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of the Global Trust Fund*

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Note

The following abbreviations are used:

CAEMC	Central African Economic and Monetary Community
CAN	Andean Community of Nations
CAPNET/BIS	Capacity building and networking for business information services
CD-ROM	Compact disc – read-only memory
ECO	Economic Cooperation Organization
GTF	Global Trust Fund
ISO	International Organization for Standardization
ITC	International Trade Centre UNCTAD/WTO
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
ProCIP	Programme for competitiveness improvement of SMEs
seco	Swiss State Secretariat for Economic Affairs
SME(s)	Small and medium-sized enterprise(s)
SPPD	Support Services for Policy and Programme Development
TRIPS	Trade-related Aspects of Intellectual Property Rights (Agreement on)
TSI(s)	Trade support institution(s)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WAEMU	West African Economic and Monetary Union
WSIS	World Summit on Information Society
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

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 2003, the GTF continued to be an essential mechanism for broadening the outreach of ITC's technical cooperation activities. Successfully 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 2003.

3. The combined and mutually supporting resources and activities under Window 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.

THE CONSULTATIVE COMMITTEE

4. The Consultative Committee advises the ITC secretariat on, and ensures transparency in, the utilization of the Fund. Constituted in October 1995, it has had 27 meetings to date under the chairmanship of the ITC Executive Director.

5. The Committee currently has 18 members: Canada, 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 countries have been granted observer status at their request: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Cameroon, Chile, China, Egypt, Ethiopia, Italy, Japan, Malta, Pakistan, Panama, Peru, Romania, Slovenia, Tunisia and Turkey.

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 2003 to review the ITC secretariat's proposals for earmarking funds under Window I and the progress of the six programmes financed by Window II. Of these six programmes, three were ongoing, namely: 'Business development and the WTO Agreements (World Trade Net)', 'South-South trade promotion'; and 'E-trade bridge for SMEs – A capacity development programme for e-facilitated trade'. In January 2003, the new 'Export-led poverty reduction programme', previously financed solely by the Government of Germany, became a Window II programme.

8. As regards the other two programmes, 'Capacity-building and networking for business information services (CAPNET/BIS)' and 'Programme for competitiveness improvement of SMEs (ProCIP)', the former came to an end in June 2003 and the latter was extended to December 2003. Both programmes were evaluated during the year and the corresponding reports will be considered by the Consultative Committee in early 2004.

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. The secretariat reports to the Committee regularly on inputs financed from this Window.

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.

11. Total funds available in 2003 amounted to US\$ 4.29 million, an increase of 29% from 2002 (US\$ 3.4 million). The following provides an overview of the utilization of these funds as at end December 2003 within the various subwindows:

- **Core staff.** 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 the support cost budget, as well as through details to projects and the use of vacant posts under the regular budget whenever possible. This strengthened the ITC capacity for developing technical cooperation tools, for improving understanding of the multilateral trading system, and for providing advisory and information services in response to the collective needs of partner countries. (US\$ 1,281,160)
- **Missions by ITC staff.** 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. (US\$ 89,139)
- **Programme development activities.** This subwindow financed activities to strengthen ITC's research and service delivery capabilities. Funds were allocated, inter alia, for the development of tools for the value chain approach; for field-testing PACKit in five Asian

countries; for development of the tourism export strategy template; for the export development of high-value agricultural exports from Sierra Leone; and to arrive at a methodology for performance assessment of public procurement. As in previous years, the requirements went far beyond the available funds, and priorities were determined by ITC's Senior Management Committee on the basis of the collective needs of partner countries. (US\$ 1,184,160)

- **Formulation of tailor-made programmes and other country- or region-specific activities.** Where financing was otherwise not available, funds allocated within 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 which could not be financed from other sources. The subwindow also allowed ITC to maintain and strengthen the dialogue with beneficiaries. (US\$ 631,475)
- **Meetings of experts.** This subwindow made it possible to organize an expert meeting of resource people in the trade in services sector from 11 developing countries. It also allowed ITC to prepare for its participation and contribution to the World Summit on the Information Society (WSIS) in December 2003. (US\$ 363,528)
- **Evaluations:** This subwindow financed the costs of evaluating the impact of 'Meet in Africa' and undertaking an evaluation of the ITC programme 'Strategic and operational market research', and the terminal evaluation of the Window II programme ProCIP. (US\$ 41,278)
- **Business for Cancún/Business for Development:** This subwindow, created in 2003, financed Business for Cancún meetings in Central and Eastern Europe, the Caribbean and in West African countries prior to the WTO Ministerial Conference in Cancún. (US\$ 336,261)

12. Future requirements under Window I will continue to depend on a number of factors that are not entirely predictable, such as the availability of other financing sources for core staff and demand from partner countries for needs assessment, programming and short advisory missions. Since resources available to ITC under this Window were, as in previous years, fully allocated, the secretariat counts on pledges in 2004 of at least the same level of resources available in 2003, i.e. US\$ 4.29 million.

Progress reports on Window II programmes

13. The paragraphs below describe the activities undertaken under Window II programmes during 2003. As mentioned earlier in this report, six programmes were operational during 2003.

Capacity building and networking for business information services (CAPNET/BIS):

14. The programme was completed in May 2003. Final project activities included: one seminar for 14 French-speaking African and Arab countries held in Alexandria (Egypt), two workshops in Bhutan and Nepal in cooperation with UNCTAD; publication of a guidebook (*Selling Business Information and Related Services*); revision and updating of databases, website, toolkit and COMREG software; and support to a SETI 2003 promotional event with participants (IT companies and support organizations) from 12 partner countries. The programme was evaluated by an external consultant and the consultant's report will be made available to the Consultative Committee in early 2004.

World Trade Net – Business development and the Doha Development Agenda

15. In 2003, ITC's activities relating to the multilateral trading system (MTS) were greatly influenced by the WTO negotiations based on the Doha Development Agenda (DDA). As the negotiations diversified, ITC's business partners in developing countries and transition economies asked for more support. Experience gained in the World Trade Net and other programmes also revealed that preparations for the Doha Round were lopsided. In the majority of developing and transition countries, consultation between business and government was the exception rather than the rule. The main reason for this is the absence of trade-related business advocacy culture and institutions. Both business and governments show increasing interest in changing this unsatisfactory situation.

16. Accordingly, the information and activities initiated under the World Trade Net Programme were organized into two periods:

- Before the WTO Ministerial Conference in Cancún, the programme's primary objective was to involve the business communities of developing and transition economies in the negotiating process. The Business for Cancún initiative was launched.
- After the unsuccessful WTO Ministerial Conference, activities centred on the consequences of the setback in the negotiations

on business and on the strategies to be followed in the present post-Cancún situation.

17. The programme continued to expand its reach. It published its regular newsletter and provided assistance to its members through materials and advice to strengthen national activities.

18. Programme activities organized from Geneva stimulated initiatives in member countries; national follow-ups to the Business for Cancún meetings were organized; and World Trade Net documentation and tools were increasingly used by local networks to update and inform their business communities.

19. **Development of the country networks.** The World Trade Net covered 50 countries in December 2003. The five new country networks are Bhutan (March 2003), Egypt (June 2003), Tajikistan (October 2003), Uzbekistan (October 2003) and Argentina (November 2003).

20. Kick-off meetings in the new member countries identified the needs and priority interests of the local business communities with respect to the multilateral trading system. Network members then translated these into a series of actions for the coming years.

