



Making Trade Work for the Poor ITC Executive Forum – Berlin, 1 October 2006

Closing remarks of Ms Patricia Francis Executive Director, International Trade Centre

At the start of this event, I spoke of the moral challenge of the 21st century being poverty. At the same time, more than ever before, the world has an opportunity to overcome this challenge. Minister Wierzbowski of Germany, and WTO Deputy Director-General Rugwabiza made it clear that they saw ITC as a primary actor in helping countries translate trade policy into meaningful business opportunities, to increase real incomes through global trade.

We have spent the last two-and-a-half days trying to figure out why many initiatives have not translated into wider impact. We were reminded quite graphically by our colleague from India that even with his country's gains, there are those who cannot afford the fare to squeeze onto the overcrowded bus mentioned by our colleague from Nigeria.

Each of us came with different expectations. Some hoped to leave with a prescriptive solution to bring the poor into the export process. Others hoped to gain understanding of what ITC was talking about. Still others are gathering suggestions for a potential way forward.

Some thoughts that you have articulated include:

National trade promotion organizations (TPOs) currently are not designing strategy with poverty reduction in mind. In fact, many did not know what we meant by pro-poor strategy.

TPOs should not be in the business of creating the national development agenda for poverty reduction. Instead, they should take the agenda into account when developing their export strategy.

While current strategies are not directed at the poor, some are reaching the poor.

In Ghana, for example, in the pineapple export business, a large foreign investor is providing technical assistance to small neighbouring farms and helping them find markets for the finished products. The investment has led to better technology levels, higher yields and higher income. This has a direct impact on poverty in the area. The same is true for a project in the north of Ghana, where a market for baskets was matched with a community that had the resources to produce them. With some design help and a little technical assistance, the community which previously worked for four months a year now had full-time employment and higher incomes. The important point about these examples is that both were market-driven.

Strategy development should be the starting point from which TPOs should set targets and measurement indicators. As Kaplan notes, "You can't manage what you can't measure, and you can't measure what you can't describe."

No strategy should be designed and developed without an inclusive approach. It should take into account the views of the grass-root organizations, women, business and government.

Strategies should have political commitment to ensure real resources are placed behind them to guarantee the changes necessary to move the agenda forward.

To reduce poverty, we must take into consideration agriculture and rural communities. Tourism and related services can also have a direct impact on poverty by linking poor communities to bigger markets to generate incomes, jobs and wealth. Mobile telephony and other information and communication technologies, fair trade and South-South trade are viable ways to facilitate trade. Corporate social responsibility is a way to link trans-national corporations to the bottom of the pyramid and generate resources. An underpinning element must be an appropriate education and training regime to enhance the skills development of the stakeholders.

All these wonderful strategies will come to naught if they remain on a shelf without implementation strategies. To quote Carlos Braga of the World Bank, "Vision without implementation is hallucination."

So if we have really been listening to you, what will ITC take out of this Forum?

First, we have underestimated the value of this network. Therefore we have not leveraged its full potential for the benefit of the members or for ITC at large.

Second, should the Executive Forum continue to focus on export strategy or should it evolve to accommodate other issues which have an impact on the private sector? I would like you to come forward with your ideas about potential themes for the Forum in the future. Many of you have already put some thoughts forward.

Third, should we have regional fora?

Fourth, will we come up with tools to assist countries in developing targets and measurement indicators for poverty reduction? On this point, we can already say yes.

Fifth, I am told that we have sometimes been too prescriptive, or left you at the altar and not consummated the marriage. What I hear you, WTO Deputy Director-General Rugwabiza and Minister Wiczeorek-Zeul, say is go forward and multiply. Show the way.

Do we have the skills to do this? To a large extent, yes. Do we have the human and financial resources to do so? No. How will we then modify our business model to accommodate this opportunity? We will have to create new strategic alliances or make those we have work better.

Finally, how do I see ITC going forward? As the premier technical assistance agency for trade that countries look to for cutting-edge information, tools, capacity-building or knowledge on how to identify and create export opportunities for the private sector in developing and transition economies.

How will we get there? By a process of evolution and calibration of our services to refine them in line with what you, our clients, need. By training our staff in the skills that are missing and by engaging our partners to make this a reality. As part of the transition process, we have realigned our mission statement and objectives. In October we will have a retreat with our stakeholders -- representatives of donors and beneficiary countries -- to present progress made during the transition and discuss issues emanating from a major external evaluation report of ITC, so that ITC can better orient its work programme for the benefit of client countries. By December we will have a Consolidated Programme Document, aligned with our objectives, that will help us adopt a more results-oriented approach in planning ITC activities. We will test the approach in pilot countries. The important element, at each step in this process, is to learn from listening.

The Executive Forum has been very inspiring. The challenge proposed to us by the national export strategy team has been relevant to everyone present. We all have a large percentage of our populations surviving at the "bottom of the pyramid". The opportunities that could unfold by engaging those at the bottom are worth the effort to incorporate a new dimension to the work of our organizations.