

Script for CCITF (26 Nov 2015)

Welcome members of CCITF to the meeting

Request the adoption of the agenda and invite the inclusion of items under other business.

Agenda 1: CCITF progress report

We are happy to present the CCITF report for the first three quarters of 2015. The report has standard information on ITC's financial and results performance in first three quarters of 2015 across all of its sources of funds and also includes new features that you have requested the last time we met.

How this report is different

- An integrated overview on how all parts of the **ITC budget** contribute to the six focus areas and country ownership;
- A detailed update on our **outcome and output** reporting, and progress on implementing our programmatic approach;
- An update on all key deliverables and progress to date in 2015, regarding the **corporate efficiency and effectiveness** initiatives to which we committed in the OP 2015;
- Inclusion of **start and end dates** of the projects in Annex I;
- More **visibility of funders**, as funders are not only listed with their respective total contributions to W1 and W2; but the projects overview in the Annex also provides information on funders;

The report covers Q1- Q3. This is different from previous years, when we covered only Q1-Q2 and held the CCITF meeting in September or October. Our decision to provide you with Q1-Q3 data and postpone the CCITF meeting accordingly is due to ITC's adoption of a new UN wide ERP system UMOJA, launched earlier in November. The transfer of financial data between IMIS and UMOJA will delay our submission of full financial and CCITF reports for 2015; therefore we wanted to give you the most up-to-date information now, by including Q3 data in our current CCITF report.

Financial targets; outputs; outcomes: our guide is the 2015 Operational Plan which we are on track to deliver

In terms of financial targets, our delivery is on track (growing to meet demand).

By the end of September, ITC had delivered 75% of its total 2015 budget (RB and XB) of \$100 million with expenditure reaching just over \$75 million.

Regular budget delivery stood at 72% and XB delivery at 77%

W1 delivery was at \$14.3 million or 75%, and W2 at \$31.0 million or 78% of the operational plan budget.

Our expectation is to deliver around \$55 million XB in 2015. This would represent an all-time high in extra-budgetary expenditures. It is slightly less than the forecast (58.7m) in the OP 2015, but this is due to the slowdown of operations in Q3 to implement the UN-wide new ERP Umoja, which entailed a blackout period of over one month.

The forecast is supported by the end-October delivery, which stood at almost \$50 million in XB (85% of the OP) and almost \$33.5 million in RB (81% of the OP). Overall ITC's budget delivery was at 84% end of October.

Sub-Saharan Africa remains the region representing the majority of ITC spending, with our priority countries representing around 80% of spending, well above our target of 60% in the operational plan.

We are well on track to meet and even outperform our biennium targets in both outputs and outcomes, as well as on the corporate KPIs that were specified in the OP 2015.

- We are on or above our targets in 7 out of 10 outcome indicators (table 18). For the lagging indicators C1 and C3, we have made significant progress in Q4. To date, C1 is reported over 65% and C3 over 85% of the target.

- ITC has also exceeded the official targets for three out of four technical cooperation output indicators (table 19).
- We have also included three case stories from our projects, to illustrate our impact on the ground. In the brief descriptions, you can get a sense of the impact behind the corporate outcome figures.

In the first three quarters of the year we have heavily invested in developing theories of change and logframes for our 15 programmes as well as linked these programmes to the SDGs which were adopted in September in order to be ready to implement an all-ITC programmatic approach to deliver on the SDGs starting in 2016. We have done so by opening this discussion to all of you in the interest of transparency but also to take your comments and perspectives into account. I thank you for that.

3. Effectiveness initiatives, quality, Umoja

The 2015 Operational Plan outlined five areas for increasing the effectiveness of ITC as well as key deliverables, of which 80% already are or will be implemented by the end of 2015.

I would like to focus on three elements:

- One, the launch of a new projects portal in July; it now contains the entire life cycle of a project, from conception to closure, thus improving project and results management, knowledge management and accountability;
- Two, the implementation by ITC of the UN-wide enterprise resource planning tool based on Sap called UMOJA; this has been a “*mammoth task*”, entailing training all ITC staff, transferring into the new ERP thousands of transactions, personnel data, management information etc; it has been monitored daily by NY with regular reporting to the UN SG but we are proud to be among the top UN organizations in cluster 4.

Obviously the adjustments are still on-going, data is still being processed and as a result two clear consequences are to be expected for which we seek your indulgence: The financial statements for 2015 will be submitted to the UN Board of Auditors on 31 May instead of 31 March as per the financial regulations.

The current plan and this may change is that UMOJA accounts will be closed end of March. The 2015 financial statements will be prepared using the old legacy ERP, IMIS, which means that November/December data and adjustments will need to be brought back from UMOJA to IMIS.

As a result, two clear consequences are to be expected for which we seek your indulgence: the accounts for 2015 will be closed later than usual; and the detailed reporting which a number of you are used to – in particular on Window 2 – may need a bit of patience. It is not that we will not have the data, it is just that the new ERP is still being tried and tested and there will be a need for a lot more reconciliation of the information.

