the enhancement of SME knowledge on export packaging for food products and on the processing of tropical timber.

40. In the Arab region, SSTP provided technical support to the Omani Center for Investment Promotion and Export Development aimed at increasing exports from Oman to the United Republic of Tanzania. In this context, a buyers–sellers meeting took place in Dar-Es-Salaam in September in cooperation with the Tanzanian Board of External Trade. The 38 participating enterprises reported business transactions estimated at US\$ 1 million.

41. **Asia.** AsiaHealthCare 2005 was held in Singapore in November to provide SMEs in the pharmaceutical and natural products sector with a platform for developing trade and strategic alliances. Participants included 100 SMEs from Bangladesh, Brazil, Cambodia, China, India, Indonesia, the Lao People’s Democratic Republic, Malaysia, Myanmar, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand and Viet Nam. Participating enterprises managed to start partnership arrangements on production, distribution, outsourcing and technology transfer, and reported sales worth over US\$ 1 million.

Impact on South-South cooperation

In 2005, two SSTP initiatives aimed at developing trade of pharmaceutical and natural products, namely AsiaHealthCare and LatinPharma allowed for establishing innovative forms of cooperation among enterprises:

- An Argentine company agreed with two companies in Chile and Ecuador to jointly develop a new drug: the Argentinean company provides its know-how on chemical product development while the Chilean and Ecuadorian companies facilitate access to the raw materials available in their countries.
- Three companies from Nicaragua, Peru and Venezuela managed to source at lower prices from Brazil and Argentina innovative natural products for skin burns, galenic formulations for infantile cardiology and a new posology system for diabetes drugs. This will result in facilitating access to medicines for poor communities.
- A Sri Lankan company established partnerships with Malaysian and Thai enterprises to improve the purity of raw materials used in the production of its natural medicines.

42. Under the partnership with OIF, a workshop was organized in Vientiane in November to identify sectors with potential for intraregional trade development in Cambodia, the Lao People’s Democratic Republic and Viet Nam. Staff from 22 TSIs and private sector organizations were trained on

market research and other trade issues. Food and agro-processing, light manufacturing products and certain commodities were selected as priority sectors.

43. **Latin America.** LatinPharma 2005 was organized in Santiago (Chile) in September to promote trade of pharmaceuticals and natural products between member countries of the Central American Common Market, CAN, MERCOSUR, Chile and India. The 120 participating companies reported business transactions worth US\$ 18 million and explored diverse forms of cooperation such as contract manufacturing, joint development of new products, technology transfer and joint product registration. In addition, an e-discussion forum and various conferences and training workshops were held prior to the buyers–sellers meeting, focusing on TRIPS, intellectual property issues, regional mechanisms for facilitating trade among SMEs, harmonization of sanitary regulations and quality management systems.

44. **E-solutions.** A number of e-tools were developed to disseminate trade information to companies and TSIs participating in buyers–sellers meetings. A website for LatinPharma 2005 was developed and served as a platform for an e-discussion forum gathering more than 1,200 participants. Five cybercafés in CD-ROM format were developed to reflect regional and national sources of statistical data, marketing and legal information. Out of them, three were devoted to the food, wood and aid procurement sectors in Africa, and two to the pharmaceutical sector in Latin America and Asia.

Outlook for 2006

45. In 2006, SSTP will increase further the number of partnerships with private and public organizations. In this regard, World Vision International and ITC will conduct joint audits of companies participating in the Buying from Africa for Africa initiative. The Brazilian Pharmaceutical Industry Federation and the Latin American Association of the Pharmaceutical Industry will be closely associated with LatinPharma 2006 and will contribute to the development of new project ideas aimed at assisting Latin American drug manufacturers to meet World Health Organization pre-qualification requirements.

46. In addition, special attention will be paid to developing alliances with anchor countries to mainstream the use of South-South cooperation in the programme’s activities. For instance, new initiatives are under preparation with the Chinese Ministry of Commerce and the Brazilian Agency for Cooperation to provide technical assistance to African and Latin American companies in the cotton, organics and pharmaceutical sectors. Such activities are aligned with the latest orientations of the United Nations General Assembly concerning cooperation among developing countries. In fact, in its sixtieth

session of December 2005, the General Assembly stressed that *'South-South cooperation offers viable opportunities for developing countries in their individual and collective pursuit of sustained economic growth and sustainable development'* and welcomes *'the initiatives and partnerships being undertaken at sub-regional, regional, inter-regional and global levels aiming to enhance and expand South-South cooperation in trade and investment'*.

community encourages all stakeholders and United Nations organizations to intensify efforts to effectively mainstream South-South cooperation within the development strategies to achieve economic growth and poverty reduction. In this context, SSTP continues to deploy its efforts to support TSIs and regional economic groupings to generate new trade, employment and investments in the South.

47. Presently, demand for SSTP activities continues to grow in developing regions and the international

BUDGETARY SITUATION
South-South Trade Promotion
As at 31 December 2005
(US\$)

2005–2008 pledges					
	Expenditures Jun–Dec 05	Planned expenditures Jan–May 06	Planned expenditures Jun 06–May 07	Planned expenditures Jun 07–May 08	GRAND TOTAL
Project personnel	204,574	766,370	900,000	850,000	2,720,944
Subcontracts	3,390	27,120	90,000	120,000	240,510
Group training	190,105	89,797	245,000	265,000	789,902
Equipment	2,605	9,892	15,000	15,000	42,497
Miscellaneous	28,052	34,549	50,000	50,000	162,601
(A) Total	428,726	927,728	1,300,000	1,300,000	3,956,454
June 2005–May 2008 pledges (Third phase)					
	2005	2006	2007	TOTAL	
(B) Pledged	1,356,454	133,136	133,136	1,622,726	
(C) Cash received	1,356,454	0	0	1,356,454	
(C–B) Surplus/(shortfall) Cash against pledges	0	(133,136)	(133,136)	(266,272)	
(B–A) Surplus/(shortfall) Pledges against budget	0	(1,166,864)	(1,166,864)	(2,333,728)	

III. E-Trade Bridge Programme for SMEs (a capacity development programme for e-facilitated trade) (INT/W2/08)

Introduction

48. The period under consideration, January 2005 to May 2006, marks the transition of the programme to its second phase. The E-Trade Bridge Programme (ETB) has been extended for three years to offer its benefits to more SMEs, build best practice cases, create new regional hubs and national centres, and increase the number of trainers and counsellors using the strong suite of assets it accumulated during phase I.

49. The overall objective of phase I of ETB was to help SMEs bridge the digital divide. The programme assisted enterprise managers, TSIs and policy-makers to understand and apply information and communication technologies (ICTs).

50. In cooperation with ITC's national and regional partners, ETB aims to build national capacities to help enterprises bridge the digital divide for international trade. ETB is the only programme that links ICTs with the competitiveness of SMEs by integrating the strategic and export competencies of managers with e-trade applications.

51. The programme approach is based on the recognition that ICTs can help businesses become competitive but cannot replace effective and efficient management. The 'ETB paradigm' that forms the foundation of ETB publications and activities bases enterprise competitiveness on **management readiness, export-readiness and e-readiness**. This approach has been validated in the field (30 countries) and through OECD and UNCTAD research. Studies reveal that even in countries where there is both adequate telecommunication infrastructure and sufficient access, ICT use among SME managers tends to lag. This phenomenon is called the 'use-divide'.

52. The use-divide is primarily due to the inability of SME managers to make rational decisions on where and when they should be using ICTs. So far, efforts to address the use-divide have been supply-driven. Experts in support of the ETB approach suggest that unless managers are equipped with the skills and knowledge to lead the development of digital tools, the divide will continue.

