

Statement by the ITC Executive Director
54th Joint Advisory Group
Pamela Coke-Hamilton

Chairperson Ambassador Athaliah Lesiba Molokomme of Botswana
Secretary-General Mukhisa Kituyi
Deputy Director-General Frederic Agah
Friends

I welcome you to the first virtual JAG in the 56 years of ITC's existence!

Thank you to Finland for its leadership of the 53rd session of the JAG and to Ambassador Molokomme for accepting the Chairpersonship of the 54th session.

Before we begin, I'd just like to say that holding this meeting has been a feat of intense logistical gymnastics. I'm grateful to the ITC and WTO teams who have made it possible. As we say in Jamaica, 'one han cyan céap, yu haffi have two'!

I wish to thank WTO Deputy Director-General Agah and UNCTAD Secretary-General Kituyi for their continued partnership, commitment and support to ITC.

As we've already heard, we work in sync as the Geneva Trade Hub to make trade happen.

We have come together on several initiatives that give shape to this goal as the three spokes of the Geneva trade hub. From the Global Trade Helpdesk to the SDG Trade Monitor; from collaboration on trade facilitation and women's economic empowerment to making it possible for young people to run prosperous, job-creating businesses that plug into international trade.

For richer, for poorer, in sickness and in health, our deep and enduring cooperation has stood the test of time. This year could destabilize any partnership, so I am particularly pleased that as we come to the end of 2020, we remain committed to our separate but interconnected mandates to deliver 'good trade' for all.

Friends, in the 25 years since the formation of the WTO and in the 75 years of the United Nations, there are inflection points in our history that fundamentally change our lives.

The Great Depression, 9/11 and the financial crisis of 2008, for example.

And surely, one of the most significant inflection points of our lives is 2020. This year will be permanently seared on our collective consciousness for the COVID pandemic and the way it has dramatically reshaped our world.

Nearly a year into the crisis, we remain uncertain as to how things will unfold.

Around the world, governments are really fighting three pandemics at once.

- A viral pandemic
- a psychological pandemic
- and a socio- economic pandemic

We must fight the viral pandemic with social distancing and handwashing, other prescribed protocols and, soon, treatments and vaccines.

We must fight the psychological pandemic by pushing back on fear, fatigue and fake news.

And we must fight the economic pandemic with targeted interventions and decisive action.

I will come back to this last pandemic, the economic pandemic, later.

But first, let me turn to a time before masks, lockdowns and Zoom.

We meet today to consider the work of ITC in 2019, as recorded in our 2019 Annual Report, which was published earlier this year. The report comprises 18 case studies profiling some of our programmes, projects and innovations and a full account of our corporate performance. I will highlight a cross-section of this work and some of our key results.

But 2019 now seems a very long time ago. So I will also sketch the outlines of the dramatic changes the world has seen since the start of this year and the onset of the COVID-19 pandemic. And I will explain how ITC responded to these changes. I will also describe the agenda we have developed that is focused on recovery, resilience and re-imagining the future.

Recovery because the need to save our MSMEs is urgent. Resilience because COVID will not be the last shock, and perhaps not the worst, of the 21st century. Re-imagining because new circumstances need new and nimble ideas.

On almost every indicator, ITC surpassed its targets in 2019.

- Over 26,000 extra enterprises became more internationally competitive and did deals
- we nearly doubled our target of policies and regulations that were changed to help MSMEs
- And more than 90% of our clients rated our services positively

Our multiple projects and programmes in Africa, Asia, Latin America and the Caribbean posted impressive results in 2019. From Afghanistan to Zambia, we were busy working with policymakers, business support institutions and MSMEs to boost international trade.

Let me give you a flavour of our work with just three projects featured in the Annual Report.

In Tanzania, we helped train a thousand farmers to produce cinnamon using modern techniques that can stand the test of global spice markets.

- Experts came from Sri Lanka to share sustainability know-how
- Membership of the local spices trade association grew ten-fold
- And Tanzania's cinnamon exports ballooned by 350%

In Myanmar, a southern region adopted and implemented our "value-chain" and community-based approach to inclusive tourism that had been pioneered in the east.

- The project created jobs in the local ecosystem
- In some villages, tourist arrivals doubled
- And, I'm happy to say, the project won the 2020 Skål International Sustainable Tourism Award for Community and Government.

Well done to them!

And in Central America, we were active across Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama to bring innovation to 200 craft and gift businesses run by women.

