

# INTERNATIONAL TRADE CENTRE



UNITED NATIONS  
CONFERENCE ON  
TRADE AND DEVELOPMENT

WORLD TRADE  
ORGANIZATION



ITC/AG(XXXV)/190  
13 February 2002

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Joint Advisory Group on the  
International Trade Centre UNCTAD/WTO  
Thirty-fifth session

Original: ENGLISH

Geneva, 15 – 19 April 2002

## ITC GLOBAL TRUST FUND

**Report of the Consultative Committee  
to the thirty-fifth session of the Joint Advisory Group**



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## Note

The following abbreviations are used:

CAPNET/BIS	Capacity-building and networking for business information services
CD-ROM	Compact disc – read-only memory
CEMAC	Communauté économique et monétaire de l'Afrique Centrale
COMESA	Common Market for Eastern and Southern Africa
ECO	Economic Cooperation Organization
GTF	Global Trust Fund
ITC	International Trade Centre UNCTAD/WTO
JAG	Joint Advisory Group on the International Trade Centre UNCTAD/WTO
LDC(s)	Least developed country(ies)
ProCIP	Programme for competitiveness improvement of SMEs
SME(s)	Small and medium-sized enterprise(s)
SPS	Sanitary and phytosanitary measures
TBT	Technical barriers to trade
TRIPS	Trade-related Aspects of Intellectual Property Rights (Agreement on)
TSI(s)	Trade support institution(s)
UEMOA	Union économique et monétaire Ouest Africaine
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNDP	United Nations Development Programme
WTO	World Trade Organization

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## INTRODUCTION

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1. A 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 1995. The implementation of GTF-financed activities started in 1996.

2. During 2001, 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. In 2001, four Window II programmes were underway. These programmes assisted enterprises and trade support institutions (TSIs) worldwide, especially in addressing some of the critical needs arising from the multilateral trading system. For many countries that did not benefit from tailor-made country projects, GTF was the sole source of funding for ITC assistance.

3. The combined and mutually supporting resources and activities under Windows I and II allowed ITC to respond to several collective requirements of partner countries. In particular, Window I enabled ITC to ensure the availability of key senior expert staff and thereby to expand the range of complementary trade-related functions available from the organization.

4. In October 2001, the Consultative Committee considered a preliminary proposal for a new Window II programme entitled 'E-trade bridge for SMEs – a capacity development programme for e-facilitated trade' and expressed its support for the idea. A full-fledged programme proposal will be discussed at a Committee meeting in February 2002. The Committee also discussed a concept paper on 'Reducing poverty through trade' and encouraged ITC to continue its work in this area.

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## THE CONSULTATIVE COMMITTEE

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5. The Consultative Committee advises the ITC secretariat on, and ensures transparency in, the utilization of the Fund. Constituted in October 1995, it meets regularly under the chairmanship of the ITC Executive Director.

6. The Committee currently has 18 members: Canada, Cuba, Denmark, Finland, France, Germany, India, Ireland, the Islamic Republic of Iran, Madagascar, Nepal, 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, the Netherlands, Pakistan, Panama, Peru, Romania, Slovenia, Tunisia and Turkey.

7. In accordance with the Committee's working practices, 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 practices before formally taking over from an outgoing member.

8. Since the 2001 session of JAG, the Committee has met twice: to review the ITC secretariat's proposals for earmarking funds under Window I; to consider a proposal for a new Window II programme on e-trade; and to examine the substantive aspects of the four programmes financed by Window II, all of which were operational in 2001, namely:

- Programme 1: Business development and the WTO Agreements (World { [HYPERLINK "mailto:Tr@de" }](mailto:Tr@de)Net);
- Programme 2: Capacity building and networking for business information services (CAPNET/BIS);
- Programme 3: Programme for competitiveness improvement of SMEs (ProCIP);
- Programme 4: South-South trade promotion.

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## WINDOW I

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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 'un-earmarked' contributions are allocated periodically by the ITC secretariat on the basis of the most pressing needs, taking due account of the parameters set and comments made 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 2001 amounted to US\$ 2.7 million.<sup>1</sup> The following provides an overview of the earmarking of these funds (%) and their utilization (in US\$) as at end December 2001, within the various subwindows:

- **Core staff** (33%). 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. GTF covered a total of 61.5 work months. 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\$ 754,260)
- **Missions by ITC staff** (2%). These missions were made 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\$ 34,845)
- **Programme development activities** (30%). This subwindow provided complementary resources for strengthening the ITC research and development activities and its core programme of work, such as the refinement of existing tools for market analysis and

information management and the development of new ones, the development and maintenance of business databases and Internet services, the production of technical materials and publications, development of the ITC export-led poverty reduction strategy into an ITC programme, and the assessment of collective needs of beneficiaries. The flexibility provided by GTF enables ITC to mobilize resources rapidly for small projects and to make adjustments to changing circumstances. (US\$ 767,676)

- **Formulation of tailor-made programmes and other country- or region-specific activities** (25%). Where financing was otherwise not available, funds allocated within this subwindow enabled ITC to react quickly to requests for needs assessments, project design and advisory services tailored to the requirements of specific countries, to maintain and strengthen the dialogue with beneficiaries, and participate in inter-agency meetings at country level. (US\$ 371,937)
- **Meetings of experts** (4%). This subwindow made it possible to organize a meeting of lawyers from developing countries to begin to draw up standard joint venture contracts for use in those countries. (US\$ 28,200)
- **Evaluations** (6%). This subwindow financed the costs of an evaluation of the ITC core service: International Purchasing and Supply Management (IPSM). (US\$ 92,000)

12. As in previous years, **future requirements** under Window I will continue to depend on a number of factors 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. Resources for the other subwindows should remain at the current level to enable ITC to continue strengthening its capabilities in all core services. Considering the above, the anticipated accrued interests and the practical experience gained so far in managing these funds, the secretariat counts on receiving in 2002 at least the same level of pledges as

in 2001, i.e. US\$ 2.6 million.

