

REPORT OF THE 49TH SESSION OF THE ITC JOINT ADVISORY GROUP MEETING

Geneva, 26 June 2015



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Report of the 49th session of the ITC Joint Advisory Group Meeting

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Opening Session

Opening Remarks by the Chair of the 48th session: H.E. Ms. Mariam MD Salleh, Ambassador, Permanent Mission of Malaysia to the World Trade Organization

1. Her Excellency Ms. Mariam Salleh, Ambassador and Permanent Representative of Malaysia to the WTO and Chair of the 48th session of the Joint Advisory Group (JAG), opened the 49th session.
2. Ambassador Mariam Salleh remarked that since the JAG meeting in 2014 where the 50th anniversary of ITC was commemorated, the organization had embarked on a series of management reforms responding to the comprehensive independent evaluation concluded in March 2014 and the complementary evaluation conducted by the United Nations Office of Internal Oversight Services (OIOS). These evaluations concluded that ITC is fit for purpose and provided a clear direction for how the organization could further increase its impact.
3. ITC has begun to reap the benefits from its investments in improving the way it works and deliver on its motto of 'doing more and doing it better'. In 2014, the organization delivered its highest level of technical assistance in its history, while also ensuring greater focus on results, impact and injecting innovation in key areas of its work. It also brought greater strategic direction to its operations around six focus areas and elaborating on its programmatic approach.
4. Ambassador Salleh confirmed her commitment to continue as an active supporter of ITC as it gears up to serve its constituencies of small and medium-sized enterprises (SMEs), trade and investment support institutions (TISIs), and policymakers in full alignment with the new post-2015 sustainable development goals.

Opening Remarks by the Chair of the 49th session: H. E. Ms. Patricia O'Brien, Ambassador, Permanent Mission of Ireland to the United Nations Office and Specialized Agencies at Geneva

5. Incoming Chairperson, Her Excellency Ms. Patricia O'Brien, Ambassador and Permanent Representative of Ireland to the United Nations Office and Specialized Agencies at Geneva took up her position as Chair of the 49th session of the Joint Advisory Group.
6. In her opening remarks, Ambassador O'Brien emphasized the importance of the international policy calendar for 2015. Significant milestones include the final intergovernmental negotiations of the Sustainable Development Agenda in New York, the Fifth Global Review of Aid for Trade at the WTO, the Financing for Development Conference in Addis Ababa, the United Nations Framework Convention on Climate Change in Paris and the 10th WTO Ministerial Conference in Nairobi. She stated that the ITC mandate to use trade to drive inclusive growth and job creation, with a particular focus on SMEs, ensures the organization's relevance to these discussions. Enabling SMEs to boost their international competitiveness and connect them to value chains is likely to create more and better jobs for those who need them most.
7. Ambassador O'Brien introduced the ITC 2014 Annual Report by highlighting the work the organization does on the ground with governments, TISIs, SMEs and with local, regional and international partners. ITC operated 104 projects in 96 countries and trained over 25,000 participants through its capacity-building workshops. She noted that in addition to profiling key elements contained in the Annual Report, the JAG would also discuss ITC strategic direction,

discuss the evaluation function within ITC and receive an update on the implementation of the management response to the recommendations of the recent evaluations of the organization.

Statement by Mr. Roberto Azevêdo, Director-General, WTO

8. Mr. Roberto Azevêdo, Director-General of the World Trade Organization recognized the importance of 2015 for ITC as the first year of implementation of its new Strategic Plan. He further recognized that 2015 was a year of multiple milestones which would continue to place development at the heart of the global debate.
9. Mr. Azevêdo recalled the important role of trade in lifting one billion people out of poverty over the last 25 years, and called on the trade and development community to redouble their efforts to reach more communities that have not yet benefited from trade growth.
10. He identified ITC as a valued partner in ensuring that the benefits of the multilateral trading system are truly inclusive and noted that this direction was clearly reflected in the organization's strategic plan. In identifying areas of collaboration between ITC and the WTO, Mr. Azevêdo highlighted ITC's active participation in the Fifth Global Review of Aid for Trade with its focus on reducing trade costs for inclusive, sustainable growth; and ITC's good work in supporting the implementation of the WTO Trade Facilitation Agreement by helping countries categorize their commitments, raise awareness and support capacity-building. He also cited the collaboration between WTO, ITC and UNCTAD as partners of the Enhanced Integrated Framework (EIF), which would continue to deliver concrete results for least developed countries (LDCs). He noted that the EIF would launch its second phase during the Fifth Global Review.
11. Mr. Azevêdo concluded by urging members to use the WTO Ministerial Conference in Nairobi in December 2015 to show that the multilateral trading system can deliver results in support of the development agenda, particularly for LDCs.

