



ITC

TRADE IMPACT
FOR GOOD

50 YEARS

1964-2014

Greening Trade:

an ITC strategy for mainstreaming
environmental sustainability







A NEW VISION ON GREEN AND SUSTAINABLE TRADE

ITC has made a commitment to inclusive and sustainable trade. In meeting this commitment, ITC is working with its partners to evaluate and address development gender, youth, poor communities and environmental sustainability aspects of its trade-related technical assistance (TRTA) activities.

Towards environmental sustainability, ITC has developed a new strategy for environment mainstreaming. This strategy results from a 9-month internal review in 2013 of how ITC could more consistently and effectively integrate relevant environmental considerations into the design, implementation and evaluation of its projects and processes.

The purpose of the strategy is to guide ITC's work and provide staff and partners with guidelines on environment mainstreaming. The Strategy seeks to mainstream or integrate environmental considerations in activities implemented across ITC portfolios and beneficiaries, building on the activities already undertaken under the Trade and Environment programme.

THE STRATEGY OUTLINES

- **ITC's commitment** to integrating environment and development objectives through activities that support national planning and dialogue, build climate-resilient export sectors and support beneficiaries in the shift towards environmentally-resilient and sustainable trade.
- **ITC's approach** to meeting these commitments by pursuing environmental sustainability as a cross-cutting priority in its operations facilitated by institutional realignment and strengthened internal analytical and implementation capabilities.

The strategy includes a portfolio of actions intended to build ITC's capacity to facilitate the greening of Aid for Trade over the period 2014–2015. The strategy will assist ITC in meeting its corporate objectives and will increase ITC's development impact.



RATIONALE AND PRIORITY AREAS OF SUPPORT

There is a business and development rationale for considering the environment in trade. Environmental threats, such as climate change, natural disasters and land degradation pose an immediate constraint to trade expansion and to humanity. At the same time, expanding international markets for green products and services offer new opportunities for export growth and for improving environmental sustainability across the value chain. Exporters are increasingly required to meet regulatory or private standards for environmental sustainability to maintain or expand market access.

In the latest UN Quadrennial Comprehensive Policy Review (2012), 80 per cent of governments singled out environment and sustainable development as the most critical area of UN assistance in the following four years.

ITC's mission lies in trade promotion and international business development to facilitate sustainable economic development. Within this, environment-related constraints and opportunities for trade competitiveness are relevant.

ITC has identified three priority areas where it has a role to play in supporting SMEs, TSIs, and policy-makers towards environment mainstreaming:

1. **Mitigating impacts** of production and trade on the environment: The environment provides natural resources that can be degraded or depleted through economic activity and trade. Already 60 per cent of the world's ecosystems are degraded or unsustainably used according to the Millennium Ecosystem Assessment (2005). **ITC has a role in** developing value chains that make efficient use of these resources can reduce costs, improve competitiveness and improve environmental sustainability.
2. **Strengthening resilience** to climate change and associated environmental shocks. Businesses and exporters in developing countries and countries with economies in transition are particularly vulnerable to natural disasters and climate change. As an example, flooding in Thailand affected over 500,000 SMEs in 2011 and cost the economy US\$45 billion¹. **ITC has a role in** raising awareness and building resilience among exporters can assist SMEs in managing and responding to these risks.
3. **Realising opportunities** to expand trade in environmental product and services markets. Growing demand for environmentally-sustainable goods and services offer new trade opportunities. For example, biodiversity exports have enabled Peru to access 2.3 billion consumers and international sales are expected to reach US\$2.7 billion by 2020². **ITC has a role in** encouraging both the 'greening' of mainstream products and services trade and the development and expansion of environmental products and services trade (such as biodiversity-based products, clean technology, ecotourism and renewable energy).

1 World Bank (2011)

2 <http://www.tradeforum.org/article/promoting-sustainable-trade-for-a-green-economy/>



STRATEGIC OBJECTIVE

This strategy will build ITC's internal capacity to facilitate sustainable export growth among beneficiaries by reducing their environmental vulnerability and support the shift towards green and sustainable trade. Towards this objective, the strategy seeks to ensure that ITC consistently and effectively integrates environmental priorities into the design, implementation and evaluation of its projects.

This strategy responds to the needs expressed by donors and beneficiaries for support in transitioning to a green economy and fostering sustainable economic development.

ACTING NOW

With consultations underway for an ambitious **post-2015 Sustainable Development Agenda**, ITC is committed to making a substantial contribution towards empowering developing country businesses and governments to realise their visions for sustainable growth and development and their ongoing commitments to the **Millennium Development Goals**.