21. **Networking activities and exchange of experiences among network members.** In early 2003, ITC launched the Business for Cancún initiative to encourage business contributions to national negotiating positions for the Cancún Ministerial Conference. The objective was to support the dialogue between business and trade negotiators to enable the integration of business sector views into national trade negotiation strategies.

22. Under this initiative – supported by the WTO Secretariat, UNCTAD and Geneva-based negotiators – six regional meetings were held. As programme resources allowed the financing of only the first Business for Cancún meeting, the other five meetings were organized under additional funding. The World Trade Net infrastructure, expertise and documentation were, however, the basis for all the Business for Cancún meetings.

- Asia (Kuala Lumpur, Malaysia, 21–22 January);
- Caribbean (Kingston, Jamaica, 11–12 July);
- Central and Eastern Europe (Zagreb, Croatia, 2–3 July);
- Latin America (Santa Cruz, Bolivia, 12–14 June);
- Southern Africa (Johannesburg, South Africa, 5–7 March); and
- Western Africa (Dakar, Senegal, 1–2 August).

23. These, together with a Business for Cancún meeting organized by the Dhaka Chamber of Commerce and Industry, ITC and the European Commission in Dhaka on 1 June 2003, and the 'wrap-up' of the Business for Cancún process during the Executive Forum in Cancún in September 2003, brought together close to 600 chief executives and key government decision-makers and WTO negotiators from developing and transition economies.

24. The Business for Cancún meetings provided an opportunity for the business community to review the business implications of the negotiations, especially in the following areas: business-government dialogue in the present round of WTO negotiations and business advocacy; market access in industrial products; agriculture; services; textiles and clothing; trade-related aspects of intellectual property rights (TRIPS) and public health; and other issues specific to the countries participating in each meeting, including special and differential treatment, and regional integration. Participants demonstrated concern about finding a balanced approach to tariff liberalization by LDCs, and LDCs' ability to benefit from special and differential treatment. They also considered enhancing the competitiveness of developing and least developed countries on questions relating to standards and non-tariff barriers to trade as being just as important as cutting tariffs.

25. The Business for Cancún meetings were used to carry out a systematic compilation of business advocacy activities in trade policy practised by business communities. This information was used as an input for a new World Trade Net publication on *Business Advocacy and the International Trading System*, to be published in 2004.

26. The World Trade Net contributed to meetings and programmes organized jointly with UNCTAD and UNIDO which focused specifically on LDCs in the MTS. In December, the four regional coordinators of the World Trade Net and representatives from eight networks met in Geneva to plan for 2004 activities in the post-Cancún scenario. Discussions stressed the need for more targeted and sector-specific business information relating to WTO issues, the importance of further support in business advocacy, and the need for a World Trade Net structure providing maximum support to the development of initiatives by network members.

27. **Support material and business information.** World Trade Net members received and used regularly updated documentation on the major negotiating issues, including progress reports on:

- The WTO agricultural negotiations;
- The WTO services negotiations;
- The establishment of a multilateral register of geographical indications for wines and spirits;
- Paragraph 6 of the Doha Ministerial Declaration on the TRIPS Agreement and Public Health;

- Market access for non-agricultural products.

28. An analysis of strategy options for business advocacy and three case studies on private-public sector interaction for GATT/WTO negotiations were put at the disposal of network members:

- Business and the WTO Market Access Negotiations for Goods: Post-Doha Strategy Options for the Developing Country Business Community;
- Promoting trade interests through GATT/WTO negotiations;
- Xayrawak – GATT Tokyo Round – Market access negotiations; and
- Xayrawak – GATT Uruguay Round – Liberalization of Telecom Services.

29. The *Business Guides* to trade remedies in Canada, the European Community and the United States were updated, and in cooperation with partners in South Africa a new *Business Guide to Trade Remedies in South Africa* was published.

30. Members were provided with Market Access Map (MACMap), a market analysis tool developed by ITC's Market Analysis Section to analyse market access issues through data about country- and product-specific trade flows and related tariffs, together with tariff-reduction formulas.

31. Through its monthly newsletter (distributed to all members of the country networks and available on the programme website) the programme continued providing regular updates about the Doha Development Round negotiations. Members frequently reproduce articles from the newsletter in their own newsletters, often in national languages. The programme website has become a major reference source regarding the business implications of the MTS, used by business, governments and academia. Country networks in Cambodia and Croatia have started issuing national newsletters and the programme has encouraged the development of a series of regional newsletters.

32. **Future perspectives.** Demand for World Trade Net support is increasing as the business sector needs more specialized and more tailor-made support. The upsurge of bilateral and regional trade negotiations, combined with current uncertainties in multilateral trade negotiations, points to a permanent and multi-layered process of trade negotiations. The complexity that this trend implies should be specifically addressed.

33. At the same time, demand is growing for support in areas relating to sanitary and phytosanitary measures (SPS), technical barriers to trade (TBT), trade remedies, textiles and clothing, the environment, and TRIPS. Support on business advocacy is also required because, despite increasing awareness, the business sector continues to be unable to play its role in trade policy making.

34. Major objectives of the World Trade Net for 2004 include:

- Meeting network members' needs in MTS-related subjects such as the impact of existing WTO Agreements on specific product sectors.
- Contributing to getting the WTO negotiations back on track and assisting the business community to orientate itself in an international trading system that is becoming more and more multidimensional.

35. The programme's scope and coverage will follow three main avenues in 2004:

- The programme will maintain its focus on WTO negotiations and WTO Agreements, as seen from a business perspective, and on business advocacy.
- It will increasingly address bilateral and regional trade matters with direct business implications.
- It will provide for a substantial increase in its outreach, in particular through the strengthening of support to country networks and their local initiatives. It will enhance support for the activities of the country networks through an

increased role for regional facilitators and will progressively organize networking and information management in cross-national thematic communities, structured by specific interests such as TRIPS or agriculture.

36. ITC has started, under additional funding, the implementation of a new programme, 'Business for Development', which will involve all World Trade Net members and other interested countries in bringing together business and government to discuss how to implement the DDA fully. However, this second year of programme activities confirms the need for additional resources. To respond to the increasingly urgent further requests for expansion of the network – while at the same time intensifying the support to the development of local initiatives by network members in each World Trade Net country – the third year will have to plan beyond the level of funding originally budgeted for the three years. As already foreseen in the programme document in 2002 (p. 6), World Trade Net activities post-Cancún will require a 50% increase in funding in the third year of the programme if they are to sustain and expand World Trade Net coverage and actively contribute to a more beneficial integration of the business communities in developing countries and transition economies into the world trading system.

BUDGETARY SITUATION
World Trade Net (Business development and the Doha Development Agenda)
INT/W2/10
As at 31 December 2003
(US\$)

	Planned expenditure against				GRAND TOTAL
	2002–2003 pledges			2004 pledges June 04 – May 05	
	Expenditures (June 02 – Dec. 02)	Expenditures (Jan. 03 – Dec. 03)	Jan. 04 – May 04		
Project personnel	367,316	552,151	358,859	730,000	2,008,327
Subcontracts	57,163	134,386	88,590	110,000	390,139
Group training	133,973	54,217	0	280,000	468,190
Equipment	120,937	6,757	7,000	20,000	154,694
Miscellaneous	27,928	32,123	22,387	60,000	142,438
A) Total	707,317	779,634	476,836	1,200,000	3,163,787
B) Pledged		1,963,787		177,620	2,141,407
C) Cash received		1,786,167		0	1,786,167
C-B) Surplus/(Shortfall) Cash against pledges		(177,620)		(177,620)	(355,240)
B-A) Surplus/(Shortfall) Pledges against budget				(1,022,380)	(1,022,380)

The original total budget amounted to US\$ 2,400,000. Planned expenditures for the programme year June 04 – May 05 have been increased to US\$ 1,200,000 reflecting the additional requirements as indicated in the programme document. The increase from the originally planned budget over the three years is US\$ 763,787.

