



International
Trade
Centre

ITC Contribution to the Doha Programme of Action for Least Developed Countries

Intervention Plan



TRADE IMPACT FOR GOOD



The Doha Programme of Action (DPoA) 2022-2031 calls for urgent and extraordinary measures to address the persisting obstacles hamstringing the world's least developed countries (LDCs). Trade and regional integration have been prioritised as one of the six pillars of the DPoA. Yet exports from LDCs are 14 times smaller than would be expected by their world population share. What is exported is undiversified and concentrated in raw and low value-added goods. This must change if the DPoA is to succeed.

This Intervention Plan structures ITC's strategic contributions to this goal based on ITC's Strategic Plan 2022-2025. It draws from ITC's proven experience and expertise in supporting the competitiveness of micro, small and medium-sized enterprises to package together interventions that can drive the structural transformation, trade diversification and trade integration of LDCs.

ITC's Intervention Plan is built on an analytical framework that acknowledges the trade obstacles, catalytic levers and policy anchors confronting the least developed countries. It comprises Five Strategic Intervention Areas:

- **Competitiveness** – improving MSMEs capacities in productivity, value addition, and export-quality offerings, including through value chain development.
- **Connectivity** – linking MSMEs to market opportunities through digital tools, e-commerce and overcoming barriers of economic and geographic remoteness.
- **Ecosystem building** – building business environments by strengthening business support organisations and supporting policy development.
- **Green innovation** – leveraging green solutions and promoting green technology to support MSMEs in adapting to environmental challenges and market opportunities.
- **Comprehensive inclusion** – promoting trade opportunities for women, youth, people with disabilities, and refugees, as well as among small businesses in the informal sector and in rural areas.

Scaling-up and expanding ITC support in these areas will contribute to the ultimate goal of building a pathway to graduation from the LDC category and to assistance through that process towards full integration into global markets.

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Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars, and all references to tons are to metric tons.

AfCFTA	African Continental Free Trade Area
ASEAN	Association of Southeast Asian Nations
DPoA	Doha Programme of Action
GDP	Gross Domestic Product
ITC	International Trade Centre
LDC	Least Developed Country
LTE	Long-Term Evolution
MSME	Micro, small and medium-sized enterprise
RCEP	Regional Comprehensive Economic Partnership
UNCTAD	United Nations Conference on Trade and Development
WiMAX	Worldwide Interoperability for Microwave Access
WTO	World Trade Organization

Foreword



It's time to restore broken promises to the most vulnerable: least developed countries.

For the last decade, least developed countries made up about 1% of global trade, despite the target to double their share of global exports by 2020 (UNCTAD).

We as the global community have to do better, faster. We're now beyond the halfway mark to achieving the Sustainable Development Goals, with seven years left until 2030.

It's not enough to set goals and targets; we need specific, measurable and timebound plans of action, based on frameworks that take into account the evolving challenges and emerging opportunities facing least developed countries, at a time when the world is quickly changing.

Emerging from a pandemic, and dealing with the impact of conflict, climate change and cost-of-living increases, we know all too well that these crises hit the 46 least developed countries the hardest. Women, youth and people in vulnerable communities face particular challenges.

So we have to act now.

The good news: Trade is a concrete tool to tackle the root causes of obstacles holding least developed countries back. Investing in the "silent majority" – small businesses, which make up 90% of all firms across the world – can drive truly transformational change.

That's why we have developed this intervention plan, in line with the trade and regional integration pillar of the Doha Programme of Action 2022-2031. Drawing on ITC's 60 years of experience and expertise in the field, this plan outlines key intervention areas to help small businesses become more competitive and connected to markets. Priority areas include the strengthening of regional value chains, use of digital tools, building of a business-friendly ecosystem and acceleration of the low-carbon transition for new business opportunities for all, including women, young people, refugees and people with disabilities.

To deliver these kinds of results for least developed countries, to make good on the promises we made, we need to work together. It will require strong partnerships among leaders in government, institutions, business and international organizations. We need coordinated action and targeted support, and this intervention plan is a response to that.

I hope you will respond to this call for action, to urgently support least developed countries, and join us in building a stronger, more resilient and inclusive future.

A handwritten signature in black ink, appearing to read 'P. Coke-Hamilton'.

Pamela Coke-Hamilton
Executive Director, International Trade Centre

Overview

The world's 46 least developed countries (LDCs) are confronted by a distinct set of development challenges, requiring of unique, targeted and substantial assistance. LDCs continue to face structural trade constraints, including narrow export bases, isolation and remoteness from major markets, and commodity dependencies. Half of the LDCs are either landlocked or small island economies, and confront the hard edge of emerging challenges, particularly climate change and environmental disasters, and a widening digital divide.

Within LDCs, marginalized and vulnerable groups encounter even starker realities. Particular economic fragilities are faced by women and girls, youth, persons with disabilities, refugees, displaced persons and those in rural areas and the informal sector. The rate of extreme in-work poverty among women and youth in LDCs is a startling 40% and 41%, respectively (ILO, 2023a).¹ LDCs host around 53% of the world's internally displaced people and 27% of the world's displaced people abroad (UNHCR, 2021). The incidence of rural underemployment is three times higher in LDCs than in even lower-middle income countries (ILO, 2020). And approximately 89% of workers in LDCs are in only informal employment (ILO, 2023b). These unconscionable features of hindered development demand urgent and extraordinary responses.

Small businesses must be at the beating heart of LDC development. Most fundamentally, this is because small businesses are simply so prevalent, accounting for about 95% of employment in LDCs (ILO, 2019). Such enterprises face considerable competitiveness challenges. Despite ongoing, and rapid, digitalization elsewhere in the world, still only 36% of individuals report to be using the Internet in LDCs (ITU, 2023). They also face acute challenges in adjusting to climate change. Of the 1,369 companies interviewed for ITC's 2021 SME Competitiveness Surveys in sub-Saharan Africa (covering a large share of LDCs), 68% said that environmental risks were significant for their businesses (ITC, 2021a).

It is in this context that the new Doha Programme of Action 2022-2031 (DPoA) calls for greater action and extraordinary measures to address the challenges confronting LDC development and to ensure that no one is left behind. The ITC LDC Intervention Plan aligns ITC's strengths to the new DPoA. It specifically responds to the calls to:

... promot[e] micro-, small-, and medium-sized enterprises, including those run and owned by women entrepreneurs, by [...] supporting them to enter into national, regional and global value chains, and supporting them for digitalization and tapping the potential of e-commerce for enhanced competitiveness in the global digital economy. [DPoA, paragraph 129]

As well as the call to:

... promote increased market opportunities [...] for micro, small and medium sized enterprises and entrepreneurs from LDCs in order to create sustainable growth and decent jobs, particularly for women and youth through their beneficial integration in national, regional and global value chains. Structural transformation of LDCs [through] a conducive business ecosystem and business-friendly policies, regulatory frameworks and export strategies to facilitate to facilitate MSMEs access to markets. [DPoA, paragraph 130]

This document articulates the response of ITC to this appeal. It comprises a Vision and Mission, Five Strategic Intervention Areas, Impact Enablers, and a Results Framework. These are framed on the basis of an analysis across four analytic components: the current landscape of LDC trade, trade obstacles, levers to be utilized, and anchors on which to pin specific interventions.

The ultimate goal of the ITC LDC Intervention Plan is to lay the ground of the pathway for LDCs to graduate from the LDC category, and to assist them through that process towards full integration into global markets. It is designed on the basis of an evidenced and data-driven approach benefitting from, and informed by, ITC's rich 60-year history of support to MSME competitiveness and trade development. It derives from ITC's Strategic Plan of 2022-2025 on achieving inclusion, sustainability and prosperity while linking directly to supporting LDCs within regional integration initiatives such as the African Continental Free Trade Area.

¹ ie. the share of employed women living in extreme poverty

Intervention plan vision and mission

The Vision articulates the desired destination resulting from initiatives and support offered by ITC to LDC countries; the Mission defines how ITC will get there.

Vision: ***Sustainable development driven by transforming, diversifying and integrating trade***

This vision applies ITC's competencies and expertise to the following DPoA Key Focus Areas of Action:

- I. Supporting structural transformation as a driver of prosperity
- II. Enhancing international trade of least developed countries and regional integration
- III. Addressing climate change, environmental degradation, recovery from the COVID-19 pandemic and building resilience against future shocks for risk-informed sustainable development

It specifically reflects the DPoA commitment for LDCs "to increase diversification and accelerate their structural economic transformation and sustainable development", within the overarching UN Sustainable Development Goal to "leave no one behind". The vision seems ITC contributing to the pathway for these countries to graduate from the LDC category and to assist them through that process towards full integration into global markets. The timescale of the vision is aligned with the DPoA timeline from 2022 to 2031.

Mission: ***Catalysing the trade competitiveness of micro, small and medium-sized enterprises in LDCs through the provision of impactful, innovative, inclusive and sustainable trade interventions***

MSMEs centric – MSMEs are recognized as central to employment and income generation in all countries, irrespective of their level of development yet, owing to their considerable prevalence in LDCs, MSMEs form a particularly catalytic lever for reshaping the trade of LDC countries. ITC therefore see a distinct role for small businesses to play in sustainable structural transformation, diversification and trade integration as the LDC countries recover, and build resilience, from the Covid-19 crisis.

DPoA oriented – ITC's institutional mission involves offering trade-related technical assistance interventions that build the trade competitiveness of MSMEs within LDCs. This utilizes ITC's peer reviewed and empirically validated MSME competitiveness framework to contribute to the DPoA commitment to "support LDCs to strengthen their productive capacity, export competitiveness, access to trade finance, skills transfer and connectivity, market access, trade facilitation and technology transfer".

Drawing on ITC strengths – ITC brings a rich, 60-year depth of proven expertise in contributing to the competitiveness and connectivity of MSMEs. As a relatively small and nimble institution within the United Nations family, one competitive strength of ITC is in having the agility and flexibility to be innovative in assistance offerings within a transforming trade and development landscape. This includes responses to the emergence of new aspects of trade development, including digital innovation and technological change, evolving efforts to address climate change, a resilient recovery from Covid-19, and ensuring inclusive and sustainable growth.

Driven by ITC's overarching development objectives – prosperity, inclusiveness, and sustainability. These align with the United Nations Sustainable Development Goals, and particularly goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reducing Inequalities), 12 (Responsible Consumption and Production), 13 (Climate Change), and 17 (Partnerships for the Goals).

Five strategic intervention areas

The five Strategic Intervention Areas – Competitiveness, Connectivity, Ecosystem building, Green Innovation, and Comprehensive inclusion – structure ITC’s technical expertise to the demands of the DPoA.² These are premised on the Analytical Framework outlined in the second half of this document on the obstacles, catalytic levers and anchors concerning trade development in LDCs.

COMPETITIVENESS

Improving MSMEs capacities in productivity, value addition, and export-quality offerings, including through value chain development.

Why – Improving the competitiveness of MSMEs in LDCs creates a viable economic basis for diversifying and developing trade away from overconcentration, which in many cases concern a small number of large firms in traditional export sectors. Yet MSMEs find it difficult to provide differentiated, value-added offerings that are attractive to international markets. With support, MSMEs can be utilized as a tool for driving structural transformation, diversification, and trade integration.

What – Support to firms in LDCs to overcome business or trade bottlenecks, such as through improving management practices, developing market information systems, logistics improvements, identifying and securing business networks, and realizing market and value addition opportunities, while ensuring environmental sustainability.

How – Emphasis is given to sectors that diversify the export portfolio of the targeted LDC economies, drawing from latent market potential identified through ITC data-driven intelligence as well as the development of pre-existing value chains. This can include new opportunities that emerge as a result of WTO accession, preferential market access arrangements, regional trade integration regimes, or adjusting to the erosion of trade preferences, such as through LDC graduation. It also includes increased support to important, but historically under-looked, sectors such as sustainable tourism.

Obstacles and levers – Special attention is accorded to interventions that support businesses in the informal sector to boost capacities and, where appropriate, on-ramp into formal trade. Here, care is taken to reasonably account for the absorptive capacities of firms which can be limited in many LDCs, including through offerings designed to foster capacity development incrementally over the longer-term through repeated interactions and sustained support.

Specific ITC initiatives relevant to this Strategic Intervention Area include:

- *Value Added to Trade (VA2T)* – focusing on the value that can be created and retained within a country on goods or services at each stage in the supply chain
- *SME Academy* – MSME oriented distance learning covering trade-related topics
- *Alliances for Action (A4A) programme* – promoting inclusive and sustainable agricultural value chains with a model that works holistically to increase the competitiveness of producers and MSMEs and their compliance with environmental, economic and social requirements
- *Global Textile and Clothing Programme (GTEX)* – supporting the textile and clothing value chain at the enterprise and institutional levels

² ITC’s core service areas in the ITC Strategic Plan 2022-2025 as i) improved MSME firm-level capacities to trade, ii) a more supportive business ecosystem for MSMEs, iii) a more conducive policy and regulatory environment for MSMEs, and iv) improved business, trade and market intelligence (public goods).

- *Tourism initiatives* – developing innovative and sustainable tourism products for international and regional tourism markets
- *Access to Finance programme* – assisting MSMEs by enhancing access to affordable credit, building financial management skills and encouraging the development of financial instruments and mechanisms tailored to MSMEs

CONNECTIVITY

Linking MSMEs to market opportunities through digital tools, e-commerce and overcoming barriers of economic and geographic remoteness.