53. Focusing on bridging the use-divide, phase II of ETB will aim to achieve the following objectives:

- Build and strengthen business development service networks for the sustainable delivery of training and counselling programmes integrating management, export and e-readiness to bridge the use-divide and thereby build enterprise competitiveness.

- Expand and strengthen the e-network for exchange of information, and the development and dissemination of e-facilitation tools.

- Improve the international competitiveness of micro, small and medium-sized enterprises by applying the benefits of ICTs to business management.

54. The 'enabling SMEs' component of phase II has been developed to help SMEs bridge the use-divide by providing training and counselling on management, export and e-readiness delivered by ETB-trained and certified trainers and counsellors.

55. Efforts to build capacities by creating new hubs and national centres as well as strengthening existing ones will continue. The network built during phase I allows ITC to implement its ETB activities in the field, making delivery more efficient, and further strengthening the network.

56. To facilitate delivery, 'Training the Trainers' programmes precede the 'enabling' component, producing cost efficiencies while reaching a wider audience.

Achievements

57. From January to May 2005, ETB delivered the components that constitute the building blocks of the programme, in English, French and Spanish.

58. Two newly developed e-tools, Compass (a tool for enterprise strategy design) and Snapshot (a tool for auditing management export-readiness and e-competence) have been added to ETB's existing portfolio of tools. Two manuals were also published: *Getting Paid: A manual for using ICT for making collections* and *Fulfilling Orders: A manual for using ICT for international freight operations*.

59. The publication *Addressing the Use-Divide: E-Solutions for Business* was designed to show SME managers how to use ICT in small-scale operations and to prove that effectiveness and efficiency gains are achievable even in situations where the infrastructure is very basic. Preparation of a similar book covering management activities is underway.

60. The hubs have gained the confidence of the national and international organizations and have won recognition as prestigious training institutions in their respective countries and regions. ATIFTAP, the ETB regional hub in the Philippines, held a regional network meeting in Manila in January 2005, in partnership with ETB. The meeting brought together a number of high-level representatives from training and support institutions in the region. The objective of the meeting was to strengthen the role and visibility of the ETB network in the Asia-Pacific region through ATIFTAP. The new members from

Bangladesh, Pakistan, Thailand, and Viet Nam expressed their wish to be trained in the areas of enterprise diagnostics, management, export and e-trade competence in order to become national centres.

Networking in the Philippines
Following the network meeting in Manila, to complement the activities of ATIFTAP (the ETB country hub for South and Southeast Asia), a new body, FitDev, was launched for the purpose of coordinating activities nationally. ATIFTAP and FitDev signed a memorandum of understanding. The Congressional Oversight Committee for the E-Commerce Law in the Philippines invited ATIFTAP to make a presentation of its enabling SMEs programme at the Philippine Senate on 17 November 2005. FitDev secured a contract from the Philippine Government to help SMEs incorporate ICTs.

61. COMPITE (ETB regional hub in Central America) and ATIFTAP have been subcontracted by national and international institutions to deliver training programmes, and have formed local partnerships with other training institutions to deliver pre-career programmes that integrate management, export and e-readiness for SME managers.

62. All the programme targets were exceeded. Instead of the five regional reports, four were produced. The overall output of the first phase of the programme is summarized in the table below.

63. During phase I, the feedback from all programme stakeholders, including SMEs, in over two dozen beneficiary countries, indicated that there is a strong demand for ETB's practical programmes.

More than 100 trainers and counsellors from the Middle East, East and West Africa, and South and Central America were trained to deliver these programmes. The programme is extended for another three years, from June 2005, to offer its benefits to more SMEs, build best practice cases, build new regional hubs and national centres, and increase the number of trainers and counsellors globally.

64. Phase II was launched in Bangkok (Thailand) in June 2005 to continue addressing the use-divide through training programmes by empowering SME managers with the ability to make informed decisions about e-solutions.

65. At the Bangkok workshop, the Bridging the Use-Divide Programme presented its suite of e-tools to 12 countries in the Asia-Pacific region. The Training the Trainers Programme was designed to build the capacities of ETB network members. The workshop was attended by: senior managers of current and future partners; SME trade advisers and consultants from Bangladesh, Cambodia, China, India, Indonesia, the Lao People's Democratic Republic, Pakistan, Mongolia, Malaysia, Sri Lanka and Viet Nam, and representatives from international trade support and development institutions. Forty-one participants representing 27 institutions from the region were trained in applying enterprise diagnostics for enabling SMEs, using the e-tools. The Institute of International Trade and Development (ITD), Thailand, and ATIFTAP jointly financed and organized the event. All participants bore their own travel and accommodation expenses. Following the workshop, representatives from China, Indonesia, Mongolia, Pakistan and Thailand unveiled their national action plans, and participants were certified as EMD Associates. Official applications to become national centres have been received from China, Indonesia, Mongolia, Pakistan and Thailand.

Programme component	Beneficiaries	Outcomes
Improving SME competitiveness through e-trade	El Salvador, Philippines, United Republic of Tanzania	93 SMEs enabled
Preparing e-maps, e-balance sheets and action points	Barbados, Bolivia, Cambodia, Cameroon, China, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, India, Jamaica, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Mauritania, Philippines, Romania, Senegal, South Africa, Tajikistan, Trinidad and Tobago, Turkey, Turkmenistan, Uganda, United Republic of Tanzania, Uzbekistan, Viet Nam	29 country reports prepared 4 regional reports prepared on: <ul style="list-style-type: none"> • ASEAN • Central America • East African Union • WAEMU
Training national programme developers and managers	Brazil, China, Cameroon, Ecuador, El Salvador (regional), India, Mauritania, Philippines, Romania, Senegal, United Republic of Tanzania, Viet Nam	450+ participants trained in 9 countries during kick-off meetings 300+ strategy makers and implementers trained in 9 countries during strategists' training programmes
Building national and regional hubs for e-competence	El Salvador, Philippines, United Republic of Tanzania	3 hubs established
Training the Trainers Programme	El Salvador, Philippines, United Republic of Tanzania	100+ trainers trained

Capacity building in Mongolia

After attending the 'Bridging the Use-Divide' workshop in Bangkok, a group of business management consultants from Mongolia formed the Enterprise Management Development Centre (EMDC), with the purpose of improving the managerial performance of Mongolian entrepreneurs and ensuring further sustainability of professional management consulting and training services in business management.

A memorandum of understanding between ITC and EMDC Mongolia has been signed to create a national capacity to provide training and consulting services to improve the management-readiness, export-readiness and e-trade readiness of Mongolian enterprises. The programme of activities will last about six months and will cost an estimated US\$ 23,500 to be financed by EMDC Mongolia.

66. A 'Bridging the Use-Divide' workshop was held in Nairobi, Kenya, from 28 November to 1 December 2005, at the African Institute for Capacity Development. The objectives of the workshop were to: sensitize and train local trainers and counsellors on using ICT for competitiveness; introduce ETB's e-tools; and develop training and counselling programmes for SME managers to address the use-divide. Twenty-seven local and 22 international participants attended the workshop, from Cameroon, Egypt, El Salvador, Ethiopia, Jordan, Pakistan, the Philippines, Romania, the United Republic of Tanzania, Turkey and Uganda. The funds to cover the local costs of organizing and running the workshop were raised by the local participants. An ETB network meeting held at the same time. The meeting provided a forum where the network members could discuss their work plans.

