

EU Statement JAG Nov 2, 2021

The European Union supports the ITC's mission to foster inclusive and sustainable development and to contribute to the UNs Sustainable Development Goals. The ITC is the world's premier development agency fully dedicated to supporting the internationalization of small and medium-sized enterprises (SMEs).

Allow me to flag here the five current priorities underpinning the partnership between the EU and the ITC, of which the EU and its Member States are by far and away the largest financier. First, to promote a green recovery and climate change adaptation and resilience. Second, to promote regional integration. Third, to accompany digitalisation and connectivity in developing countries. Fourth, to promote genuine gender equality. And lastly, to help the young find employment.

The EU commends the ITC for its 2020 Report and for the Evaluation of the implementation of the 2018-21 Strategic Plan. Against the background of a severe economic shock, rising job losses and multiple supply chain disruptions caused by the pandemic, the reports demonstrate the ITC's commitment to MSMEs in developing countries. ITC projects help them to focus on sustainability, to leverage digital trade, and to include women and the youth into global value chains. We are pleased to see initiatives such as SheTrades, Green2Compete, T4SD hubs, Young Entrepreneurs (Ye!) and FastTrackTech Africa evolve to meet the changing needs of firms and Business Support Organisations.

The EU is entrusting the ITC with a large and important portfolio, especially in Africa and Asia. This reflects our assessment of the ITCs comparative strengths. The alignment of EU and ITC priorities was confirmed recently in a meeting of our Director General for International Partnerships Koen Doens with Ms. Coke-Hamilton.

The value of the envelope of EU programmes with the ITC has grown exponentially in recent years, reaching around EUR 200 million at the time the pandemic hit last year. We currently have 43 projects underway, with a planned expenditure in 2021 of \$61 million. Among these, 22 target individual countries, 12 take a regional approach and 5 are global projects. Geographically diverse, EU funding touches on nearly all sections within the ITC, with 28 countries in Africa and 13 in Asia, reflecting the importance of these regions in the ITC-EU collaboration.

The ongoing pandemic continues to take a toll. Across many regions, it is having a disproportionate impact on older people; on low-income communities; and on the marginalized and isolated. In response, the EU - collectively known as Team Europe bringing together its Member States and the financial institutions European Investment Bank and the European Bank for Reconstruction and Development - has mobilized a €46 billion package to support the recovery. Going forward, our collaboration with the ITC will remain central plank of our ambition to translate strategic ambitions into sustainable development on the ground.

We are currently finalising the new Multiannual Financial Framework (MFF) for the years 2021-27. Almost EUR 80 billion has been dedicated to the new integrated instrument for external cooperation, called the Neighbourhood, Development and International Cooperation Instrument. We will continue to develop new programs with the ITC under this new instrument.

The EU would like to commend the ITC for its 2022-25 Strategic Plan, which outlines strategic priorities in responding to the pandemic and to further integrate MSMEs and traders into sustainable global value chains. The Plan fits well with EU priorities under our so-called Green Deal and social sustainability objectives. We hope that it will allow recipient countries to recover rapidly from the economic and GDP losses caused by the pandemic.

Supporting small businesses in the developing world has always been an ITC priority. But this now needs to be combined with green and digital policies. We believe that a green and digital recovery is key to sustainability and have welcomed the ITC's Green2Compete strategy and digital solutions.

For us at the EU, the ITC is also particularly relevant to provide market intelligence, to support value chains, and to promote networks & private sector dialogue, as well as regional integration in Africa. We commend ITC's expertise in creating practical solutions to real problems and to tailor these to the specific context of individual countries.

We hope that the ITC will keep up this good work and meet the goal set in the ongoing Strategic Plan. We see our partnership with ITC as a vehicle for making our own *Aid for trade* fully fit for purpose. We are currently working together in new areas such as trade and health (vaccines), Covid-recovery and greening aid for trade with clearer objectives on climate change and environmental sustainability. These work streams will be developed further in the future.

I want to conclude by wishing the ITC every success as it works to deliver its mission.

Thank you.