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<sup>1</sup> 2001 pledges: US\$ 2,592,304  
Accrued interest: US\$ 132,283  
Total funds available: US\$ 2,724,587

### Progress reports on Window II programmes

13. The paragraphs below describe the activities undertaken under Window II programmes during 2001.

#### **World { [HYPERLINK "mailto:Tr@de"](mailto:Tr@de) } Net – Business development and the WTO Agreements**

14. In 2001, programme activities focused on two major objectives; first, strengthening networking activities and enlarging the network; and second, assisting, in particular, the preparation of the business communities in developing countries and transition economies for the Fourth WTO Ministerial Conference in Doha. The interest of business in WTO-related matters increased substantially as a result of the mandated negotiations on agriculture, services and TRIPS and the intensive preparatory work for Doha. Last year, as a manifestation of this increased interest, the largest number of countries (15) joined the network since its inception.

15. Kick-off meetings contributed to a better understanding of regional and country-specific concerns of business related to the multilateral trading system and provided useful information for preparing appropriate work plans. The increased interest of the membership was reflected by a diversification of programme activities and more intensive links between members. The work in most country networks also became more active, which was manifested in the adoption and implementation of numerous country work programmes. The ongoing mandated negotiations in the WTO and the adoption of a new negotiating mandate provided additional motivation to support efforts to build better business-government partnerships. In this context, the workshops for country facilitators and the establishment of an interactive Network Forum should be highlighted.

16. The mid-term evaluation of the World { [HYPERLINK mailto:Tr@de](mailto:Tr@de) } Net Programme in 2001 highlighted its stronger and weaker sides and formulated a number of findings and recommendations that would be useful in determining the future directions of the programme.

17. Kick-off meetings for new network members were held in Albania, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cuba, Hungary, Jamaica, Jordan, Kazakhstan, Kyrgyzstan, Oman, the Republic of Moldova and Romania. Situation analysis papers were prepared for all new members with the involvement of local experts and other specialists. New members drafted an action plan to lay down the basis for further activities. Kick-off meetings are under preparation in a further 10

developing countries and transition economies (Bhutan, Brazil, the Dominican Republic, Egypt, the Lao People's Democratic Republic, Panama, the Russian Federation, Senegal, Trinidad and Tobago, and Ukraine).

18. Members from all networks participated in regional and inter-regional networking events that were organized in a larger number and wider variety than before. The coordinating role of the World Tr{ [HYPERLINK mailto:Tr@de](mailto:Tr@de) } Net country facilitators was strengthened. But participation of network member countries in activities was uneven. In early 2002, in the light of the Doha Ministerial Declaration, efforts will be made to reactivate networks where the work did not satisfy the expectations of membership.

19. The quality of contacts among network members further improved throughout 2001, but developments in this respect were also unequal. The general experience was that the quality of activities was strongly dependent on the level of economic development. More developed members could make a better use of the opportunities offered by the programme, while less developed ones, due to infrastructural, institutional and capacity problems, had more difficulties in integrating themselves in programme activities or initiating country-level events. There are, however, some examples (such as the networks in Bangladesh and Nepal) to the contrary.

20. In 2001, two inter-regional network support workshops were organized for country facilitators in Geneva and Lesotho to support the communication flow and locally implemented events of existing country networks. The workshops also focused on the WTO mandated negotiations and preparatory work for the Doha Ministerial Conference. These workshops, which were preceded by meetings of country networks that adopted new or updated workplans, substantially contributed to the development of networking activities. The programme's website was extended by an interactive Network Forum to promote the exchange of views between members. Network facilitators received basic training on using the Internet for networking, including the preparation of country network homepages.

21. Many World Tr@de{ [HYPERLINK mailto:Tr@de](mailto:Tr@de) } Net action plans identified trade in textiles and clothing and TBT/SPS measures as a serious concern for the business community. In response, the programme organized three two-day regional workshops on the business implications of the WTO Agreement on Textiles and Clothing for business experts and government specialists from members in Central America (Guatemala, March), Asia (Thailand, April) and Central and Eastern Europe (Latvia, May). A workshop on 'Technical barriers to trade and sanitary and phytosanitary measures' took

place in Zambia for business and government experts from African World Trade Net and JITAP countries.

22. In October, in reply to the increasing interest of the business community, the programme organized a one week internet conference on 'Business and the next WTO Ministerial Conference', with 300 participants. The conference provided an excellent occasion for interested businesspeople to raise questions about the upcoming conference and express concerns in the subject. Participants could use three languages (English, French and Spanish), and this greatly facilitated the exchange of views. The summary conclusions of the conference were published in the 'World Trade Net Newsletter' (Vol. 2, No. 11, November 2001).

23. In cooperation with the World Bank Global Development Network, a joint videoconference was held in October on 'The business implications of the multilateral trading system' for the Baltic countries, Belarus and Ukraine.

24. In support of development of country networks (objective 1) and the exchange of experiences among network members (objective 2), the programme continued to develop support materials and business information.

25. The monthly electronic 'World Trade Net Newsletter' provided regular information to the membership about developments in the Multilateral Trading System and especially important programme activities. Members also prepared contributions to the Newsletter.

26. *International Trade Rules*, a collection of questions raised by businesspeople about the multilateral trading system and answers to them, was distributed in three languages.