Capacity building in Kenya

Following the 'Bridging the Use-Divide' workshop in Nairobi, EMD Kenya, a non-profit NGO, was formed with the purpose of addressing the use-divide. EMD Kenya was certified as the national centre for the implementation of ETB for SMEs in Kenya.

67. Regional hubs in Turkey and the Philippines, as well as the national centre in Romania, have launched 'Enabling SMEs' programmes in their countries. As a result more than 300 SMEs will receive training; more than 30 of them will be e-enabled; and best practice cases will be prepared for dissemination.

68. **Cooperation with other initiatives.** ETB works in close cooperation with ITC's E-Trade Development Unit, UNCTAD, ITU, ILO, OECD, UNECE and other multinational and national agencies. The dissemination of materials and tools for capacity building produced by ETB is now an integral part of other ITC initiatives. Synergies within ITC have also

been achieved by integrating an e-component into the capacities built by other ITC programmes in the partner countries.

69. With support from CBI, ETB will train trainers from Senegal in February 2006. CBI's sector-specific programmes will follow ETB workshops. Certified participants will launch the 'Enabling SMEs' programme in Senegal.

70. ETB, after its successful participation in WSIS, (Geneva, 2003), cooperated with OECD, ITU, UNCTAD and ILO for WSIS 2005 in Tunis. ETB also participated in the Thematic Meeting in Antigua (Guatemala) in January 2005. The final declaration recognized that enterprises' effective use of ICTs relies on the managerial capabilities of entrepreneurs and thus confirmed the ETB use-divide approach.

71. At the request of the Chamber of Commerce and Industry of Mongolia, a special workshop was held on 18 October 2005 on the subject of e-trade. The workshop was specifically designed for an audience of SME managers and representatives of TSIs interested in exploring the potential of ICTs for enhancing enterprise competitiveness. The workshop attracted over 30 participants. After this workshop, a group of local consultants asked ITC's Enterprise Management Development Section to organize a specific capacity-building programme for trainers and counsellors in Mongolia.

72. During WSIS in Tunis, in December 2005, ETB organized a one-day thematic symposium on 'Bridging the Use-Divide: e@Work' in partnership with CBI and the Centre for Conciliation and Arbitration of Tunis. The symposium succeeded in raising awareness of the use-divide, confirmed its existence, and reiterated that achieving management competency is an essential step towards bridging the divide.

73. ETB participated in another parallel event at WSIS on 'The Role of ICTs in Economic Growth and Poverty Reduction', organized by ITU and the WSIS Gender Caucus. During the meeting, the concept of use-divide was introduced from the perspective of the E-Trade Bridge paradigm. Research on ICT usage suggests that the use-divide is deeper among women entrepreneurs.

74. ETB participated in Hewlett Packard's Micro Enterprise Acceleration Project (MAP) meeting for network members from 11 countries (11-12 January 2006, Brussels, Belgium) to share the progress made to date with ITC-implemented activities. ETB contributed to the future development plans of this network by leading the working group on performance measurement and governance.

75. In each of these events ETB was presented as a major platform contributing to the reduction of the digital divide between countries and offering capacity-building alternatives that offer potential for private-sector growth.

Outlook for 2006

76. In 2006 ETB will continue to offer training programmes adapted to the needs of its beneficiaries – the network members and SME managers – on strategic planning integrating management, exporting and ICT-related issues. In addition to local sustainable capacity building by means of creating

new national centres, activities for strengthening and expanding the existing network of regional hubs and national centres will continue. ITC will cooperate and coordinate with the ETB network to deliver e-trade training and counselling programmes directly to SMEs while ETB will mainly concentrate on training of e-trade advisers and master trainers.

BUDGETARY SITUATION E-Trade Bridge Programme for SMEs Phase II As at 31 December 2005 (US\$)

2005–2008 pledges						
	Expenditures Jun–Dec 05	Planned expenditures Jan–May 06	Total Jun 05–May 06	Planned expenditures Jun 06–May 07	Planned expenditures Jun 07–May 08	GRAND TOTAL
Project personnel	245,619	254,207	499,826	496,580	462,000	1,458,406
Grants to Institutions	45,200	93,608	138,808	251,982	228,045	618,835
Group training	65,399	106,356	171,755	209,779	269,816	651,350
Equipment	4,398	1,130	5,528	5,200	8,000	18,728
Miscellaneous	15,803	18,280	34,083	36,459	32,138	102,680
(A) Total	376,419	473,581	850,000	1,000,000	1,000,000	2,850,000
(B) Pledged			832,207	0	0	832,207
(C) Cash received			782,207		0	782,207
(C–B) Surplus/(shortfall) Cash against pledges			(50,000)	0	0	(50,000)
(B–A) Surplus/(shortfall) Pledges against budget			(17,793)	(1,000,000)	(1,000,000)	(2,017,793)

IV. Export-led Poverty Reduction Programme (EPRP) (INT/W2/11)

Introduction

77. EPRP continued in 2005 to respond to the specific needs of poor communities and small business in trade promotion.

78. EPRP continued to be funded by the Governments of Germany, the Netherlands, Norway and Switzerland. Additional financial support was provided in 2005 by the Government of the United Kingdom. Four projects in Brazil, Cambodia and El Salvador were successfully completed, while implementation continued in six countries, namely Bolivia, Ethiopia, Kenya, Mongolia, South Africa and Viet Nam. In addition, EPRP launched new projects for African LDCs in Burundi and Rwanda.

EPRP in action

So far, EPRP projects have benefited up to 19,000 poor people by creating additional jobs and higher income. Altogether, these projects have generated additional sales from poor communities amounting to US\$ 2.5 million. Beneficiaries' income has risen considerably. Achievements in terms of actual impact allowed EPRP to gain credibility as a practical and results-oriented approach to poverty reduction.

Achievements

79. **Bolivia** (community-based tourism). EPRP supported the creation of the Suma Jakañani Foundation whose mission is to integrate disadvantaged groups of the population into the local tourism value chain of products and services. Activities were targeted at developing agrotourism offers, improving tourism information, upgrading tourism promotion and advocacy for sustainable tourism with the stakeholders. The project will focus in 2006 on further strengthening of the Foundation and advocacy for replication with the local authorities. The project will be completed by end 2006.

80. **Brazil** (community-based tourism). The project, implemented in cooperation with the Bank of Brazil, aimed at improving the livelihood of 8 communities, accounting for 7,100 people, by involving them in the tourism value chain of the resort 'Costa do Sauipe'. Using the EPRP tools, seven productive chains were developed. A new waste processing plant has created 40 jobs, with 500 farmers using the fertilizer produced to grow fruit and vegetables for the tourism sector. The cooperating hotels have already created altogether 1,200 new jobs and committed to boost local employment until end 2007. The monthly income of the 386 local artisans associated with the project has risen from US\$ 100 to US\$ 400. The project approach is now replicated in the 'Reserva

Imbassaí, in the same coastal area of Bahia, managed by the Portuguese tourism operator Reta Atlântico in consultation with EPRP.

81. **Burundi** (essential oils). EPRP has assisted the Burundian agro-enterprise Rugofarm since July 2005 by providing technical advice on growing and marketing of patchouli and limette. An international expert on essential oils visited the country to assess the project and design the EPRP component. The expert also visited a European trade fair to help promote Rugofarm with potential buyers who subsequently have confirmed their interest in sourcing from Burundi. The project will continue in 2006 with the construction of two distillation plants to produce patchouli and lime essential oils. Poor communities will be identified and trained in the plantation of patchouli and lime as outgrowers to sell the dried leaves to Rugofarm for distillation and export.