Programme for Competitiveness Improvement of SMEs (ProCIP)

37. The Programme for Competitiveness Improvement of SMEs (ProCIP) aims to support the capacity of enterprise development agencies to help small and medium-sized enterprises strengthen their competitive edge in international trade. The programme promotes the formation of regional, interregional and international networks as a means to reinforce institutional capacity and the exchange of technical know-how for efficient trade support. Having started in 1999, the programme was extended and activities were expected to be completed by June 2003. Given the genuine process orientation of ProCIP and the dependence on activities undertaken by partner institutions, programme activities concluded only in December 2003, with four outstanding adaptations of tools expected to be completed in early 2004.

38. The programme applied the time-tested methodology of the product-network approach: building up and partnering with a network of national trade support agencies to develop a wide variety of need-based tools and practical guides. These 'generic' tools and guides that address the collective needs of small businesses in international trade are flexible enough to be adapted to specific country circumstances. Partner agencies in different countries realize national or sector-specific adaptations of these tools and practical guides for use by SMEs by contributing their own resources in terms of staff time and equipment. They then provide business services to enterprises based on these adapted tools, by charging a small fee, making the services sustainable.

39. The focus in the programme's last year remained on:

- Networking with partners, assisting them to adapt enterprise competitiveness tools and practical guides to their specific country environments; and
- Further expanding the development of generic tools.

40. The programme, evaluated by an external evaluator in 2003, has resulted in about 100 agencies in over 70 countries preparing over 120 adaptations of 8 generic tools and 8 question-and-answer guides to help SMEs compete in global markets. In 2003, 25 new partnerships were added to the network of trade support institutions using ProCIP tools.

41. ProCIP's products for enhancing SME competitiveness are divided into three groups: practical guides; benchmarking systems, and self-assessment tools.

42. **Practical guides.** The programme has developed eight practical guides for customization by trade support agencies. These are:

- *Trade Secrets: The Export Answer Book.* Generic ITC guide answering exporters' frequently asked questions on the export process in a brief and easy to understand manner, conveying a maximum of information. The information is complemented with resources and country-specific references for further use by exporters. This guide was nationally customized in 2003 by 4 more countries (Angola, Ethiopia, Haiti and Zambia), bringing the total number of countries having prepared national versions of this publication to 45. Enterprises in these countries now have a ready manual on the essentials of the export process, custom made by their trade support agencies to suit their own national circumstances. Each country's adapted publication is available from the local partner trade support agency.

- The *Trade Secrets* series of guides address and answer a variety of export-related issues at the forefront of international trade. Topics include: *Secrets of Electronic Commerce; Secrets of Intellectual Property; Export Quality Management; Exporting Automotive Components; International Trade Rules; and Trade in Services.*

43. Using the *Trade Secrets* methodology, ITC conducted an international survey to identify exporters' frequently asked questions in the field of intellectual property. In cooperation with the World Intellectual Property Organization (WIPO), a new guide, *Secrets of Intellectual Property*, answering those queries was prepared in 2003. The publication covers the fundamentals of intellectual property relating to exports, and deals with patents, copyrights, trademarks, industrial designs, trademarks and other issues.

44. Partners in 15 countries (Argentina, Bangladesh, Bolivia, Brazil, China, Cuba, Ecuador, Malaysia, Nigeria, the Republic of Korea, South Africa, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) are preparing national versions of the guide answering exporters' questions on standards and conformity assessment, *Export Quality Management: An answer book for small and medium-sized exporters.* To date, 25 national versions of *Secrets of Electronic Commerce* have been published.

45. To assist partner agencies to undertake the adaptation work related to the *Trade Secrets* guides, CD-ROM-based adaptation kits have been prepared. The kits lay down the approach to and methodology for the national customization of these guides in a step-by-step manner.

46. Two more ITC guides, *How to Approach Banks* and *Arbitration and Alternative Dispute Resolution*, have also used the product-network approach to customization and dissemination. Under ITC guidance, partners in 4 more countries (Angola, Benin, Ethiopia and Pakistan) prepared national versions of *How to Approach Banks*, bringing the total number of countries to have adapted this guide to 20.

47. In the five years of the programme, the total number of agreements signed by partner institutions for the customization of the ITC practical guides listed above is over 150.

48. **Benchmarking systems.** To enable SMEs to assess and improve their international competitiveness compared to international best performers, ProCIP has developed four benchmarking systems: *The Competitive Edge*; *The International Competitiveness Gauge*; *The FiT*; and *Benchmark Services*.

49. *The Competitive Edge* is a generic benchmarking template to serve as a prototype for sector-specific benchmarking systems. *The International Competitiveness Gauge* is a benchmarking tool for the automotive components sector, which has enabled over 800 companies in 21 countries to compare and improve their overall performance.

50. *The FiT* benchmarking tool for garment manufacturers allows SMEs in the sector to assess how well they are doing in the international market, where they can improve and how to maximize business opportunities. *The FiT* was developed and pilot tested in 2002. The tool is marketing-oriented, incorporating as main benchmarking criteria for international competitiveness the requirements of major buyers. This allows SMEs to position themselves on a competitive continuum at both a national and international industry level.

51. In 2003, *The FiT* was applied by garment manufacturers associations in 6 countries (Cambodia, India, Mauritius, Nepal, Sri Lanka and Thailand), enabling over 80 enterprises to evaluate their international competitiveness. Reports from this exercise have resulted in concrete suggestions for improvement. In four workshops held by the countries (India, Mauritius, Sri Lanka, and Thailand), over 1000 enterprises were trained on the practical implications and measures for improved competitiveness of enterprises in the emerging post-2004 quota-free scenario for the textiles and garments sector. Feedback from these events has enabled testing and refining of the tool, ensuring that it is easily used by SMEs.

52. *Benchmark Services*, a benchmarking tool developed for exporters of services, has been pilot tested and applied in Malaysia, Nigeria, Uganda, and the Caribbean region.

53. Both *The FiT* and *Benchmark Services* were developed with special regard to LDCs, because of the significance of the garment manufacturing, and services sectors to these countries.

54. **Self assessment tools.** To help SMEs to undertake quick self-assessments, ProCIP developed a series of trilingual (English, French and Spanish)

software-based tools for reproduction in countries. They are the:

- *Export Fitness Checker*, enabling enterprises to check their preparedness to undertake exports;
- *E-commerce Fitness Checker*, enabling enterprises to check their readiness to undertake e-commerce;
- *Quality Fitness Checker*, enabling enterprises to understand the requirements for certification to ISO 9001 and check their readiness to undertake the certification; and
- *Packaging Fitness Checker*, enabling enterprises to understand the fundamentals of packaging for export transportation.

55. These tools have been disseminated to trade support agencies, and over 20 countries have expressed an interest in adapting and reproducing the tools nationally.