Why – The DPoA commits to “support MSMEs to enter into national, regional and global value chains by taking steps to close digital divides through financial support and access to appropriate digital tools and platforms connecting markets” and to “provide assistance to landlocked and small island least developed countries aimed at addressing the challenges in their remoteness from international markets and lack of infrastructure.” ITC is a recognized voice, source of data, and thought leader in supporting MSMEs to link into international markets through tapping the potential of e-commerce, as well as traditional methods such as establishing relationships with buyers and lead firms, and so is well-placed to cater to this commitment.

What – ITC support here occurs at three levels: that of the firm, ecosystem, and policy. At the firm level initiatives help MSMEs to acquire key capabilities that are often not readily accessible, affordable or understood by smaller enterprises in LDCs, including digital technical skills and business marketing skills to connect with international markets. At the ecosystem level, ITC will work with business support organisations to provide supportive services and advocate for improved and more affordable connectivity on behalf of their members. At the policy level, ITC has a role to play in consolidating, articulating, understanding and amplifying the priorities of MSMEs within regional integration and broader trade initiatives.

How – First, with improved intelligence on connectivity challenges, including non-tariff barrier surveys and country diagnostics to ascertain bottlenecks. Second, through initiatives to support MSMEs in advocating for and complying with border formalities, assistance in transposing the Trade Facilitation Agreement disciplines into national laws, improvements to transparency and predictability over trade requirements, the simplification and digitalization of administration requirements, and improved coordination policies and regulations across regional integration initiatives.

Obstacles and levers – In boosting MSME connectivity in LDCs, caution is given to ensure that interventions that contribute to digital transformations are inclusive given the considerable unevenness of prevailing Internet use. While the demographic youthfulness of LDC countries provides an ample springboard for digital adoption, women and especially rural groups require a people-centric approach to connectivity³ so as not to be further left behind in adopting digital technologies. ITC takes a whole-of-ecosystem approach to engage such groups in e-commerce, leveraging its partnerships with key stakeholders in the value chain including those from the private sector.

Specific ITC initiatives relevant to this Strategic Intervention Area include:

- *E-Solutions Programme* – modules that address barriers to e-commerce consisting of technologies, trainings and assistance
- *eComConnect* – nurturing the world’s largest community of e-commerce entrepreneurs through trainings, advisory and research services, partnerships, customized software solutions, and promotional events

³ See <https://webfoundation.org/2021/04/leave-no-one-behind-a-people-centered-approach-to-achieve-meaningful-connectivity/>

- *e-Strategies* – information communication technology services and augmenting traditional sector strategies using an e-commerce survey that allows stakeholders to assess the sector’s readiness for e-commerce
- *Digital Entrepreneurship* – supporting digital entrepreneurs and tech startups to go international with training, advisory and coaching
- *Access to Market programme (AtM)* – elevating businesses by integrating marketing, branding and sales expertise and solutions
- *Trade Facilitation Programme* – building export capacity, reducing direct and indirect transaction costs and deepening regional integration through trade facilitation measures

ECOSYSTEM BUILDING

Building business environments by strengthening business support organisations and supporting policy development.

Why – MSMEs are relatively more dependent upon conducive ecosystems to support their trade. Yet such support systems are more frequently under-resourced and over-stretched in LDCs. The DPoA calls for “creating efficient national support mechanisms for MSMEs, improving supply chains, facilitating access to markets, reinforcing cooperation and building capacities to implement effective competition policies” and commits to support “the formulation of national strategies aimed at increasing decent employment, diversification, economic transformation, value addition, efficiency, and competitiveness”. With considerable experience in strengthening trade and investment support institutions, strong existing networks on the ground in these areas, and history of contributing to policy development, ITC has an important role to play in meeting this aspiration.

What – In the LDC context of weaker institutional capacities, effective ecosystem building requires fostering longer-term institutional capacity development while avoiding premature overloading. This requires sustained support to build the effectiveness of critical institutions, from trade and investment promotion organisations to sector associations, social enterprises, women business associations, business incubators, tech hubs, vocational training institutions, cooperatives, and others.

How – Support to government institutions and other stakeholders to make policy and regulatory frameworks more conducive for business development, trade and investment. Interventions will take place both at the horizontal level (measures to improve operational conditions and capabilities across several sectors) and vertical level (policies focused on specific industries), and ensure coherence within common objectives between policy areas such as trade, digital, investment, green growth, quality standards, services and competition..

Obstacles and levers – Interventions will take advantage of opportunities through regional integration initiatives, preferential market access regimes, existing value chains, and adjustments required by either accession to the WTO or graduation from WTO LDC status. That includes facilitating market access for products from LDCs, enhancing the utilization of preferential market access regimes, improving the use of the WTO LDC services waiver, and addressing agricultural and cotton trade restrictions and distortions.

Specific ITC initiatives relevant to this Strategic Intervention Area include:

- *Trade Support Institutions* – working to improve trade support organisations, assist in delivering services to exporters, raising the voice of businesses in policy making, and connecting trade support institutions for the sharing of good practices and trends
- *Assess Improve Measure (AIM) for Results programme* – assessing the organisational effectiveness of business support organisations to help improve managerial, operational and service delivery performance

- *Certification in small business internationalization* – offering business support organisations capacity-building programmes to strengthen technical capabilities to support MSMEs
- *Business for Trade Policy Programme* – aims to ensure that when governments are developing trade policies, they hear from and incorporate private sector perspectives.

GREEN INNOVATION

Leveraging green solutions and promoting green technology to support MSMEs in adapting to environmental challenges and market opportunities.

Why – While all countries face the challenges of climate change and environmental sustainability, LDCs are both more sensitive to their impacts and less able to resource adaptations. Micro, small and medium-sized enterprises in LDCs increasingly face these risks, with women, youth and poor communities particularly affected. This relates to Focus Area for Action V of the DPoA on addressing climate change, and helps to build the resiliency of LDCs to climate shocks. ITC is well positioned for this, with more than a decade of proven experience in supporting environmentally friendly trade.

What – ITC will support MSMEs in LDCs to leverage trade to seize the opportunities of the green economic transition. This involves capacity building on environmentally friendly business practices and access to green finance, support to innovative entrepreneurs to build and grow their solutions to environmental challenges, and working with market partners to connect MSMEs to international green business buyer and investor opportunities.

How – Direct firm-level interventions are complemented by supporting policy making at the domestic, regional and multilateral levels to transform trade and investment. Priorities include aligning climate and trade strategies, encouraging green technology transfer, integrating climate finance with Aid for Trade, and engaging in the development of climate-related trade policies in partner markets.

Obstacles and levers – Special attention is required on adapting to environmental challenges and market opportunities for agriculture, agribusiness, tourism, and related sectors. These comprise an important share of the economies of many LDCs, but face acute climate-related vulnerabilities.

Specific ITC initiatives relevant to this Strategic Intervention Area include:

- *Green2Compete (G2C)* – supporting MSMEs to be more competitive through green production methods and trade
- *Trade for Sustainable Development (T4SD)* – supporting MSMEs in understanding and adhering to voluntary sustainability standards and related market opportunities

COMPREHENSIVE INCLUSION

Promoting trade opportunities for women, youth, people with disabilities, and refugees, as well as among small businesses in the informal sector and in rural areas.

Why – The DPoA calls for “special attention to the poorest and most vulnerable, including women and girls, youth and children, older persons and persons with disabilities as well as those affected by violence and conflicts” to ensure that no one is left behind. ITC already has established service offers that can be built upon for promoting trade opportunities among women, youth, people with disabilities and refugees.

What – The nature of LDC demographics necessitates attention to MSMEs operating in rural areas (which account for around 60% of employment) and the informal sector (home to 85% of employment). While these groups face distinct disadvantages that inhibit their integration into trade, they also intersect with the prevalence of marginalized groups: in LDCs, women and youth are more likely to be in the informal sector while the incidence of poverty is greater in rural areas. Accounting for such intersectionalities can result in better targeted support, scalability and realized impact.

How – ITC will contribute to inclusion through two channels: specific initiatives that target selected vulnerable groups as well as systematically mainstreaming issues and concerns of such groups within other ITC projects and programmes. This can include incorporating the interests of these groups, and their civil society representatives, through inclusive processes in project design and implementation.

Obstacles and levers – Improving the livelihoods of disadvantaged or marginalized groups will further lead to achieving socio-economic stability, which is crucial for conflict-prone LDCs to build resilient society against the backdrop of the humanitarian-development-peace nexus.

Specific ITC initiatives relevant to this Strategic Intervention Area include:

- *Women and Trade Programme* – working with buyers and governments to increase the procurement of goods and services from women entrepreneurs
- *SheTrades* – bringing together all of ITC's service offerings and competencies from a gender perspective to address gender-specific barriers to market access, upgrade women-led businesses, and work to improve the ecosystems for women's entrepreneurship
- *Youth and Trade initiative* – emphasizing entrepreneurship and employability to position young people as a competitive force for the future
- *Ethical Fashion programme* - connecting marginalised artisans, and particularly those that are women, to international fashion houses
- *Refugee Employment and Skills initiative* - trade-led and market-based solutions to create jobs and generate income for refugees and their host community

Impact enablers

If the Strategic Intervention Areas are the what, the impact enablers are the how. These five principles guide the form of ITC support in each of the Strategic Intervention Areas.

Impact orientation

A focus on results is not enough. ITC goes further to track the impact of its interventions, draw lessons and disseminate success stories with a people-centered approach. Impact occurs when results create sustainable change. It is boosted when visibility over success crowds in further resources to appropriately scale up support.

Coordination

Ensuring one integrated ITC approach allows ITC to function with greater efficiency, and reduce overlap and duplication, in meeting its goals. This includes leveraging intelligence, networks, expertise and ideas across different units and projects. It is founded on internal knowledge and best practice sharing, communication, and internally integrated project design, but also engagement with external stakeholders, such as business support organisations, governments, and partner organisations, including the United Nations Resident Coordinators.

Partnerships

Partnerships allow ITC initiatives to scale further by addressing knowledge or expertise gaps while lending ITC strengths to partners. Partnerships occur with public and private entities, within the United Nations system, and with other development organisations. Partnerships are necessary, but require communication networks that inherently entail complexity, planning and resources. Care is taken such that meaningful and impactful partnerships are nurtured and prioritized.

Sustainability

Sustainable interventions are those based on the involvement of stakeholders from the design stage of actions and alignment with pre-identified national and regional country development plans, strategies and frameworks. Business advocacy is central to ensuring that the perspectives of particularly smaller businesses are incorporated into policy developments, for instance through support to the functioning of institutional mechanisms like national trade committees. Sustainability in the context of the least developed countries also requires patience, with support sustained over sufficiently reasonable and often multi-year timescales for transformative changes to be possible.

Intelligence

Diagnosis precedes prescription. Better interventions are those founded on rigorous, evidenced and data-driven analysis and informed by end of intervention cycle evaluations, drawing on the range of ITC assessment tools. ITC has a rich breadth of well-recognized intelligence supporting data products, analytical tools and specialized expertise that can be leveraged to contribute to improved intervention design and implementation. These resources include survey data on non-tariff measures, the SME Competitiveness Survey, as well as analytical tools such as Trade Map, Market Access Map, Investment Map, Export Potential Map, Sustainability Map, Procurement Map and Trade Competitiveness Map, and emerging specific initiatives such as the Africa Trade Observatory.

Results framework

The ITC LDC Intervention Plan aims to contribute to the following Key Focus Areas of the DPoA:

- I. Supporting structural transformation as a driver of prosperity
- II. Enhancing international trade of least developed countries and regional integration
- III. Addressing climate change, environmental degradation, recovering from COVID-19 pandemic, and building resilience against future shocks for risk-informed sustainable development

The realization of these targets is envisaged through the following results framework of connected intermediate outcomes, intervention areas, outcome and impact.

IMPACT	OUTCOME	INTERVENTION AREAS	INTERMEDIATE OUTCOMES
Poverty reduction through structural transformation, diversification, and trade integration in LDCs	Trade competitiveness of micro, small and medium-sized enterprises in LDCs	Competitiveness	Productive capacities developed
			MSME integration into strategic value chains
		Connectivity	E-commerce marketplace development
			Trade facilitation improved
		Ecosystem building	Strengthened business support organisations
			Improved MSME trade policy environment
		Green innovation	Adaptation to environmental challenges
			Environmental market opportunities seized
		Comprehensive inclusion	Vulnerable group specific initiatives developed
			Vulnerable group trade issues mainstreamed

Intervention plan analytical framework

By considering the prevailing landscape of trade, accounting for the most pervasive obstacles, targeting catalytic levers and anchoring on trade-relevant contexts, ITC maximizes its contribution to MSME-driven structural transformation, diversification, and trade integration in LDCs. These elements frame the strategic context in which ITC offerings must operate to support MSMEs in LDCs with trade, which are summarized in Figure 1. Schematic of Analytical Framework Figure 1 below and elaborated in the followed section.