The momentum has been strengthened following **Rio+20** in 2012, at which ITC actively participated as an advocate for the greening of trade. At the Conference, the UN General Assembly called on UN entities to "further enhance the mainstreaming of sustainable development into mandates, programs, strategies and decision-making processes". This strategy validates ITC's commitment to further mainstreaming sustainable development into its mandate — 'trade impact for good'.

There has already been increasing encouragement for ITC to incorporate a strategy for environment mainstreaming into its activities. For example, at Joint Advisory Group (JAG) meetings, ITC stakeholders (including China, Canada, Denmark and Finland, among others) have supported a systematic approach to environment mainstreaming and consistently requested that more attention be given to green economy and trade outcomes.

This strategy presents a mutual vision for ITC, its donors and its beneficiaries for working together to achieve measurable progress in this area.



BUILDING ON OUR STRENGTHS

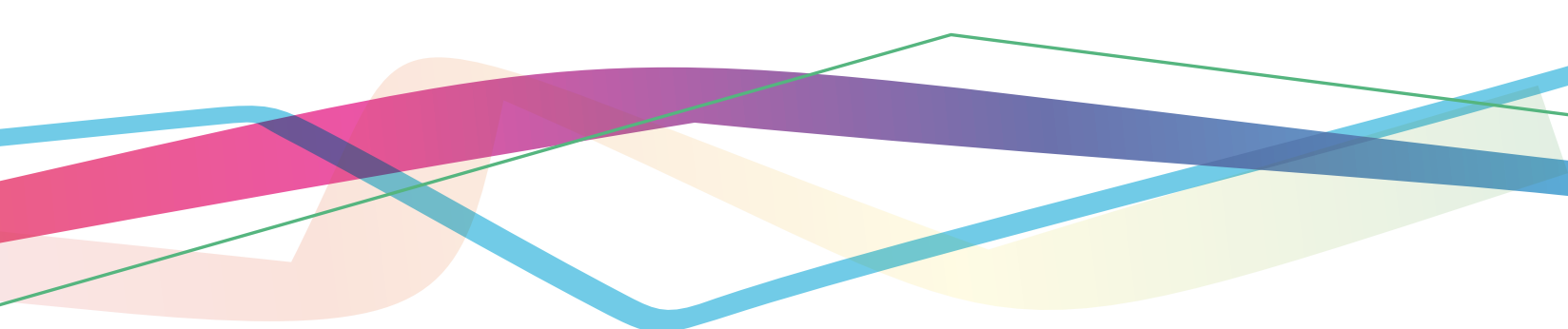
ITC has been an advocate for environmentally sustainable export growth for more than a decade. ITC has two long-standing and successful Programme areas on environment, demonstrating its commitment to addressing trade-related environmental concerns and opportunities.

- The **Trade and Environment Programme** (TEP) delivers market analysis and capacity building to strengthen competitiveness, sector sustainability and climate resilience among developing country SMEs and exporters. It supports businesses in overcoming environment-related barriers to trade (such as certification, labelling and regulatory requirements) in agri-food, wildlife, natural product and other environment-related industries.
- The **Trade for Sustainable Development Programme** (T4SD) provides comprehensive information on voluntary sustainability standards via standardsmap.org. It has enabled producers, exporters, policymakers and buyers to overcome information barriers to participation in sustainable production and trade.

ITC also has undertaken efforts to measure and reduce its greenhouse gas emissions, in line with the ITC **Emission Reduction Strategy**.

However, in 2013, ITC undertook an audit of ITC to assess environmental mainstreaming and revealed that there are many programme areas where environmental dimensions are not systematically considered, or where there is an opportunity to further support SMEs, exporters, TSIs or policy-makers in managing environmental risks and building capacity for greener and more sustainable trade. Areas where ITC identified a need to strengthen environment mainstreaming included:

- *Corporate strategy and messaging* on environmental objectives, approach and achievements;
- *Staff awareness, engagement and capacity* to respond to environmental risks and opportunities linked to trade;
- *Project design processes*, including needs assessment, logical frameworks and systematically integrating environmental sustainability into national and sector export strategy development;
- *Tools and resources* that support staff and project partners to recognise and appropriately respond to trade-related environmental concerns or opportunities; and
- *Monitoring and evaluation processes*, including appropriate targets on environmental sustainability and regular reviews of progress.



The audit found that ITC was well-placed to support business in building environmental resilience and capitalising on markets for green products and services. There was also widespread agreement among project managers that environment mainstreaming is necessary to improve the outcomes and impact of ITC's work. Specifically, it could enable ITC to better respond to donor and partner requests for support in the area of environmentally sustainable trade, particularly where it can improve export quality, strengthen supply chain resilience and enable access to higher value markets.