56. In the last quarter of 2003, an external evaluator assessed the outputs and achievements of ProCIP. The evaluation confirms both the innovation brought to trade-related capacity building through the product-network approach initiated under the programme and the validity of the approach in producing sustainable results. It was found that ProCIP has been an important mechanism for capacity building in trade support institutions (TSIs). It has emerged as a cost-effective channel of continuing contact between TSIs and SMEs on the one hand and ITC on the other, allowing for proactive identification of evolving needs by ITC and access to innovative and continuously evolving competitiveness tools by the TSIs. Local networks have been established among local expertise and local institutions, in particular when customizing and adapting the guides. The estimated collateral resources (in the form of staff time and equipment made available at their own cost) mobilized by participating institutions to adapt and customize tools amount to over US\$ 1 million. Extensive collaboration within ITC and with other international agencies such as the International Organization for Standardization (ISO) and WIPO has provided high-quality expertise for product development, conducive to a more integrated approach to trade issues at the country level. ProCIP has stimulated networking across a core group of dynamic partners with the potential to relay outcomes and results to other partner institutions in the regions and carry the 'competitiveness' capacity building further.

BUDGETARY SITUATION
Programme for Competitiveness Improvement of SMEs (ProCIP)
INT/W2/07A
As at 31 December 2003
(US\$)

	Expenditures against 1999–2003 pledges			GRAND TOTAL
	Expenditures June 99 – Dec. 02	Expenditures Jan. 03 – Dec. 03	Jan. 04 – Dec. 04	
Project personnel	1,436,013	104,551	5,096	1,545,660
Subcontracts	99,359	9,495	0	108,854
Group training	96,738	0	0	96,738
Equipment	6,171	0	0	6,171
Miscellaneous	59,994	5,533	0	65,527
A) Total	1,698,275	119,567	5,096	1,822,938
B) Pledged		1,822,938		1,822,938
C) Cash received				1,822,938
C-B) Surplus/(Shortfall) Cash against pledges			-	-
B-A) Surplus/(Shortfall) Pledges against budget			-	-

South-South trade promotion

57. The South-South Trade Promotion Programme is a transaction-oriented programme aimed at generating new trading opportunities among developing countries and economies in transition. Its objectives are to put into place data sets providing quantitative and qualitative information on trading opportunities among developing countries, from a regional and, selectively, interregional perspective; to introduce tailor-made methodologies and customized tools for south-south trade development; to generate new trade flows, and trade-related business arrangements, among developing countries; and to institute specific strategies and programmes for the expansion of south-south trade, for eventual implementation with or without ITC assistance.

58. The programme organized 10 buyers–sellers meetings in 2003, providing 518 SMEs with effective platforms for business negotiations for a reported aggregate in excess of US\$ 43 million. The programme also organized 4 workshops to select product sectors with a potential for increased intraregional or interregional trade, and assisted counterparts to undertake 44 supply and demand surveys. These surveys capture the dynamics of industries and provide an effective business information tool for enterprises seeking import, export and other commercial opportunities. In addition, seven statistical analyses were carried out to identify trade potential, investment opportunities and promising product sectors for increased intraregional and interregional trade flows among countries in Africa (CAEMC, WAEMU), Latin America (CAN, MERCOSUR, Chile) and Central Asia (ECO) as well as to assess African countries' potential to supply international aid organizations.

59. **Africa.** In 2003 an important part of the programme's activities focused on Africa. The project for the expansion of intraregional and interregional trade between the Central African Economic and Monetary Community (CAEMC) and the West African Economic and Monetary Union (WAEMU) member countries was launched with two product selection workshops, one in Burkina Faso (January) and one in the Central African Republic (February) involving the participation of the secretariats of CAEMC and WAEMU as well as 32 national TSIs and private sector organizations from 14 countries (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea Bissau, Mali, Niger, Senegal and Togo). Two buyers–sellers meetings followed. The first, on the publishing and printing industry, took place in Senegal (May), allowing 50 companies from 9 countries (Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Gabon, Mali, Mauritius and Senegal) to conclude business transactions for US\$ 1.5 million, including the acquisition of rights to titles and translations, joint ventures, the appointment of agents, co-publishing ventures, distribution rights and licensing agreements. It was also an opportunity for participating enterprises to set up an agenda for appropriate follow-up activities to be implemented in 2004–2006 and to exchange views

on legal issues relating to the publishing and printing industry. The second meeting, for the textile and clothing industry, was held in Cameroon (November), with the participation of 55 companies from 7 countries (Benin, Cameroon, Central African Republic, Côte d'Ivoire, Gabon, Senegal and Togo), and business transactions were reported for nearly US\$ 1.8 million.

60. In conjunction with the 'Bridges across Borders' initiative of ITC's Trade in Services Unit, the programme organized three networking events. The first two, aimed at increasing the exchange of services in sub-Saharan Africa, took place in Nigeria (February) and the United Republic of Tanzania (March) with the participation of 74 enterprises from 4 countries (Kenya, Nigeria, Uganda and the United Republic of Tanzania). The third one was held in Botswana (December) with the participation of 35 enterprises from three southern African countries (Botswana, Namibia and Zambia).

61. As it has done every year since 1997, the programme offered a matchmaking service at the World Economic Forum's Africa Economic Summit (South Africa, June) for 50 participating enterprises from 15 countries (Angola, Germany, Ghana, Kenya, Lesotho, Mauritania, Mozambique, Namibia, the Netherlands, Nigeria, Rwanda, South Africa, the United Kingdom, Zambia and Zimbabwe). Once again, the matchmaking service enhanced the networking component of the summit, as a stimulant to explore new opportunities for trade and investment in Southern Africa, no matter the size and nature of the enterprise.

62. To encourage international aid agencies to procure more from African sources under the 'Buying from Africa for Africa' initiative launched in 2001, ITC organized a buyers–sellers meeting on food, agricultural products, shelter and household items in Kenya (August). Carefully selected representatives of 62 companies from 7 countries (Egypt, Kenya, Mauritius, South Africa, Uganda, the United Republic of Tanzania and Zimbabwe) were made aware of opportunities for selling their products to procurement officers of 27 aid agencies working in the region. Business transactions for about US\$ 6.6 million were reported as a result of contacts made at the meeting. Additionally, during this period a portal application was developed for the Southern African Business Network (SABN, www.sabusinet.net), with the overall objectives of providing a permanent networking facility for TSIs, providing and exchanging commercial information for parties interested in the expansion of trade and investment links, and identifying subregional business opportunities and promoting the undertaking of market development activities in Southern Africa.

63. **Central Asia.** In support of the economic integration efforts of the 11-country Economic Cooperation Organization (ECO), ITC organized a buyers–sellers meeting for the food and beverage sector (Kazakhstan, May). Seventy-eight business representatives from 52 enterprises in 7 countries (the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan,

Pakistan, Tajikistan, Turkey and Uzbekistan) participated. On-the-spot transactions for US\$ 4 million were reported at the end of the meeting, with a further US\$ 18 million under negotiation.

64. Following ITC's successful 'Buying from Africa for Africa' initiative, aimed at opening up the relief and aid procurement market to developing country exporters, the concept was pioneered in Central Asia. A buyers-sellers meeting was held in Kazakhstan (June), focusing on food, agricultural products, construction materials and equipment. Sixty-three business representatives from 48 enterprises in 4 countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) participated, as well as procurement professionals from 12 aid agencies. Participants, both agencies and enterprises, greatly appreciated this very cost-effective way of exploring new business opportunities. The aid agencies expected to place orders between US\$ 4 million and 5 million as a result of the event.