82. **Cambodia** (silk products). The project reached completion as scheduled by end 2005. ITC has assisted the Cambodian Craft Corporation (CCC) with technical advice on community building and export market development, has provided CCC with a computer-based sales monitoring mechanism and has recently launched a sales website (www.silkfromcambodia.com). Sales amounting to US\$ 16,000 with exports worth US\$ 9,000 were generated by the project in 2005. Between 2003 and 2005 the weavers' average monthly sales turnover increased eightfold, from US\$ 160 to US\$ 1,400. The monthly income rose from an average of US\$ 18 in 2003 to US\$ 60 in 2005. CCC staff in turn trained partner craft associations in the Lao People's Democratic Republic and Viet Nam on the construction and use of similar sales websites. Now CCC is replicating this pilot project with three additional weaver communities in rural areas of Cambodia, reaching 70 families.

83. **El Salvador** (coffee and community-based tourism). The project on tourism was completed by end 2005. EPRP supported the integration of small-scale farmers, restaurants and hotels as well as producers of artisanal products into the tourism value chain within the two communities of La Palma and San Ignacio. As a result, visitor numbers have increased. Two new hotels and four restaurants have opened at community level, and more cultural activities have been developed to amplify the tourist attractions. The Ministry of Tourism in El Salvador is committed to replicating the project in other areas of the country by using ITC's best practices. Development impact was also achieved in the coffee sector. With EPRP, Café Monte Sión was able to boost its exports. Its average prices increased by 30% and total sales volume increased by 40% to reach US\$ 280,000. During the year, the top brand 'Gourmet Boutique' was sold at premium prices in the Japanese market. Harvesting income per worker has risen from US\$ 200 to the present US\$ 300. The Cooperativa Cuzcachapa, the fourth largest coffee producer in El Salvador, is now interested in replicating the EPRP initiative. Following the

request from this cooperative, ITC organized in December 2005 a first series of workshops to transfer EPRP good practices to the cooperative members, thus increasing the project outreach.

84. **Ethiopia** (paprika). The project is assisting selected farmers in the Launfuro district of the Siltie region to produce quality paprika varieties and introduce them to export markets. Capacity building is provided to the 400 beneficiary farmers through the project's partner, the Cooperative Union of Siltie Zone. The Ethiopian Spice Extraction Factory will market the paprika produced by the project locally and internationally through contacts established with paprika importers in Europe. The harvest is planned for June 2006 and should result in 270 tons of exports worth US\$ 320,000.

85. **Kenya** (honey and chillies). EPRP works with two rural communities accounting for 120 farmers in the Baringo and Keiyo districts to improve their income through production and exports of bird's eye chillies and honey. ITC activities mainly focus on the formation of producer groups, training for planting, quality control, harvesting, processing, drying and storage techniques. ITC has identified two local enterprises, one specialized in chilli, the other in honey, which will provide support services to the community members. These partners have been instrumental in the renovation of the beehives and the installation of an easy-to-use irrigation system, and will facilitate the exports, estimated at US\$ 20,000 for the first year.

86. **Mongolia** (felt products). Project activities in Mongolia assist about 250 producers of woollen and felted goods, mainly women, within 10 cooperatives in Ulaanbaatar, Darkhan and Selenge Aimag. In 2005, EPRP undertook a market survey identifying winner products and testing their export potential to European markets. A pilot workshop to explain the EPRP methodology and disseminate the results of the initial market survey was instrumental in building the capacity of the local counterparts. The main project partner is the Norwegian Lutheran Mission (NLM), an NGO with long-standing experience in technical cooperation related to the wool and felt sector. In 2006, EPRP will support NLM in strengthening the board of cooperatives, diversifying their product portfolio, and building export marketing capabilities through consultancy and training.

87. **Rwanda** (essential oils). At the request of the Rwandan Government, ITC undertook in 2005 a needs assessment mission on essential oils. Subsequently, four national entrepreneurs established the EPCHER company to develop patchouli planting and processing. By year-end, an international expert on essential oils processing had visited the first patchouli plantings that were developed by EPCHER, and provided advice and recommendations for launching such a cultivation at the country level.

88. **South Africa** (*aloe ferox*). The project seeks to train and integrate 70 aloe tappers around Seymour, Eastern Cape Province, into the promising cosmetics and health industry. EPRP has built on an innovative partnership between a local exporter and the Eastern Cape Development Corporation (ECDC) which has put up a joint investment of US\$ 300,000 for a pre-processing plant, with basic facilities for collection, sorting and simple processing operations. The 2005 workplan focused on market development and promotion for *aloe ferox*-based products, ensuring further diversification of business both on the local and overseas markets. The brand 'Ikhala' was successfully promoted, leading to a franchising system now employing 81 local agents and to major distribution contracts with buyers in Canada and the United States. In 2006, 150 more tappers will join the project. A comprehensive quality management system including appropriate on-site testing facilities will be developed, responding to the requirements identified in target export markets. ITC will make available its EPRP tools to the ECDC through specific training seminars for replication purposes.

89. **Viet Nam** (community-based tourism). The project aims at developing a community-driven, sustainable tourism product in Kim Bong village, to generate employment and income for its 84 households with about 400 people. With the help of ITC, in 2005 a village walk and bicycle trail were launched and the tourist information showroom was opened. Further activities focused on capacity building for the Kim Bong Tourism Service Cooperative. In cooperation with WWF Viet Nam, a strategy for sustainable wood sourcing for the carpentry business in the village was also formulated. The project has already started to generate revenues. The income from entrance fees and different walks and trails in the village is now estimated at US\$ 10,000 for the first year, part of which will benefit all 400 inhabitants of Kim Bong through a community fund.

Programme coherence
EPRP closely coordinates its interventions with the Integrated Framework for Trade-related Technical Assistance. The newly started EPRP projects promoting exports of essential oils from Burundi and Rwanda are an evidence of such a synergy with the Integrated Fund. Additional EPRP projects have been prepared under the Integrated Fund Trust Fund for three African LDCs including Djibouti (community-based tourism), Guinea (agricultural products) and Senegal (community-based tourism). In addition, the EPRP approach is being used by various ITC projects. For instance in Sierra Leone, a project promoting the production and export of ginger was initiated with EPRP technical inputs.

90. **Capacity building**. EPRP is committed to building the capacity of local institutions and partners as a means to facilitate future replication of local good practices in poverty reduction and

employment generation at the national level. The programme has delivered the following capacity-building activities:

- Eleven stakeholder and training-the-trainer workshops were held with a total of 337 participants (41% women) on topics such as EPRP concept and group formation methodology, action planning, sectoral strategy coordination, production techniques and best practices in community-based tourism.
- Hands-on product or service development advice was delivered to various community production groups by national and international consultants in the ongoing projects.
- Four sectoral market studies followed by dissemination workshops identifying winner products and target markets were undertaken in Viet Nam (tourism), Ethiopia (paprika), Mongolia (woollen and felted products), and South Africa (*Aloe ferox*).

Replication of EPRP interventions

EPRP aims at creating awareness with policy-makers, poor communities and enterprises on how to replicate EPRP interventions at the country level:

- In Brazil, the EPRP community-based tourism project benefiting about 7,100 people around the Costa do Sauipe Resort will be replicated in another resort managed by the Portuguese tourism operator Reta Atlântico.
- In Cambodia, poverty reduction for 20 families from Takeo through the promotion of silk exports encouraged CCC to expand the EPRP project to three additional weaver groups, reaching about 70 families.
- In El Salvador, triggered by the export success of Café Monte Sión, which benefited 500 coffee farmers, the Cooperativa Cuzcachapa (which has 1,300 associates) is now eager to use the EPRP approach for penetrating new markets.