27. Reflecting the concern of the ITC membership about the increasing number of anti-dumping and other trade remedy procedures, three major studies were finalized, namely *Business Guide to Trade Remedies in Canada*, *Business Guide to Trade Remedies in the European Union* and *Business Guide to Trade Remedies in the United States*. The publications have been written by experts from a business point of view, explaining for businesspeople the essential laws applicable and practices followed in such proceedings. The studies are in production.

28. The Commonwealth Secretariat, jointly with ITC, published a practical handbook on *Frequently Asked Questions on Customs Valuation*. The publication will be translated by ITC into French and Spanish in 2002.

29. The reference book *International Marketing and the Trading System* was published and distributed in three languages.

30. A revised edition of the *Business Guide to the General Agreement on Trade in Services* was published and distributed to members.

31. The *Business Guide to the World Trading System* was translated into a number of additional languages including Chinese, Estonian, Romanian, Russian, Turkish and Vietnamese.

32. Training packs prepared under the World Trade Net are regularly updated and improved. The preparation of new training materials on TBT and SPS started in 2001. The materials will be completed by early 2002.

33. In 2001, ITC developed a large database, the Interactive TradeMap/Market Access Map, which provides on-line access on a country-by-country and product-by-product basis to export-import data, and tariff and non-tariff measures. The database gives practical information for importers and exporters and can be a useful tool in preparing for the new WTO negotiations. World Trade Net members receive access to the database. ITC's Juris International legal database was extended with a new part covering all WTO agreements and providing explanations of the legal texts.

34. The World Trade Net web page was regularly updated and new materials were added. These included analytical papers on WTO mandated negotiations on agriculture, services and TRIPS, a study on Latin America's WTO-related agricultural trade policy issues, and national practices ('Mexico's experience with the use of anti-dumping measures', for example) of interest to other members. The Network Forum section of the website provided direct access to the most important WTO and other MTS-related documents and trade policy information. The website was actively used as back-up for videoconferences and other networking events.

35. The immediate objective of the programme is to prepare the business community for the start of the WTO negotiations. That requires first the dissemination of information on the main business issues that will be at stake during the upcoming negotiations. In the light of the decisions to be taken on the WTO negotiating mechanism, the programme will be expected to assist the business community to build an efficient relationship with negotiating government bodies with the objective of contributing to the preparation of national negotiating positions.

36. The strong and weak aspects of the World Trade Net Programme were highlighted by an independent mid-term evaluation prepared in 2001. On the positive side, the evaluation found that 'the World Trade Net is based on a strong rationale, and has been implemented well. Its flexible and robust networks involve a wide variety of non-state stakeholders. It has been an excellent tool to achieve its objectives at low cost.' The evaluation also revealed some negative aspects of the programme: 'The main weakness of the programme is that its resources have not been commensurate with its objectives. It has been spread too thin, with



some of the problems that one would expect as a consequence.' As the programme will be completed in its present form by the end of May 2002, the findings and recommendations of the evaluation may be used for making appropriate adjustments in the programme for its second, more mature stage in the next three years, dominated by the new WTO negotiations.

mailto:Tr@de }Net in the early phase of the new WTO negotiations. An expanded programme would support a higher level of activity in the networks and a new structure of regional and global interchange between members. ITC is convinced that the continuation of the programme would make an important contribution to the success of the WTO trade negotiations.

37. There is substantial demand to significantly expand the World Trade { HYPERLINK

BUDGETARY SITUATION							
Business development and the WTO Agreements (World Trade Net)							
As at 31 December 2001							
(US\$)							
	Expenditures against 1999 pledges (June 99 - May 00)	Expenditures against 2000 pledges (June 00 - May 01)	{ADVANCE \d 6}Total expenditures against 1999 - 2000 pledges	Estimated expenditures against 2001 pledges			GRAND TOTAL
				{ADVANCE \d 6}Expenditures (June 01 - Dec. 01)	{ADVANCE \d 6}Planned expenditures (Jan. 02 - May 02)	{ADVANCE \d 6}Total (June 01 - May 02)	
Project personnel	357,855	846,753	1,204,608	173,216	324,000	497,216	1,701,824
Subcontracts	-	48,653	48,653	44,636	116,500	161,136	209,789
Group training	67,260	109,362	176,622	91,943	182,000	273,943	450,565
Equipment	-	8,986	8,986	-	20,000	20,000	28,986
Miscellaneous	17,668	26,462	44,130	25,463	32,244	57,707	101,837
<b>(A) Total</b>	<b>442,783</b>	<b>1,040,216</b>	<b>1,482,999</b>	<b>335,258</b>	<b>674,744</b>	<b>1,010,002</b>	<b>2,493,001 a/</b>
{ADVANCE \d 9} 1999-2001						1999-2000 2001	
(B) Pledged			1,770,014			722,987	2,493,001
(C) Cash received	{ADVANCE \d 6}		1,770,014			722,987	2,493,001
(C-B) Surplus/(Shortfall) Cash against pledges			-			-	-
(B-A) Surplus/(Shortfall) Pledges against budget	{ADVANCE \d 6}		287,015			(287,015)	-

a/ Initial budget of \$2,655,000 has been reduced to \$2,493,001 based on the contributions received.

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

38. This programme, launched in the last quarter of 2000, covers three objectives:

- Capacity building of business information services (BISs);
- Supply of information on market access conditions;
- Support to the development of trade information networks.

39. Under the half of the budget of this programme that was funded until the end of 2001, high priority has been given to the first objective (capacity building), covering the development of information tools of common interest, and the provision of information and technical support on request to individual business information services, notably in the least developed countries and economies in transition. Close cooperation has been developed with regional networks, as well as with the World Trade Point Federation.