65. **Latin America.** Following the success of LatinPharma in 2002, the programme organized LatinPharma 2003, in conjunction with UNCTAD's Biotrade Initiative, to promote intraregional trade in pharmaceutical and natural products in the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela). Over 700 Latin Americans participated in a virtual discussion forum to identify and debate issues preparing the way for a series of conferences, a trade fair and a buyers-sellers meeting held in Peru (June). The overall event attracted 350 participants, and representatives of 96 companies from 11 countries (Bolivia, Brazil, Colombia, Ecuador, El Salvador, Honduras, Panama, Peru, Uruguay, the United States and Venezuela) negotiated business deals for about US\$ 7 million.

66. The Andean Community of Nations (CAN) secretariat has further requested ITC to explore the potential of their trade integration with the MERCOSUR countries (Argentina, Brazil, Paraguay and Uruguay) and Chile. This will be the agenda of LatinPharma 2004, which will take place on the occasion of UNCTAD XI (Brazil, June).

67. A new project proposal for trade complementarities between CAN member countries and MERCOSUR was discussed during a three-day workshop in Peru (November). During the workshop, nine sectors were selected according to individual countries' priorities and to the trade potential indicated in a trade flow analysis undertaken by ITC. The objective is to study the supply chain of the chosen sectors one by one, in each participating country; analyse the sector complementarities; circulate these analyses; identify players; and organize a negotiating platform during a three-year programme. A similar three-day workshop was held in Argentina for the MERCOSUR member countries (December), to discuss the potential for complementing the supply chain of selected sectors between companies of the MERCOSUR and CAN regions.

68. **Overall.** In 2003 the programme delivered a record number of outputs, considerably exceeding the targets spelled out in the programme document. This was possible thanks to donor appreciation for the programme and the resulting pledges. For 2004 the programme foresees an enhanced level of delivery, aligning the output of the programme, in terms of reach and depth, with anticipated resources.

BUDGETARY SITUATION
South-South trade promotion
As at 31 December 2003
(US\$)

	Planned expenditures against				GRAND TOTAL
	2002-2003 pledges			2004 pledges June 04 - May 05	
	Expenditures June 02 - Dec. 02	Expenditures Jan. 03 - Dec. 03	Jan. 04 - May 04		
Project personnel	352,989	876,715	756,580	563,410	2,549,694
Subcontracts	28,260	13,863	110,594	39,550	192,267
Group training	44,231	82,275	90,490	63,280	280,276
Equipment	3,100	22,838	7,526	2,260	35,724
Miscellaneous	19,662	49,520	40,216	31,500	140,898
A) Total	448,242	1,045,211	1,005,406	700,000	3,198,859
			2002-2003	2004	
B) Pledged			2,498,859		2,498,859
C) Cash received			2,358,410		2,358,410
C-B) Surplus/(Shortfall) Cash against pledges			(140,449)		(140,449)
B-A) Surplus/(Shortfall) Pledges against budget				(700,000)	(700,000)

**E-Trade Bridge Programme for SMEs
(a capacity development programme for
e-facilitated trade)**

69. The primary objective of the E-Trade Bridge Programme for SMEs is to create internationally competitive e-competent enterprises and to build capacities within the institutions that support them.

70. The programme has three goals:

- Developing e-products and services;
- Building national capacities; and
- Securing exchange and communication among the participants.

71. The programme's goals are realized by stand-alone building blocks delivered to the beneficiaries as programme components. The components of the programme and corresponding building blocks are shown in the table below.

Programme components	Building blocks
The kick-off meeting	Handbook for E-Trade Bridge Kick-off Meetings Guide for preparing e-balance sheets Guide for preparing e-action points Handbook for National Task Force
Winning With the Web (WWW)	Practical e-guides for SMEs Best practice tools for SMEs
National e-strategy training	Preparing national action plans
Enabling the SMEs (Training the trainers and counsellors)	Managing e-assets E-marketing Enabling business processes Managing training programmes Delivery skills for trainers and counsellors Designing training and counselling programmes E-readiness for SMEs The e-trade platform and marketplace

72. In May–December 2003, the activities were geared to the preparation of e-tools, materials, documents and guidelines relevant to the building blocks of the programme. These were delivered to the beneficiaries as they became available, in order to facilitate the implementation of subsequent programme components.

73. **Country e-preparedness reports.** Preparation of the country e-preparedness report is the initial step in each country. A guide for preparing e-preparedness reports (*Guidelines for the National Consultants*)

facilitates the preparation of the report. The following aspects are identified in the preparation of the report:

- The state of 'e' in the country;
- The different roles of the stakeholders in terms of 'who is doing what'; and
- Action points for the short, medium and long term.

74. In consultation with the relevant ITC desk officers, national partner organizations were identified, and national consultants were recruited to write the reports based on the guidelines. Extensive desk research was carried out, following the *Guidelines for Conducting Desk Research*. The desk research covers macro-, meso- and micro-environments in each country from the perspective of development of 'e'. The research results are made available in an *E-Business Resource DVD and Book* that contains thousands of e-business links in those countries. The e-assessment report includes a country's e-balance sheet. This identifies the country's assets and liabilities relating to information and communications technology (ICT), and assesses the e-facilitated trade risks and opportunities. The report also draws a map of a country, identifying who is doing what in terms of 'e', and assists in establishing the application of the appropriate component of the programme at a given time.

75. During 2003, e-preparedness reports on El Salvador, Guatemala, Honduras, India, Kazakhstan, Kenya, Kyrgyzstan, the Philippines, Romania, South Africa, Tajikistan, Trinidad and Tobago, Uganda, the United Republic of Tanzania and Viet Nam were published. Work is currently under way for the publication of e-preparedness reports on Bangladesh, Barbados, Bolivia, Cambodia, Ecuador, Jamaica, Mongolia, Turkey and Uzbekistan. Preparations are under way to launch the programme in the Islamic Republic of Iran following a request from the Government.

76. **The kick-off meeting.** The objectives of the kick-off meeting are to:

- Develop a common understanding of the state of 'e' in the country among the stakeholders;
- Form a low-cost support network; and
- Identify action points for the short, medium and long term.

77. The input document for the kick-off meeting is the country e-preparedness report.

78. During 2003, kick-off meetings were held in Bucharest, Romania (October), San Salvador, El Salvador (November), Quito, Ecuador (November), and Phnom Penh, Cambodia (December). Prior to the meetings, an e-preparedness report for each country was written; the e-balance sheet and e-map were discussed at the meetings and relevant action points were established. The kick-off meeting in San Salvador was regional and covered Costa Rica, El Salvador,

Guatemala, Honduras and Nicaragua, with the participation of the Caribbean Export Agency, ITC's partner organization in the Caribbean.

79. **Winning With the Web (WWW).** The WWW component of the programme requires local SMEs to be assessed on the basis of management-readiness, export-readiness and e-readiness for the creation of best practice cases. In October 2003, two assessors from Cambodia were trained in Geneva in a week-long training programme covering these elements, and the WWW component was launched when they returned to their country. As the result of their work, 12 best practice cases were prepared in Cambodia.

80. Counselling on management-readiness, export-readiness and e-readiness was given to a company in Turkey and in Kenya and to two companies in Philippines by national consultants. Following the counselling, the companies established a web presence and four best practice cases were generated.