Figure 1. Schematic of Analytical Framework – LDC trade lanscape, obstacles, levers and anchors

LANDSCAPE	OBSTACLES	LEVERS	ANCHORS
Trade under-representation	Climate crisis and environmental degradation	Small businesses	Trade integration initiatives
Trade concentration	Uneven connectivity	Informal sector	WTO accession and LDC graduation
Untapped export potential	Lack of access to finance and investment	Regional integration	Economic geography
Underutilized preferences	Institutional and capacity constraints	Services exports	
		Youth	

Landscape

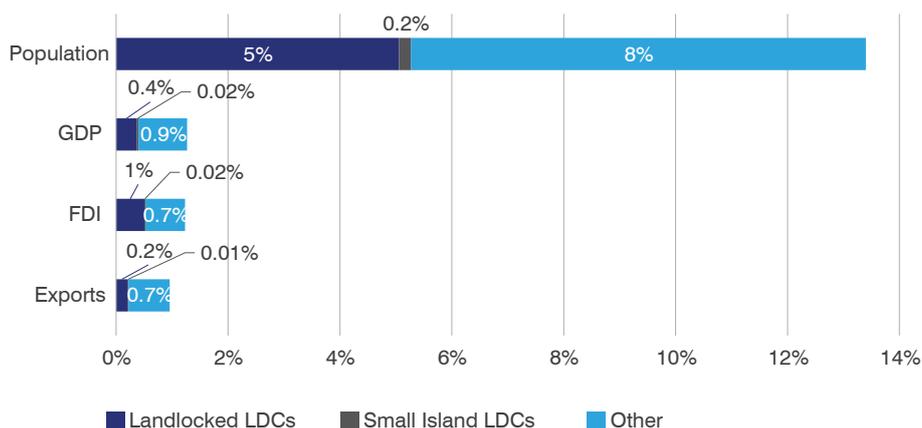
Trade under-representation

LDCs account for only a small share of world exports, and these are overly undiversified and concentrated in raw, low value-added goods.

Despite comprising almost 14% of the world population, LDCs account for extremely small shares of the world gross domestic product, inward foreign direct investment, and exports (Figure 2). LDCs that are landlocked or small islands are even more underrepresented relative to their population size: small island LDCs account for 0.2% of the world’s population, but only 0.02% of world exports, while landlocked LDCs account for 5 per cent of world population, and just 0.2% of exports. There is considerable scope for LDCs to be much better integrated into global markets, and to use trade as a tool for development.

Figure 2. LDC shares of world population, GDP, FDI and exports

LDCs account for a much smaller share of world GDP, investment and exports than would be expected by their world population share



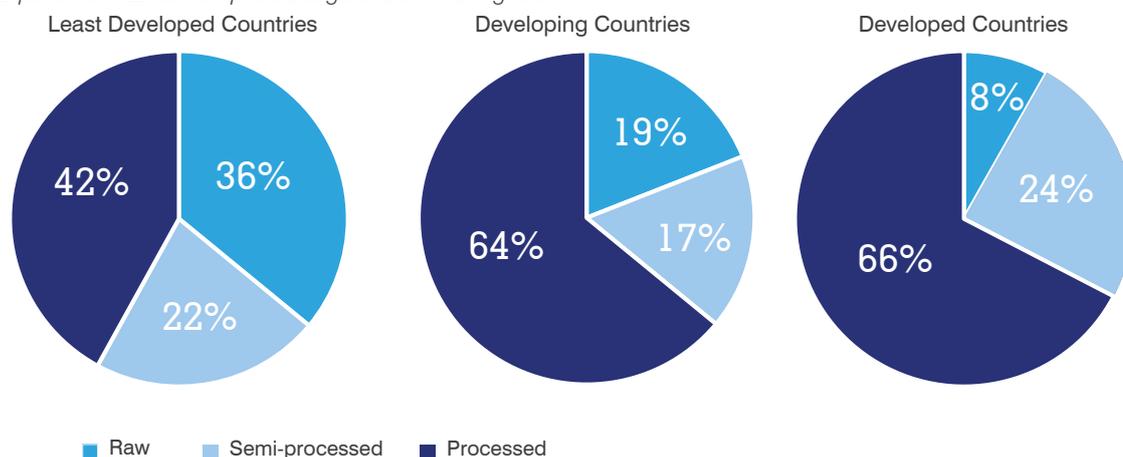
Source: ITC staff calculations based on World Bank (2023)

Trade concentration

What LDCs trade also matters. Too large a share of LDC exports are concentrated raw goods that create little value added and too few jobs (Figure 3). Though the LDC group also exports a reasonable share of apparel and textile goods, these exports are concentrated in Bangladesh and Cambodia. Trade diversification remains a major priority for most LDCs.

Figure 3. Composition of exports by level of processing, country categories

Exports from LDCs comprise a large share of 'raw' goods



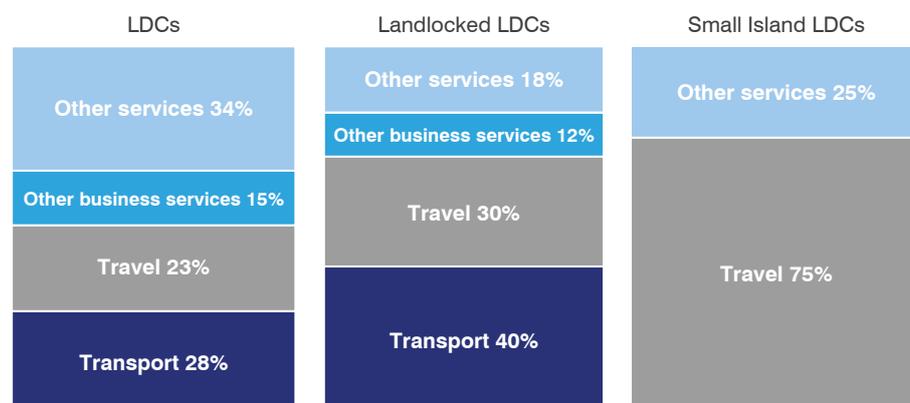
Source: ITC staff calculations based on ITC (2022b)

Note: The shares are calculated based on average exports per 6-digit product between 2016 and 2020

Services are considerable export earners for many LDCs, accounting for more than 40% of merchandise exports in at least 13 LDCs.⁴ Even service sector exports are, however, fairly concentrated. Landlocked LDCs are relatively more reliant on transport services, while small island LDCs are particularly dependent on travel services exports (Figure 4).

Figure 4. Composition of services exports in LDCs, landlocked LDCs and small island LDCs

Services exports from LDCs are moderately concentrated, particularly those from small island LDCs which are dominated by travel services



Source: calculations based on ITC (2023)

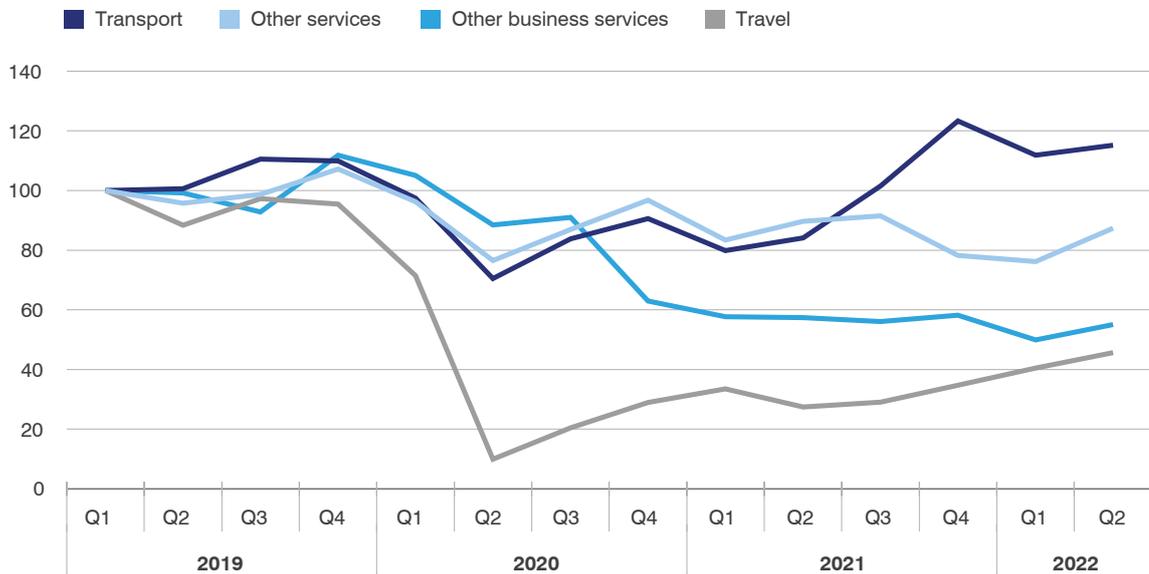
Covid-19 exposed the pitfalls of such concentrations. All service export sectors, but particularly travel services, were severely impacted by international movement restrictions imposed in response to Covid-19 (Figure 5). Compared to the first quarter of 2019, travel

⁴ Calculations based on UNCTADStat

services from LDCs fell 91% in the second quarter of 2020. Travel-dependent small island LDCs suffered unprecedented economic impacts. Even by the second quarter of 2022, travel services remained down 54% on early 2019 levels.

Figure 5. Impact of Covid-19 on services exports from LDCs

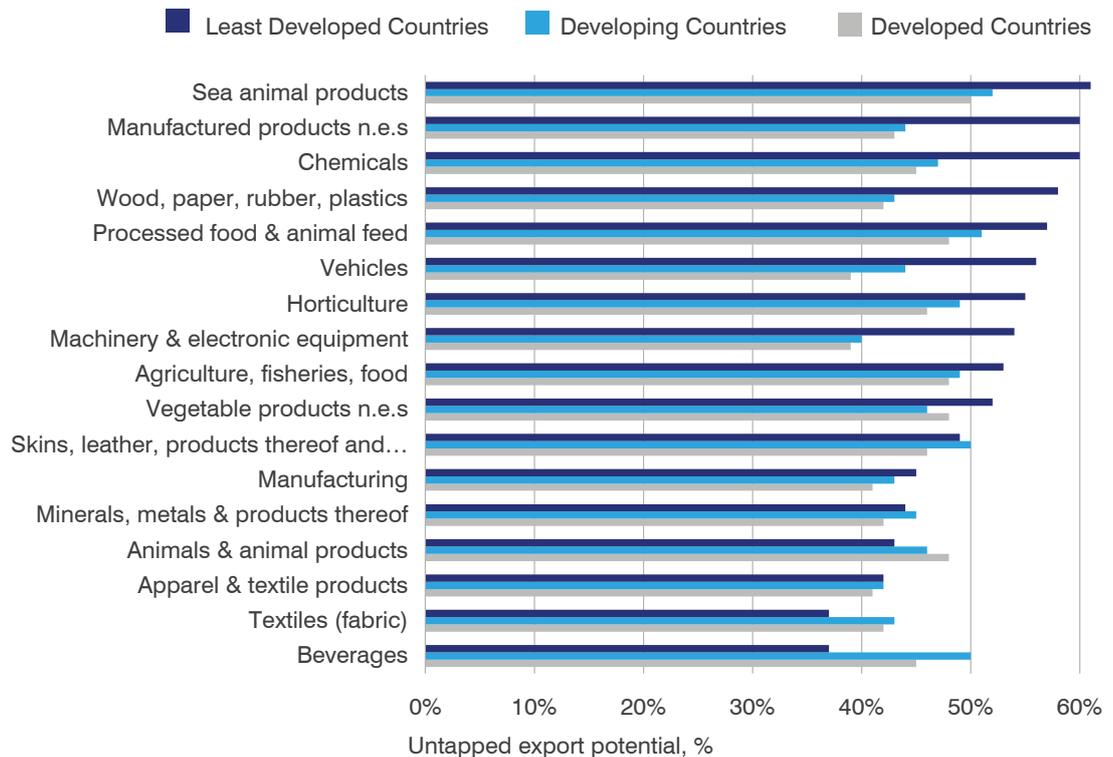
Services export indices for LDCs, Q1 2019 to Q3 2020



Source: ITC staff calculations based on ITC (2023)

Figure 6. Share of untapped export potential, by sectors

Considerable potential exists for LDCs to diversify their exports



Source: ITC staff calculations of 2022 based on the export potential methodology developed in Decreux and Spies (2016)
 Note: the acronym n.e.s. stands for not elsewhere specified

Untapped export potential

Sizeable untapped export potential exists in LDC economies, including in sectors such as manufacturing that, if market restrictions can be overcome, would contribute to structural transformation and diversification.

Untapped export potential is what countries could additionally export, given current supply capacities and market conditions. According to ITC analysis, the LDC group have a large share of untapped export potential in a number of manufacturing sectors, agro-processed sectors, and fishery-related sectors (Figure 6/previous page). If constraints can be overcome in these sectors, they could represent significant opportunities for diversifying LDC trade.

Underutilized preferences

Fifty percent of exports from LDCs qualify for preferential tariffs, yet of those that qualify only 65% actually utilize those preferences.

Preferential tariff regimes can be a valuable tool in helping LDCs to export. Roughly half of LDC exports that would normally face tariffs qualify for reduced tariffs through preferential tariff regimes. However, of these exports that are eligible for those tariff preferences, only 65% actually utilize those tariff preferences. This indicates a relatively high degree of preference underutilization. The rate of preference utilization for agricultural products is notably lower than for non-agricultural goods, suggesting particular difficulties in utilizing agriculture preferences. MSMEs, women-represented and youth-represented businesses are more likely to struggle with the utilization of available preferences, owing to limited awareness and informational resources, and greater difficulties in meeting rules of origin and other trade standards and certification requirements (Stuart and MacLeod, 2021).