- The project took the workshops, sewing tables and kilns of hundreds of women and turned them into "mini multinationals."
- With e-commerce, their jewellery, textiles and ceramics are now sold online to customers all over Europe and elsewhere.
- We brought these small businesses into partnerships with eBay, Etsy and Amazon Homemade, and UPS

That's just a snapshot of the power and transformational work that is undertaken through your support by ITC.

According to our reporting, the value of transacted business and mature international trade and investment deals facilitated by ITC amounted to \$1 billion, and trade and investment leads and deals in earlier stages of negotiation amounted to more than \$2 billion.

ITC is able to achieve such impressive results by focussing on where we can make the most impact: MSMEs, the digital future, and lifting up women, young people and poor communities by helping them move up the value chain.

In 2019 we formalized this focus by developing a measurable policy to mainstream these objectives of women's economic empowerment, youth entrepreneurs, and green growth into all our projects.

This systematic approach ensures that our work contributes to alleviating poverty and improving livelihoods at the same time as mitigating environmental risks and realizing economic opportunities.

We displayed our interventions at our World Export Development Forum in Addis Ababa almost exactly a year ago.

As well as showcasing our programmes on women through the SheTrades Global conference and young people through the Youth Entrepreneurship and Self-Employment forum, the event demonstrated our commitment to the future of trade in Africa as it enters a new era.

In Geneva, our Innovation Lab continued nurturing new ideas and creative solutions. It launched its first three-year strategy focussed on delivering Trade Impact for Good. It also launched ITC's podcast – Trade Forward. I encourage you to take a listen – all 12 episodes are now online.

We also improved internal processes. Our compliance with the UN System-Wide Action Plan on Gender Equality went up from 75% in 2018 to 81% in 2019.

- We also reached 47% of women professional staff – up from 44% in 2018 – putting gender parity in reach.
- And we appointed an inclusion group of focal points on gender, disability and LGBTQI-plus visibility.

We updated our risk management framework, strengthened our financial management function and deepened our understanding of how our work results in new trade actually taking place.

This afternoon you will hear more about our 2019 performance at a presentation of the Annual Evaluation Synthesis Report.

Despite trade tensions and geopolitical factors negatively impacting trade growth in 2019, we ended the year confident that the ITC model was sound and fit for purpose.

Then news came of COVID-19, and in 2020, everything changed.

As the virus spread around the world, governments reacted to the economic pandemic that trailed in its wake. Previously unseen levels of intervention became commonplace. Whole sectors of the economy were locked down to stop social interaction.

Governments that could afford it threw tax regimes into reverse and paid people not to work. If they could, they hurriedly stitched together new social safety nets. The gig economy revealed its myriad failings for all to see.

As travel was banned and borders were closed, protectionism spiked – especially with respect to medical goods and food. Whole service sectors like tourism and hospitality have been devastated.

As many as 98 countries maintain temporary export restrictions to this day, according to ITC's tracker of COVID measures. The tentacles have spread to MSMEs in supply chains in every corner of the world.

A glance at the global figures is startling:

- trade in goods down by 20%
- trade in services down by 30% (and for tourism as high as 75%)
- and the global economy expected to shrink by 5%-9%

The result is a global recession not seen since the 1930s.

There are and will be social consequences, not least for women.

- In the United States, as many as one in four women are thinking of stepping back or leaving the workforce entirely
- Globally, 64% of women-led firms told ITC their businesses were strongly affected, compared with 52% for companies led by men.

- sectors that employ mostly women – retail, hospitality, light manufacturing – have been hit hardest.
- And domestic abuse against women has been on the rise around the globe

I am wearing orange today in keeping with the UN 16-day campaign against domestic violence and in solidarity with the survivors and those who still suffer from this continued atrocity.

And for young people, the outlook has darkened.

- A generation has seen their education disrupted or stopped.
- They are three times as likely as adults to be jobless.
- And 42% of companies led by people under 35 said that there was a risk that their business will permanently close

Global labour income plummeted by more than 10.7%, or \$ 3.5 trillion, in the first three-quarters of 2020. Ten garment-exporting countries in Asia saw exports drop by 70% in the first half of 2020. In Bangladesh alone, more than 1 million garment workers were laid off. And at least 34 million jobs in Latin America and the Caribbean have been lost.

Small island developing states have seen their lifeblood, tourism decimated.