81. During 2003 the WWW component was launched in Costa Rica, El Salvador, Guatemala, Honduras, Kyrgyzstan, the Philippines, Romania, South Africa, Uganda and the United Republic of Tanzania, and 120 best practice cases were prepared. A publication covering selected cases is under way.

82. Following the kick-off meetings in India (December 2002) and a request from the Government of India, WWW was launched there. Twelve companies (six from the hosiery sector and six from the handicrafts sector) were identified by the India Trade Promotion Organization (ITPO). Following a survey on these companies, cases on best practices were prepared. In addition, counselling was given to the Handicrafts and Handlooms Export Corporation of India (HHEC) on technical and strategic issues, site management including human resources requirements, workflow analysis and effective site management in order to open the organization's current site to e-commerce.

83. The outputs of the WWW programme will contribute to and expand the practical e-guides and best e-practice tools for SMEs, while creating best practice cases. These best practice cases will be disseminated among the SME community.

84. **National e-strategy training.** The methodology and template for the preparation of a national e-strategy and action plan have been prepared. The template enables an assessment of a country's export and sectoral development, and IT strategies, in relation to its trading partners, from an e-trade perspective. The national e-strategy training programme targets a country's policy-makers. Guidelines for e-trade strategy designers and implementers were prepared (*A Resource Book for Training Strategists for e-Trade*).

85. **Enabling the SMEs (Training the trainers and counsellors).** This is a capacity-building initiative which provides a group of trade development

professionals with the necessary tools, materials and skills to design and develop training and counselling interventions. Areas covered include: managing e-assets, e-marketing, enabling business processes, managing training programmes, delivery skills for trainers and counsellors, designing training and counselling programmes, and e-readiness for SMEs. The aim of these interventions is to build capacities within multiplier institutions to help SMEs make best use of ICT and e-business practices to improve their international competitiveness.

86. During the implementation of the programme, participants are supported by mentoring, performance feedback, and peer group exchange. A web-based platform provides access to materials and resources, and allows interaction with ITC's wider network of e-trade development professionals through the e-trade platform and marketplace (national and regional hubs for e-competence).

87. In order to support the programme, the following e-tools were prepared:

- **AuditSME.** An e-tool for enterprise diagnostics.
- **ExportSME.** An e-tool for export potential assessment.
- **E-SME.** An e-tool for diagnosing potential benefits of e-trade applications.
- **ManageSME.** An e-tool for managing transactions for SMEs.

88. Online versions of NeedSME (for diagnosing management weaknesses), DemandSME (questionnaire for assessing demand for training) and PlanSME (designing enterprise strategies) were also developed.

89. In addition, the following manuals were prepared for use by trainers:

- *Verifying Strategy.* A manual on using the Internet to research buyers and competitors.
- *Designing Promotions.* A manual on building web presence for an enterprise.
- *Purchasing and Expediting.* A manual on finding suppliers on the Internet.
- *Prompting and Responding to Sales Enquiries.* A manual on customer relationship management.

90. In order to initiate the building of national and regional hubs for e-competence, creation of model websites continued (Cambodia, Ecuador and Romania). A model website for the leather sector was created. The site will serve as a template for sectoral applications and will be administered by the hubs. Development of national and regional hubs is an ongoing process within the programme that will be enriched by the implementation of the components and by the number of countries participating.

91. Prior to the World Summit on Information Society (WSIS) that was held in Geneva in December, an E-Trade Bridge Global Network Symposium was held. The symposium was attended by the members of the hubs (El Salvador, the Philippines, Turkey and the United Republic of Tanzania), and representatives from distinguished companies working in the ICT field (such as Forrester Consulting and CATGEN) and international institutions such as Bridges.org and PEOPLink who actively participated. The objectives of the symposium were to validate and reinforce the E-Trade Bridge approach and to enhance the E-Trade Bridge network.

92. The symposium verified that:

- The strategy and approach of the E-Trade Bridge Programme is useful, unique and has proven successful; and
- Having built a network and the tools and materials, the programme should shift its emphasis to capacity building and thus concentrate on Enabling SMEs.

93. **Cooperation with other ITC initiatives and international organizations.** The E-Trade Bridge Programme for SMEs is vigilant in finding opportunities for reducing costs, and, in this respect, is ready to offer its expertise or take part in other initiatives upon request. To this end, the programme worked in close cooperation with ITC's E-Trade Development Unit, *seco*, *infoDev* and the Commonwealth Secretariat.

94. The E-Trade Bridge Programme was implemented as a Support Services for Policy and

Programme Development (SPPD) project in Cambodia in partnership with the United Nations Development Programme (UNDP), the Cambodian Ministry of Trade and the National Information Communications Technology Development Authority. The e-preparedness report on Cambodia has been prepared, a kick-off meeting has been held (December) and the WWW component has been launched. Funding is provided by UNDP via the SPPD agreement.

95. One of the activities included in the Enhancing Business Prospects of SMEs Owned by Women in Cameroon Through the Use of ICT project in cooperation with l'Association pour le soutien et l'Appui à la femme entrepreneur (ASAFE), is to train women entrepreneurs on how to use ICT to develop their business and integrate an e-business dimension into their strategy. The E-Trade Bridge Programme contributed to the project by training 25 trainees. This also gave an opportunity to pilot the Enabling SMEs programme.

96. E-Trade Bridge contributed to WSIS, during a side event jointly organized by ITC and *seco*, with a dedicated session where the best practice cases generated by the programme were discussed.

97. In cooperation with ITC's Trade Promotion in Central Asia Programme, e-preparedness reports on Kazakhstan, Kyrgyzstan and Tajikistan were published and work is under way in Uzbekistan.

98. A report on e-preparedness in the Caribbean Region was written and jointly published by the Commonwealth Secretariat and ITC.

BUDGETARY SITUATION
E-Trade Bridge Programme for SMEs
INT/W2/08
As at 31 December 2003
(US\$)

	Planned expenditures against					GRAND TOTAL
	2002-2003 pledges			2004 pledges June 04 - May 05	2005 pledges June 05 - May 06	
	Expenditures June 02 - Dec. 02	Expenditures Jan. 03 - Dec. 03	Jan. 04 - May 05			
Project personnel	144,250	658,133	320,000	420,000	219,539	1,761,922
Subcontracts		101,918	71,000	200,000	50,000	422,918
Group training	15,296	119,421	180,000	252,461	50,000	617,178
Equipment	34,488	4,678	17,161	20,000	4,500	80,827
Miscellaneous	10,963	34,362	19,501	33,090	19,239	117,155
A) Total	204,997	918,512	607,662	925,551	343,278	3,000,000
			2002-2003	2004	2005	
B) Pledged			1,731,171	625,551	287,242	2,643,964
C) Cash received			1,731,171			1,731,171
C-B) Surplus/(Shortfall) Cash against pledges				(625,551)	(287,242)	(912,793)
B-A) Surplus/(Shortfall) Pledges against budget				(300,000)	(56,036)	(356,036)

Export-led Poverty Reduction Programme (EPRP)

99. To contribute to the achievement of the Millennium Development Goals and to help combat poverty, ITC launched the Export-led Poverty Reduction Programme in July 2002. The aim of the programme is to reduce poverty by empowering poor communities to participate in the trade value chain of market-oriented products and services. To achieve this goal, ITC offers poor communities training and advice as well as the know-how they need to establish themselves either in the local or international market.

