About this document

The International Trade Centre (ITC) is in the process of developing a new Strategic Plan for 2015-2017.

ITC’s current strategic plan expires at the end of 2015. We are committed to maintaining the good practice of having a relevant and coherent organization-wide medium term plan. There are other reasons why this is an opportune time for ITC to re-define its future direction. The world in which ITC operates has changed substantially since its current strategic plan was adopted. The international community is also in the process of defining collective development goals to succeed the Millennium Development Goals. ITC has also recently been subject to a comprehensive donor-led independent evaluation which has helped identify its strengths and weaknesses.

But this future direction should not be set by ITC alone. Rather, it needs to be built together with its stakeholders. These range from ITC’s formal governing bodies, United Nations Conference on Trade and Development and the World Trade Organization, through to beneficiaries, funders, partners in other international organizations, private sector bodies, civil society and beyond. ITC is keen to canvass the views of these constituencies to help shape a plan to deliver more and better trade impact for good.

This document serves as a draft for consultation, presents specific questions for you to answer, and is deliberately concise.

The consultation period is open until July 15th 2014. Please send your contributions to strategicplan@intracen.org

We very much look forward to hearing your views.

Arancha Gonzalez
Executive Director
1. Our Strategic Setting

Significant shifts are taking place within the International Trade Centre’s (ITC) strategic environment. Global trade, which was severely affected by the economic crisis of 2008, has returned to an upward trajectory. The outlook for economic growth is improving. However, negative factors such as high unemployment and growing inequality persist.

Major factors that shape ITC’s forward strategy:

**Changes in the wider environment**

- A ‘third industrial revolution’, including growth in technology diffusion, new technologies such as 3D printing, and the ‘Internet of things’ creating new business opportunities.
- Declining costs and increasing power of information technology products and services allow SMEs to connect to buyers and suppliers more directly.
- Growing middle class demanding higher value consumer goods.
- Growing impact of climate change across the globe.

**Multilateralism has survived the financial crisis**

- Ongoing United Nations discussions on the post-2015 development agenda create an opportunity for a new consensus, recognising economic growth as an enabler of sustainable development.
- Trade Facilitation Agreement agreed at the WTO Ministerial Meeting in Bali in December 2013.
- First High-Level Meeting of the Global Partnership for Effective Development Cooperation between governments, business, private foundations and civil society held in April 2014 in Mexico.
- Central policy recommendations of the Quadrennial Comprehensive Policy Review of the UN General Assembly include: the importance of the country-driven approach, the need to work in close partnership with other UN entities, and the focus on gender.

**Major shifts in the global trade landscape**

- International supply chains and production networks will be the main way goods and services are delivered with few products being from a single location. This presents opportunities and challenges for developing country trade, and blurs the distinction between trade and investment.
• Services trade, and the role of services in adding value to manufactured goods and agricultural products (servicification), will continue to grow.

• Non-tariff measures will continue to present major obstacles to trade in goods and services.

• Developing countries will expand their share of the global economy, with large emerging economies becoming important markets and sources of goods and services, strengthening South-South trade.

SMEs spreading the benefits of trade

• Small and medium-sized enterprises (SMEs) play an important economic role as generators of employment and income.

• Supply chain production offers SMEs new trading opportunities as providers of intermediate goods and services.

• A conducive business environment with competitive services providers and efficient, supportive institutions is a pre-condition for SMEs to grow and sustain engagement in trade.

Trade increasingly seen as a vehicle for delivering wider goals

• Developing the international competitiveness of SMEs is seen as not an end unto itself but an opportunity for better jobs, innovation, skills upgrading, the creation of economic opportunities for women and youth, and to address environmental sustainability issues in production and trade.

Aid for Trade as a partnership platform

• Changing trends in official development assistance have led to significant resources directed toward economic development in general, and trade in particular.

• Aid for Trade encourages developing countries, donors and, increasingly, private sector to create partnerships that harness aid and investment, building trade capacity as a driver of sustainable development.

• With fiscal austerity affecting official aid flows, partnerships with the private sector will play a strong role both as markets as well as providers of technical assistance and support.

Questions for consultation:

• What other major factors do you believe will shape ITC’s reality in the coming years?

• Does this document accurately capture the relative importance of the issues outlined?

• What risks do you foresee that may affect ITC’s strategic landscape?
2. Our Vision, Goals and Approach

ITC is a unique development agency combining:

- The joint mandate of the UN (development focus) and the WTO (trade opening).
- Universal membership and neutrality.
- Depth of experience operating at government, trade support institution and company level to promote trade.
- A clear focus on helping small and medium sized enterprises internationalise.
- 100% Aid for Trade mandate.
- Working with the private sector to support private sector development.

Our vision
Against a backdrop of deepening interconnectedness, the role of ITC is to
foster inclusive and sustainable growth and development through trade and international business development

Our goals
In the period 2015-17 ITC will deliver three main outcomes. ITC will:

- Strengthen the **integration of the business sector** of developing countries into the global economy.
- Improve the **performance of trade support institutions** for the benefit of SMEs.
- Improve the **international competitiveness of SMEs**.
Our approach

A successful ITC in 2017 will be:

Innovative: moving from products to “solutions” to address changes in the trade landscape and improve the international competitiveness of SMEs; and introducing innovative processes that enable the organization to deliver value for money.

Responsive: as a UN agency, ITC has a universal remit to respond to requests for assistance for support in promoting SME competitiveness through trade and international business development. The organization will continue to focus on the most economically vulnerable countries: Least Developed Countries (LDCs), land-locked developing countries (LLDCs), small island developing states (SIDS), sub-Saharan Africa and post-conflict states. ITC will also work closely with middle income and developed countries as partners for initiatives to assist less developed countries and as beneficiaries under differentiated cost arrangements.