ITC has developed this strategy to mainstream the integration of environmental considerations across the portfolio of activities implemented by ITC. The Strategy seeks to build on ITC's "vertical" programming, focused specifically on trade and environment, with a plan for cross-cutting integration of environmental dimensions into trade promotion and poverty reduction activities.

ACHIEVING IMPACT

ITC is moving towards measuring impact better. Within its objective for increased levels of sustainable and inclusive trade, indicators for improved environmental sustainability will be monitored from 2016 onwards. The strategy will guide ITC towards achieving this outcome.

In addition, this strategy will be supported by a detailed implementation and resource mobilisation plan for 2014–2015, guided by an environment mainstreaming taskforce. The implementation plan is critical to the integration of environment in ITC strategic planning, programming and project development. While environment is already reflected in ITC high level goals (e.g. 'contribute to achieving the Millennium Development Goals', 'mainstreaming inclusiveness and sustainability'), more is required to embed environmental priorities at the project level, especially as environment is a marginalised issue in many developing countries and their traded sectors.



ITC ENVIRONMENT MAINSTREAMING STRATEGY

The ITC Environment Mainstreaming Strategy provides a clear and realistic plan for integrating environmental considerations into ITC's projects and processes. ITC will implement the strategy alongside beneficiaries and their emerging priority areas.

The Strategy is consistent with ITC's overall objective, Trade Impact for Good. Environmental considerations are a core part of sustainable trade promotion and long-term development outcomes. This Strategy is part of ITC's longer term commitment to environmental mainstreaming and the emerging UN Sustainable Development Agenda.

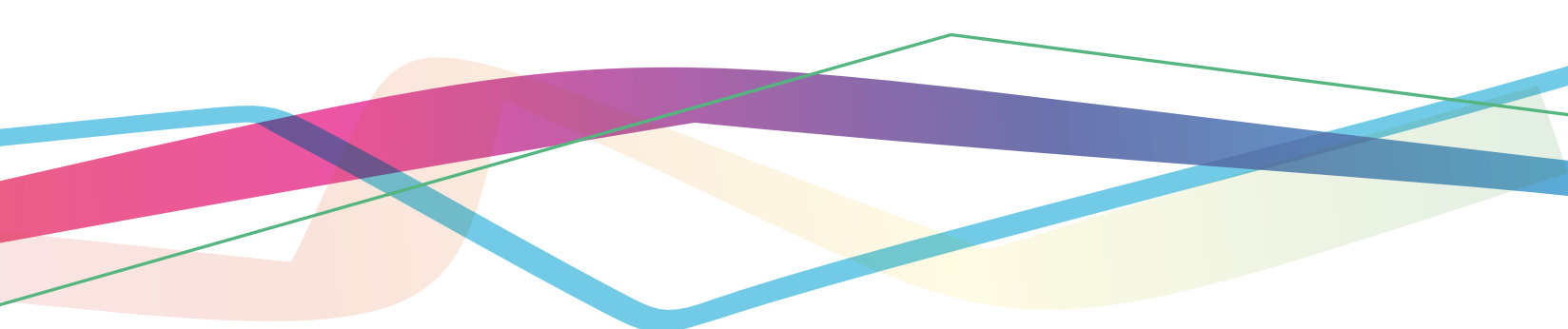
The outcome of the strategy is that environmental considerations are mainstreamed into ITC's policies, processes and activities. This will be achieved by three core outputs, summarized below:

OUTPUT 1: Staff and partners are aware and capable of addressing environmental impacts and risks and realise environmental opportunities associated with trade

ITC works with partners of a wide-range of activities to accelerate trade and development outcomes. Increasingly, ITC's partners are requesting assistance in taking advantage of green economy opportunities and reducing export vulnerability to environmental challenges, particularly those relating to climate change. ITC will work to develop new tools and guidelines that can support project partners in these efforts.

To achieve this, ITC will:

- Host in-house workshops and provide information on environment, trade and development
- Provide project managers and staff with access to expertise on environment mainstreaming and assistance with integrating environmental considerations into specific projects
- Develop appropriate tools and guidelines on environment and sustainable trade for exporters and their institutions, such as a business guide to building climate resilience



OUTPUT 2: Environmental priorities are integrated, in coordination with other development priorities, in project consultation, design and implementation

To achieve this, ITC will:

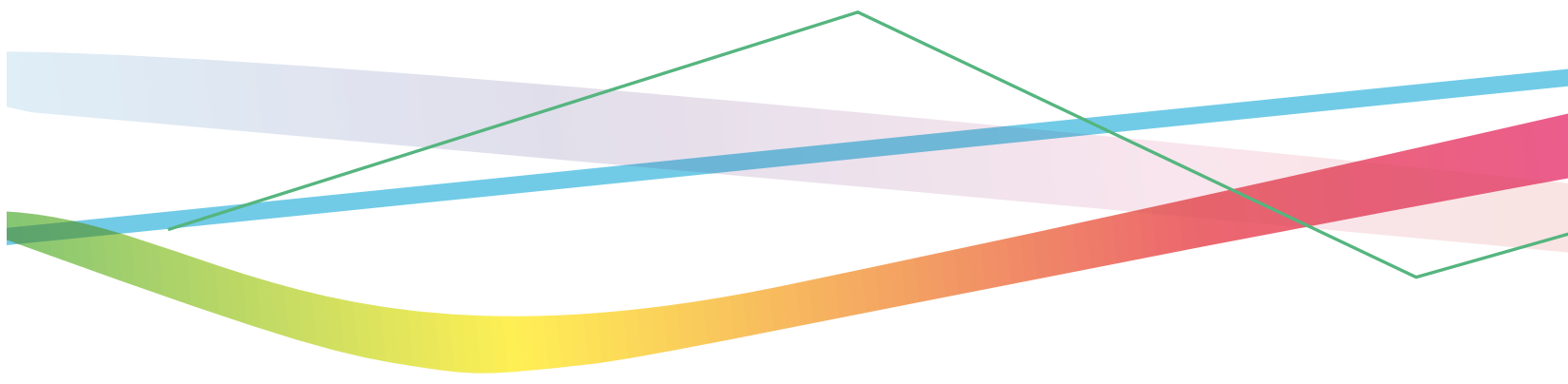
- Modify project approval processes to include procedures for assessing and addressing environmental considerations
- Develop a project environment assessment tool to build capacity to integrate environmental considerations into projects early in the design stage
- Develop consistent framework for integration of environmental sustainability into sector competitiveness strategies and national export strategies
- Provide guidelines to project managers for resourcing the integration of environment into specific projects.

OUTPUT 3: ITC Measures and Communicates results of environment mainstreaming through monitoring, evaluation and reporting systems

ITC offers a broad and expanding range of activities and services that could be related to trade and environment. ITC will promote these activities and achievements to improve its recognition as a leading provider of intelligence, capacity building and market solutions for green and sustainable trade – both through trade and environment specific programming and as a cross-cutting issue across the wider project portfolio. ITC will evaluate its progress on environment mainstreaming and will retain flexibility in its approach to integrating environment into its Aid for Trade programming.

To achieve this, ITC will:

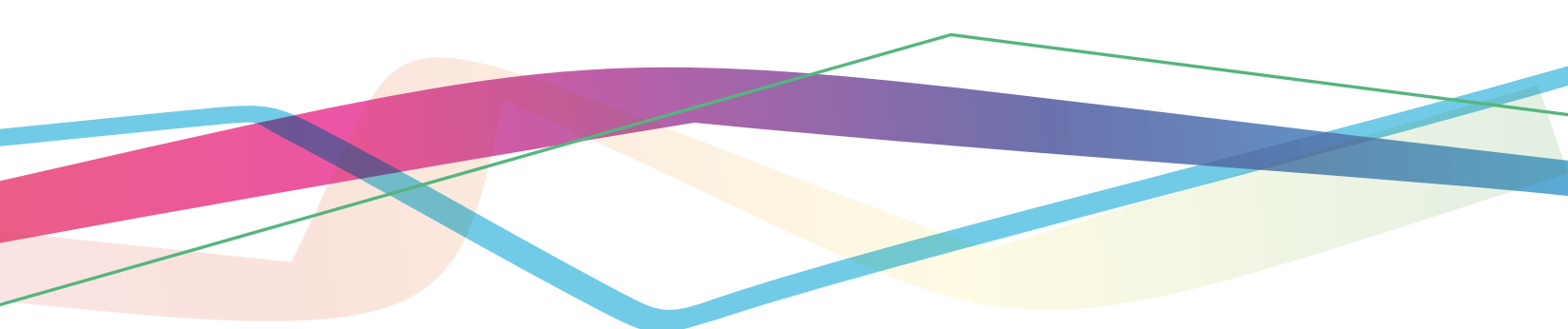
- Monitor and evaluate project impacts on environmental sustainability, including publishing clear targets and a strategy to meet them
- Appropriately integrate environmental considerations within strategic frameworks, performance indicators and other corporate publications
- Develop a communication strategy on trade and environment to build awareness among external stakeholders of ITC's commitment and approach.



IMPLEMENTATION

The implementation of this strategy requires commitment, participation and contribution from each staff member. The responsibility and accountability for its successful implementation rests with the Executive Director, Directors, Chiefs and the programme and project managers.

Senior Management has endorsed an implementation plan to enable the realisation of the Strategy in 2014 and 2015, supported by the mobilisation of adequate human and financial resources.



FSC is an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests.

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