100. Building on the activities of project INT/29/74 financed by the Government of Germany, ITC's Export-led Poverty Reduction Programme (EPRP) became a fully fledged Window II programme on 21 February 2003. Since then EPRP has been financially supported by contributions from the Governments of Germany, the Netherlands, Norway and Switzerland.

101. The key step, before launching an EPRP pilot project, is the preparation of opportunity studies to assess the viability of a pilot project and select on technical criteria the products, the communities, and the committed TSIs and market links (buyers and exporters). Based on the opportunity studies undertaken, the following EPRP pilot projects were successfully launched in 2003.

102. **Bolivia** (community-based tourism). This project will benefit the communities of Copacabana (Titicaca Lake). In 2003, and in spite of the political unrest, the main achievement was the formal establishment of the Suma Jakañani ('we will live better') foundation as a local representative entity aimed at defining a concrete tourism policy that should include a sustainable community development vision to reduce poverty in the Copacabana Municipality. In 2004 EPRP will channel all its technical inputs through this foundation.

103. **Brazil** (community-based tourism). EPRP formalized a partnership with Berimbau Programme, a socially responsible entrepreneurial group called in Costa do Sauípe, a well-established tourist resort near Salvador de Bahia. In association with Berimbau, EPRP seeks to strengthen the region's economic activities, fostering vocations and making possible the realization of local potential through an integrated and sustainable community development approach. In the short run, communities around the resort will be integrated into productive value chains such as organic agriculture, fishing and sea food, handicrafts, breeding small meat animals and recycling waste from tourist activities.

104. **Cambodia** (silk artisanal products). Cambodia has a long silk tradition developed over many generations, mainly in the rural villages. Weaving is essentially a family and women's activity. The EPRP action plan aims at improving living conditions of rural communities, while preserving their cultural heritage. It includes tailor-made technical inputs to improve the skills of weavers in dyeing and weaving techniques and

in the development of new designs to meet both domestic and international demand. To enter international markets, the project has undertaken promotional activities in selected markets. The EPRP pilot project is built on the achievements made through a longstanding partnership between the Cambodian Craft Cooperation (CCC) and the Chamber of Trade and Skilled Crafts of Koblenz. It also coordinates its activities with those being developed by ITC in the context of the IF.

105. **El Salvador** (community-based tourism and coffee). In the tourism sector the pilot project is developing the trade value chain of agricultural products and handicrafts that communities in La Palma and San Ignacio can supply to hotels and tourists. In the coffee sector, and in spite of the current world market situation, the EPRP has managed to obtain trial orders for gourmet coffee from the Japanese market. In addition, the experience has generated multiplier effects in the sense that government authorities have improved road access to, and established a primary school in, the project site.

106. In the case of **Kenya** (horticultural products), **South Africa** (*Aloe ferox*) and **Viet Nam** (community-based tourism), EPRP pilot projects have been launched following completion of opportunity studies and definition of implementation logistics. Implementation of the corresponding plans of action will start in 2004.

107. After careful analysis of the results of the opportunity studies undertaken in Ecuador and Namibia, EPRP activities were discontinued. In both cases the situation called for heavy capital investment and long-term export development activities.

108. **Capacity building programme activities.** EPRP has a world geographic coverage and can offer only pilot projects to beneficiary countries. EPRP capacity building inputs are crucial to enable people to replicate the pilot experience for the benefit of other sectors, products, and regions in their countries. To empower communities to participate in the trade value chain of products and services, in 2003 the programme developed various guidelines and training materials indispensable for national capacity building:

- *Guidelines:* conducting an opportunity study for EPRP pilot projects.
- *Guidelines:* conducting an opportunity study for community-based tourism.
- *A modular training programme* for EPRP trainers from national trade support institutions (TSIs).
- *A collection of six vocational training materials* for EPRP community-based tourism.
- *Methodology template* for establishing a poverty profile in EPRP project beneficiary communities.

109. The modular training programme for TSIs was validated and successfully tested in Brazil, Cambodia and Kenya, three countries with different development levels. A total of 85 selected national tutors were trained to assist communities in organizing themselves and in developing their capacities to supply quality products and services. The most relevant result of this exercise was the confirmation that, through the implementation of pilot projects, EPRP can reinforce the national capacities required to ensure sustainability and future replication of the approach.

110. **Promotional material.** During 2003 the following materials were produced:

- An EPRP subsite (in English, French and Spanish) within the ITC website to promote the programme and to build up the foundations for a future international network.
- A brochure, *Reducing Poverty through Exports*.
- A position paper, *How Trade can Contribute to Poverty Reduction*.

111. **Awareness creation.** In 2003 EPRP started to create awareness among policy-makers in potential beneficiary countries, and also within the international community.

- The EPRP methodology was adopted by the Bank of Brazil as a practical approach to implementing its activities within the framework of *Fome Zero* (Zero Hunger), Brazil's national poverty reduction strategy.
- Within the ITC Executive Forum in Cancún, a side event on EPRP was organized. Several delegations from LDCs actively led discussion on the concept of, and practical approaches to, a 'pro-poor' export strategy. The interest shown by various countries was later confirmed by official requests for EPRP technical assistance.

- Sixteen new government requests for support from the programme were received during the period under review.
- ITC's EPRP also attracted outside interest from international institutions (the European Commission, the World Bank, the International Labour Organization, the World Wide Fund for Nature), commercial organizations and NGOs dealing with trade (Carrefour, Max Havelaar, Walmart, Twin, CASIN). This has set the basis for the development of a network that will allow partners to learn from each other's experiences and help to identify complementarities and synergies.

112. **Strategic development.** In spite of overall appreciation for the programme on the part of donors, pledges have not met expectations and the EPRP budget has been reduced by 40 %.

113. As the number of requests from beneficiary countries has exceeded expectations, a number of steps have been taken, or are envisaged, to maximize the outreach of the programme. They include:

- On receipt of a government request from a developing country or a transition economy, ITC will provide the country with the guidelines for them to undertake the corresponding opportunity studies, thus showing their commitment to poverty reduction.
- On receipt of government requests from LDCs, national consultants will be hired to undertake the opportunity studies.
- A resource mobilization strategy is being developed.

114. The resource situation of the programme will be monitored on a continuous basis and the work programme adjusted appropriately.

BUDGETARY SITUATION
Export-led Poverty Reduction Programme
INT/W2/11
As at 31 December 2003
(US\$)

	Planned expenditures against pledges					GRAND TOTAL
	2002-2003 pledges			2005 pledges June 05 - May 06	2006 pledges June 06 - May 07	
	Expenditures Jan. 03 - Dec. 03	Expenditures Jan. 04 - May 04	June 04 - May 05			
Project personnel	1,042,982	519,028	297,160	297,160	340,000	2,496,330
Subcontracts	105,799	207,581	122,347	122,347	139,825	697,899
Group training	15,493	-	-	-	-	15,493
Equipment	900	-	-	-	-	900
Miscellaneous	47,866	30,397	17,447	17,447	19,550	132,707
A) Total	1,213,040	757,006	436,954	436,954	499,375	3,343,329
		2002-2003	2004	2005	2006	
B) Pledged		1,511,194	436,954	436,954	499,375	2,884,477
C) Cash received		1,370,745	-	-	-	1,370,745
C-B) Surplus/(Shortfall) Cash against pledges		(140,449)	(436,954)	(436,954)	(499,375)	(1,513,732)
B-A) Surplus/(Shortfall) Pledges against budget		(458,852)	-	-	-	(458,852)