Statement by Mr. Mukhisa Kituyi, Secretary-General, UNCTAD

12. Mr. Mukhisa Kituyi, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), emphasized his appreciation and solidarity with ITC in celebrating a year of phenomenal achievements. He stressed the importance of aligning individual institutional planning with the global agenda of the sustainable development goals and that while each institution must deliver to its individual strengths, it was important to develop synergies between organizations.
13. Making reference to the Geneva trade hub, Mr. Kituyi emphasized the individual strengths of WTO, UNCTAD and ITC, and the need for the three organizations to continue to ensure synergy on the shared trade and development agenda. He highlighted the areas of trade facilitation, regional integration, tourism supply chains and non-tariff measures as examples of strong collaboration.
14. Drawing on the recent rise of mega-regional trade agreements, the Secretary-General called on developing countries to breathe new life into the multilateral trading system and to ensure the WTO Ministerial Conference in Nairobi led to deliverables for developing countries.

Statement by Ms. Arancha González, Executive Director, ITC

15. ITC Executive Director Ms. Arancha González opened her overview of ITC's work in 2014 and its future priorities by thanking delegates and the Heads of the WTO and UNCTAD for the support and trust they placed in ITC to deliver to its members.
16. Referring to the 2014 Annual Report, Ms. González noted that ITC implemented its highest delivery to date by reaching US\$ 53 million in extrabudgetary expenditure. This represented 35% more technical assistance, capacity building and advisory services than in 2013. 2014 is the first year of ITC's biennium plan, and since the organization had exceeded all but one of its targets against performance indicators, Ms. González informed the JAG that ITC had revised all of its performance targets upwards. She also noted that since ITC had significantly surpassed its commitment to focus 60% of interventions on least developed countries,

landlocked developing countries (LLDCs), small island developing States, sub-Saharan Africa, post-conflict and fragile States, the target would be increased to 70% for 2015 while simultaneously increasing delivery for every region that the organization serves.

17. Ms. González highlighted key results and impact from 2014 within each of ITC's six focus areas and emphasized areas of innovation including the new Export Potential Map which would help countries assess new areas for export diversification, a pilot project on youth and trade in Morocco, the launch of the online SME Trade Academy which has already trained 3,200 entrepreneurs and the online Global Services Network which connects more than 800 companies involved in services trade.
18. The economic empowerment of women continued to be a cornerstone of ITC's work in 2014. Ms. González illustrated this commitment with the launch of a campaign at the World Export Development Forum in Kigali in 2014 which would aim to better connect women entrepreneurs to the multi-trillion dollar government procurement market.
19. In 2014 ITC increased and deepened its partnerships with the private sector through joint initiatives to provide cutting-edge solutions that help improve the international competitiveness of SMEs in developing countries. Partners included Bosch, Kering, Bain and Co., the World Economic Forum and DHL.
20. Ms. González also highlighted the significant achievements ITC made in 2014 toward greater corporate efficiency and effectiveness and with specific reference to the efficiency gains in human resources where recruitment was 60 days faster than in 2013 and the vacancy rate was reduced by 64%. She noted that ITC is now also more diverse, employing more staff from developing and least developed countries and more women than in previous years.
21. In referring to the visibility of ITC, the Executive Director highlighted the increased use of traditional media and social media, the more strategic focus of the organization's publications and the concerted effort to bring the voice of SMEs to major international events throughout the year. Ms. González also highlighted the importance of partnerships in delivering on its mandate, emphasizing the key collaboration with UNCTAD and WTO to revamp the Enhanced Integrated Framework and working with developing countries to become co-providers of support to other developing countries, thereby strengthening South-South support.
22. Looking ahead, Ms. González emphasized the need to continue improving. She noted that ITC has planned expenditure of US\$ 100 million in 2015, which includes a 10% increase in extrabudgetary expenditure compared to 2014. Implementing the recommendations of the external evaluation of ITC and the evaluation conducted by OIOS would be a significant focus for the organization in 2015. The Executive Director stressed that ITC intended to address all recommendations substantially and on time.
23. Ms. González informed delegates that ITC would contribute to the major international policy events taking place in 2015 to ensure trade impact for good. She also highlighted ITC flagship events for the year: the Women Vendors Exhibition and Forum taking place in São Paulo in September and the World Export Development Forum taking place in Qatar in October.
24. In concluding, Ms. González echoed the outgoing JAG Chair, Ambassador Salleh, in emphasizing that ITC is fit for purpose and well equipped to continue supporting SMEs to trade and invest. She highlighted the need to secure sufficient, predictable funding to facilitate longer-term planning in order to respond to the growing needs and demands for the services ITC offers. This demand is illustrated by a diverse and rich pipeline of projects. The Executive Director also thanked funders and supporters for their generosity.

