

## JAG Informal session 22 May 2012

	<p><b>Speech by Ms. Aicha Pouye, Director, Division of Business and Institutional Support, ITC</b></p> <p>Delivered on Day Two of the 46<sup>th</sup> Session of the ITC JAG, 21-22 May 2012</p> <p>Date: <b>Monday, 22 May 2012, 15:05-15:15</b></p>
<b>Title</b>	Improving TSI performance: Introducing ITC's TSI Assessment and Benchmarking Programme
<b>Speech</b>	<p>Mr. Chairman, Excellencies, Distinguished Delegates, Ladies and Gentlemen,</p> <p>Thank you for your interventions and supporting comments for ITC expressed throughout the meeting.</p>
<b>Value for money as expectation towards ITC</b>	<p>We spent much of the last two days discussing the changing trade landscape and the changing and more volatile economic environment we live in. As the JAG is ITC's general meeting, it is natural that we have been discussing this from the point of view of ITC: how ITC is affected by and reacts to these changes and the innovations we are making to serve the changing needs of our clients. You have been asking us to demonstrate that investing in ITC is good value for money, and – as you have seen – we are investing in internal processes to make sure that it remains so.</p>
<b>Diagnostics tools</b>	<p>In order for TRTA delivery to generate results that address real needs and bottlenecks in export capacity and trade, a provider such as ITC first needs a way to assess these problems and bottlenecks. It is for this reason that ITC has developed a series of diagnostic tools to assess the needs of our three client groups.</p>
<b>SME diagnostics</b>	<p>Being able to assess the needs of SMEs individually, as well as globally or within a sector, country, or region, is a fundamental prerequisite to designing targeted, enterprise-level programmes with the aim to improve the international competitiveness of SMEs in developing countries. Diagnostics encompasses not only needs assessment, but also the monitoring of programme implementation, and impact evaluation in a sustainable manner. In this light, diagnostics can be applied in addition to programme implementation, thus allowing time to measure the gap between a business situation and the objectives set by a business to become internationally competitive, at any time in various areas of export readiness. We have mainstreamed diagnostics into much of ITC's enterprise level offering over the last few years.</p>
<b>Diagnostics in trade</b>	<p>Similarly, diagnostics is at the heart of ITC's work in trade policy.</p>

<p><b>policy</b></p>	<p>The objective of this work is to engage the private sector in a fruitful dialogue with the government to bring about trade policy reforms that have an impact on business competitiveness. When undertaking a public private dialogue assignment, the starting point is assessment of whether policies implemented by the government are conducive to export competitiveness. The diagnostic stage entails stock taking of existing policies and their level of implementation, identifying bottlenecks, prioritizing issues for reform based on maximizing the benefits for the least implementation cost. We then subsequently design appropriate reform and monitoring steps.</p>
<p><b>Value for money for TPOs</b></p>	<p>Finally TSIs. It is not just ITC and our beneficiary governments that are affected by the current economic environment, and are scrutinized to show value for money – but so are our main clients, Trade promotion organizations and other trade support institutions. TPOs are key players in increasing the international competitiveness of developing country exporters, particularly SMEs. SMEs from developing countries are often at disadvantage in their access to business skills, information and trade support services for international trade. Official trade promotion organisations and other trade support institutions work to fill these gaps by providing business capability, trade promotion and trade development support to SMEs. Studies undertaken by the World Bank in the last three years have estimated that a 10% increase in the budget of TPOs would expand the exports of their countries by 0.6% to 1%. Given the median budget of TPOs in Developing Countries, this means that for each dollar increased in the budget of TPOs, there is potential to increase exports by more than 50 dollars. Improving the efficiency and effectiveness of TPOs and TSIs, which is also a way of increasing the productivity of their budget, has thus a large potential to increase the exports of DCs.</p>
<p><b>The answer: ITC benchmarking</b></p>	<p>So beyond the fiscal pressure on TPOs, like on any government agency, to improve their performance and efficiency there is a large potential payback in terms of increased exports from the beneficiaries of those TPOs. Before being able to improve, however, TPOs and TSIs need to take stock of where they are, evaluate their performance and see in what areas they can cost effectively improve based, among others, on the experience of their peers. This is exactly what ITC’s TSI Assessment and Benchmarking Programme has set out to do. We would like to spend the rest of the afternoon discussing the programme, its results to date as well as the work plan we have for the rest of 2012 and beyond.</p>
<p><b>Definition</b></p>	<p>The Assessment and Benchmarking Programme is a multiyear ITC corporate initiative aimed at improving the efficiency and effectiveness of TPOs and TSIs from developing and transition economies. TPOs’ and TSIs’ ability to achieve their objective in supporting exporters depends to a great extent on their own level of operational capacity and on the relevance of their services.</p>
<p><b>Focus</b></p>	<p>The programme responds to the interest that TPOs, TSIs and their governments have expressed to ITC on the need to identify best</p>

<p><b>Inclusiveness</b></p>	<p>practices and benchmarking standards for TSI activities.</p> <p>The programme also addresses and considers important cross-cutting issues. In addition to the overall objective of creating a more inclusive global trading system through the improvement of SMEs' access to global markets, the model of assessment takes into account, as part of the set of good practices, the adequate consideration of gender equality, environmental care, corporate social responsibility and ethical standards, among other objectives, in line with ITC's mission to create Export Impact for Good.</p>
<p><b>Increase local share in TRTA delivery</b></p>	<p>The programme is also fully in line with the strategic intention to deliver TRTA through resources in the field by using local partners as multipliers to channel ITC assistance to SMEs.</p>
<p><b>Online tool to roll out pilot</b></p>	<p>In addition to testing the assessment and benchmarking model in the field, we have also created the specifications for a software that will enable us to roll out this pilot initiative to TPOs and TSIs around the world. The execution of the project is currently under tendering with the tool expected to be developed during this year. Once live, TSIs will be able to use this tool for self assessment against the Benchmarks, while facilitated, or assisted, assessment with the help of an ITC trained local expert will also be available.</p>
<p><b>Over to Andrea</b></p>	<p>I would now like to hand over to Andrea Santoni to provide you with a demo of the Benchmarking methodology. This will be following by an intervention from four of our TPO partners. Then José Prunello will present our plans for consolidating and expanding this programme over the next 3 years, an endeavour for which we are looking for donor support.</p> <p>But first, the demo.</p>