Figure 7. Share of total LDC exports eligible for non-zero MFN preferences

About half of LDC exports are eligible for preferential tariffs

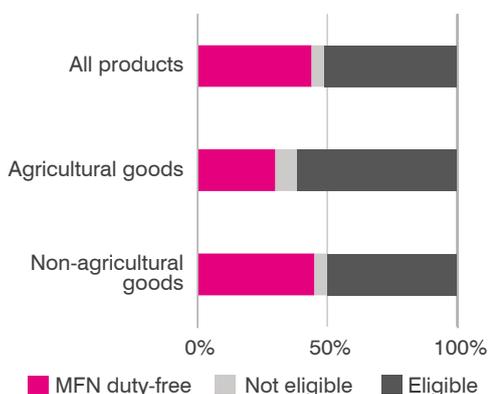
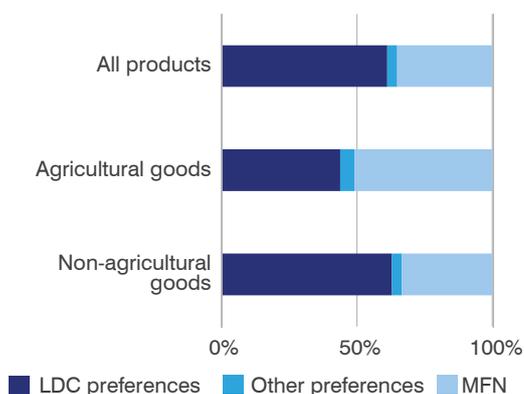


Figure 8. Share of LDC exports that are eligible for preferences, by preference utilization

Only 65% of LDC exports utilize the preferences for which they are eligible



Source: ITC staff calculations based on the WTO (2021)
Note: Based on the latest year available for each agreement.

Obstacles

Climate crisis and environmental degradation

LDCs are among the most vulnerable to the threats of climate change and environmental degradation, but also those least able to resource adaptations to these challenges. This includes trade-related adjustments to account for new environmental requirements needed to remain competitive in a changing world.

LDCs are estimated to have accounted for just 0.44% of total CO2 emissions since 1850, yet, despite this negligible culpability, are at the forefront of climate-induced threats and challenges (Climate Equity Reference Project, 2022). Over the last 50 years, 69% of the worldwide deaths caused by climate change were estimated to have been in LDCs (Lied, 2019).

Though only slightly more exposed to the impacts of climate change, from a biophysical perspective, LDCs are more sensitive due to an overdependence on sectors that are more adversely affected by climate change hazards and have weaker adaptive capacities (Figure 9). MSMEs in developing countries increasingly face environmental risks, with women, youth and marginalized communities particularly affected.

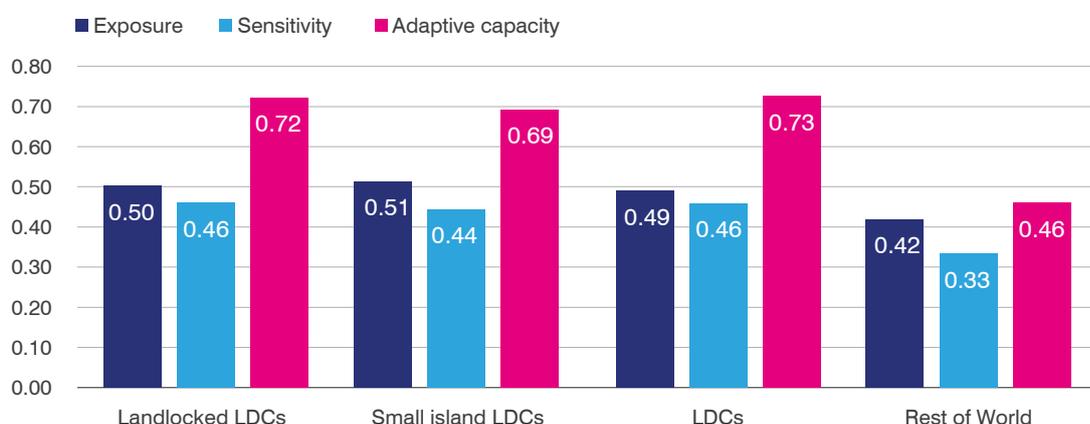
With 60% of employment in LDCs in agriculture, LDCs are especially vulnerable to extreme weather events such as droughts, as well as changing precipitation patterns. As agricultural activities tend to be more sensitive to climate change than industrial activities, agricultural trade is likely to be affected the most (Brenton and Chemutai, 2021). A 1°C increase in temperature is estimated to lead to a 39% fall in agricultural exports of low-income countries, but reduce equivalent exports from high-income countries by less than 6% (Barua and Valenzuela, 2018).

Travel and tourism services are a major trade sector for revenue and jobs in many LDCs, and particularly those that are small islands. They face the dual challenge of vulnerability to climate change and adjustments in consumer demand. LDCs must find ways to shift to higher-value, lower-carbon, and resilient tourism, centered on reducing leakage, lowering carbon, and adding value (Gössling and Higham, 2021).

As the world adjusts to fulfil climate change commitments, new market challenges are created for MSME exporters from LDCs, including in aligning with green compliance and voluntary sustainability standards, carbon taxes, value chain transparency, waste reduction, sustainable packaging, and circular production practices. Competitiveness will increasingly require not just adherence to emerging green requirements, but traceability and verification.

Figure 9. Share of untapped export potential, by sectors

Considerable potential exists for LDCs to diversify their exports



Source: ITC staff calculations based on ND-GAIN (2023)

Note: *Exposure* is degree to which a country is exposed to significance climate change from a biophysical perspective. *Sensitivity* is the extent to which a country is dependent upon sectors negatively affected by climate hazards. *Adaptive capacity* is the availability of social resources for sector-specific adaptation.

Uneven connectivity

Internet access is less of an issue for MSMEs in LDCs than are challenges with digital skills, awareness and local content, and Internet quality and affordability. Within LDCs, a yawning digital divide reduces Internet adoption among rural populations and women, requiring careful interventions to ensure inclusivity.

E-commerce can help MSMEs in LDCs to become more competitive, diversify their exports, and reach new markets (ITC, 2018). Cross-border e-commerce is particularly relevant for small businesses – just over 80% of respondents that engage solely in cross-border e-commerce were micro and small in size, in an ITC survey of 2,200 firms (ITC, 2021b).

Internet coverage has improved substantially in recent years, with an estimated 82.8% of the population in LDCs now covered by at least a 3G mobile network (Figure 10). Yet a large gap continues in individuals using the Internet in LDCs, which stood only at 36.1% in 2022 (Figure 11). The persisting constraints to Internet adoption are increasingly reported by respondents in LDCs to be a lack of digital and literacy skills (44%), followed by affordability (33%), and a lack of awareness and locally relevant content (28%), rather than merely Internet access.⁵ For instance, 37% of MSME respondents in LDCs, in an ITC survey, cited a lack of e-commerce technical skills and business knowledge as a major bottleneck for conducting online business (ITC, 2021b). A further challenge concerns improving Internet quality: only 48.7% of individuals in LDCs by 2022 had access to “fast” connectivity, such as LTE/WiMAX (4G), identified as the minimum threshold for what the Alliance for Affordable Internet calls the “meaningful connectivity” needed for useful and empowering Internet (A4AI, 2020).

Figure 10. Population covered by at least a 3G mobile network, per 100 inhabitants

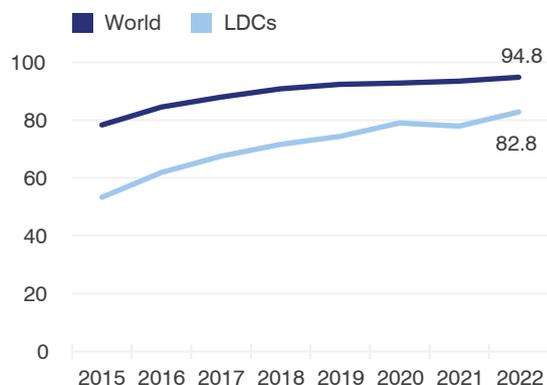
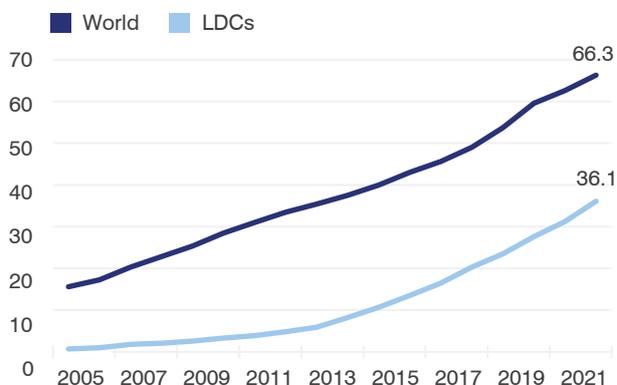


Figure 11. Individuals using the internet, percent



An increasing share of people in LDCs have Internet coverage – but the share of people using the Internet in LDCs remains low

Source: ITC staff calculations based on ITU (2023)

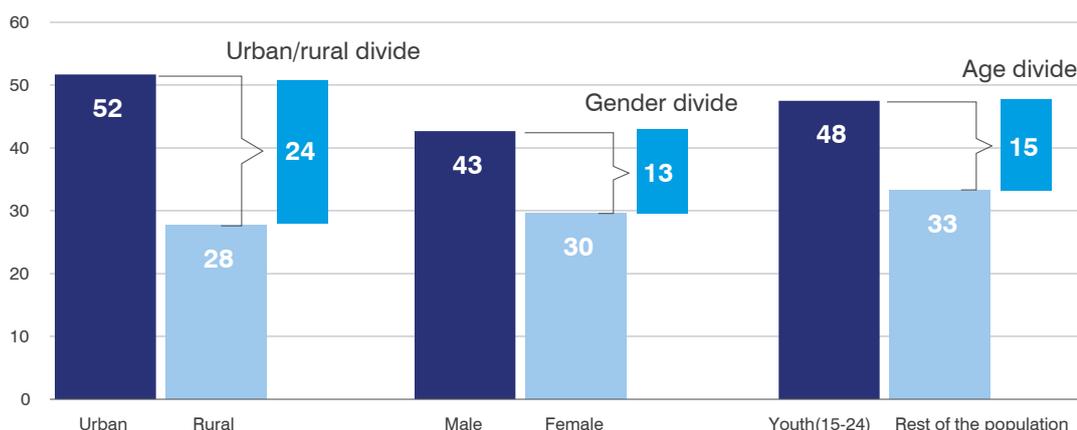
Within LDCs, Internet usage gaps are especially prevalent among rural populations and women, which are 24 and 13 percentage points less likely to use the Internet than urbanites and men, respectively (Figure 12). Improving Internet adoption among women can be impactful: the share of women-owned firms doubles when moving from traditional offline trade to cross-border e-commerce (ITC, 2021b). Youth in LDCs are also 15 percentage points more likely to use the Internet than the rest of the population, a potential boon given the growing share of this group in LDC demographics.

MSME connectivity in LDCs can be improved by targeted interventions at the firm level, immediate business environment level, and national policy level (ITC, 2016). Yet in doing so, caution must be accorded to ensure that interventions contribute to digital transformations that are inclusive given the considerable unevenness of connectivity (OECD, 2021).

⁵ Based on analysis of results by respondents in LDCs in GSMA (2016)t

Figure 12. Share of population using the Internet in LDCs, by analytical groupings

LDC digital divides: striking Internet usage gaps persist between sub-groups within LDCs



Source: ITC staff calculations based on ITU (2023)n.

Lack of access to finance and investment challenges

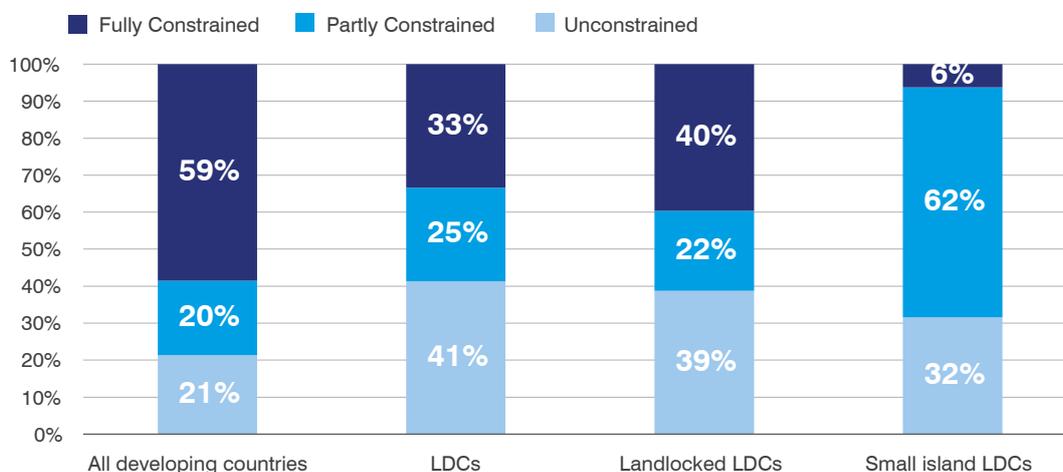
Financing as it currently functions is uncondusive to structural transformation in LDCs. MSMEs in LDCs continue to struggle with access to credit while the level of foreign direct investments is both too low and concentrated in traditional extractive sectors.