General Statements by Delegations

25. Delegates expressed their appreciation to ITC for the opportunity to discuss the work of ITC and to contribute to its strategic direction. ITC was viewed as a critical organization, especially within the Geneva trade hub, with its focus on effectiveness and results. There was support

for the elaboration of ITC interventions around the six focus areas and for the concerted priority given to the demands of LDCs, LLDCs, sub-Saharan Africa, small, vulnerable economies, countries in transition and fragile/post-conflict States.

26. Delegates congratulated ITC for the progress achieved in 2014 and the first half of 2015. The Annual Report was praised for its clarity in showcasing the ITC interventions and outcomes. A number of the interventions commended ITC not only for 'doing more and doing it better', but also communicating it better. For the next iteration of the Annual Report, some delegations suggested that there was a need to strengthen and better align the relationship between the projects and activities based on objective impact assessments. There was also a call to better elaborate on the link between funds received and results achieved.
27. JAG members welcomed the ITC Strategic Plan 2015–2017 and confirmed their support for this strategic direction. This report reflects better prioritization and results orientation in ITC work especially with regards to the programmatic approach clustered around the six focus areas. The Strategic Plan also highlights the importance on partnering with key stakeholders such as the private sector and this is a welcome emphasis. Delegates welcomed the focus on results and impact and the manner in which more objective impact assessment through measurable indicators was being incorporated into the project cycle. There was a call for additional focus to be placed on developing theories of change in the roll-out of the programmatic approach and making this impact assessment more objective.
28. With respect to ITC's leadership, numerous delegates applauded the level of professionalism of the staff and conveyed appreciation for the skilful and diligent leadership of senior management. They noted that ITC staff worked with dedication in a practical and results-focused manner in all areas under the ITC portfolio. Specific mention was made to the work on trade facilitation, SMEs, policy advice, and e-solutions.
29. Delegates repeatedly expressed gratitude for the progressive work done on empowering women in trade and young entrepreneurs. Further work was complimented in conducting non-tariff measures surveys and in developing national export strategies.
30. Delegations from beneficiary countries emphasized that more needed to be done to help SMEs in developing countries to be better integrated in international value chains and that ITC should expand its assistance on trade facilitation to help more developing countries comply with the WTO Trade Facilitation Agreement (TFA).
31. Delegates repeatedly remarked on the importance of a multi-stakeholder partnership approach and thanked ITC for the strong engagement in forming partnerships. It is essential for ITC to strategically explore new partnerships with key stakeholders, such as the private sector and foundations. With respect to ITC future direction, funder delegations suggested that there was a need for Official Development Assistance (ODA) to be used more catalytically, including through partnering with the private sector. In expectation of the new Sustainable Development Goals, delegations urged ITC to determine whether their targets would require alignment. Several delegations also emphasized the need to further strengthen South-South links and consider facilitating investment in technology transfer. Delegations from beneficiary countries requested ITC to pursue more programmes on a regional basis and urged funder countries to continue and increase, where possible, contributions towards the work of ITC.
32. Some delegates requested additional information on the improvements of ITC management processes, especially for the new project portal and the client relationship management (CRM) system. It was suggested that ITC have periodic briefing meetings between JAGs to report on progress in these areas.

ITC Evaluation: Reporting and policy, Ms. Arancha González, Executive Director, ITC

33. Ms González provided an update of the implementation of the recommendations provided by the two external independent evaluations of ITC (Independent Evaluation of ITC 2014, and OIOS Programme Evaluation of ITC 2015). She reaffirmed that ITC accepted all the strategic

recommendations, with the understanding that the OIOS Evaluation 2015 was largely a validation of the 2014 Independent Evaluation. She confirmed that a comprehensive update had been provided to JAG members in writing.