91. **Awareness creation and advocacy.** EPRP continued to promote the idea of using trade as a vehicle for poverty reduction with donors, national government institutions and the private sector. In 2005, the EPRP approach and impact were showcased in different events and high-level forums, such as: the 27th Management of Independence Seminar, Centre for Applied Studies in International Negotiations (CASIN), Geneva, Switzerland; the Executive Forum Export Strategy Consultations,

Kingston, Jamaica; and the WTO Trade Policy Course, Geneva, Switzerland. Possible synergies with EPRP interventions were also explored with other international organizations (EC, World Bank, ILO, UNESCO), NGOs (WWF, CASIN, Norwegian Lutheran Mission, Utz Kapeh) and private-sector companies (Accor Group, Migros, Nestlé, Procter & Gamble).

92. **EPRP support tools and materials.** In 2005 EPRP developed additional training materials to help partner countries in the implementation of poverty-reduction projects. Such training materials were further tested and improved. The EPRP opportunity study guidelines have been published in a simplified version. The EPRP training tool kit, consisting of five separate modules for TSI trainers, has been finalized, and now includes specific reference to gender issues. Several materials were developed following the needs of project cycle management, most importantly the EPRP impact measurement tool kit. It provides project stakeholders with reliable data on project impact on poverty reduction.

93. **Gender.** EPRP has recognized the importance of gender mainstreaming in the process of poverty reduction. EPRP projects open up non-traditional opportunities for women to diversify their productive activities (e.g. through community-based tourism services), thereby creating new sources of household income. The revised version of the EPRP training tool kit fully responds to gender-specific issues in poverty reduction.

Outlook for 2006

94. EPRP is further consolidating its results in terms of export sales, number of jobs generated and income increased. Efforts for impact measurement and evaluation of project results are being stepped up. The strategy formulation process will be broadened through collaboration with the Executive Forum 2006 under the working title 'Trade and Poverty Reduction', since networking with policy-makers from the public and private sectors is instrumental for advocacy of trade development and poverty reduction mainstreaming. The collaboration established with the Integrated Framework will be further expanded, with new EPRP projects being prepared for LDCs, in particular in Africa.

BUDGETARY SITUATION
Export-led Poverty Reduction Programme
As at 31 December 2005
(US\$)

2003–2008 pledges							
	Expenditures Jan–Dec 03	Expenditures Jan–Dec 04	Expenditures Jan–Dec 05	Planned expenditures Jan–May 06	Planned expenditures Jun 06–May 07	Planned expenditures Jun 07–May 08	GRAND TOTAL
Project personnel	1,042,982	840,625	777,123	797,298	714,970	840,557	5,013,555
Subcontracts	105,799	118,365	206,568	211,931	190,048	223,430	1,056,141
Group training	15,493	4,442	62,015	63,625	57,055	67,077	269,707
Equipment	900	3,844	21,963	22,533	20,207	23,756	93,203
Miscellaneous	45,768	39,696	41,771	42,856	38,430	45,180	253,701
(A) Total	1,210,942	1,006,972	1,109,440	1,138,243	1,020,710	1,200,000	6,686,307

	2003–2004	2005	2006	2007	TOTAL
(B) Pledged	2,998,170	1,467,427	1,020,710	113,136	5,599,443
(C) Cash received	2,998,170	1,467,427	0	0	4,465,597
(C–B) Surplus (Shortfall) Cash against pledges	–	–	(1,020,710)	(113,136)	(1,133,846)
(B–A) Surplus (Shortfall) Pledges against budget	780,256	(780,256)		(1,086,864)	(1,086,864)

V. ServiceExportNet (INT/W2/16)

Introduction

95. The overall objectives of the new ServiceExportNet programme are to: add additional resources in order to create awareness about the potential in developing countries to increase trade in services; expand the scope of the technical assistance programme offered by the Trade in Services Section (TSS) and build capacity within TPOs; follow up and evaluate efforts to date; initiate activities to engage women entrepreneurs in services trade; and promote the creation of services coalitions in developing countries.

Achievements

96. During the first six months of this new programme, the following planned activities were implemented.

97. **ServiceExportNet round table.** In 2005, ServiceExportNet was expanded to include 22 countries (up from 12 the previous year). The member countries, represented primarily by TPOs, prepared reports on their activities, then participated in a round table in Geneva in October to track results, identify solutions to challenges, and plan new tools and technical assistance in response to needs. A number of international experts were on hand to describe global best practices.

98. Because the round table was held on the margins of ITC's Executive Forum, the participants (ITC's in-country services 'champions'), were able to also take part in that event, which focused on the export of services from an export strategy perspective, and was highly beneficial and motivating to them, according to the feedback.

99. **Creating awareness.** New resources available from Window II were dedicated to creating a greater awareness of services sector capacity and the potential to increase exports of services. Additional professional staff time was dedicated to creating a 'brand' with logos, exhibit materials, posters, etc., which have been welcomed by TPOs and network members to help them increase awareness in-country. Professional staff time was also given to providing significant inputs to an issue of ITC's *International Trade Forum* magazine dedicated to trade in services. In addition, a consultant prepared a new tool, 'Assisting the Services Exporter Abroad', a desktop job aide for use by commercial attachés posted to diplomatic missions abroad.

100. **Establishment of services coalitions.** One of the objectives of the programme is to foster the development of services coalitions in developing countries. Given the size, diversity and fragmentation of the services sector, developing countries are increasingly seeking technical assistance to organize and coordinate the sector, vis-à-vis networking, lobbying and addressing market access issues. New

tools were developed to provide guidelines in the establishment of services coalitions, in response to overwhelming interest from the ServiceExportNet network members. Coalitions of service industries (CSIs) and trade associations undertake a number of activities to create awareness about the interests of their membership among the public and decision-makers. Leveraging the media is a primary activity of any CSI. TSS therefore engaged a public relations expert to develop a training module, 'Principles and Techniques for Effective Communications', for presentation at the annual ServiceExportNet meeting and for training with services trade associations in developing countries. The module includes a narrative and a PowerPoint presentation. Both were well received by ServiceExportNet members in October 2005 and are ready for use in 2006.

Awareness building in action

Awareness building has been key to enhancing efforts to promote trade in services in developing countries. During 2005, at a workshop in South Africa, government officials gained knowledge about the importance of services exports and, as a result, initiated various incentives for the service industries for the first time.

101. **Expansion of the technical assistance programme.** To date, the TSS's six-phase technical assistance programme has been largely focused on sub-Saharan Africa. A new project was launched in Uruguay, Paraguay and Bolivia in response to a strong need, as very little had been initiated in services trade promotion. Counterparts and national consultants have been identified and capacity studies are underway. Train-the-trainer orientation programmes and SME training will take place during the first quarter of 2006.

102. **Increasing exports of services by women entrepreneurs.** Worldwide, most women entrepreneurs are employed in the services sector. However, few attend capacity-building and networking workshops since they are not effectively engaged in the mainstream business community and lack basic marketing and networking skills. New pilot projects were initiated under the programme to:

- Design a replicable model for a national network of women entrepreneurs to promote exports of their services.
- Design a template for establishing a subcommittee to address gender in trade issues within gender-mixed trade support institutions.
- Organize a networking event for women entrepreneurs in Arab States who, for cultural reasons, are usually only in a position to do

business with other women. Training will be provided, along with one-on-one meetings to foster international business partnerships.

- Provide one-on-one counselling clinics for women entrepreneurs who are export-ready, out of which common questions will be summarized.