Access to finance is needed for businesses to trade and export, but also to invest to build fundamental productive capacities. MSMEs struggle with access to finance. Sixty-six percent of MSMEs in LDCs reported to be either fully or partly constrained in accessing credit, compared to 41% across all developing countries (Figure 13). Women are more likely than men to be financially constrained.

Foreign direct investment into LDCs is also too low. Despite accounting for about 14% of the world's population, LDCs host only 1.6% of foreign direct investment (World Bank, 2023). The type of investment matters too: most foreign direct investment into LDC countries is concentrated in traditional sectors such as minerals, fuels and other extractives. More investment, but also better investment targeting non-traditional sectors, is needed to contribution to diversification and structural transformation in LDCs.

Figure 13. Degree to which formal MSMEs face access to finance credit constraints, by country groupings

Small businesses in LDCs face access to finance constraints



Source: IFC (2018)

Notes: Fully constrained firms are those that find it challenging to obtain credit; Partly constrained firms have been somewhat successful in obtaining external financial. Unconstrained firms do not appear to have any difficulties accessing credit or do not need credit.

Institutional and capacity constraints

Weak institutional capabilities erode the absorptive capacity of LDCs to effectively utilize assistance, requiring more carefully targeted and patient offerings designed to foster longer-term institutional capacity development while avoiding overloading.

Many interventions have limited impact, are unsustainable over the longer-term, or struggle with implementation. They fail, in the design stage, to adequately account for the absorptive capacities of states and the private sector institutions they engage with.

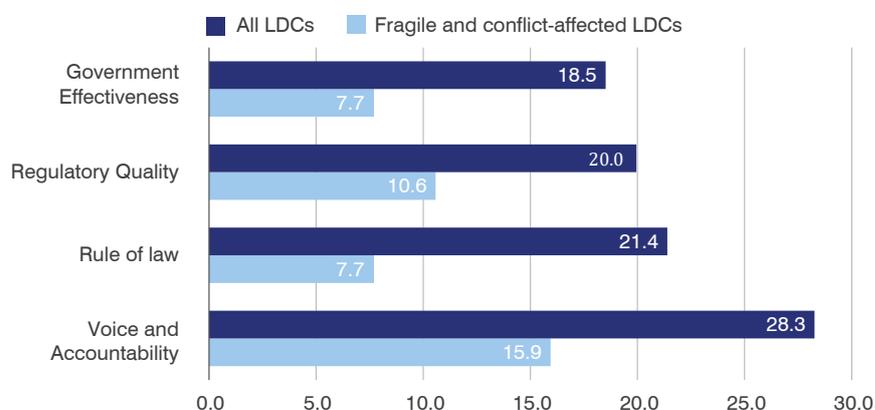
It is no surprise that the LDCs comprise a group of countries that struggle, at the core of their developmental challenges, with such institutional and governance capacities. The median percentile rank (out of 100) of the LDC group in the Worldwide Governance Indicators is only 18.5 for governance effectiveness, reflecting perceptions of a relatively poor quality of public services, the civil service, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The LDC group also scores only 20.0 for regulatory quality, reflecting perceptions of the limited ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. Of the 13 LDCs classified by the World Bank as involved in high or medium-intensity conflict, these governance quality scores are unsurprisingly among the very lowest in the world, and substantially lower than the LDC group average (Figure 14).

Institutional constraints extend to the private sector, where typically just a few large businesses dominate policy advocacy and influence. The informal private sector, in particular, can struggle to organise to shape important policies effectively.

In the most institutionally constrained circumstances, offerings of assistance must be carefully designed to avoid prematurely overloading scarce absorptive resources, while trying to build capacities over the longer-term. This can include empowering stakeholders to find practical home-grown solutions, contributing to building robust institutional mechanisms, and focusing on interventions that require more limited organisational, informational or technical complexity so as to avoid premature load-bearing by country institutions (Andrews et al, 2029). In so doing, care must be taken to contribute to the streamlining and rationalizing of agencies and associations while avoiding incentives that can create overlapping or competing functions.

Figure 14. Governance quality, LDCs and conflict-affected LDCs, median percentile rank (out of 100)

LDCs struggle with institutional and capacity constraints, especially those that are conflict affected



Source: ITC staff calculations based on Worldwide Governance Indicators (2021)

Levers: Catalytic opportunities

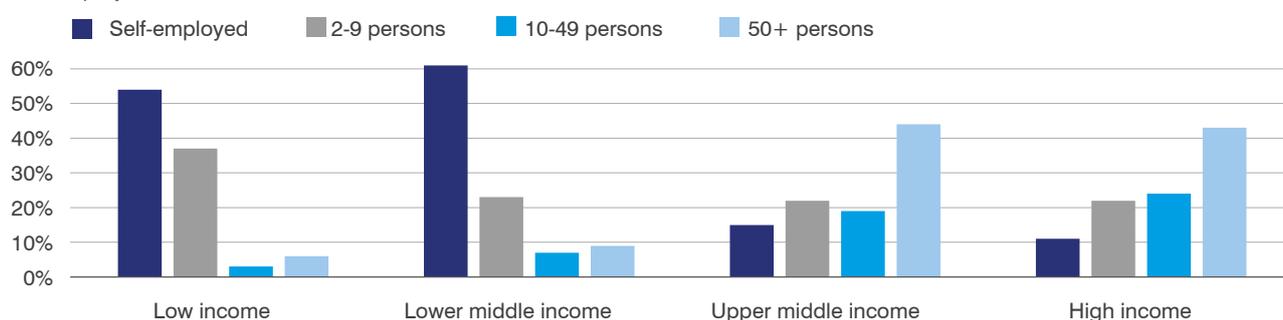
Opportunities from small businesses

The prevalence of MSMEs within LDC economies means that, if the challenges that they face can be overcome, they can form an important lever in substantively meaningful trade development.

Micro and small businesses, themselves, account for around 95% of all employment in LDCs (Figure 15).⁶ As is the case in most economies, MSMEs however reflect a smaller share of countries' exports owing to additional difficulties they face in the process of exporting, such as complying with trade documentation, as well as weaker productive capacities (OECD, 2020). LDC-targeted trade assistance can be a catalytic feature of trade development in LDCs if it can be designed to scale.

Figure 15. Employment share of different firm size classes, by country income group (%)

Most employment in LDCs is in small businesses



Source: ITC staff calculations based on International Labour Organization (2019)

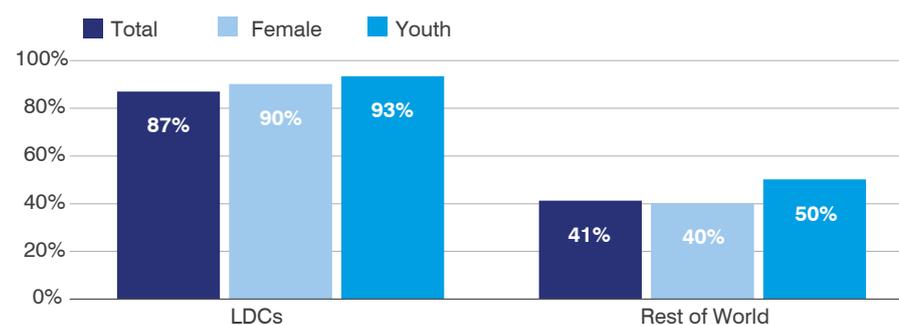
Opportunities from the informal sector

A defining feature of LDC economies is the extent of their informal sectors. If businesses in the informal sector can be supported through the formal processes needed to trade, they can form a potent resource for trade diversification and development.

About 87% of total employment in LDCs is within the informal sector. Informality is especially prevalent among women and youth groups in LDCs, with this share rising for women (90%) and youth (93%) (Figure 16). Informal trade itself has often been overlooked, and underreported, in official trade statistics (Gaarder et al, 2021; Karkare et al, 2021), and neglected within formal trade arrangements and agreements (MacLeod, 2022). Trade support initiatives must recognize the significance of the informal sector in LDCs, both as a factor and an opportunity, and be designed to leverage the potential of the informal economy.

Figure 16. Informal sector shares of employment

Most employment in LDCs is in the informal sector, particularly among youth



Source: ITC staff calculations based on International Labour Organization (2023b)

Notes: based on the latest available country-level data

⁶ That is, the sum of micro-firms (self-employed), small firms (2-9 persons), and medium-sized firms (10-49 persons)

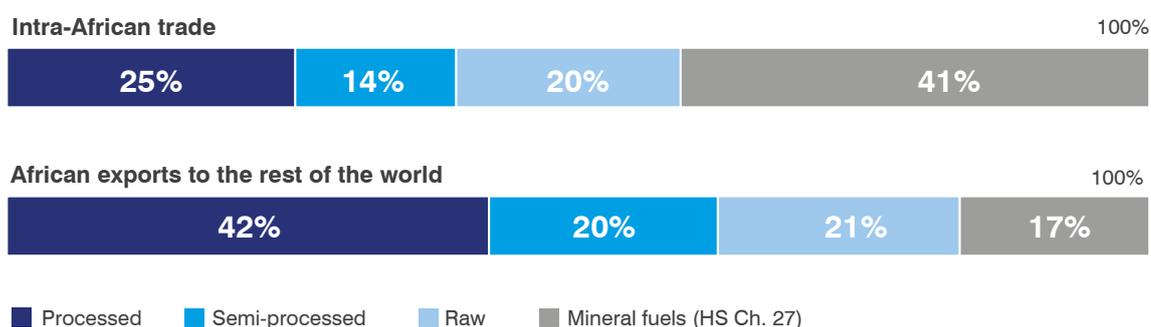
Opportunities from regional integration

Regional integration offers powerful opportunities for LDCs to change the ways they have traditionally traded, and better contribute to structural transformation and export diversification.

Regional value chains can create useful opportunities for diversifying trade. The Africa region, which contains two-thirds of the LDC countries, is demonstrative. While 62% of Africa's exports outside the continent comprise mineral fuels and raw products, these goods account for only 34% of intra-African trade, which instead contains a fair larger share of processed and more sophisticated goods. In many LDCs, regional trade can be a tool for contributing to structural transformation and diversification.

Figure 17. Composition of Africa's trade:
Intra-African trade and African exports to the rest of the world

Intra-African trade is much less concentrated in mineral fuels, than is Africa's exports outside the continent



Source: ITC (2021)

Opportunities from services exports

Services account for a significant share of exports in many LDCs and, with emerging technologies, can increasingly serve as a vehicle for economic transformation if resiliency and sustainability can be ensured.

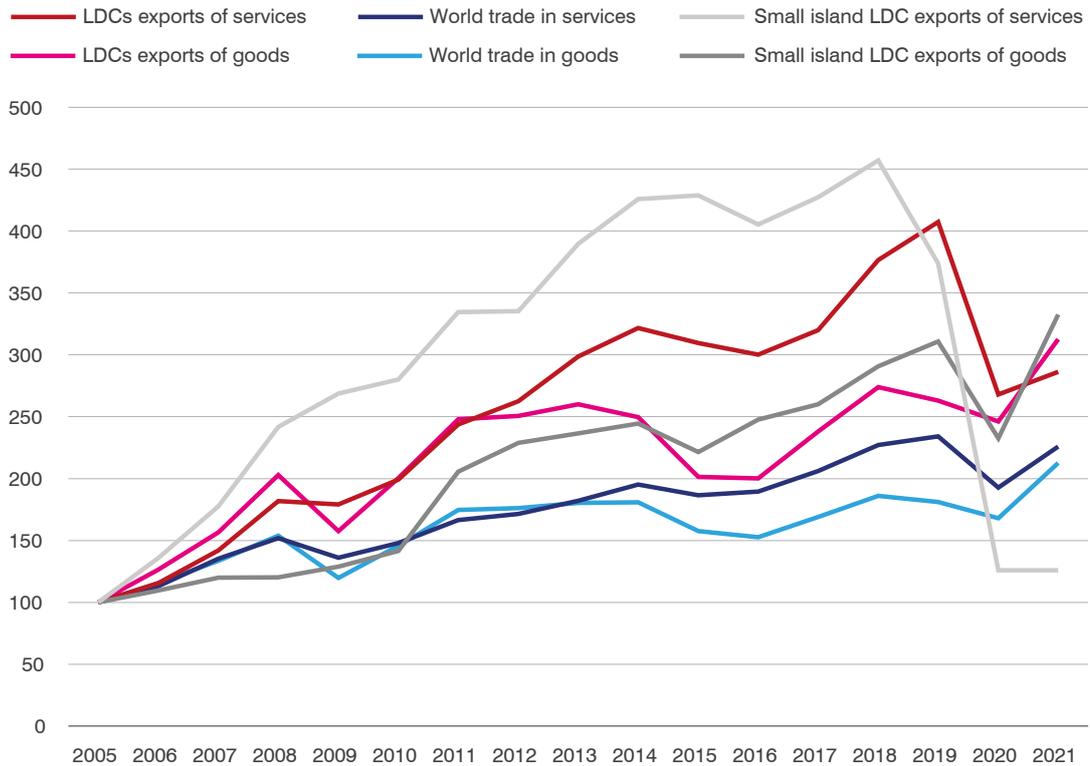
Services are an important part of trade for many LDCs. In 13 LDCs, services exports account for more than 40% of merchandise exports, and in four LDCs services exports are worth more than all goods exports (UNCTAD, 2023). This can pose challenges with over-dependency, highlighted in the struggles of several tourism-dependent LDCs in the course of the Covid-19 pandemic. It also means that services exports should not be overlooked among opportunities for export development and diversification, including within competitive service sectors.