I am convinced that UMOJA, together with the new project portal will in the medium term allow us perform better analytics and therefore to be able to better manage for results. As a result of UMOJA implementation, we have decided to move implementation of the costing project to 2016, to benefit from the full functionalities of UMOJA

- Three, improvements in the quality of its projects and programmes. In 2015, our projects rating system has shown a significant improvement in the quality of submissions of project ideas and plans, as well as a significant increase in the average planned project value, as compared to 2014. This means that we are investing in ITC staff and this is paying off in the quality of the projects our managers deliver

I would now like to open the floor for comments

Agenda 2: Planning for 2016

Under agenda point 2, I would like to share with you the main features of our proposed Operational Plan 2016 and the planning process. This plan is in the making so it would be very helpful for us to get your feedback so that we can incorporate it

Like the OP 2015, it will detail how we will operationalize our commitments set in the Strategic Plan for 2015-2017.

The context of our work in 2016 will be shaped by the UN Global Goals for sustainable development, the outcomes of the FFD conference, the results from COP21 and the roadmap coming from the WTO's 10th Ministerial Conference.

We plan to move further in leveraging private sector contributions, mobilizing domestic resources and increasing South-South and triangular cooperation.

1. 2016 OP Plans, financial delivery, fundraising targets.

We plan to deliver up to \$58 million worth of technical assistance with extra-budgetary funding. This 2016 delivery target is based on the assumption that W1 contributions will remain at least the same as in 2015, and that we will be able to operationalise a number of W2 project currently under discussion with donors.

Planning for 2016 and the budget targets reflect continued high demand for ITC's services. Over and above confirmed XB contributions for 2016, which including the expected W1 contributions amount to \$48 million, there are projects worth several hundred millions in ITC's pipeline, for which we will continue our fundraising efforts throughout 2016.

2. 2016 Strategic framework

We will carry on paying premium attention to results and impact. This is reflected in our new Corporate Scorecard that will be presented in the OP 2016. Based on best practice in other development agencies, we have structured our results-monitoring in three tiers:

- The first tier, representing the development goals we are contributing to;
- The second tier, representing the ITC development results, that is our outcomes and outputs, delivered and achieved with clients through our Programmes; this captures our outcome and output indicators for the 2016-17 biennium. But we will also capture intermediate outcome indicators, collected with standardized tools across ITC programmes.

We have set ambitious targets in our strategic framework for the biennium 2016-17, which contains indicators for both intermediate and long-term outcomes. Just to illustrate, one of our targets is that 10,000 enterprises report improved international competitiveness as a result of ITC's support, which is an intermediate outcome that should lead to at least 4,000 assisted enterprises transacting international business.

- The third tier, specifying the efficiency and effectiveness measures, through which we monitor the way we work. Here, we will include more measures to capture indicators for ITC 'value to clients', 'resource management', 'process performance' and 'organizational capacity' – aligned with the effectiveness targets in our Strategic Plan.

3. Programmatic approach

2016 will be the year in which ITC starts to implement its programmatic approach across all 15 programmes. Each new project will be a customized solution for specific beneficiaries, but guided by the programme theories of change that have been developed this year. Our monitoring and evaluation approaches will constantly test the theories of change, and improve them if needed.

This in a nutshell, is the essence of our proposed plan for 2016, happy to take your comments.

Agenda 3: Implementation of evaluation recommendations

ITC had two corporate evaluations in the past two years – one, the ‘Independent Evaluation of ITC’ was sponsored by some of ITC’s member governments and carried out by an independent consulting firm. Its recommendations were issued in 2014. The other was carried out by OIOS – the Internal Oversight Office of the UN Secretariat, who complemented the Independent Evaluation and issued their report in 2015.

Apart from providing management responses with action plans for all recommendations, the evaluations have also influenced our Strategic Plan 2015-17, and the targets set in the Operational Plan 2015. Progress on the OP 2015 targets is reported in the CCITF report.

Under this agenda item we will provide you with an update on the progress in implementing the actions that were promised by ITC in the management response to the evaluation recommendations. A revised update has been circulated to you. I would like to ask iris to walk you through the main salient items.

Agenda 4: Cash flow management.

In the last CCITF meeting we discussed issues related to cash flow. Our cash flow is determined by the time when we receive funds, in relation to the time when we start to spend. . To ensure we can operate efficiently, secure the staff and resources required to increase our TRTA delivery, we asked that you advance W1 donations to the start of the year. I am very pleased with your positive response to this request as Gerry will now review the status of the W1 and W2 budgets with you

Agenda 5: AOB

- WTO budget approval for the biennium 2016-17 & upcoming GA budget meeting in NY.
- Recall the WIB event on 14 December in Nairobi
- Remind on the funders breakfast
- Recall the launch of the SME competitiveness report at the ICTSD TDS on 15 December
- Give very brief info on WEDF outcome: launch of halal standards; highlighting the blue numbers; B2B outcomes
- Inform that WEDF 2016 will be held in Sri Lanka