103. **Updating the ITC services web page.** As part of the aim of providing self-help information, and to minimize staff time in addressing general inquiries, a consultant was retained to update and upgrade the services web page, www.intracen.org/serviceexport. Work is still under-way, since the updates must be compatible with new changes being made to the overall ITC web platform.

104. **'Bridges Across Borders' Networking meeting.** As part of the follow-up to TRTA delivered in Africa, and in order to foster regional networks, a large-scale 'Bridges Across Borders' networking event was held in December in Johannesburg (South Africa). There were 165 registered participants (from Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland and Zambia), and 616 bilateral consultations were organized. A profile book distributed to participants revealed that they came from a variety of subsectors (17% from construction-related services, 51% from business-to-business services, 18% from education-related services, 4% from ICT, 9% from tourism and 6% from transportation). It is clear that the bulk of participants were in business-to-business services (financial, accounting, legal, market research, auditing, secretarial, printing and publishing, etc.).

105. A number of issues were raised during the event, specifically related to regional barriers to trading in services. The lack of statistics on the services sector was considered a major impediment by participants, and many highlighted the need to develop an information capturing system. The outcome from bilateral consultations consisted mainly of sharing experiences, exchanging information on functioning models, and investigating the potential to replicate successful strategies (such as member retention and services that could be provided to each other). One practical example is the Africa Centre for Advancement in Malawi, which is likely to establish a partnership with the National Youth Chamber of Business in South Africa to create an equivalent association in Malawi.

106. Evaluation forms collected from 90% of participants indicated the importance of training members in areas such as management, international marketing and leadership. Some pointed out their lack of knowledge in establishing a media relationship or in developing recognition programmes and sponsorship packages which would help build international credibility. A few mentioned the need to build awareness about GATS and how associations could contribute to the work being done by negotiators at WTO, and the need for a legal framework for signing mutual recognition agreements.

Outlook for 2006

107. The emphasis will be on:

- Implementing the initiatives aimed at women entrepreneurs in Egypt and Nigeria in March.
- Conducting a survey and undertaking a mission to assess the level of participation of selected least developed and developing countries in the GATS negotiations.
- Hiring a consultant to conduct desk research on trade in services trends and activities; also to keep track of United Nations and other international organizations' services-related work and to update and manage the section's contact database. A major task is to provide members of ServiceExportNet with current information on trade in services via the section's website and its quarterly newsletter.
- Completing the implementation of the six-phase TRTA in South America, including training of TSIs and government officials, culminating in a regional 'Bridges Across Borders' networking event with the participation of six countries which have received technical assistance, to foster regional networks.
- Conducting an ITC mission to Southern Africa to follow up on new initiatives linked to technical assistance with ServiceExportNet members (participation in the web portal www.servicexport.com, implementing new activities such as awards and sponsorship programmes, awareness campaigns, continuation of training, etc.)

BUDGETARY SITUATION
'ServiceExportNet' Programme
As at 31 December 2005
(US\$)

2005-2008 pledges						
	Expenditures Jun-Dec 05	Planned expenditures Jan-May 06	Total Jun 05- May 06	Planned expenditures Jun 06-May 07	Planned expenditures Jun 07- May 08	GRAND TOTAL
Project personnel	98,194	267,392	365,586	519,800	404,540	1,289,926
Subcontracts		11,300	11,300	90,400	50,850	152,550
Grant to institutions	-	39,550	39,550	22,600	-	62,150
Group training	140,069	96,492	236,561	321,937	265,720	824,218
Equipment	3,562	2,260	5,822	6,780	-	12,602
Miscellaneous	9,662	16,680	26,342	38,483	28,890	93,715
(A) Total	251,487	433,674	685,161	1,000,000	750,000	2,435,161
(B) Pledged	-		685,161	-	-	685,161
(C) Cash received	-		681,161	-	-	685,161
(C-B) Surplus/(Shortfall) Cash against pledges			-	-	-	-
(B-A) Surplus/(Shortfall) Pledges against budget			-	(1,000,000)	(750,000)	(1,750,000)

VI. National Export Strategy Design and Management (INT/W2/15A)

Introduction

108. The central objective of this programme is to reinforce capacities in developing countries and transition economies to design, and effectively implement, export development strategies that are based on:

- Realistic assessments of national competitiveness, export potential and opportunity;
- A clear understanding of best practice in the process of strategy design and management;
- A realistic assessment of the resources that are available within the public and private sectors to implement international competitiveness and export development programmes;
- The allocation of these resources to priorities that are confirmed through close and ongoing dialogue between the public and private sectors.

109. The rationale for the programme is that, at present, few developing countries or transition economies have a cohesive and coordinated approach to export development. As a consequence, there is often a lack of clarity in export development and resource allocation priorities. Public-sector initiatives can become fragmented and ad hoc; the foundation for focused public-private sector dialogue remains weak and synergies fail to develop at the institutional and commercial levels. Limited basis exists for assessing the performance of the national export effort, and its impact on economic growth, employment generation, poverty reduction and associated developmental issues. Because of this, resource mobilization efforts, and resulting TRTA, become fragmented and ad hoc.

110. The programme has consequently been designed to create awareness of the benefits and advantages of incorporating export strategy into the national economic and social development planning process and to build capacities, both technical and managerial, to design and implement such strategies. The programme's four distinct, but related components are presented below.

111. The programme is implemented in conjunction with the staffing and financial allocation to the Executive Forum programme from the ITC regular budget. This programme concentrates on providing the research and headquarter-based technical support that backstops the field-oriented Window II programme.

Programme component	Development focus	Approach
1. Innovations in Export Strategy series	Awareness building (global)	Focused consultations and debates to assess specific strategic responses to competitiveness issues.
2. Direct training	Competency building (regional)	Regional, tailor-made direct training in strategy design and management methodology and techniques.
3. The Executive Forum global debate	Network building (global)	An annual debate for active members of the Executive Forum network focusing on a key theme relevant to the content and management of national export strategy.
4. Field-Level national export strategy design	Strategy development (national)	A flexible, field-based response to the needs of strategy design teams engaged in the process of export strategy design or refinement.

Achievements

112. During its initial six months of existence, the programme concentrated on providing support to countries (i.e. national teams) engaged in national export strategy design and on the organization and conduct of the 2005 Executive Forum global debate.

113. Assistance, in the form of facilitation, was extended to national teams launching the strategy design process in Belize, Botswana, Grenada, Namibia, and St Vincent and the Grenadines. This assistance will be maintained until mid 2006, when all the above countries are expected to have completed the strategy design process and established the management frameworks necessary to ensure effective implementation.

114. The programme also covered the costs of resource people participating in the 5–8 October 2005 Executive Forum global debate, and the accommodation costs of the 33 national teams that attended. This year's debate, which was co-organized by the Executive Forum and ITC's TSS, focused on the theme 'Export of Services: Hype or High Potential? Implications for Strategy-Makers.'

**National Export Strategy Design and Management:
The 2005 Executive Forum Debate**

The sessions

- Services exports – Beyond selling promises
- Exporting business and professional services – Exporting solutions
- Exporting environmental services – A clean sweep of the marketplace
- Exporting construction, engineering and turnkey services – Building from the bottom up
- Exporting financial services – Talking money
- Exporting transport and logistics services – A moving target
- Exporting information and communication technology
- Value-based tourism – Getting the most of the tourism dollar
- Business process outsourcing – A new name for old business?
- Trade, gender and technical cooperation – From ideas to implementation
- Quality management for services – Does assurance matter?
- Selling the promise – Credibility through branding
- Financing services exports – Is it really a problem?
- The need for a strategic partnership – Who does what?
- Facilitating decision-making
- Where do we go from here?