Recent research has reaffirmed the role of services in economic transformation (World Bank, 2021). Digital technologies are allowing the service sector to increasingly drive structural transformation through greater opportunities for scale (such as remote delivery and franchising), productivity growth, and opportunities for digitally transmitted trade (UNCTAD, 2021). World exports of services had grown about 53 percentage points faster than growth in world exports of physical goods from 2005 until the Covid-19 crisis in 2020 (UNCTAD, 2023). This phenomenon was even more pronounced in LDCs, and especially small island LDCs, with services exports from these countries growing even more rapidly than the world average until 2020 (Figure 18).

While services exports can offer great opportunities for export growth in LDCs, new approaches must build resiliency and ensure sustainability. This can include promoting inclusive and environmentally conscious tourism, diversifying through regional tourism, engaging in digitally-delivered services, and investing in green services, such as recycling and renewable energy services.

Figure 18. Indices a trade in goods and services, 2005 = 100

Services exports had grown much more rapidly than exports of merchandise goods globally, but especially in LDCs and small island LDCs, until the Covid-19 pandemic in 2020



Source: ITC staff calculations based on UNCTAD (2023).

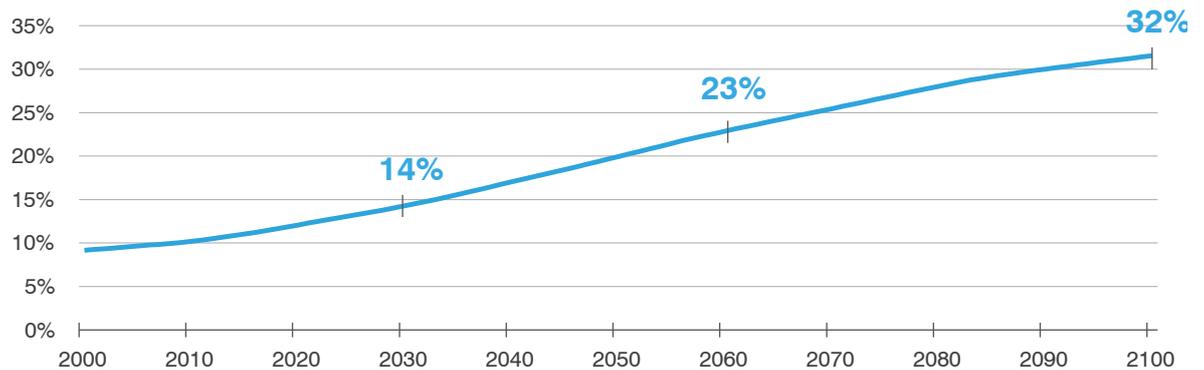
Opportunities from youth

LDC countries are youthful. Supported adequately, youth entering the jobs markets in LDCs can form a demographic dividend to propel development.

About a fifth of the population of LDCs are in the youth age category (15-24), as compared to 16% for the world as a whole. As more such young people enter work, the working-age population of LDCs is growing at a rate of 15% every five years, creating a rapidly expanding workforce and consumer market. LDCs will increasingly represent the workforces of the world: the share of the world’s working age population in LDCs is forecast to increase from 14% in 2030 to 23% in 2060 (Figure 19).

Figure 19. LDC share of world’s working age population

LDCs will account for an increasing share of the world’s working age population



Source: ITC staff calculations based on UN DESA, 2022

Anchors: differentiated policy priorities

Different ITC offerings have varying degrees of relevancy with respect to the distinct circumstances of each LDC country. Important aspects of these circumstances can be grouped into four sets of categorizations: world regions (and respective trade integration regimes), economic geography, fragile and conflict-affected, and multilateral classification.

Regional integration creates opportunities, including the African Continental Free Trade Area (AfCFTA) and African sub-regional economic communities, the Association of Southeast Asian Nations and South Asia Free Trade Area, the Pacific Agreement on Closer Economic Relations Plus, the Regional Comprehensive Economic Partnership, and the Caribbean Community, among others. Such initiatives can be anchors for the goals of structural transformation, trade diversification and development. Thirty-one percent of trade within the AfCFTA region, for instance, involves products that can be considered 'technologically advanced', compared to only 15% of African exports to other markets, 62% of which are mineral fuels and raw goods (ITC, 2022a).

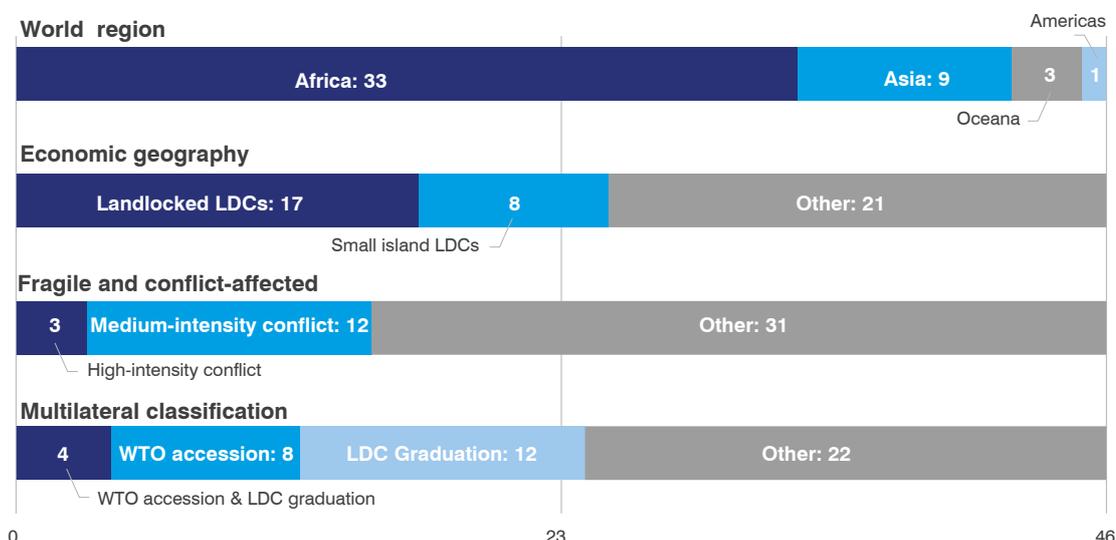
Economic geography matters too: more than half of the LDCs are either landlocked or small island states. These LDCs face additional trade problems related to isolation and remoteness from major markets, face a higher burden of non-tariff barriers to trade, and generally poorer Internet quality. Trade initiatives targeting such countries must specifically address these challenges, or account for them in their design.

Fragile and conflict-affected circumstances affect a number of LDCs, constraining capacities to trade, but also to absorb certain forms of assistance. These countries often include large populations of people faced with vulnerable migration and forced displacement. Initiatives in such instances require different intervention designs and support to particular vulnerable groups.

Finally, **multilateral classifications** in the context of trade determine special support LDCs may need. This can include assistance in the process of navigating accession to the WTO or in adjusting to graduation from LDC status.

Figure 20. LDC grouping sub-categories on the basis of regions, economic geography, conflict status and WTO classifications

LDCs face a range of policy priorities on the basis of different regional, economic, social and trade circumstances



Notes: ITC staff calculations based on classifications drawn from OHRRLLS (economic geography), World Bank (FY22 List of Fragile and Conflict-affected Situations), and WTO (multilateral classification, as of February 2023)

Learning from the Istanbul Programme of Action for delivering results

The Istanbul Plan of Action (2011-2020) set the goal for graduation from the LDC category for half of the LDCs at the time. Many LDCs registered considerable progress in the course of the IPoA, attaining long-term economic growth, poverty reduction and meeting many of the Millennium Development Goals. Four LDCs have graduated since 2011 (Maldives, Samoa, Equatorial Guinea, and Vanuatu). Clearly, though laudable progress has been made, much more is required. Core indicators were missed including achieving 7% annual GDP growth and doubling the LDC share of world trade were. Partners like ITC must renovate their approaches towards implementing the new DPoA.

There are three key features of the new ITC LDC Intervention Plan that will reflect renovated implementation approaches compared to the IPoA. These are an increased focus on inclusivity, improved country-level coordination, and better partnership collaboration.

- A. Increased focus on inclusivity** – The main critique of the IPoA has been its insufficient emphasis on inclusivity. Inclusivity involves deliberate efforts to integrate the particular challenges and needs of vulnerable and marginalized groups into programme design and implementation. Such groups as internally displaced people and refugees are over-represented in LDCs while the adversity of challenges faced by groups such as women and youth can be particularly severe. The pervasiveness of the informal sector and continuing rural and youth dispensation of LDC demographics adds further challenges for ensuring inclusivity, particularly in the context of trade which can benefit formal firms or geographies centered around exportable assets, such as minerals or fuels. The ITC LDC Intervention Plan gives considerable consideration to these challenges to prioritize inclusion both through specific actions oriented at the particular circumstances of vulnerable groups as well as the mainstreaming of these groups within the design phase of more generalized programmes of support
- B. Improved country-level coordination** – Coordination at the country level was not always easy in the implementation of the IPoA. Responsibility for the IPoA often fell to externally oriented parts of governments, such as ministries for foreign affairs or international cooperation, which would not always coordinate effectively with the technical or line ministry parts needed for implementation. The overarching constraint is that the LDCs comprise a group of countries that generally, at the core of the developmental challenges, struggle with institutional and governance capacities. The ITC LDC Intervention Plan accords due care to the design of actions so that they are targeted to foster longer-term institutional capacity development and contribute to the streamlining and rationalization of agencies of beneficiary countries, while avoiding overloading. Doing so will require further work with traditional country counterparts, while also integrating the views of civil societies, academia, youth and women business associations, in order to ensure an inclusive process.
- C. Better partnership collaboration** – The United Nations Resident Coordinators and Country Teams offer a vehicle for improving coordination among UN agencies to better look for streamlining in activities and the undertaking of periodical reviews to ensure that the collective interventions of partners avoid duplication, draw from comparative strengths and are aligned with DPoA and national development plans. This is important again for the reason that the LDCs countries are those often least able to absorb and rationalize disparate offerings of assistance, unless such support is well structured.

ITC has a rich, 60-year history of supporting MSMEs in LDCs through trade-related technical assistance interventions. Yet its assistance offerings must constantly evolve to maximize effectiveness. In alignment with its overarching development objectives of prosperity, inclusiveness and sustainability, ITC is committed to fully operationalizing its responsibilities under the DPoA to realize poverty reduction in LDCs through structural transformation, diversification, and trade integration from 2022 to 2031.

Building on success

This section charts examples of recent ITC actions and programmes that are to be built upon in the implementation of the ITC LDC Strategy. Most stories are from between 2020 and 2022.

Bangladesh

Local artisans shift gears in the midst of a pandemic

Tarango, a nationally acclaimed fair-trade enterprise that specializes in jute products, engages thousands of rural artisans across its nine hubs in Bangladesh. Due to the country's COVID-19 lockdown and the fact that Tarango's headquarters and store are located in what was one of the major infection hotspots, orders could not be fulfilled. Moreover, factories in Bangladesh had to be closed and there exist limited shipping options.

As a result of the above, CEO Kohinoor Yeasmin was unable to complete \$41,000 worth of orders from buyers she met at the NYNOW trade fair in 2021 year and another \$95,000 of orders from Japan and other markets await delivery. As an enterprise active in community development, Tarango initiated a host of measures to help cushion its employees and community from the fallout of COVID-19. It set up a safe home that could host up to 45 women and 25 children, developed COVID-19 awareness campaign for its staff members, and delivered food packages to women weavers and vulnerable families and masks and hand soaps to 120 families of the Mirpur community.

To cover overhead costs in the short term, Tarango also switched production to masks and secured a German buyer for its cloth-based masks. While Yeasmin expected stiff competition in the sales of masks as more suppliers entered the market, she actively worked on other channels to diversify her risks. For instance, having attended webinars and one-to-one coaching sessions on buyer engagement, communication, and product pricing, Yeasmin was in active communication with buyers to reassure them that business was still running as usual and to secure and negotiate new deals.

Using insights gained from product photography, digital marketing, and e-Commerce workshops and webinars, Tarango began crafting a digital marketing strategy for Instagram and is has also expanded its home décor product line. Tarango is actively in talks with buyers and now has new orders for its core products worth USD 30,000 to meet. On 30th June 2021, Tarango delivered its first sea shipment to a buyer Yeasmin met in New York.



Bhutan

Pioneering access to market information in Bhutan

Bhutanese SMEs often struggled to access trade-related information, a challenge exacerbated by the COVID-19 pandemic. After a month of lockdown in Bhutan, consumers began experiencing an unprecedented hike in the prices of various food products. The situation raised concerns about food security and prompted the Ministry of Agriculture (MOA) and Forest to recommend a maximum sale price for vegetables.

In response to these immediate food security concerns and to support the government's efforts to regulate food prices, ITC developed the comprehensive countrywide Agriculture Market Information System (AMIS). AMIS tracks and disseminates information that helps identify unfair pricing practices. It collects data on weekly market prices, sourced from tablets and smartphones, and automatically screens for any unreasonable deviations from nationally endorsed prices. Twenty-nine fully trained data collectors from each of the 20 Bhutanese provinces (dzongkhags) backstop AMIS and prepare real-time pricing analyses and reports.

