

1st Meeting of the Consultative Committee of the ITC Trust Fund

The First meeting of the Consultative Committee of the Global Trust Fund took place on 28 May 2010 at 3.00 p.m. The Committee adopted the following agenda:

Agenda item 1: Welcome and presentation of the 2009 ITC Annual Report

Agenda item 2: Update on 2010

Agenda item 3: Short report to the Consultative Committee on the outcome of the informal working group on “soft-earmarking”

Agenda item 4: ITC presentation to the Committee on Programme Coordination, UN New York

Agenda item 5: Any other business

Agenda item 1: Welcome and presentation of the 2009 ITC Annual Report

The meeting was opened by the Executive Director, Ms.P. Francis.

The Executive Director (ED) briefly introduced the major events that ITC will organise this year:

- World Export Development Forum (WEDF) in Chongqing, China, September 9th-12th
- World Conference of Trade Promotion Organizations (WTPO) on 13th-15th October
- JAG meeting on 16-17 December.

The ED presented the 2009 Annual Report which the Committee had received with the documentation for the meeting. She recalled that ITC’s main focus is poverty reduction and with the recent financial crisis and its widespread impact, ITC needs to be even more focused. She noted that significant progress in Aid for Trade (AfT) had been made during 2009; ITC had increased private sector involvement and worked on strengthening partnerships with WTO and UNCTAD. Concerning the Client Survey, even though the results are not as high as they ought to be, they show a steady improvement in relation to the results of the first survey. The survey provides feedback to ITC sections on aspects that need to be improved. The ED further explained that a small unit, the Large Programme Management Team, which focuses on large programs, had been set up. It had been noted that scaling up projects creates a bigger impact in the beneficiary countries. Likewise, a better alignment of programs, such as mainstreaming the MDGs in development agendas, had proven to give better results. As an example, she mentioned the case of the Uganda National Export Strategy (NES) where ITC successfully managed to mainstreaming gender into the NES. The Market Analysis Tools and the five online web portals that ITC offers free of charge to the developing countries thanks to contributions from the ITC Global Trust Fund and the World Bank, have received good feedback. Currently, ITC has approximately 80.000 subscribers to its Trade Map.

ITC has completed its change management process and is continuing on the road of business re-engineering. The focus for 2010 is on consolidation and delivery and ITC is increasingly concentrating on quality rather than quantity.

Committee members had several comments and questions concerning the reporting in the Annual Report:

Export-led Poverty Reduction Programme (EPRP): The representative of Canada commented that he was unable to find any information on the Export-led Poverty Reduction Programme in the Annual Report.

Mr. Willem Van der Geest, Acting Director, Division of Market Development, responded noting that information on EPRP could be found on pages 51 to 53.

Millennium Development Goals: The representative of Germany mentioned that the MDGs are a priority to his government and asked ITC to be more coherent and specific concerning the reporting

on the MDGs as he felt that the language used concerning the MDGs differed greatly from one chapter to another in the report.

Prioritization: The representative of Denmark asked for further prioritization; the current focus on LDCs, LLDCs and SIDS is too broad.

In response, the ED said that ITC was reviewing this issue.

Results based management: Several members congratulated ITC on improvements made in RBM but still felt a need for further improvement and asked for better linkages between inputs-activities-outputs and results. Norway requested inclusion of information on lessons learned in the Annual Report .

The ED said that good note was taken of member's comments.

Implementation of DTIS: The representative of Nepal thanked ITC for its current work on updating the country's DTIS but mentioned that the DTIS would only be useful when implemented and requested ITC to take the lead and co-ordinate this work. He mentioned that it is a package of activities, not single activities, that will make an impact on poverty reduction.

The ED confirmed that ITC understands the need for implementation of the DTIS and will support Nepal wherever possible given the level of potential resources.

Agenda item 2: Update on 2010

Mr. Anders Aeroe, the Acting Deputy Executive Director, explained that for the second year, ITC had produced an Operational Plan, copies of which were available in the room, and which had been shared with ITC staff earlier the same week. The Plan was embedded in the four year Strategic Plan of ITC and sets the priorities for the work of all ITC staff and management for the year 2010 with a focus on embedding RBM culture and practices within ITC. Mr. Aeroe presented the different sections of the document and its Annexes.

Questions from the Committee:

Follow-up: The representative of Iran asked what kind of mechanisms for follow-up are used by ITC. He specifically requested this information in relation to the project mentioned on page 87 concerning Iran.