Sub-Saharan Africa will move into a recession for the first time in more than 25 years, with output losses of between \$37 billion and \$79 billion.

If protectionism becomes entrenched, trade imbalances that exacerbate existing inequalities between regions will grow. The least developed countries are at risk of falling further behind.

The gloomy story of 2020 has played out against the backdrop of climate change. We have all seen the clear skies and inhaled the clean air that lockdowns accidentally endowed. But even as winter arrives in the northern hemisphere, wildfires are still burning in California.

Central America is reeling from the devastation caused by Hurricane Eta and Iota.

South Sudan, Uganda, the Republic of the Congo are flooded. The Philippines was battered by Typhoon Goni one week and Typhoon Vamco the next.

Some have called climate change the next disaster waiting around the corner to challenge humanity – the “real” second-wave. But it can’t be the next frontier of our efforts – it has to now be the substance of our efforts. That’s because

we have a golden opportunity to build back boldly after the pandemic and put gender equality, social responsibility, and environmental protection at the heart of the recovery.

That's the essence of ITC's good trade agenda – trade that is cleaner, fairer, and more resilient to shocks. Our inaugural Good Trade Summit in October this year probed these questions to propose practical, market-based solutions. Like all our events in 2020 – including this one – the summit was held virtually.

The pandemic forced us to find new ways to deliver projects and programmes to our stakeholders worldwide. Our SME Trade Academy, for example, has seen a boom in online users. More than 100,000 people have benefitted from their courses! We are also planning to extend the offerings of our commercial diplomacy programme in collaboration with Universities to enhance the understanding and expertise of policymakers in this rapidly evolving arena.

And our range of leading online Market Analysis Tools consolidated into a single one-stop-shop portal in 2019, this year clocked up more than 1 million registered users!

Just as importantly, we pivoted to support our partners and clients to weather the COVID storm wherever they are. Our projects and programmes in Africa, Asia-Pacific, the Middle East, Latin America and the Caribbean continued to receive support - although sometimes in unexpected ways.

Let me revisit three examples I gave you earlier of our interventions in 2019 to see how they fared in 2020.

In Tanzania, the cinnamon programme helped clients facing supply chain disruptions by continuing to deliver coaching online.

- Many spice exporters grasped the chance to boost their online offer by building stronger brands and taking advantage of e-commerce platforms.
- Some companies, such as international spices supplier Agri Ventures, diversified into the local market.
- Others, like Elven Agri, found new markets in the Middle East, filling the gap left by other exporters, such as India, which had seen increased domestic demand.

In Myanmar, our award-winning sustainable tourism project worked with a local booking platform to put together a virtual tour of Pan Pet village in Kayah State to attract domestic tourists desperate to escape Yangon.

Another of our clients faced ruin when bookings dried up at their successful eco-lodge in Loikaw. The owners furloughed their staff, renovated their premises and re-imagined their business. They are now looking at ways to diversify their income by offering marketing consultancy services to other hoteliers.

And take a moment to listen to Maria Isabel Montoya Duarte, the owner of Nicahat, one of the companies we work with in Nicaragua.

She said, and I quote:

“One of the greatest achievements has been the creation of my store on Etsy since March 2020, just when the crisis began. During the months of March, April and May, sales fell drastically and I think that if I had not been preparing to sell online, I would have been forced to close the business. However, the classes we received from the project helped us cope with the crisis. On 9 June, I made my first online sale and shipped to Texas, USA, with DHL – thanks to the agreement reached by ITC.”

These experiences remind us that MSMEs are burdened with being on the frontlines of economic collapse. But they also show that they are blessed with the agility and imagination they need to survive. These stories demonstrate that it is essential to act at the enterprise level in the age of COVID.

Our actions were informed by a comprehensive 15-point recovery and resilience Action Plan that we issued at the start of the pandemic. We proposed at least three bold ways to mitigate COVID and climate change effects: regional integration, closing the MSME finance gap and doubling down on digital.

Regional value chains offer a more stable, predictable policy environment and other benefits to mitigate shocks. By concluding the Regional Comprehensive Economic Partnership a couple of weeks ago, for example, Asia is doing just that. And nowhere is the light of regional trade integration shining more brightly than in Africa.

We are encouraged that ministers of trade have been meeting regularly – despite the limitations – to ensure that preferential trade under the terms of the AfCFTA can begin on 1 January 2021. The benefits that flow will be a bulwark against the economic fallout of the pandemic.

