

Joint Advisory Group 2 July - final donor statement

Director General Azevêdo, Secretary General Kituyi, Executive Director Gonzalez,

Excellencies, Distinguished Delegates, Friends and Colleagues,

I am taking the floor to speak on behalf of the donors. I would like to thank Minister Counsellor Arias for the Costa Rican Chairmanship of the 52nd session of the Joint Advisory Group and to welcome Ms. Terhi Hakala, Ambassador of Finland, in her new role as Chair of the 53th session. I would also like to thank Director General Azevêdo, Secretary General Kituyi, and Executive Director Gonzalez for their interventions. Finally, we welcome the perspectives on Trade for Structural Transformation offered by Secretary-General Kapwepwe of COMESA, Commissioner Traoré of ECOWAS, and Deputy Minister U Aung Htoo of Myanmar. Bearing in mind that the major theme for this week's Global Review on Aid for Trade is economic diversification, and that The Global Competitiveness Outlook 2019, launched last week, is all about securing significant investment for MSME's in developing countries, your interventions have enriched our understanding of the challenges to overcome to achieve trade-led growth for inclusive sustainable development.

ITC's work in adding value to trade and boosting inclusivity, reducing trade costs, strengthening key institutions in trade and investment and promoting green and responsible value chains is indispensable in this context. In your major events of 2018, like SheTrades Global in Liverpool, MSME Day 2018 in Geneva and New York, World Export Development Forum in Lusaka and World Trade Promotion Organizations Conference and Awards in Paris, ITC covered all these areas of intervention, had huge numbers of participants and attracted significant media attention. We also note and welcome the impressive numbers you can report on visits to your website, followers on the social media and viewers of your news stories, press releases and media advisories. It is a sign of the times that the niche ITC occupies in the world of trade for development demands so much attention, but the fact that you are able to maintain and even increase this interest points to quality and competitive advantages. So does the significant increases in extra-budgetary funding you received in 2018, a trend that is likely to continue this year.

It is against this background that donors are ready to raise the bar a little bit for ITC. Over the last year, we have brought up an issue like leverage, for instance. It is impressive that through the core funding of Window 1, including the production of public goods like SheTrades Global, the NTM HelpDesk and the Sustainability Map, you are able to leverage significant earmarked funding in Window 2. In the Annual Report, you mention that 1USD of extra-budgetary funding is leveraged into 17 USD of international export and investment transactions. Now, however, we would like to see ITC leverage funds also outside ITC's own programs and projects at country and regional level, from various sources, both public and private, and have an impact on the activities of other stakeholders in trade and development within your field of expertise. A primary arena of action will be the UN system and the UNDAFs, but we also expect you to contribute to policy dialogues and collaboration in your own right wherever you can make a difference for MSME's. We accept that you cannot do everything and will have to make some hard choices along the way.

It is positive that ITC has exceeded its target and delivered 86% of country specific assistance to priority countries. We urge a continued focus on Least Developed Countries, not least to contribute to meeting SDG 17. Other issues we have brought up are for instance mainstreaming of gender, youth and sustainable development in your programs and projects, explicit links of these to the SDG's, streamlining of operations to meet the increasing demand for ITC at country and regional level, finance and investments for SME's, etc. Geneva and Europe have seen extreme temperatures this past week. We think there is little doubt that the new approaches for building climate resilience in the textile value chain that ITC is exploring in the Middle East and North Africa region will soon be replicated broadly as MSMEs and TISIs have to adapt to a new situation in their local contexts.

We are happy to note that you are working diligently to improve further in all the areas I just mentioned and will be able to report on progress in the CCITF's of the next year or so.

Another topic that we have discussed a bit over the last year is the sustainability of ITC's results. The AESR 2018 is very much about sustainability and it is on the agenda of JAG this afternoon, so we will only touch briefly on it in this intervention. We commend the work of ITC's Independent Evaluation Unit and its persistence in demanding that ITC does better on sustainability. The challenges you have on sustainability are some that all actors in development assistance share: how to ensure real ownership and maintain results over time. The

recommendations from the IEU are basically about greater innovation and flexibility in the design and implementation of your projects with local ownership as the guiding light, so to speak. This kind of thinking is not unique, but it is welcome. We know it from other fora for development cooperation where we have recently debated sustainability. It points to a paradigm shift and hopefully it is in the right direction. In addition, upgraded risk management approaches would enable ITC to detect early on contexts where ownership is weaker and adapt its investment and project management strategies accordingly.

One has to bear in mind that these encouraging developments for ITC happen at a point in time when the growth of world trade is slowing, there is a backlash against globalisation to use the words of the Annual Report, and the WTO is in crisis. In the Geneva environment, we have always been aware of the importance of Aid for Trade. However, this recognition seems to be gaining a wider ground in the outside world, and ITC is playing a key role in it. There is a lot at stake for ITC, but we believe you will be able to match the rising expectations.

Thank you.