40. Research activities were undertaken in 2001 with a view to transferring know-how to partner organizations on important aspects of information management. A survey of 12 advanced trade information centres highlights best practices regarding the performance evaluation of information services. A guidebook was published on disseminating trade information using different approaches and media, including the Internet.

41. A CD-ROM was produced to demonstrate the possible applications of the WINISIS software, described in a manual published by ITC and distributed in cooperation with UNESCO. This CD-ROM also contains a database describing over 600 relevant information sources accessible online through the Internet, classified by categories such as company registers, business opportunities and market access.

42. The COMREG software for managing company registers has been finalized with trilingual menus (English, French and Spanish) and tested in cooperation with eight partner organizations. It will be used for exhibiting company profiles and product catalogues on the Internet, and for supporting South-South trade promotion programmes (in cooperation with the South-South Trade Promotion Programme). Following the wide distribution of a demo version on CD-ROM, a large number of requests for this programme had been received by the end of 2001.

43. Regional workshops were held in New Delhi for South Asian countries (in cooperation with Trade Point India and the SAARC Secretariat), in St Petersburg for CIS countries (in cooperation with an EU-sponsored programme for SME development agencies) and in Cairo for COMESA and Arab

countries (in cooperation with Trade Point Egypt). Preparations were also made for similar events in West Africa, Asia and Central America in 2002. At the end of 2001, a special workshop was organized in Geneva in cooperation with UNCTAD for a group of Asian Trade Points which is developing a regional forum. An intensive two-week interregional seminar for business information managers took place in Geneva and London. In total, the training programme has benefited some 70 information specialists from 25 developing countries (of which 12 LDCs) and from 8 economies in transition. In addition, a series of 12 awareness seminars were organized in Egypt, India, Mexico and Nepal for over 560 government officers and local businesspeople to promote e-trade and Trade Point information services.

44. Advisory missions were organized in 2001 to Angola, Burkina Faso, India, the Islamic Republic of Iran, Nepal, Senegal, South Africa, the United Republic of Tanzania and Zambia to cover specific development problems, to provide on-site training and to design further programmes of technical cooperation.

45. Based on a survey of information sources on market access conditions available in different forms (publications, CD-ROMs, Internet), a prototype database was developed and recorded on CD-ROM for distribution to partner organizations; based on the feedback received, this package will be improved and widely distributed on CD-ROM and through the Internet.

46. Assistance in the design of an operations plan and website development was given to the World Trade Point Federation and to regional Trade Point forums. Proposals approved at the World Trade Point meeting in November 2001 will form a base for future programme activities. Guidance on network development was also provided to the Islamic Development Bank (TIPSYS project), to the Economic Cooperation Organization (ECOTRADENET project), to the SAARC Secretariat (SAARCNET project) and to a group of CIS countries planning to set up a regional network (EURASIANET).

47. The PROMOTE IT programme, aimed at promoting IT export services through a common web portal was extended to additional countries. By the end of 2001, 28 partner organizations (including 16 Trade Points) had expressed interest in participating in a specialized event in Paris in March 2002, which will give the opportunity to develop business contacts and international cooperation in this fast-evolving sector.

48. The resources that are available in 2002 will be allocated to research programmes and capacity-building activities. Training events will be organized for newly established business information services, additional training materials will be produced for wide distribution, and expert group meetings and partners' consultations will be planned.

**BUDGETARY SITUATION**  
**Capacity building and networking for business information services (CAPNET/BIS)**  
**As at 31 December 2001**  
**(US\$)**

	Expenditures against 1999 pledges (June 99 - May 00)	Expenditures against 2000 pledges (June 00 - May 01)	{ADVANCE \d 6} Total expenditures against 1999-2000 pledges	Estimated expenditures against 2001 pledges			GRAND TOTAL	
				{ADVANCE \d 6} Expenditures (June 01 - Dec. 01)	{ADVANCE \d 6} Planned expenditures (Jan. 02 - Dec. 02)	{ADVANCE \d 6} Total (June 01 - Dec. 02)		
Project personnel	-	402,063	402,063	83,644	553,000	636,644	1,038,707	
Subcontracts	-	-	-	-	20,000	20,000	20,000	
Group training	-	47,328	47,328	25,149	170,000	195,149	242,477	
Equipment	-	2,343	2,343	16,774	30,000	46,774	49,117	
Miscellaneous	-	4,410	4,410	12,191	42,050	54,241	58,651	
<b>(A) Total</b>	-	<b>456,144</b>	<b>456,144</b>	<b>137,758</b>	<b>815,050</b>	<b>952,808</b>	<b>1,408,952 a/</b>	
{ADVANCE \d 9} 2000-2001							<b>2000</b>	<b>2001</b>
(B) Pledged			562,006	{ADVANCE \d 6}	{ADVANCE \d 6}	846,946	1,408,952	
(C) Cash received	{ADVANCE \d 6}		562,006	{ADVANCE \d 6}	{ADVANCE \d 6}	846,946	1,408,952	
{ADVANCE \d 6} (C-B) Surplus/(Shortfall) Cash against pledges			-	{ADVANCE \d 6}	{ADVANCE \d 6}	-	-	
{ADVANCE \d 6} (B-A) Surplus/(Shortfall) Pledges against budget	{ADVANCE \d 6}		105,862	{ADVANCE \d 6}	{ADVANCE \d 6}	(105,862)	-	

a/ Initial budget of \$3,000,000 has been reduced to \$1,408,952 based on the contributions received.

## **Programme for competitiveness improvement of SMEs (ProCIP)**

49. ProCIP supports the capacity of national trade support institutions and associations to help small and medium-sized enterprises strengthen their competitive edge. The programme actively promotes the formation of regional, interregional and international networks as a means to reinforce institutional capacity and technical know-how for efficient trade support.