We can also mitigate business failure by finding innovative ways to close the \$5.2 trillion MSME financing gap. As one of the highest barriers to enterprise competitiveness in developing countries, lack of access to finance is a

challenge we can no longer afford to ignore. Access to short-term financing has risen in importance during COVID. More than 8 in 10 small businesses said they need emergency funding.

At ITC, we are exploring the possibility of whether a facility for risk-sharing or first-loss guarantees to reduce the cost of short-term MSME working capital loans and incentivize financing of sustainable trade is an option moving forward.

And we can mitigate risks by finally recognizing that digital is no longer an optional extra – neither for the governments that enable it nor the firms that use it. This means addressing the connectivity deficit that leaves 50% of humanity unable to get online more than 50 years after the Internet was invented.

It means embedding digital processes into supply chains and trade logistics and backing this up with modern regulations and tech-savvy bureaucracies.

And it means allowing e-commerce to redistribute the centres of commercial power to the base of the pyramid, where people are given fair and equitable access to the opportunities created by the digital revolution.

In Africa, for example, a regional approach to digital infrastructure development within the AfCFTA will be just one benefit of this monumental undertaking. ITC is proud to be playing a strategic supporting role through our new One Trade Africa approach to ensure that the promise, potential and power of the AfCFTA is realized.

To be launched early next year, our One Trade Africa will empower, enhance and enable MSMEs to access business opportunities by ensuring that women and young people are part of the continental market equation. The programme will support women and youth-led enterprises to engage in green technology in goods and services.

It will also support African countries with access to trade information through the Africa Trade Observatory we have built, in partnership with the AU and the EU. The observatory will collect, analyze and disseminate trade intelligence to policymakers and businesses as well as monitor intra-African trade flows.

ITC will furnish African MSMEs with a dynamic suite of capacity-building opportunities. The recent launch of the online training course on How to Export within the AfCFTA developed with Afreximbank is but one example of the tools being rolled out.

One Trade Africa will also seek to facilitate increased input from the private sector with in-country AfCFTA dialogue forums. We have already held two this month alone. This forward-looking programme complements a raft of collaborations with African institutions at the dawn of this new era for trade, made more urgent by the COVID economy.

In 2020, we partnered with the Ghana Export Promotion Agency to host the biannual Trade Promotion Organization Network Conference. Sadly, the event had to be postponed until 2021.

But we were able to give out the World Trade Promotion Organization Awards, which we normally announce at the conference at a virtual ceremony earlier this year.

And the winners were...

- Business Sweden
- Enterprise Georgia
- and PROCOMER of Costa Rica

Congratulations to all.

At this time of crisis, TPOs and other business support organizations have proved their added value. They are, as one stakeholder put it, the 'hyphen' between the public and private sectors.

They are vital sources of information, support and know-how. With this expertise, they can encourage businesses to join forces, develop and promote new standards or brands, and reduce costs through shared procurement.

They can mediate between small businesses and the multinational companies that occupy systemic positions in international trade, like shipping companies. BSOs can host platforms that facilitate virtual business matchmaking and offer online access to businesses as well.

Strong BSOs offer a means of resilience for their clients. This is why ITC places immense emphasis on supporting BSOs including the "new generation" organisations, like women's business associations, services associations, and youth incubators.

Resilience in the face of COVID, resilience in the face of climate change.

In 2019, we opened Trade for Sustainable Development hubs offering training and advice on sustainable business practices in Ghana, Kenya, the Lao Peoples Democratic Republic, Nepal, Peru and Viet Nam. Next year we will

also open a regional hub in and for the Caribbean in collaboration with the Caribbean Export Development Agency.

Here, MSMEs learn about circular production processes and resource efficiency, green financing and voluntary sustainability standards. More than 800 business operators participated in the first phase, nearly half of them women.

This is all part of ITC's strategic commitment to sustainability.

Governments around the world are putting climate change at the heart of their pandemic recovery plans. They are turning to the promise of the green economy on land and the blue economy at sea. They are underlining their obligations to the Paris Agreement and the Sustainable Development Goals. And ITC stands ready to support them.

I'm pleased to announce that we are putting the finishing touches to a major new strategy known as "Green to Compete." With this initiative, ITC recommits to and reemphasizes our climate agenda that offers small businesses new ways to internationalize that don't employ anti-climate business practices.