The ED responded that Ms. Pouye could give more detailed information after the meeting concerning the project in Iran mentioned on page 86. She explained that Aid for Trade has allowed a focus on priorities in different parts of the world. In middle-income countries, ITC is evaluating areas in which to work on a regional level in order to create impact. The idea is to consolidate resources to create impact on a regional level and look for themes in a cross-cutting way. ITC is additionally working with some middle-income countries where the countries pay for ITC's services, for example China, Brazil and Mexico have all paid for tailored services. Mr. Aeroe continued by mentioning that ITC's service offering reaches and serves also middle-income countries, The Global Public Goods that ITC offers online including a range of web portals, have been very popular among middle-income countries which are the biggest users of these services.

Financing of projects outside of LDCs: The representative of Iran also asked for information on the source of financing for projects in non-LDC countries

Link between the Operational Plan and the Consolidated Programme Document: The representative of Denmark suggested that project identification numbers could be used in both reports to facilitate the identification of projects.

Strategic framework indicators and targets: The representatives of Denmark and Switzerland queried the figures provided under the strategic framework results and asked for a clarification related to the delivery target.

Concerning the question on increased spending, Mr. Aeroe explained that the intention had been to have a realistic expenditure target of US\$ 40 million for 2010 based on ITC's track record on delivery (US\$34.6 million in 2009).

Soft-earmarking; The representative of Canada noted that he could not find projects that responded to the three soft earmarked areas of Canada's contribution to ITC (gender and trade, regional programming, and results based management) in the Operational Plan.

Mr. Aeroe explained that several donors have aligned priorities and earmarking, therefore several donors can contribute to the same project. Mr. Aeroe offered to provide additional information on how soft earmarked funds from the bi-lateral donors had been allocated to programme areas, respecting the individual donor's soft earmarking.

MDGs: The representative of Germany requested more information on what is meant by mainstreaming MDGs. He also asked about the MDG 7 on Environmental Sustainability and asked if the comments in the Annual Report on pages 54-55 were referring to the ITC programme Trade, Climate Change and Environment Programme, and if so, why it wasn't clearly mentioned.

Mr Aeroe explained that the MDG themes are embedded in everything ITC does, wherever relevant. The National Export Strategy of Uganda is a good example of where ITC has mainstreamed the MDG's into something concrete, the MDG 3 on gender was incorporated into the NES of Uganda. Mr. Aeroe further explained that the MDGs are embedded and mainstreamed in other projects and are not separate projects per se.

Latin Pharma: The representative from Chile asked why the Latin Pharma project was not referred to in the Operational Plan.

The ED said that ITC did intend to organise a Latin Pharma event.

Agenda item 3: Short report to the Consultative Committee on the outcome of the informal working group on soft-earmarking

Mr. Darius Kurek, representative of Switzerland, gave a brief update on the status of the informal working group consisting of donors on soft earmarking. He said the donors had met several times to discuss soft-earmarking and un-earmarked funds. ITC management had sent the working group a proposal which had not been completely endorsed by donors and Mr. Kurek concluded by saying that work remained to be done.

Agenda item 4: ITC presentation to the Committee on Programme Coordination, UN New York

Mr. Aeroe noted that ITC would present the Strategic Framework for the years 2012-2013 to the UN Committee on Programme Coordination, UN, New York on 7 and 13 June and he asked members for their support and requested that they alert their representatives in NY to support ITC during the CPC meeting.

Agenda item 5: Any other business

The ED said the invitations for the WEDF were going out shortly and thanked China for hosting this event. She invited Consultative Committee members to propose speakers for the event; especially SMEs that have managed to overcome the financial crisis. The event will share information on how countries have managed to adapt to the financial crisis and provide for best experiences and learnings. With regards to the WTPO that will be organized in Mexico City in October, Ms. Francis said that the financial crisis had made it increasingly important to measure performance. The WTPO will allow for good networking opportunities and an award will be handed out both for LDCs and developing countries. She reminded that the dates for the JAG were 16-17 December.

The representative of Switzerland asked if the JAG would be held earlier during 2010. The ED answered that the JAG would be held in December as during the previous years but that ITC was exploring the possibility of changing the timing of the meeting in coming years.

The ED finished the meeting by telling that due to the recent exchange rate fluctuations, ITC had lost approximately 1 million USD in extrabudgetary contributions.