Feedback

'The Executive Forum was more than an exchange of ideas, it was a transformation experience. It is perhaps a blessing in disguise that we have not yet completed the drafting of our national export strategy.' – *Chancellor L. Kaferapanjira, Chief Executive, Malawi Confederation of Chambers of Commerce*

115. An active programme of regional and national TRTA is planned in follow-up under the new GTF Window II programme on trade in services. In addition, a modest resource allocation was made under the programme to upgrade the support materials for the online version of ITC's national export strategy methodology, finalize the publications produced under the 2005 Innovations in Export Strategy cycle, and plan the first consultation of the 2006 Innovations in Export Strategy series which will be on the subject 'Competitiveness, Export and the Gender Issue'.

Outlook for 2006

116. **Component 1: Awareness building.** During the first half of 2006, the work plan calls for five consultations in the Innovations in Export Strategy series. In cooperation with institutional members of the Executive Forum network, the following consultations are planned:

Consultation	Venue and timing	Partner
Competitiveness, Export and the Gender Issue	Cairo, Egypt; mid March	Arab International Women's Forum
Strategy and the Role of the National Trade Promotion Organization	Mexico City, mid April	BANCOMEXT
Financing Export Clusters: Strategic Considerations and Options	Cape Town, South Africa, 1-3 May	Department of Trade and Industry
Matching Grant Schemes: Relevance and Best Practice	Tunis, Tunisia, 5-7 June	FAMEX
National Branding: Why the Debate? Strategic Options	Bucharest, Romania, end June	Ministry of Economy and Commerce

117. Two additional consultations are tentatively scheduled for the second half of 2006: one on competitiveness benchmarking and the other on tourism as an export. In each instance, a global e-discussion will precede the consultation. Participants will be invited on a self-financing basis (travel), with the programme covering accommodation costs. A concise publication, highlighting the best practice scenarios reviewed and developed, will be prepared following each consultation and posted on the Executive Forum website.

118. **Component 2: Competency development.** The direct training component of the programme will be inaugurated during the first half of the year. Regional competency building events are scheduled for Southern and Eastern Africa (May, English), Central America (June, Spanish) and West Africa (June, French). During the second half of the year, similar events, refined on the basis of experience gained in the initial piloting, will be organized in Latin America (Spanish) and Central Africa (French). Each event will be combined with a needs assessment input with a view to initiating a TRTA programme to support those countries that launch and complete the strategy design process.

119. **Component 3: Network building.** The Executive Forum's annual debate on national export strategy best practice will focus on the theme 'Export and Poverty: The Linkage and the Strategic Response'. Participation will be on a team basis, with each team member contributing a paper and covering travel costs from sources other than the programme. The venue for the global debate will move from Montreux to Berlin.

120. **Component 4: Strategy development (national).** During the first half of the year, online and field-level technical support will be provided to the five strategy design teams being assisted under the ITC-Commonwealth Secretariat partnership. A modest

level of assistance will be provided to Zambia, Malawi, the Lao People's Democratic Republic and Viet Nam to expedite the completion of strategy review work begun in 2005. During the second half of the year, technical support will be provided to specific teams launching the strategy design process

following participation in the competency development component of the programme.

121. The above approach is expected to remain the model for ITC's growing work in the strategy design area over the medium term.

BUDGETARY SITUATION
National Export Strategy Design and Management, Phase II
As at 31 December 2005
(US\$)

2005–2008 pledges						
	Expenditures Jun–Dec 05	Planned expenditures Jan–May 06	Total Jun 05–May 06	Planned expenditures Jun 06– May 07	Planned expenditures Jun 07– May 08	GRAND TOTAL
Project personnel	116,481	373,465	489,946	462,000	462,000	1,413,946
Grants to institutions		0	0	13,500	13,500	27,000
Group training	198,801	176,734	375,535	261,000	261,000	897,535
Equipment	0	3,390	3,390	5,000	5,000	13,390
Sundry	12,784	14,368	27,152	28,500	28,500	84,152
(A) Total	328,066	567,957	896,023	770,000	770,000	2,436,023
(B) Pledged			896,023	0	0	896,023
(C) Cash received			896,023	0	0	896,023
(C–B) Surplus/(shortfall) Cash against pledges			0	0	0	0
(B–A) Surplus/(shortfall) Pledges against budget			0	(770,000)	(770,000)	(1,540,000)

WINDOW III

122. Further to the Consultative Committee's agreement in September 2004, a third Window was created in the Global Trust Fund at the beginning of 2005 to allow ITC to access EC funding. Further to consultations between the Commission's EuropeAid Co-operation Office (Asia desk) and ITC, a joint programming mission was undertaken and a number of opportunities were identified. This led to the preparation of the 'Asia trade-related Technical Assistance Trust Fund', a three-year programme with a budget of 5,000,000 euros. For this and other initiatives to become operational, and for them to comply with the partnership agreement between the EC and the United Nations, a condition of cost sharing had to be met, ranging from 6% to 10% of the total budget of each project or programme. This up to 10% share was to be mobilized by ITC, against a 90%

plus share from the EC. The Government of Denmark contributed US\$ 272,700 for a three-year period (2004–2006) towards this cost-sharing arrangement and was joined by the Government of China with a contribution of US\$ 70,000. In addition to these resources, the Asia Trust Fund has benefited from an Associate Expert financed by the Government of Japan. To date, over the period 2004–2006, a total amount of US\$ 675,535 has been earmarked in Window I (US\$ 332,350) and Window III (US\$ 343,185) to the Asia Trust Fund, to EC-funded projects in Bangladesh, Bhutan, Pakistan and Sri Lanka, and to two trade in services projects. As a result, all available funds in Window III have now been fully allocated and it is hoped that Governments will consider the possibility of contributing further to this Window.

Annex I
GLOBAL TRUST FUND
Pledges and resources available
As at 31 December 2005
(US\$)

(At the prevailing United Nations rate of exchange)