50. To realize these objectives, the programme applied the proven methodology of the product-network approach: building up and partnering with a network of trade support institutions (TSIs) to develop a wide variety of needs-based tools and practical guides (as elaborated below). The partner institutions produce national or sector-specific adaptations of these tools and practical guides for use by SMEs. The year was marked by a steadily growing number of partnerships, new activities with partner trade support institutions and development of new tools in addition to completed adaptations and development of existing tools.

- **Practical guides.** *Trade Secrets: The export answer book* was adapted to answer the frequently asked questions of exporters in 18 more countries (Argentina, China, Costa Rica, Côte d'Ivoire, Ecuador, El Salvador, Eritrea, Ghana, Guatemala, Honduras, Jordan, Malaysia, Oman, Pakistan, the Philippines, Romania, Slovenia and Viet Nam) in addition to the 22 adapted versions previously developed.<sup>2</sup> Mexico, having already adapted this book to its national context, took the initiative to apply the Trade Secrets question and answer approach to new areas of interest to Mexico's exporting community by producing adaptations of the guide for the fresh foods and processed foods sectors.

Using the *Trade Secrets* methodology of identifying and answering frequently asked questions of exporters on technical export-related or sector specific issues, *Export Quality Management: An answer book for small and medium-sized exporters*, and *Trade in Services: An answer book for small and medium-sized exporters* have been published in addition to the answer book on *International Trade Rules*. A similar sector-specific publication, *Secrets of Exporting Automotive Components*, is currently being finalized. *Secrets of Electronic Commerce* has been adapted nationally and published by 17 countries (Argentina, Bangladesh, Chile, Côte d'Ivoire, Cuba, Ecuador, El Salvador, Haiti, India, Jordan, Malaysia, Pakistan, Peru, the Philippines, Romania, Slovenia and Viet Nam).

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<sup>2</sup> ITC Global Trust Fund, Report of the Consultative Committee to the thirty-fourth session of the Joint Advisory Group, ITC/AG(XXXIV)/186

- **Benchmarking tools.** Indonesia, Malaysia, and Thailand joined the network of partners applying ITC's cross-industry benchmarking tool, the Competitive Edge. This tool now enables SMEs in 12 countries to assess and compare their international competitiveness. Two sector-specific adaptations of the tool are underway in the processed fish and textiles sectors. Based on feedback from partners, ITC's sector-specific benchmarking tool, the International Competitiveness Gauge, was updated. Data was incorporated from German automotive components sector for the year 2001, enabling SMEs from the 20 other partner countries to benchmark themselves in relation to international best performers. A hundred more companies used the International Competitiveness Gauge in 2001.
- **Diagnostic tools.** The revised trilingual (English, French, and Spanish) version of the Export Fitness Checker was made available to partners. Two more diagnostic tools based on the Export Fitness Checker – Roadmap to Quality: Fitness Checker for ISO 9000:2001 and Packaging Fitness Checker – are being prepared for use by SMEs.
- The TSI Index, a benchmarking tool for TSIs, enabled TSIs in eight countries (Burkina Faso, Kenya, Lesotho, Madagascar, Malawi, Senegal, the United Republic of Tanzania and Zambia) to diagnose their strengths and weaknesses in comparison to best performers.

51. The ProCIP network grew by 39 new partnerships. E-discussions continue as a rich source of information, feedback, and means of exchange of views between the programme and its widening network of partners, allowing ITC to continuously adapt and evolve its services towards partner TSIs and the ultimate client, SMEs. Through an e-survey, the programme gathered feedback from partners of the Trade Secrets network on the use made of the publication and further improvements and suggestions for the publication.

52. Coinciding with ITC's third Executive Forum, the e-discussion 'Is your trade support network working?' focused on longer-term challenges for SMEs and new exporters in developing countries. Discussions on support needed for SMEs to become more internationally competitive, the role of governments and trade support organizations in enabling SMEs to initiate or expand exports, the capacity of trade support services to meet SME requirements, and new support services for SMEs around the world are summarized on ITC's website {  
HYPERLINK  
"http://www.intracen.org/ediscuss/sme/welcome.htm"  
}. E-discussions are now a well-established and cost-effective way to reach a significant number of partners for exchanging views, understanding SME needs, and providing a forum for the participation of partners in ITC's events.

53. With a profusion of examples of successful international businesses from large enterprises in developed countries, it is rare to find internationally profiled examples of SMEs in developing or transition economies that small exporters in ITC's client countries can relate to. *Enterprise Success Stories* identifies successful small exporters in developing and transition economies, examines constraints faced by exporters in these countries and the various means by which exporters overcame the constraints, and identifies fundamental criteria responsible for successful and sustained exports. This activity is a further example of the productive partnerships the programme has built over the years with national trade support institutions: it is these partner TSIs from over 20 client countries who are helping ITC to identify SME export successes in their countries. These success stories are profiled on ITC's web site ([HYPERLINK](#)

"<http://www.intracen.org/sme/smesuccess.htm>"  
 }). Through e-discussions and workshops allowing for sharing views with ITC's partners and SMEs, they serve as examples for present and potential small exporters in ITC's client countries to help them overcome similar constraints and improve their export competitiveness.

54. An Enterprise Competitiveness website is being developed focusing on the issue and relevance of assessing the competitive position and trade potential of SMEs. It comprises web-enabled tools (Gauge, Edge, Export Fitness Checker), and on-line information on the contents and methodology of customized guides (*Trade Secrets: The export answer book*, and *How to Approach Banks*). To ensure continuity and sustainability to the ProCIP network, the website will also allow continued interaction between partners through e-discussions and country listings of ProCIP partners and their contact details.