Annex I
GLOBAL TRUST FUND
Pledges and resources available
As at 31 December 2003
(US\$)
(At the prevailing United Nations rate of exchange)

DONOR	PLEDGES 2002 – 2005								CASH RECEIVED AGAINST 2002 – 2005 PLEDGES								CASH TO BE RECEIVED	
	Window I				Window II				Window I				Window II				WI	WII
	Total	2002	2003	2004–2005	Total	2002	2003	2004–2006	Total	2002	2003	2004–2005	Total	2002	2003	2004–2005	2003	2003
CANADA	1,324,288	595,772	728,516	–	–	–	–	–	1,324,288	595,772	728,516	–	–	–	–	–	–	–
DENMARK	3,209,531	880,638	1,070,504	1,258,389	–	–	–	–	1,951,142	880,638	1,070,504	–	–	–	–	–	–	–
FINLAND	664,815	147,146	252,375	265,293	–	–	–	–	399,521	147,146	252,375	–	–	–	–	–	–	–
GERMANY	–	–	–	–	4,485,846	860,450	1,339,320	2,286,076	–	–	–	–	2,199,770	860,450	1,339,320	–	–	–
INDIA	–	–	–	–	100,000	50,000	50,000	–	–	–	–	–	100,000	50,000	50,000	–	–	–
IRELAND	214,823	214,823	–	–	–	–	–	–	214,823	214,823	–	–	–	–	–	–	–	–
NETHERLANDS	–	–	–	–	522,574	241,676	280,898	–	–	–	–	–	241,676	241,676	–	–	–	280,898
NORWAY	847,381	411,540	435,841	–	1,493,426	716,904	776,522	–	847,381	411,540	435,841	–	1,493,426	716,904	776,522	–	–	–
SWEDEN	1,157,380	409,923	747,457	–	1,232,491	614,961	617,530	–	1,157,380	409,923	747,457	–	1,232,491	614,961	617,530	–	–	–
SWITZERLAND	832,000	300,000	532,000	–	1,671,551	880,000	791,551	–	832,000	300,000	532,000	–	1,671,551	880,000	791,551	–	–	–
UNITED KINGDOM	847,276	403,226	444,050	–	521,908	166,667	177,620	177,620	403,226	403,226	–	–	166,667	166,667	–	–	444,050	177,620
ACCRUED INTERESTS	198,181	118,734	79,447	–	108,502	69,576	38,926	–	198,181	118,734	79,447	–	108,502	69,576	38,926	–	–	–
BALANCE BROUGHT FORWARD FROM FIRST PHASE OF WII PROGRAMMES	–	–	–	–	255,048	255,048	–	–	–	–	–	–	255,048	255,048	–	–	–	–
TOTAL	9,295,674	3,481,802	4,290,190	1,523,682	10,391,345	3,855,282	4,072,367	2,463,696	7,327,942	3,481,802	3,846,140	–	7,469,131	3,855,282	3,613,849	–	444,050	458,518

Annex II
GLOBAL TRUST FUND
WINDOW II
Pledges and allocations to individual programmes
As at 31 December 2003
(US\$)

PROGRAMMES	DONORS	PLEDGES					CASH RECEIVED					CASH TO BE RECEIVED	
		Total	2002	2003	2004	2005-2006	Total	Against 2002 pledges	Against 2003 pledges	Against 2004 pledges	Against 2005 pledges	2002	2003
1. World Trade Net Business development and the Doha Development Agenda	Germany	201,296	201,296	-	-	-	201,296	201,296	-	-	-	-	-
	India	50,000	-	50,000	-	-	50,000	-	50,000	-	-	-	-
	Norway	145,280	-	145,280	-	-	145,280	-	145,280	-	-	-	-
	Sweden	653,298	307,481	345,817	-	-	653,298	307,481	345,817	-	-	-	-
	Switzerland	445,416	280,000	165,416	-	-	445,416	280,000	165,416	-	-	-	-
	United Kingdom	521,907	166,667	177,620	177,620	-	166,667	166,667	-	-	-	-	177,620
	Accrued interest	49,258	35,583	13,675	-	-	49,258	35,583	13,675	-	-	-	-
	Brought forward: 1 st phase	74,952	74,952	-	-	-	74,952	74,952	-	-	-	-	-
Total	2,141,407	1,065,979	897,808	177,620	-	1,786,167	1,065,979	720,188	-	-	-	177,620	
2. Programme for Competitiveness Improvement of SMEs (ProCIP)	India	50,000	50,000	-	-	-	50,000	50,000	-	-	-	-	-
	Sweden	138,366	138,366	-	-	-	138,366	138,366	-	-	-	-	-
	Accrued interest	24,192	18,183	6,009	-	-	24,192	18,183	6,009	-	-	-	-
	Brought forward: 1 st phase	10,080	10,080	-	-	-	10,080	10,080	-	-	-	-	-
	Total	222,638	216,629	6,009	-	-	222,638	216,629	6,009	-	-	-	-
3. South-South Trade Promotion – new cycle	Germany	566,066	269,154	296,912	-	-	566,066	269,154	296,912	-	-	-	-
	Netherlands	261,287	120,838	140,449	-	-	120,838	120,838	-	-	-	-	140,449
	Norway	546,451	205,769	340,682	-	-	546,451	205,769	340,682	-	-	-	-
	Sweden	440,827	169,114	271,713	-	-	440,827	169,114	271,713	-	-	-	-
	Switzerland	488,755	300,000	188,755	-	-	488,755	300,000	188,755	-	-	-	-
	Accrued interest	25,457	14,354	11,103	-	-	25,457	14,354	11,103	-	-	-	-
	Brought forward: 1 st phase	170,016	170,016	-	-	-	170,016	170,016	-	-	-	-	-
Total	2,498,859	1,249,245	1,249,614	-	-	2,358,410	1,249,245	1,109,165	-	-	-	140,449	
4. E-Trade Bridge for SMEs (a capacity development programme for e-facilitated trade)	Germany	1,578,452	-	665,659	625,551	287,242	665,659	-	665,659	-	-	-	-
	Norway	519,235	373,955	145,280	-	-	519,235	373,955	145,280	-	-	-	-
	Switzerland	537,821	300,000	237,821	-	-	537,821	300,000	237,821	-	-	-	-
	Accrued interest	8,456	1,456	7,000	-	-	8,456	1,456	7,000	-	-	-	-
	Total	2,643,964	675,411	1,055,760	625,551	287,242	1,731,171	675,411	1,055,760	-	-	-	-
5. Export-led Poverty Reduction	Germany	2,140,032	390,000	376,749	436,954	936,329	766,749	390,000	376,740	-	-	-	-
	Netherlands	261,287	120,838	140,449	-	-	120,838	120,838	-	-	-	-	140,449
	Norway	282,460	137,180	145,280	-	-	282,460	137,180	145,280	-	-	-	-
	Switzerland	199,559	-	199,559	-	-	199,559	-	199,559	-	-	-	-
	Accrued interest	1,139	-	1,139	-	-	1,139	-	1,139	-	-	-	-
	Total	2,884,477	648,018	863,176	436,954	936,329	1,370,745	648,018	722,727	-	-	-	140,449
GRAND TOTAL	10,391,345	3,855,282	4,072,367	1,240,125	1,223,571	7,469,131	3,855,282	3,613,849	-	-	-	458,518	