Donor	2004-2008 pledges										Cash received against 2004-2008 pledges										Cash to be received										
	Window I					Window II					Window III					Window I					Window II					Window III					
	Total	2004	2005	2006	2007-2008	Total	2004	2005	2006	2007-2008	Total	2004	2005	2006	2007-2008	Total	2004	2005	2006	2007-2008	Total	2004	2005	2006	WI	WII	WIII				
CANADA	2,301,099	726,417	777,033	797,649	-	-	-	-	-	-	2,301,099	726,417	777,033	797,649	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
CHINA	-	-	-	-	-	70,000	-	-	-	-	-	-	-	-	-	70,000	-	-	-	-	-	70,000	-	-	-	-	-	-	-		
DENMARK	3,379,736	1,638,560	1,741,176	-	-	272,705	90,902	90,902	90,901	-	3,379,736	1,638,560	1,741,176	-	-	-	-	-	-	-	272,705	90,902	90,902	90,901	-	-	-	-	-		
FINLAND	778,093	251,777	526,316	-	-	-	-	-	-	-	778,093	251,777	526,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
GERMANY	-	-	-	-	-	6,659,407	1,956,240	2,395,475	2,307,692	-	-	-	-	-	-	6,659,407	1,956,240	2,395,475	-	-	-	-	-	-	-	-	-	-	-	-	
INDIA	-	-	-	-	-	100,000	50,000	-	-	-	-	-	-	-	-	100,000	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	-	
IRELAND	412,100	206,538	205,562	-	-	-	-	-	-	-	412,100	206,538	205,562	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
NETHERLANDS	-	-	-	-	-	1,252,995	294,118	160,061	532,544	-	-	-	-	-	-	1,252,995	294,118	160,061	-	-	-	-	-	-	-	-	-	-	-	-	
NORWAY	885,761	427,746	458,015	-	-	2,044,015	784,202	1,259,813	-	-	885,761	427,746	458,015	-	-	2,044,015	784,202	1,259,813	-	-	-	-	-	-	-	-	-	-	-	-	
SWEDEN	1,419,537	703,055	716,482	-	-	1,374,125	703,055	671,070	-	-	1,419,537	703,055	716,482	-	-	1,374,125	703,055	671,070	-	-	-	-	-	-	-	-	-	-	-	-	-
SWITZERLAND	459,973	329,973	130,000	-	-	2,500,000	1,500,000	1,000,000	-	-	459,973	329,973	130,000	-	-	2,500,000	1,500,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
UNITED KINGDOM	-	-	-	-	-	717,780	188,679	529,101	-	-	-	-	-	-	-	717,780	188,679	529,101	-	-	-	-	-	-	-	-	-	-	-	-	-
Other contributions	14,976	-	14,976	-	-	-	-	-	-	-	14,976	-	14,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interests	109,909	63,316	46,593	-	-	103,597	50,162	53,435	-	-	109,909	63,316	46,593	-	-	103,597	50,162	53,435	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance brought forward from previous phase of WII programmes	-	-	-	-	-	184,754	-	184,754	-	-	-	-	-	-	184,754	-	184,754	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surpluses from previous related closed programmes	-	-	-	-	-	154,190	154,190	-	-	-	-	-	-	-	154,190	154,190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	9,761,184	4,347,383	4,616,152	797,649	532,544	15,090,863	5,680,646	6,303,708	2,573,964	342,705	9,761,184	4,347,383	4,616,152	797,649	11,934,354	5,680,646	6,253,708	342,705	90,902	160,902	90,901	90,902	90,901	90,901	-	-	-	50,000	-	-	

Annex II
GLOBAL TRUST FUND
WINDOW II

Pledges and allocations to individual programme, as at 31 December 2005
(US\$ – At the prevailing United Nations rate of exchange)

PROGRAMMES	DONORS	PLEDGES						CASH RECEIVED				CASH TO BE RECEIVED 2005		
		Total	2004	2005	2006	2007	2008	Total	Against 2004 pledges	Against 2005 pledges	Against 2006 pledges		Against 2007 pledges	Against 2008 pledges
1. World Trade Net (Business development and the Doha Development Agenda)	Germany	752,291	473,934	278,357	-	-	-	752,291	473,934	278,357	-	-	-	-
	Norway	344,083	99,808	244,275	-	-	-	344,083	99,808	244,275	-	-	-	-
	Sweden	621,834	393,711	228,123	-	-	-	621,834	393,711	228,123	-	-	-	-
	Switzerland	650,000	350,000	300,000	-	-	-	650,000	350,000	300,000	-	-	-	-
	United Kingdom	188,679	188,679	-	-	-	-	188,679	188,679	-	-	-	-	-
	Accrued interest B/F: 1st phase	24,893	9,212	15,681	-	-	-	24,893	9,212	15,681	-	-	-	-
Surpluses from previous related closed programmes	154,190	154,190	-	-	-	-	154,190	154,190	-	-	-	-	-	
Total	2,735,970	1,689,534	1,066,436	-	-	-	2,735,970	1,689,534	1,066,436	-	-	-	-	
2. South-South Trade Promotion – new cycle	Germany	790,685	473,934	316,751	-	-	-	790,685	473,934	316,751	-	-	-	
	Netherlands	626,499	147,059	80,030	133,136	133,136	133,136	227,089	147,059	80,030	-	-	-	
	Norway	709,125	327,939	381,186	-	-	-	709,125	327,939	381,186	-	-	-	
	Sweden	537,467	309,344	228,123	-	-	-	537,467	309,344	228,123	-	-	-	
	Switzerland	550,000	350,000	200,000	-	-	-	550,000	350,000	200,000	-	-	-	
	Accrued interest B/F: previous phase	135,150	-	135,150	-	-	-	135,150	-	135,150	-	-	-	
Total	3,379,548	1,623,684	1,356,454	133,136	133,136	133,136	2,980,138	1,623,684	1,356,454	-	-	-		
3. E-Trade Bridge Programme for SMEs (a capacity development programme for e-facilitated trade)	Germany	1,114,383	593,680	520,703	-	-	-	1,114,383	593,680	520,703	-	-	-	
	India	100,000	50,000	50,000	-	-	-	100,000	50,000	50,000	-	-	-	
	Norway	295,254	142,582	152,672	-	-	-	295,254	142,582	152,672	-	-	-	
	Switzerland	200,000	150,000	50,000	-	-	-	200,000	150,000	50,000	-	-	-	
	Accrued interest B/F: previous phase	24,645	15,417	9,228	-	-	-	24,645	15,417	9,228	-	-	-	
	Total	1,783,886	951,679	832,207	-	-	-	1,733,887	951,679	782,207	-	-	-	
4. Export-led Poverty Reduction	Germany	1,756,456	414,692	454,190	887,574	-	-	868,882	414,692	454,190	-	-	50,000	
	Netherlands	626,498	147,059	80,030	133,136	133,136	133,136	227,089	147,059	80,030	-	-	-	
	Norway	519,217	213,873	305,344	-	-	-	519,217	213,873	305,344	-	-	-	
	Switzerland	1,000,000	650,000	350,000	-	-	-	1,000,000	650,000	350,000	-	-	-	
	United Kingdom	264,550	-	264,550	-	-	-	264,550	-	264,550	-	-	-	
	Accrued interest B/F: from GERBIF	23,437	10,125	13,312	-	-	-	23,437	10,125	13,312	-	-	-	
Total	4,190,157	1,435,749	1,467,427	1,020,710	133,136	133,136	2,903,175	1,435,749	1,467,427	-	-	-		
5. ServiceExportNet	Germany	374,343	-	374,343	-	-	-	374,343	-	374,343	-	-	-	
	Norway	76,336	-	76,336	-	-	-	76,336	-	76,336	-	-	-	
	Sweden	52,207	-	52,207	-	-	-	52,207	-	52,207	-	-	-	
	Switzerland	50,000	-	50,000	-	-	-	50,000	-	50,000	-	-	-	
	United Kingdom	132,275	-	132,275	-	-	-	132,275	-	132,275	-	-	-	
	Total	685,161	-	685,161	-	-	-	685,161	-	685,161	-	-	-	
6. National Export Strategy Design and Management	Germany	451,131	451,131	-	-	-	-	451,131	451,131	-	-	-	-	
	Norway	100,000	-	100,000	-	-	-	100,000	-	100,000	-	-	-	
	Sweden	162,617	-	162,617	-	-	-	162,617	-	162,617	-	-	-	
	Switzerland	50,000	-	50,000	-	-	-	50,000	-	50,000	-	-	-	
	United Kingdom	132,275	-	132,275	-	-	-	132,275	-	132,275	-	-	-	
	Total	896,023	-	896,023	-	-	-	896,023	-	896,023	-	-	-	
Others	Germany	1,420,118	-	-	1,420,118	-	-	-	-	-	-	-	-	
	Norway	-	-	-	-	-	-	-	-	-	-	-	-	
Total	1,420,118	-	-	1,420,118	-	-	-	-	-	-	-	-	-	
GRAND TOTAL	15,090,864	5,680,646	6,303,708	2,573,964	266,272	266,272	11,934,354	5,680,646	6,253,708	-	-	-	50,000	

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