BUDGETARY SITUATION Programme for competitiveness improvement of SMEs (ProCIP) As at 31 December 2001 (US\$)							
	Expenditures against 1999 pledges (June 99 - May 00)	Expenditures against 2000 pledges (June 00 - May 01)	{ADVANCE \d 6}Total expenditures against 1999-2000 pledges	Estimated expenditures against 2001 pledges			GRAND TOTAL
				{ADVANCE \d 6}Expenditure s (June 01 - Dec. 01)	{ADVANCE \d 6}Planned expenditures (Jan. 02 - May 02)	{ADVANCE \d 6}Total (June 01 - May 02)	
Project personnel	378,866	442,860	821,726	117,517	359,260	476,777	1,298,503
Subcontracts	9,847	69,354	79,201	25,397	-	25,397	104,598
Group training	49,228	26,992	76,220	(219)	54,500	54,281	130,501
Equipment	785	4,771	5,556	615	-	615	6,171
Miscellaneous	13,222	13,940	27,162	10,202	23,163	33,365	60,527
<b>(A) Total</b>	<b>451,948</b>	<b>557,917</b>	<b>1,009,865</b>	<b>153,512</b>	<b>436,923</b>	<b>590,435</b>	<b>1,600,300 a/</b>
{ADVANCE \d 9} 1999-2001				1999-2000		2001	
(B) Pledged			1,099,785			500,515	1,600,300
(C) Cash received	{ADVANCE \d 6}		1,099,785			500,515	1,600,300
(C-B) Surplus/(Shortfall) Cash against pledges			-	{ADVANCE \d 6}	{ADVANCE \d 6}	-	-
(B-A) Surplus/(Shortfall) Pledges against budget	{ADVANCE \d 6}		89,920			(89,920)	-

### **South-South trade promotion**

55. In its third year of operation, South-South Trade Promotion Programme components are being delivered in nine developing regions and subregions in Africa, Asia, the Arab region, and Latin America. These components include qualitative and quantitative analyses of trade and investment-related opportunities, training activities, preparatory and stakeholder consultations, Internet and information technology solutions, technical assistance, and buyers-sellers meetings. The programme has continued to respond to requests for support from regional and subregional organizations and groupings. This reflects the need felt in many developing countries and their regions that South-South linkages are a strategic response to the imperatives of globalization.

56. The programme carried out intra-regional trade flow analyses in ASEAN (Association of South-East Asian Nations), selected SAARC (South-Asian Association for Regional Cooperation) countries and China, ECO (Economic Cooperation Organization), and the CACM (Central American Common Market). Inter-regional analyses were carried out between Africa and the Arab region, CEMAC (Communauté économique et monétaire de l'Afrique Centrale) and UEMOA (Union économique et monétaire Ouest Africaine), SACU (Southern African Customs Union) and MERCOSUR (Mercado Común del Sur), and SACU and India. These analyses identify priority products for promotion based on export competitiveness and import demand, and estimate their export potential. Investment-related information is also provided.

57. Twenty-four supply and demand surveys – capturing the country-level dynamics of trade in a given sector and containing technical, commercial and enterprise data – were subcontracted to national focal points. These focal points were trained by the programme, thereby building capability for an important aspect of trade promotion in their countries. The sectors covered by the surveys were textiles and garments, agro-products and processed foods, and pharmaceuticals.

58. The programme continued conceptualizing and testing the use of Internet-based applications for disseminating trade and investment-related information. A cybercafé at the Fifth Afro-Arab Trade Fair (Tripoli, Lebanon, October 2001) was jointly organized by the Arab Bank for Economic Development in Africa (BADEA) and the programme.

59. Product selection-cum-training workshops were organized by the programme in Tehran (for the ECO region), Singapore (ASEAN, SAARC and China), and Guatemala (for SIECA – Central American Secretariat for Economic Integration). Representatives from trade support institutions (TSIs) and regional organizations attended these workshops. The English version of the training package on the South-South trade promotion methodology on CD-ROM was

launched during the Tehran workshop, and the Spanish version in Guatemala.

60. The programme continued to support the Africa-Asia Business Forum initiative of UNDP. At the Second Africa-Asia Business Forum (Durban, July 2001), the programme acted as business facilitator and assisted participants to complete transactions successfully and structure memoranda of understanding. At the Forum, participants signed 105 memoranda of understanding (MOUs), with a total value of approximately US\$ 75 million.

61. A buyers-sellers meeting on textiles and garments for enterprises from the ECO region was held in October 2001 in Istanbul. Seventy-five business participants representing 66 enterprises from Azerbaijan, the Islamic Republic of Iran, Kazakhstan, Kyrgyzstan, Turkey and Uzbekistan attended the meeting. During the meeting, 140 one-to-one appointments were scheduled. All participants reported that the meeting had met their expectations. Information on products and markets collected for the purpose of this event contributed significantly to making the regional trading environment more transparent.

62. The Pan-Asian buyers-sellers meeting on agro-products and processed foods took place in Singapore in November 2001. Fifty-six enterprises from 11 countries in the region, including LDCs, attended the meeting. There were 350 one-to-one meetings spread over two and a half days, paired and scheduled by the programme's MatchMaker software. Participants evaluated the meeting as very critical in their quest for establishing backward and forward linkages in the industry. They also highlighted the advantage of the meeting in accessing new markets and obtaining better prices for their products.

63. The programme has operationalized an inter-agency agreement with UNDP for an intervention in the ECO region. The agreement covers a period of two years and includes the organization of two buyers-sellers meetings by the programme in the region.