To address Bhutan's more systemic challenges with limited access to trade and market intelligence, ITC also launched the Bhutan Trade Information Portal (TIP). TIP is a one-stop-shop that identifies and analyses customs tariffs, rules of origin, trade agreements, export procedures for clearing goods for import and export, world trade flows and global markets' access requirements. The portal also serves as a repository of information for local and foreign entrepreneurs seeking products and companies from Bhutan. Businesses are able to easily access and stay updated with the latest trade and market intelligence.

Entrepreneurs also have an opportunity to carry out market research and gain insights on how to innovate. With contact details of potential buyers and local export-related service providers, the portal helps facilitate and expand business networks. Strong institutional anchorage and ownership, through consultations with Bhutanese public and private sector representatives, enabled the development of both tools. It was the first time such online platforms were ever available for producers and farmers in Bhutan.

In addition to the new e-platforms, ITC provided advisory support on e-commerce, trade policy, investment promotion, business advocacy and business growth after COVID-19. It developed investment profiles for mineral processing, food processing, construction and non-alcoholic beverages to encourage investments in Bhutan. Furthermore, ITC provided targeted support to small-scale farmers, artisans and exporters. Farmers and exporters in the horticulture sector received online trainings on contract negotiation skills, compliance with COVID-19 food hygiene and sanitation measures, and Codex guidance for food businesses.



Bhutanese artisans also benefitted from capacity building and business connections through distance coaching, e-learning, online B2B (business-to-business) meetings and virtual trade fairs. This support improved agro-ecology practices and built farm-level resilience. It also ensured that Bhutanese artisans fulfilled pre-pandemic orders and created designs for new ones.

Information collection is now easier as reliable trade data becomes available online in Bhutan. The tools contributed to inclusiveness, reaching out to beneficiaries in the 20 Bhutanese provinces. Available on mobile devices, AMIS delivers market information directly to producers, connecting with farmers in remote areas. TIP can speed policy decisions for improving business competitiveness of Bhutanese enterprises, as potential and active exporters now have free access to information and resources to support business decision-making. With these improvements, SMEs will be prepared to access new buyers in new markets and be active players during the COVID-19 recovery phase.

Gambia

Blazing trails in the Gambia

Isatou Foon is a trailblazer. If you were to ask the first young woman to train in community-based tourism in the Gambia what she would like to achieve in life, her reply would be 'the unachievable!' Her confidence appears unshakable when she describes a great source of joy in her life. 'We achieved something that has never been accomplished, which is having girls being tour guides!' she says.

At just 23 years, Foon is sure of a few things about herself. One of them is the love for her country, the Gambia. Her creativity and passion in inviting the world to experience the country's undiscovered beauties have sparked a wish to steer young people toward new careers in sustainable and inclusive tourism. The burgeoning tourism industry in the Gambia and a youth-empowerment campaign provided her with the opportunities she was looking for. With a background in computer science and communications, her passion for telling stories brought her closer to becoming a professional tour guide and youth trainer in community-based tourism. Among other activities, Foon and her community are all set to contribute to promoting the popular Ninki Nanka Trail. Available as day-long or week-long excursions, the trail offers adventurous, responsible river-based and overland trips.

Adventurers can experience the way of life in Fula, Mandinka, and Wolof villages while discovering diverse natural and cultural heritage along the River Gambia. The trail offers a range of exciting activities such as birdwatching, community-based village tours, craft making, cooking lessons in local cuisines, West African history tours, river-based kayaking, bike tours and even spotting wildlife such as hippos to baboons. Isatou's training was part of the Tekki Fii campaign focussed on creating jobs for young people and women, with



former trainees now holding jobs for themselves and contributing to their household and community income.

Tekki Fii – which means ‘Make It Here’ in Wolof – is a movement by Gambians, for Gambians, to equip young people with job-ready skills and entrepreneurship opportunities in a variety of sectors, ranging from the arts and agribusiness to tech and tourism and more. The goal is to empower young people to earn higher, stable incomes and create quality jobs for others. With this programme, the business community, youth groups and development partners are working together to show young people – especially those most vulnerable to irregular migration – that they can lead happy, healthy and prosperous lives in their own country.

The Government of the Gambia coordinates this European Union-funded initiative with technical support from the International Trade Centre and its partners. Foon connects communities of youngsters to create awareness of how tourism can become an agent of sustainable development in the Gambia, leading the way for young women, in particular, to take part in the movement. ‘I will continue to inspire young women to take on such roles and lead communities by example,’ she says.

Guinea

Urban logistics benefit small businesses in Guinea during COVID-19

“I will be forced to close some of the sales points and cut wages in order to keep my workers. Increasing costs for raw materials and the need to maintain my business prices have left me with no choice,” says Barry. He operates several retail stores and employs four full-time and 20 seasonal workers. Launched three years ago, his start-up Aoudi Food produces and markets organic honey-based products.

Business was booming for 32-year-old Mamoudou Sery Barry with satisfied customers in Morocco, France and Senegal. But when a state of emergency was declared on 27 March 2020 in Guinea, he felt overwhelmed. The measure, put in place to help curb the spread of the coronavirus pandemic, pointed to turbulence ahead for micro, small and medium businesses in the country. With commercial flights grounded, his products have not been able to take off for their destinations and orders have been cancelled.

Closing down was not an option for Aoudi Food. Barry switched to new ways of reaching out to his local customers. Support from INTEGRA-ITC, an ITC-led programme for the development of technical and professional skills, in upgrading his existing website so that he can sell his products on-line has put the business back on track. Market advisors are also helping him to improve Aoudi Food’s presence on social media to engage and share information with buyers who will now be able to pay using a mobile money transfers system.



Aoudi Food is now ready to provide home delivery services. Staying safe by adopting and promoting good hygiene practices, kits with masks, gloves and hand sanitizer will be available in isothermic bags on delivery motor bikes. Barry is happy to have found a responsible way of doing good business in the unusual circumstances.

Urban logistics emerged as a solution for many small businesses in the throes of Covid-19 situation. It not only helps stay safe by preventing people from visiting markets, but also keeps the business generating revenue. Funded by the Emergency Trust Fund, INTEGRATEC remains true to its commitment of increasing the capacity of the private sector in order to create sustainable economic opportunities allowing growth of businesses and entrepreneurship.

Haiti

The women weavers of Labiche

Hat-making is a traditional craft in Haiti, where women in different rural areas are specialised in unique weaving styles, using three types of fibre: palm, coconut and reeds. A network of women weavers from rural villages in Haiti weave hats, these handmade hats are later brought to Port-au-Prince for blocking and finishing.

The Labiche community women weaver artisans produced 99 hats, these were finished by artisans from the Port-au-Prince production hub, DOT. Luxury accessories market Yestadt placed their first hat order to DOT in 2015 and have placed regular orders since then. This opened a new line of work and enabled DOT to involve more artisans in its production network.

As a member of the Labiche Community of weavers, 30-year-old single mother of four Marita Esma highlights the benefits of her weaving work, "The income from this order assisted me to pay school fees, provide healthy meals to my family and to meet medical expenses. I enjoyed working on it, my appeal is for more orders. We are confident that will meet their expectations," said Esma. After receiving several trainings, the artisans can produce hats up to international market standards.

Today, DOT and Labiche artisans can produce beautiful and intricate hats. Artisans in Haiti have received training and mentoring from expert hat weavers, from Ecuador's Montecristi community (home of the famous panama hats) and top hat blockers from New York.



Liberia

ITC and MICAT organise first marketing and branding workshop on Liberia tourism

The tourism sector, which has garnered much interest in the last few months, is set to become one of the country's main income earners. This first Liberia Marketing and Branding Development Workshop provided an international platform, through a hybrid meeting, where stakeholders in tourism met to develop a tourism marketing plan and brand to promote Liberia to local, regional and international travelers. Participants worked in breakout sessions to discuss topics that included a:

1. SWOT analysis of Liberia's attractions and experiences
2. Improvements needed in the industry
3. Marketing options and challenges in attracting visitors.

The Workshop was facilitated by UNWTO and ITC's international branding and marketing consultant Dr. Mike Fabricius, a strategist and tourism destination specialist with extensive experience in Africa, the Middle East, Asia and the Caribbean. Co-facilitating the event was Hesta Baker, the ITC's national branding and marketing consultant, a 30-year communications veteran with two decades in the tourism industry. Speakers included the Deputy Minister of Cultural Affairs and Tourism, Minister Lance Gba Gon-Yon; Liberia National Tourism Association President, Mai Urey; and Jesse Jefferson Fahn, Director of International Trade, Ministry of Commerce & Industry.

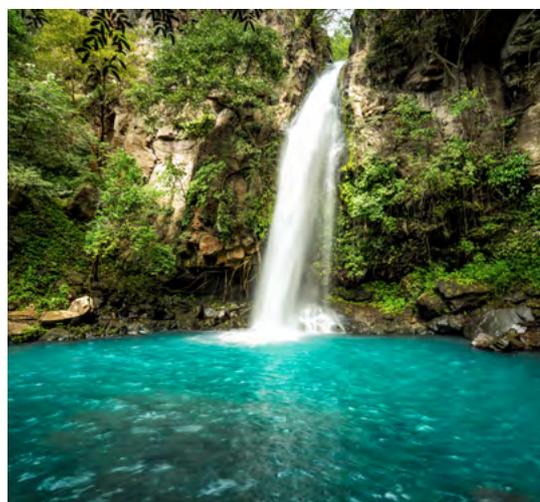
According to Dr. Fabricius, this is one in several stakeholder engagements that will take place over the next few weeks. "These engagements will guide a branding and marketing strategy and action plan for the Liberian tourism sector. We will also formulate guidelines and mechanism for sustainable tourism governance and management in coastal areas, focusing on Robertsport as a surf tourism destination," said Dr. Fabricius.

Speaking on behalf of the Ministry of Information, Cultural Affairs and Tourism, host of the event, Deputy Minister of Culture and Tourism, Minister Lance Gba Gon-Yon said "the development of our branding and marketing strategy is in line with the Ministry's just validated National Tourism Policy and Master Plan. It will help to build capacity, brand the country, and sell the country's rich tourism potential to the outside world."

According to Jefferson J. Fahn, Director of the Project Implementation Unit at the Ministry of Commerce and Industry (MoCI), "the workshop is a positive step in the right direction as we strive to make Liberia the gateway to our Pan-African heritage. We are energized and encouraged by the support of the Government through the offices of our policy makers, the Honorable Minister of Commerce Mawine G. Diggs. At the technical level, and with



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the demonstration of unflinching political will, the Minister of Commerce is keen on seeing the speedy implementation of the tourism development project in Liberia. When fully implemented, the Project will provide opportunities for job creation, youth empowerment, and numerous contributions towards economic growth and sustainable development.

Mrs. Mai Urey, President of the Liberia National Tourism Association said, “no product or service can be profitable or successful without an effective branding and marketing strategy.” The Association with a membership of fifty includes hospitality, travel, attractions and all aspects of the industry, and is recognized as the leading private sector stakeholder for tourism.

Mr. Aklile Mitiku Habtemariam, Project Manager from ITC said, “the tourism marketing and branding activities of which today’s workshop is part represent one of the most important aspects of the various interventions under the Liberia Tourism Development project that ITC implements in collaboration with the UNWTO. A number of other interventions are being implemented under the project, including establishing an inventory of tourism resources in Liberia; developing a tourism information booth and tourist reception facilities at Robertsport, Providence Island and Marshall Island as well as building tourism governance capacities. The successful delivery of these interventions will assist with leveraging more resources for consolidation as well as further development of the tourism sector.”

The workshop on Liberia’s tourism marketing and branding brought together the Ministry of Information, Cultural Affairs and Tourism (MICAT), the Ministry of Commerce and Industry (MoCI) and other government agencies, the private sector, experts and stakeholders involved across the sector of Liberia to explore Liberia tourism assets and the country’s readiness for tourism. The session was supported by the International Trade Centre (ITC) and United Nations World Tourism Organisation (UNWTO) under the Liberia Tourism Development project funded by the Enhanced Integrated Framework programme.

Madagascar

Broadening the horizon for a family-owned textile business

INDEX OI is a family textile company founded in 2000 which employs 120 people and operates 3 production lines. Based in Madagascar, INDEX OI makes medium and high-end clothing for children and adults. The company works in subcontracting and exports for major European brands of children’s clothing and niche brands. For over ten years, the company has specialized in smock dresses and embroidery which is a long-lasting renowned craftsmanship in Madagascar.

INDEX OI joined ITC’s UKTP programme in 2019 and is working towards moving from subcontracting to co-contracting. After completing the Quality Management System training



organised by UKTP programme, Quality Manager Sandrine Rakotondramanana is now streamlining the company's approaches. The company has also dedicated a team to roll-out lean management practices across the company following an advanced training on waste reduction. Two technicians will also implement the change and redesign of the factory's organisational chart.

After intensive coaching in digital marketing and branding, two company representatives attended Paris Première Vision, the largest textile and apparel trade fair in Europe as well as the Texworld Evolution Paris trade fair. They learned to engage in the B2B market as well as captivate the fashion world and its trends.

The company's digital journey has greatly improved its online and social media presence. It is now better equipped to approach new buyers and explore new market opportunities.