34. Regarding the first strategic recommendation of the Independent Evaluation of ITC (to focus on well-defined priorities to minimize inefficient spending), the Executive Director referred to the Strategic Plan 2015–2017 which sets out the focus areas for technical assistance and the internal process for improving efficiency. Further, she noted that ITC made efforts in enhancing the intervention logic for each focus area to allow for evaluating and reporting concrete results. She also informed JAG about the establishment of the Programme Development Task Force which would advance the programmatic approach through aligning programmes and projects to the six focus areas. This Task Force is also finalizing the catalogue of ITC products and services.
35. Responding to the second recommendation (to further improve the quality of ITC’s technical work) Ms. González confirmed that ITC is placing greater emphasis on the pipeline of innovative products and services by revamping the quality control process and launching a new version of the project portal. ITC is setting indicators linked to outputs, outcomes and impact. The new project portal will allow tracking of progress and results of each project. The Executive Director also recounted that ITC has revised the Evaluation Policy to ensure it was more strategic and could be used as a tool to better leverage independent evaluations and self-evaluations in measuring and reporting ITC development results. Particularly, she emphasized the four main axes embedded in the new Evaluation Policy:
 - Incorporation of new evaluation trends such as the advancements made by United Nations organizations in enhancing the evaluation function to better service the post-2015 development goals;
 - Improved operationalization of evaluation principles such as independence, accountability, learning, partnership, and capacity building, which will guide ITC in conducting impartial, inclusive and useful evaluations;
 - Better anchoring of evaluation products and services within ITC’s strategic planning framework;
 - Emphasizing follow-up and implementation of evaluations.
36. She further explained the key learning themes conveyed by the Annual Evaluation Synthesis Report, touching upon sustainability and exit strategy, the length and possible extension of project implementation periods, and project-level monitoring and reporting. All aspects have been addressed as part of ITC action plan to the recommendations of the two external independent evaluations.
37. Relating to the third recommendation (on better governance and enhanced accountability) the Executive Director cited the actions and progress made in terms of risk management, costing, and implementing IPSAS and UMOJA, and assured that ITC is taking measures to minimize risk and disruption caused by transition to this new United Nations operating system.
38. On the final main recommendation (on raising ITC visibility and prominence), Ms. González referred to ITC role in highlighting importance of SMEs and women’s economic empowerment in the post-2015 development agenda, the progress made in expanding ITC partnerships, and preparations to open a liaison office in Addis Ababa.
39. As to the additional recommendations made by OIOS evaluation, the ITC Executive Director indicated that ITC has adopted a new resource mobilization strategy and a gender mainstreaming policy. She also reaffirmed that ITC is committed to and has adopted a plan to achieve gender parity of ITC workforce across all grades.
40. Ms. González reiterated ITC commitment to engaging with JAG members, and stated that ITC is open to organize dedicated JAG/CCTIF sessions on the topics where the JAG members may have particular interests. The Executive Director assured that ITC values the inputs from the Geneva-based representatives and from the capitals.

Statements on ITC Evaluation Response by Delegations

41. Delegates expressed appreciation to ITC for the evaluations managed by the ITC Evaluation Unit. With respect to evaluation and impact assessment, they welcomed the revision of the

Evaluation Policy. Regarding the evaluations in 2014, delegates noted the relevance of the suggestions emanating from the exercise and appreciated how ITC sought to incorporate the evaluation recommendations back into the project cycle.

42. Numerous delegations applauded the tools developed by ITC to track the status of implementation. They also welcomed the measures ITC has taken to develop more strategic planning processes and strengthen the results framework.

Response by Ms. Arancha González, Executive Director, ITC

43. Ms. González took the opportunity to provide further details about ITC's work in response to specific questions raised by one delegation. On the question as to why US\$ 35.06 million of extrabudgetary expenditure was carried forward from 2013 to 2014, the Executive Director explained that 2013 was a transition year and in 2014, carry forward funds were reduced by US\$ 10 million. Another reason for the carried forward fund is the time when W1 contributions are received as well as W2 contributions being paid in December for the following six months of the year. The carry-forward practice is a core part of cash management at ITC. Regarding the second question on dealing with disappointed customers, she stated that ITC likes to understand why customers are disappointed with their tools because remedial measures can then be taken in light of customer feedback. Another question was raised on the existence of a social media code. The Executive Director explained that ITC is working on a matrix to measure the impact of ITC's media exposure.
44. With respect to a question as to the operational nature of the partnerships ITC had established, the Executive Director referred to two examples of partnerships being operationalised: one related to the work being done together with UNHCR where the two organizations are working on connecting refugee communities to markets. ITC also works with UN Global Compact to develop a mechanism which ensures better traceability in value chains.
45. With reference to a query from one delegation for ITC to expand its activities in Latin America, Ms. González highlighted the support already being provided to countries in Latin America and the Caribbean. Eventhough most of the countries in the region are middle income countries (MICs), she invited JAG members to work together to galvanize funding to support interventions in Central and Latin America.
46. The Executive Director further remarked on increasing South-South cooperation, a point which was highlighted by one delegation. She mentioned the collaboration between a number of East African countries and India under the Supporting Indian Trade and Investment for Africa (SITA) project. Finally, Ms. González remarked on the numerous requests for support regarding assisting developing countries with their commitments under the WTO TFA and indicated that ITC work in this area will be intensified in 2015.