Market-led: using opportunities in international markets to drive the development of sectors within regions and countries. Connecting clusters of companies and institutions to international value chains for decent jobs and sustainable development.

A partner: ITC will strategically partner with private sector, foundations, academia, other international organizations, emerging economies and other actors to enhance trade impact for good.

Questions for consultation:

- Are there other factors that make ITC unique?
- What other elements are needed for a successful ITC in 2017?
- Which organizations should be the key partners for ITC in the future?
3. Our Response: Integrated Solutions

Growing to meet demand

- The renewed focus on SME competitiveness as an engine of growth and jobs has generated increased demand for ITC’s services.
- In order to effectively meet this greater demand, ITC will need to do more, and do better.
- Interventions will be concentrated around a core set of focus areas to ensure effectiveness.
- Financing of ITC’s operations will need to reflect the increase in client needs.

Our six focus areas

ITC will grow to meet demand in a focused manner in areas where the organization has a comparative advantage and value to add. The organization will move from providing outputs and products to solutions that are clustered around the following six focus areas.

1. Trade and market intelligence for SME competitiveness

ITC will provide a suite of global public goods that assist policymakers, trade support institutions (TSIs) and SMEs to take better-informed decisions related to international business. The organization will also provide tools to map and address NTMs, and barriers to services trade, thus facilitating evidence-based policy improvements. Trade and market intelligence expertise will serve as the analytical backbone of its solutions to improve the international competitiveness of developing country SMEs.

2. Supporting regional economic integration and South-South trade

ITC will deepen its support to regional economic integration particularly in Africa where it will support the African Union ‘Action Plan for Boosting Intra-Africa Trade’. The organization will also promote solutions fostering South-South trade and investment relations by working with emerging economies such as India, China, Brazil, Turkey, and others to promote value-added trade, investment and technology transfer.
3. Connecting to value chains: SME competitiveness, diversification and links to export markets

ITC will develop integrated solutions to build SME competitiveness, including through the combination of improvements in the business environment and trade strategy, strengthening institutional support and delivering packages of enterprise advisory in supply chain management, quality compliance, export packaging, branding, and the use of information and communication technologies for e-commerce. The organization will aim to maximize value addition in regional and global value chains at source in target sectors including the agri-business sector, in services (including tourism) and light manufacturing.

4. Strengthening trade and investment support institutions

To strengthen the institutions that support the internationalisation of SMEs, ITC will roll out the ‘Assess Improve Measure (AIM) for Results’ programme to: assess the organizational effectiveness of TSIs against good practices of similar organizations, help improve their managerial, operational and service delivery performance, and measure the results of their activities with a view to taking corrective actions. The organization will also assist TSIs to more effectively facilitate SME participation in value chains, including investment facilitation-related services.

5. Promoting and mainstreaming inclusive and green trade

ITC will implement initiatives focused on the economic empowerment of women, promoting youth entrepreneurship, connecting poor communities to value chains, and promoting green trade. These concerns will be incorporated into other ITC programmes too. It will also continue to contribute its expertise to promote the integration of economic development objectives in discussions on the post-2015 development agenda.

6. Building a conducive policy and business environment through public-private partnerships

ITC will use public-private partnerships to address barriers to trade in goods and services, support export strategy development, and inform regional economic integration processes and multilateral trade negotiations, including accessions to the WTO. The organization will also support partner countries to implement the WTO Trade Facilitation Agreement.

Questions for consultation:

- Are there other areas ITC should focus on?
- Of the focus areas identified, which are more important for you that ITC focus on?
- What should ITC stop doing, or do less of?
4. Increasing our effectiveness

In order to meet growing demand and become more effective, ITC will improve its internal processes around five main themes.

1. **Further embedding results-based management**  
   ITC will continue to embed results-based management (RBM) principles, making sure its systems are useful, pragmatic and proportionate as a mechanism for accountability and transparency, facilitating management decision making. The organization will also improve its evaluation work and solidly move toward impact analysis.

2. **Increasing efficiency**  
   ITC will improve project cycle management across the project lifecycle including through better knowledge management, increased support for project managers and incorporating realistic exit strategies into all new projects. ITC will invest in e-learning to expand its reach in a cost-effective manner. The organization will improve financial management by moving to full accrual accounting under the International Public Sector Accounting Standards (IPSAS) and will seek longer term funding arrangements to stabilise resources. In order to streamline administration, ITC will accelerate system improvements and implement the UN Enterprise Resource Planning application UMOJA.

3. **Strengthening Partnerships**  
   As a small and highly specialized organization, ITC relies on strategic partnerships to deliver trade impact for good. In addition to building on existing partnerships with a large number of international organizations, ITC will explore new collaborations with the private sector as well as with emerging economies and it will increase its focus on South-South links.

4. **More investment in expertise**  
   ITC will invest in the development, maintenance and upgrading of tools, methodologies and processes to retain and grow its expertise in trade and international business development support. The organization will also increase investment in staff training on critical technical knowledge areas.

5. **Raising visibility**  
   ITC will endeavour to raise visibility of trade and development issues by exploiting new technologies, actively engaging in policy fora and collaborating with partners on strategic platforms.

**Questions for consultation:**
- What other areas can you suggest that ITC should focus on to deliver more for clients and better value for money?
- How else should ITC raise its visibility?
Questions for consultation:

- Do you have any other thoughts or messages for ITC to help us build the strategic plan for 2015-2017?

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