Myanmar

Staying ready to receive tourists in Myanmar post COVID-19

To reduce the pain of the COVID-19 crisis, the International Trade Centre (ITC) team promoting inclusive tourism in Southern Shan State immediately began identifying ways to connect effectively and efficiently with around 100 micro, small and medium-sized enterprises (MSMEs) that it works with in the area.

Prominent actors in the tourism ecosystem, most of these businesses provide village or agro-tourism tours, run hotels or guesthouses, operate small cafes, handicraft shops and provide tour transport. Since 80% of them rely on Internet and online platforms for advertising their services to customers, there was an opportunity in social media for sharing latest information and recommendations on the way forward. A Facebook post now goes out regularly with practical tips customized to tourism MSMEs in Shan State.

These tips will meet the critical need of staying connected with current and potential clients. By sharing engaging content such as information updates, latest statistics and videos, these social media posts encourage tourism businesses to produce innovative content, such as virtual tours of scenic destinations in the area. "The support received is meeting concrete needs and the Myanmar people appreciate it very much. Intellectual Property, Digitization, and e-commerce have become essential topics and tools for countries and businesses. Myanmar is lagging behind with no effective legal infrastructures and an important information gap on those topics," said U Than Maung, EC & In charge of Myanmar Intellectual Property Proprietors' Association IP Academy.

These posts also share information about online training and advice on various strategies for recovery. To follow, please visit [Myanmar Inclusive Tourism ITC](#), a Facebook group



engages approximately more than 11,000 followers mainly from tourism stakeholders in the country that since 2015. These engagements on social media are maintaining close contact and assessing business response not only with those operating in Shan State but also with tourism MSMEs in other parts of Myanmar. Small businesses associated with tourism in southern Shan state are preparing to receive guests soon.

Upgrading horticulture supply and sustainable tourism to develop business linkages, is a project that aims at improving the economic situation in the Inle Lake / Southern Shan State area in Myanmar. Funded by the Swiss State Secretariat for Economic Affairs (SECO), it is implemented by a cluster of UN agencies including ITC, UNCTAD, ILO and UNIDO – with a trust fund managed by UNOPS.

Nepal

In the heartland of Nepali pashmina

When ITC began the groundwork for the EU-Nepal Trade and Investment Programme (TIP) back in 2019, experts recognized the urgent need for intervention in the value chain of Nepali Chyangra Pashmina. The Chyangra Pashmina holds the potential to become a high-value niche product with the potential to bridge Nepal's growing trade deficit with the rest of the world.

When the project team visited the farm of Pema Anjuk in Charang, Mustang, the heartland of Nepali pashmina, all along with HE Nona Deprez, head of the EU Delegation to Nepal confirmed the right choice was made. Anjuk owns around 200 chyangras and is one of the farmers involved with Nepal Fiber Processing Company Pvt Ltd. The venture was launched by members of the Nepal Pashmina Industries Association to collect raw fiber directly from farmers and to make yarn locally.

The collaboration between farmers and industry representatives was facilitated by the TIP, which organised a meeting of stakeholders in Pokhara last year. Prior to this collaboration, Anjuk and other farmers had to barter fibre for household essentials with traders from Tibet. When the Covid-19 pandemic struck, the border was closed to stop the spread of the infection and farmers could no longer continue with barter trade. The processing company collected an unprecedented three tons of raw fiber from farmers.

Subarna Bista, chair of Lomanthang Rural Municipality, acknowledged the positive impact the collaboration achieved with the farmers. Bista highlighted farmers are being encouraged to pursue chyangra farming and sell fibre to the processing company. In the past, each household in the rural municipality used to own at least 100-150 chyangra; however, majority of the youth have abandoned goat farming to pursue work abroad says Bista. As a result, the number of goat herders has greatly reduced and this has also lowered the number of goats in farms.



HE Deprez commended the initiatives of the project as well as the local governments to promote pashmina in the region. “We hope that the EU-funded project will help farmers produce better quality pashmina in the future, and not be compelled to sell the goats for meat,” said HE Deprez. The visit showed that there are lots of opportunities for synergy in various programmes launched by the government and partner agencies in the area.

One initiative shared by Shiva Aryal, an Agriculture Officer at Prime Minister Agriculture Modernization Project is targeting the Chyangra Zone. As part of this initiative three programmes are planned for this year: zone operation orientation workshop, breeding and production increment programme and meat processing programme. Growing enthusiasm among locals is increasing and stakeholders recognise that farmers involved in fibre harvesting need awareness trainings and if possible, equipment support.

A new and revitalized Mustang Chyangra Farmers' Association through project support, is crucial for success and sustainability of the project's interventions. In addition, other projects and government initiatives now have an official representative to support farmers.

Rwanda

Tracing Rwandan coffee digitally for inclusive trade

Coffee is central to Rwanda. It is a key driver of economic growth, stability, and improved income for over 450,000 coffee farmers. As the country's leading export crop, it has contributed an average of 24% to total agricultural exports over the last decade. Agriculture contributes 26% to GDP, with 79.5% of the population reliant on mostly subsistence agriculture.

Since the COVID-19 pandemic, a strong digital presence has, more than ever, become a key element for small businesses in the coffee sector to access new buyers and benefit from international markets. However, as consumers increasingly lose trust in food supply chains, buyers are also under pressure to increase traceability and provide full transparency to consumers on where their goods are sourced.

Traceability along the coffee value chain is indeed crucial for inclusiveness and the lives of coffee producers. Moreover, they encourage better risk management in terms of climate change, poverty, and environmental degradation. To help small businesses in addressing traceability, we started a new pilot at ITC: digitizing the traceability records of close to 1,000 women coffee growers in Rwanda. Offering traceability records in a digital format is essential for farmers and processors: it helps them improve their visibility to buyers as well as the sales value of their coffee produce.



Ultimately, with this pilot, we wanted to understand how we could link women coffee producers to markets and thus, promote inclusive trade. We use two advanced technology solutions and partners for this: FarmerConnect uses blockchain technology while OLAM uses its AtSource traceability system. Agnes Mukamushinja is the owner of Nova Coffee, which she founded with her husband, Felix Hitayezu, in 2015. They grow, process and export exquisite single origin Arabica coffee from the mountains of northern Rwanda. With over 25 years of experience in the business, Nova set out to become a coffee enterprise that leads the way in socially responsible practices.

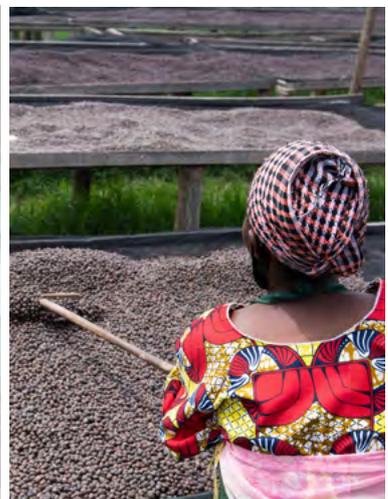
She immediately understood the potential of digitizing the farmer transactions of 80 women growers using the Swiss-based Farmer Connect traceability software (powered by IBM). The pilot required a lot of work from her and her team, but it has enabled Nova to log and validate data on all the farmer transactions to produce one container of coffee thanks to the Farmer ID wallets. By capturing this information using blockchain technology, the consumer buying coffee from the roaster supplied by Nova Coffee is assured of the data's validity.

"The Farmer Connect System has enabled me to digitize our registration of farmers, and this has improved our document management and record-keeping practices. The impact has been remarkable to our coffee-value chain processes considering the COVID-19 disruption to our business," said Mukamushinja.

Moreover, they will be able to know, for example, if farmers producing the coffee were paid fairly or the coffee was mostly produced by women farmers. The pilot activity is documenting and reviewing the impact of digitizing this information on the value chain. Our goal is to demonstrate whether this new technology can build better market access and promote inclusive trade. It is still early days. However, it has been a great learning experience so far for the women-owned coffee businesses, coffee producers, ITC as well as for the coffee buyers.

The training and certification on barista and coffee roasting, also helped Mukamushinja understand the roasted coffee market requirements. Through SheTrades support, Nova Coffee was introduced to 3 new clients including Coffee Corner and Stafford shops.

"Within 3 months of participating in the project's business-to-business activities, we increased our sales by 0.5% and sold 250kg of roasted coffee beans to local coffee shops and 2,400kg to the Australian market. In addition, this year we were announced as the winners of the International Jury Competition based on the Rwandan coffee tasted this season. I am grateful to SheTrades Rwanda for the technical assistance provided to my company under this journey to success and competitiveness," said Mukamushinja.



Tanzania

Building a new market provides economic opportunities for women and youth in the host community of Kigoma, Tanzania

When asked about their hopes and dreams, women and youth in Tanzania's north-western province give very similar and straightforward answers: they want to provide for their families and send their children to school. But life in Kasulu Town is not easy. And these necessities are not a given. 'Sometimes it is challenging. It depends on the day. I might only sell half a litre bag and get 500 shilling (\$0.22), or I might sell one litre and get 1,000 shilling (\$0.43),' says Paulina Abosi, who sells rounded potatoes at Sofya Market. Selling agriculture produce is a lifesaver for many women and young people in Kigoma. 'Selling cassava flour helps me sustain my family's basic needs, even paying the school fees,' explains Ashura Maparara, an entrepreneur at Sofya Market.

Lack of infrastructure hinders access to markets

But the local farmers' biggest challenge is the absence of infrastructure. The solution? Building a new market that improves the business environment for 1,120 women and youth, offering a proper work environment for selling their agricultural products. 'Sofya market is one of the biggest markets in the Kasulu district. It serves a lot of people,' says Adili Charles Mlowe, district coordinator of Kasulu Town Council and planning officer of Sofya Markets.

One of the five planned sheds is up and running, which means some sellers are already enjoying the improved working conditions. ITC has been supporting the Kasulu Town Council in building the sheds to protect women and youth against weather conditions and prevent product damages. 'Selling on the ground means produce is exposed to dirt, so it is difficult to maintain good quality,' says Mlowe.

Abosi is content with the new conditions: 'My potatoes used to get dry when they were exposed to the sun all day. When it rained, they got rotten. With the roof, things have changed.'

Another young entrepreneur who sells rice, cassava and potatoes, Saidi Omari Kibaranyi, agrees: 'Since the renovation of the market, my life has really improved. Now I have enough tables to store and display our produce. This helps me to sell what I want and I can pay the school fees for my children.'

Supporting the host community

Kigoma is one of the poorest and most isolated regions in Tanzania, with a community of over 300,000 refugees coming from Burundi and the Democratic Republic of the Congo.



This makes the social situation difficult and employment a challenge – but it also provides an economic opportunity. The government is planning to turn Kigoma into a trade and business hub at the crossroads with its neighbouring countries. Youth and women’s economic empowerment is crucial to the region in the fight against poverty.

ITC, together with 16 other UN agencies, is helping marginalized groups in the host community, who have experienced an influx of refugees, build sustainable livelihoods in the agricultural sector. The project also indirectly benefits refugees in the region: beneficiaries include women and young refugees as well as host community members. This way refugees benefit too.

Uganda

Ugandan food hub connecting farmers to consumers speeds up, boosting business and local production

Understanding that online shoppers want the most effortless experience possible, Minute5, a Uganda-based e-commerce platform offering a fresh food delivery service sourced directly from local farms and markets, has moved to the AWS (Amazon Web Services) cloud computing platform.

The company introduced a successful full mobile functionality with contactless delivery and cashless payment model in response to the Covid pandemic. That further streamlined the customer journey and won the company more than 150 new customers, with 70 repeat customers, for a total of 540 regular customers. “The move to AWS allowed us to scale up and put more products into the system, increase our own productivity and increase sales,” said Minute5 founder and CEO Jonathan Paul Katumba. NTF IV, a Dutch government funded project, made the connection with AWS.

Minute5 has focused on building positive customer relationships, with high quality photos and easy website navigation, a strong team running delivery operations, and a dedicated group of trained boda-boda drivers to ensure smooth customer service. “Everything is done through mobile phones. I get the order and within 10-15 minutes I process it, check the items, and get them delivered,” explained Minute5 purchasing officer Sheikh Edrissa. Customers can pay with bank cards or mobile money.

Katumba’s next goal is to expand the business by integrating the company into the supply-chain cycle, thereby boosting small-scale producers, and ensuring customers get the freshest food on their tables. “In this way we can provide customers a convenient service while also helping local farmers. And since we collect consumption data, we can also advise those farmers on what food to grow in preparation for different food seasons,” explained



Katumba, who started the company in 2018 and began working with NTF IV soon after that.

Minute5 is part of the global multi-billion-dollar tech-driven food delivery industry that dramatically increased during the Covid pandemic and shows no indication of slowing down. Currently 40% of the food sold on Minute5 platform comes from farmers, while the rest is sourced from local markets. As the sourcing percentage shifts, Katumba plans to build an easily accessible urban storage facility for farmers' products, which will also serve as a retail outlet.

The result will help farmers reduce their food wastage and delivery efforts as well as enhance their crop productivity, while affording consumers lower-cost fresher produce. "NTF IV has been the launchpad for the company. We were given training sessions on crisis management, business plans and capacity building, and how to connect to and negotiate with investors," Katumba said of his success. Last year Minute5 expanded by hiring more staff in marketing, delivery, and graphic design. This year they plan to hire an additional 10 people in tech, sales, marketing, and content creation.

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