64. Proposals for intra-regional trade expansion initiatives in the Central Asian region, between Central Asia and China, and between CEMAC and UEMOA are under consideration for funding with multilateral institutions. The creation of a sustainable facility for business contact promotion between Africa and Asia is being pursued with the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) of UNDP.

65. While intra-regional trade expansion in Africa is supported by ITC under stand-alone projects, the South-South Trade Promotion Programme extends substantial technical and operational support to these activities. A new initiative based on South-South trade promotion methodology was successfully launched in 2001 to increase the share of African enterprises in the region's international aid procurement market.

66. The experience gained to date in implementing the programme confirms that it addresses real needs, and that the methodology applied is an effective one. The post-Doha era will put additional demands on the programme, as regional trading arrangements, and South-South linkages in general, are considered strategic facilitators towards global competitiveness.

It may be anticipated that a future phase of the programme will reflect increased support to subregional groupings in designing and implementing regional trade expansion strategies, and will further pioneer innovative approaches for enhancing business linkages between developing regions.

BUDGETARY SITUATION South-South trade promotion As at 31 December 2001 (US\$)							
	Expenditures against 1999 pledges (June 99 - May 00)	Expenditures against 2000 pledges (June 00 - May 01)	{ADVANCE \d 6}Total expenditures against 1999-2000 pledges	Estimated expenditures against 2001 pledges			GRAND TOTAL
				{ADVANCE \d 6}Expenditure s (June 01 - Dec. 01)	{ADVANCE \d 6}Planned expenditures (Jan. 02 - May 02)	{ADVANCE \d 6}Total (June 01 - May 02)	
Project personnel	528,386	545,666	1,074,052	218,893	364,585	583,478	1,657,530
Subcontracts	16,235	26,974	43,209	47,395	24,725	72,120	115,329
Group training	6,668	85,341	92,009	32,462	28,900	61,362	153,371
Equipment	13,230	9,686	22,916	4,578	8,400	12,978	35,894
Miscellaneous	14,759	15,104	29,863	23,012	18,253	41,265	71,128
<b>(A) Total</b>	<b>579,278</b>	<b>682,771</b>	<b>1,262,049</b>	<b>326,340</b>	<b>444,863</b>	<b>771,203</b>	<b>2,033,252 a/</b>
{ADVANCE \d 9} 1999-2001						1999-2000	2001
(B) Pledged			1,284,285			748,967	2,033,252
(C) Cash received	{ADVANCE \d 6}		1,284,285			748,967	2,033,252
(C-B) Surplus/(Shortfall) Cash against pledges			-	{ADVANCE \d 6}	{ADVANC E \d 6}	-	-
(B-A) Surplus/(Shortfall) Pledges against budget	{ADVANCE \d 6}		22,236			(22,236)	-

a/ Initial budget of \$2,700,000 has been reduced to \$2,033,252 based on the contributions received.





**Annex I**  
**GLOBAL TRUST FUND**  
**Pledges and resources available**  
**As at 31 December 2001**  
**(US\$)**

Donor	Pledges 1999-2005											Cash against 1999-2001 pledges						Cash to be received		
	GRAND TOTAL	Window I					Window II					GRAND TOTAL	Window I			Window II			W I 2002	W II 2002
		Total	1999-2000	2001	2002	2003-2005	Total	1999-2000	2001	2002	2003-2005		Total	1999-2000	2001	Total	1999-2000	2001		
CANADA	1,925,829	1,925,829	1,302,906	622,923	-	-	-	-	-	-	-	1,925,829	1,925,829	1,302,906	622,923	-	-	-	-	-
DENMARK	5,073,208	5,073,208	1,548,000	862,486	887,574	1,775,148	-	-	-	-	-	2,410,486	2,410,486	1,548,000	862,486	-	-	-	887,574	-
FINLAND	616,105	616,105	326,421	141,631	148,053	-	-	-	-	-	-	468,052	468,052	326,421	141,631	-	-	-	148,053	-
FRANCE	340,072	-	-	-	-	-	340,072	227,256	112,816	-	-	340,072	-	-	-	340,072	227,256	112,816	-	-
GERMANY	2,841,900	-	-	-	-	-	2,841,900	1,219,584	254,967	422,177	945,172	1,474,551	-	-	-	1,474,551	1,219,584	254,967	-	422,177
INDIA	150,000	-	-	-	-	-	150,000	100,000	50,000	-	-	150,000	-	-	-	150,000	100,000	50,000	-	-
IRELAND	50,000	50,000	-	50,000	-	-	-	-	-	-	-	50,000	50,000	-	50,000	-	-	-	-	-
ITALY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NORWAY	976,198	639,826	415,578	224,248	-	-	336,372	-	336,372	-	-	976,198	639,826	415,578	224,248	336,372	-	336,372	-	-
SWEDEN	2,231,749	1,298,852	907,836	391,016	-	-	932,897	545,559	387,338	-	-	2,231,749	1,298,852	907,836	391,016	932,897	545,559	387,338	-	-
SWITZERLAND	4,370,000	900,000	600,000	300,000	-	-	3,470,000	2,010,000	1,460,000	-	-	4,370,000	900,000	600,000	300,000	3,470,000	2,010,000	1,460,000	-	-
UNITED KINGDOM	730,346	-	-	-	-	-	730,346	467,633	262,713	-	-	730,346	-	-	-	730,346	467,633	262,713	-	-
ACCRUED INTERESTS	636,666	417,554	285,271	132,283	-	-	219,112	95,717	123,395	-	-	636,666	417,554	285,271	132,283	219,112	95,717	123,395	-	-
BALANCE BROUGHT FORWARD FROM FIRST PHASE OF W II PROGRAMMES	50,341	-	-	-	-	-	50,341	50,341	-	-	-	50,341	-	-	-	50,341	50,341	-	-	-
<b>TOTAL</b>	<b>19,992,414</b>	<b>10,921,374</b>	<b>5,386,012</b>	<b>2,724,587</b>	<b>1,035,627</b>	<b>1,775,148</b>	<b>9,071,040</b>	<b>4,716,090</b>	<b>2,987,601</b>	<b>422,177</b>	<b>945,172</b>	<b>15,814,290</b>	<b>8,110,599</b>	<b>5,386,012</b>	<b>2,724,587</b>	<b>7,703,691</b>	<b>4,716,090</b>	<b>2,987,601</b>	<b>1,035,627</b>	<b>422,177</b>