Announcement of the contributions to the ITC Trust Fund

47. Many delegations from beneficiary countries encouraged funder countries to continue and, where possible, increase their contributions to ITC, especially for interventions in LDCs. Delegations from beneficiary countries stressed the importance of making longer term financial commitments as means of better leveraging ITC services and ensuring sustainable impact.
48. Several funder countries announced or confirmed their voluntary contributions for 2015:
 - **China** announced it would continue its commitment with US\$ 500,000 in 2015.
 - **Finland** will support ITC with Euro 2 million (US\$ 2.21) in 2015 as well as provide three Junior Professional Officers.
 - **Germany** confirmed its commitment to ITC with Euro 2 million (US\$ 2.35 million) in 2015.
 - **Norway** has already distributed a contribution of Nkr 20 million (US\$ 2.62 million) in 2015. Norway likes to maintain this level of funding and be a predictable donor by having multi-year agreements with ITC.

- **Switzerland** will contribute SwF 2.3 million (US\$ 2.4 million) to W2 budget (with focus on various markets in Central Asia and Northern Africa) in 2015 and SwF 2.5 million (US\$ 2.6 million) in 2016 (including to support trade facilitation).

Closing Session

Chair's Report

49. Her Excellency Ms. Patricia O'Brien, Ambassador and Permanent Representative of Ireland to the United Nations Office and Specialized Agencies at Geneva, Chair of the 49th session of the JAG, presented the Chair's report on proceedings of the session.
50. Ambassador O'Brien thanked delegations for their interventions, the WTO Director-General, the UNCTAD Secretary-General and the ITC Executive Director. The Heads of the WTO and UNCTAD set the stage for the constructive and substantive discussions that followed by pointing to ITC role in ensuring that the benefits of trade opening flow to developing countries, and especially to vulnerable groups such as women and youth. These interventions clearly demonstrated the complementarity between the work of the WTO, UNCTAD and ITC. Cooperation on trade facilitation and non-tariff measures are just two examples of how these synergies operate in practice.
51. Ambassador O'Brien also pointed out that there is growing demand for ITC services and the organization was urged to continue and indeed deepen its interventions specifically in the areas of trade facilitation, women's economic empowerment, and regional economic integration as well as on its trade and market intelligence tools. Requests were also raised by LDCs, for help in working around standards and supply chains, and by Latin American delegations for additional ITC support to the region.
52. The Chair commended on ITC ability to galvanize partnerships, including with the private sector, and its work to complement traditional aid for trade with investment for trade and other private-sector contributions.
53. On behalf of ITC, the Ambassador thanked members for their commitment to ITC's work in a spirit of true partnership as well as their continued trust, support and engagement with the organization. Finally, Ambassador O'Brien expressed gratitude for everyone's active participation in this session and was pleased to serve JAG members as a Chair.

Executive Director's Closing Remarks

54. ITC Executive Director Arancha González, in her closing statement for the 49th session of the JAG, expressed appreciation for the members' continued interest and contributions. She made special mention to those countries that have pledged to continue to provide financial or other support to ITC.
55. Ms. González assured that ITC is on the right track and repeated that ITC is 'fit for purpose'. She noted that ITC is, after all, the members' organization which responds to the respective needs and priorities with a common goal to ensure that it delivers results and impact, reacts to demands, and returns value on each investment. Ms. González made a compact with the members to maintain this as ITC guiding focus.
56. The Executive Director concluded by inviting delegations to the open doors with the Organisation Internationale de la Francophonie (OIF) on the 29th of June and to the Fifth Global Review of Aid for Trade, where ITC would have a strong presence.



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