The strategy rests on four focus areas:

1. the public-private ecosystems that enable MSMEs to produce and trade green
2. the business transitions that MSMEs need to be "green to compete"
3. the market partners that demand and support green production and trade
4. the international agreements that promote green production and trade

Why would we do this? Some say trade is part of the problem, not part of the solution. But we know that trade remains the most powerful prosperity engine the world has ever seen.

The choice we have is: prosperity for whom? In service of what? How does it help us build the world we want?

We can choose trade that engages and profits the marginalized and the disenfranchised. That binds us together and transmits knowledge and wealth fairly and equitably. That doesn't wreck the planet. It's what we mean when we talk about sustainable, inclusive trade.

But, we can do none of this without the support of our funders.

I want to take this moment to gratefully acknowledge the support of Australia, Belgium, Canada, Denmark, the European Union, France, Finland, Germany, Iceland, Ireland, Japan, Korea, The Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States. A special mention to those developing countries that have also funded ITC either through direct funds, or for specific programmes: namely Chile, China, Curacao, Ethiopia, and India. And of course, to all of you that support ITC through the Regular Budget contributions to the United Nations and the WTO.

We also recognize the generosity of a host of IGOs such as the Enhanced Integrated Framework, STDF / WTO, the World Bank, the International Islamic Trade Finance Corporation, Afrexim Bank, IOM, and several sister UN Agencies including FAO, ILO, UNDP, UN Capital Development Fund.

Our fundraising efforts were tremendously fruitful in 2019, resulting in \$165 million of new funding agreements signed and a \$302 million pipeline for this year and coming years.

We calculate that each dollar in extra-budgetary funding translated into eleven dollars' worth of international export and investment transactions, demonstrating ITC's value-for-money ethos.

With resource-constraints on the horizon, ITC is confident it will keep delivering on its mission and getting the biggest bang for the bucks you entrust in us.

We are strong. We are engaged. We are ambitious.

With your engagement and support, we must ensure MSME recovery today. We must ensure MSME resilience tomorrow. And we must dare to re-imagine the world for MSMEs in the years to come.

I am well aware that in the next two-to-three years, governments will be making hard choices. Already I have been informed by some traditional funders that their Aid for Trade budgets will be affected.

Not every business can be saved; not every entrepreneur will see their idea succeed; not every investment will bring returns. We know that millions face a downward spiral in an already precarious existence.

I can assure you that ITC is here for the long haul.

I will listen to you and stand ready to engage with the policy support you need.

We stand on the precipice of a once-in-a-generation chance to accelerate our efforts to end poverty, hunger, inequality, and discrimination and reach the Sustainable Development Goals.

ITC supports the entire 2030 Agenda and reports on the exact way we contribute to 10 specific SDGs. But we can do more to mobilize countries and companies to reach net carbon neutrality.

So I'm delighted to announce that ITC will add SDG 13 on climate change to its portfolio of indicators. This marks a strategic adjustment to mainstream sustainability into all our interventions – and report on it.

At this auspicious moment, we must be audacious in our choices. We can do more than build back better.

We can build back boldly.

Our current Strategic Plan, which served us well and put us in a uniquely strong position to deal with the fallout of the pandemic, ends next year.

That's why I'm beginning consultations on ITC's next Strategic Plan to run from 2022 to 2025. I welcome your input into this vital endeavour and look forward to speaking frankly with each of you on how we can pivot to recovery and resilience.

We can begin the dialogue today!

I'm all ears.

As this is the first Joint Advisory Group meeting in my new role as Executive Director, there's nothing I would like more than to have seen all of you in person.

And while I cannot shake your hands in person, all of us can offer a hand to people we have sworn to help.

Before I conclude, I would like to thank Arancha Gonzalez, whose leadership informs the work we have reviewed here today.

I am also indebted to my deputy, Dorothy Tembo, who captained the ship in 2020 with grace and authority with the support of ITC Senior Management and staff.

And thank you to the dedicated personnel of the ITC family, who really delivered under exceptional circumstances.

Finally, I leave you with a passage by the great Indian writer Arundhati Roy.

She wrote: "The pandemic is a portal, a gateway between one world and the next."

"We can choose to walk through it, dragging the carcasses of our prejudice and hatred, our avarice, our data banks and dead ideas, our dead rivers and smoky skies behind us. Or we can walk through lightly, with little luggage, ready to imagine another world. And ready to fight for it."

Thank you.