**Annex II**  
**GLOBAL TRUST FUND**  
**WINDOW II**  
**Pledges and allocations to individual programmes**  
**As at 31 December 2001**  
**(US\$)**

Programmes	Donors	Pledges						Cash received			Cash to be received		
		Total	1999	2000	2001	2002	2003	Total	Against 1999 pledges	Against 2000 pledges	Against 2001 pledges	2002	2003-2004
1. Business development and the WTO Agreements (World Trade Net) (INT/W2/05)	Germany	918,860	509,896	228,931	-	180,033		738,827	509,896	228,931	-	180,033	-
	Sweden	129,112	-	-	129,112			129,112	-	-	129,112	-	-
	Switzerland	810,000	280,000	250,000	280,000			810,000	280,000	250,000	280,000	-	-
	United Kingdom	730,346	87,888	379,745	262,713			730,346	87,888	379,745	262,713	-	-
	Accrued interest	84,716	-	33,554	51,162			84,716	-	33,554	51,162	-	-
	<b>Total</b>	<b>2,673,034</b>	<b>877,784</b>	<b>892,230</b>	<b>722,987</b>	<b>180,033</b>	<b>-</b>	<b>2,493,001</b>	<b>877,784</b>	<b>892,230</b>	<b>722,987</b>	<b>180,033</b>	<b>-</b>
2. Capacity building and networking for business information services (CAPNET/BIS) (INT/W2/06)	France	226,444	-	113,628	112,816	-		226,444	-	113,628	112,816	-	-
	Sweden	209,660	-	80,547	129,113	-		209,660	-	80,547	129,113	-	-
	Switzerland	930,000		350,000	580,000			930,000		350,000	580,000	-	-
	Accrued interest	42,848	-	17,831	25,017			42,848	-	17,831	25,017	-	-
	<b>Total</b>	<b>1,408,952</b>	<b>-</b>	<b>562,006</b>	<b>846,946</b>	<b>-</b>	<b>-</b>	<b>1,408,952</b>	<b>-</b>	<b>562,006</b>	<b>846,946</b>	<b>-</b>	<b>-</b>
3. Programme for competitiveness improvement of SMEs (ProCIP) (INT/W2/07)	France	113,628	113,628					113,628	113,628			-	-
	India	150,000	50,000	50,000	50,000			150,000	50,000	50,000	50,000	-	-
	Sweden	358,025	104,538	124,374	129,113			358,025	104,538	124,374	129,113	-	-
	Switzerland	880,000	330,000	250,000	300,000			880,000	330,000	250,000	300,000	-	-
	Accrued interest	48,306	-	26,904	21,402			48,306	-	26,904	21,402	-	-
	Balance brought forward	50,341	-	50,341				50,341	-	50,341	-	-	-
<b>Total</b>	<b>1,600,300</b>	<b>598,166</b>	<b>501,619</b>	<b>500,515</b>	<b>-</b>	<b>-</b>	<b>1,600,300</b>	<b>598,166</b>	<b>501,619</b>	<b>500,515</b>	<b>-</b>	<b>-</b>	
4. South-South trade promotion (INT/W2/04)	Germany	977,868	303,367	177,390	254,967	242,144		735,724	303,367	177,390	254,967	242,144	-
	Norway	168,186	-	-	168,186			168,186	-	-	168,186	-	-
	Switzerland	850,000	300,000	250,000	300,000			850,000	300,000	250,000	300,000	-	-
	Sweden	236,100	138,010	98,090	-			236,100	138,010	98,090	-	-	-
	Accrued interest	43,242	-	17,428	25,814			43,242	-	17,428	25,814	-	-
	<b>Total</b>	<b>2,275,396</b>	<b>741,377</b>	<b>542,908</b>	<b>748,967</b>	<b>242,144</b>	<b>-</b>	<b>2,033,252</b>	<b>741,377</b>	<b>542,908</b>	<b>748,967</b>	<b>242,144</b>	<b>-</b>
5. E-trade bridge for SMEs	Germany	945,172	-	-	-		945,172	-	-	-	-	-	945,172
	Norway	168,186	-	-	168,186			168,186	-	-	168,186	-	-
	<b>Total</b>	<b>1,113,358</b>	<b>-</b>	<b>-</b>	<b>168,186</b>	<b>-</b>	<b>945,172</b>	<b>168,186</b>	<b>-</b>	<b>-</b>	<b>168,186</b>	<b>-</b>	<b>945,172</b>
<b>GRAND TOTAL</b>	<b>9,071,040</b>	<b>2,217,327</b>	<b>2,498,763</b>	<b>2,987,601</b>	<b>422,177</b>	<b>945,172</b>	<b>7,703,691</b>	<b>2,217,327</b>	<b>2,498,763</b>	<b>2,987,601</b>	<b>422,177</b>	<b>945,172</b>	

