



ITC

TRADE IMPACT  
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50 YEARS

1964-2014

# REPORT OF THE 48<sup>TH</sup> SESSION OF THE ITC JOINT ADVISORY GROUP MEETING

June 11-12, 2014

**ITC mission:**

ITC enables small business export success in developing and transition countries by providing, with partners, sustainable and inclusive trade development solutions to the private sector, trade support institutions and policymakers.

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# Report of the 48<sup>th</sup> session of the ITC Joint Advisory Group Meeting

Geneva, 11-12 June 2014

## Opening session

1. H.E. Ms. Karen Pierce, Permanent Representative of the United Kingdom to the United Nations and the World Trade Organization (WTO), Chair of the 47th session of the Joint Advisory Group (JAG), opened the 48th session.
2. Ambassador Pierce stated that since the last JAG meeting in 2013, and based on the priorities set out in the 2012-2015 Strategic Plan, ITC continued to execute its responsibility and deliver results to a high standard.
3. ITC's 50<sup>th</sup> anniversary celebrations provided an opportunity to review the many accomplishments realized since ITC's creation five decades ago. Today ITC continues to be a crucial element in the global Aid for Trade architecture.
4. Ambassador Pierce added that ITC's 2013 Annual Report and 50th anniversary publication 50 Years of Unlocking SME Competitiveness: Lessons for the Future showcased the organization's numerous achievements. Looking ahead, Ambassador Pierce highlighted that ITC will continue to face opportunities and challenges as highlighted in the ITC independent evaluation report.
5. Ambassador Pierce confirmed her commitment to ITC's work in helping small businesses, communities and individuals in developing countries benefit from trade and improve their quality of life. Ambassador Pierce also highlighted the importance of ITC's role in the Post-2015 Development Agenda in boosting international competitiveness of businesses, particularly in the least developed countries and in Africa.

## Opening remarks by H. E. Ms. Mariam Salleh of Malaysia, Chair of the 48<sup>th</sup> Session of the JAG

6. Incoming Chairperson, H.E. Ms. Mariam Salleh, Ambassador and Permanent Representative of Malaysia to the WTO, took up her position as Chair of the 48th Joint Advisory Group.
7. In her opening remarks, she called on the international community to continue to provide the required support to ITC in order for it to increase its relevance and impact in providing and developing trade-related solutions for developing countries.
8. Ambassador Salleh noted that the most vulnerable countries should not be allowed to fall behind in international competitiveness and that LDCs required more than market access to compete; they required the capacity to produce goods and services which the market demands. It is in this area where ITC's strengths lie in working with small and medium-sized enterprises (SMEs) on the ground in order to produce effective and tangible results.
9. Ambassador Salleh noted the achievements highlighted in ITC's Annual Report which illustrate human impact stories. She encouraged ITC to continue its work in this regard with a focus on measuring its achievements and impact, with the ultimate goal being to lift people out of poverty through trade.
10. Ambassador Salleh concluded her remarks by reminding attendees that while assisting LDCs was important, it was also important to pay attention to middle-income countries. She highlighted the role of regional economic integration as an important engine for development. She reiterated the importance of the international community's confidence in ITC as well as the voluntary contributions made to ITC's Trust Fund over the years.

## **Statement by Mr. Roberto Azevêdo, Director-General, World Trade Organization**

11. Mr. Roberto Azevêdo, Director-General of the World Trade Organization, stressed that the WTO and ITC are natural partners. He mentioned that ITC's mandate and work are more valid today than ever, ensuring that trade is a vehicle for sustainable development by helping businesses in the poorest economies connect to global markets, underpinned by the multilateral trading system.
12. He stressed that ITC had been a key partner in the WTO's Aid for Trade initiative, and emphasized the commitment to continue identifying areas to further develop and grow this partnership. Mr. Azevêdo identified the need to implement the Trade Facilitation Agreement as well as drawing up a work programme to conclude the Doha Development Agenda as two priority areas. Finally, the Director-General indicated that anchoring trade firmly within the Post-2015 Development Agenda was a priority given the role trade has played in overcoming poverty.

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

13. In his opening remarks, Mr. Mukhisa Kituyi, Secretary-General of UNCTAD, emphasized that ITC, WTO and UNCTAD should strengthen their collaboration given the shared commitment to inclusive development. He highlighted the Memorandum of Understanding (MOU) signed between UNCTAD and WTO on working jointly in the areas of non-tariff measures, exchange of information and building a common database, and the MOU between UNCTAD and ITC on collaborative work on trade facilitation and capacity-building in developing countries.
14. Pointing to the unique position of the "Geneva trade hub", the Secretary-General referred to the historic responsibility to contribute to the post-2015 Agenda. While New York-based organizations provide strong thought leadership in peace and security-related matters as well as on certain social goals, Geneva-based institutions play a leading role in identifying the cross-cutting role of development work, and integrating economic and trade considerations in the collective goals.

## **Statement by Ms. Arancha González, Executive Director, ITC**

15. ITC Executive Director Ms. Arancha González referred to the particular role of the ITC as a hands-on, pragmatic and technical organization focused on providing solutions to SMEs. She highlighted that the environment in which the organization was operating was characterized by the post-2015 discourse and renewed multilateralism led by the adoption of the WTO Trade Facilitation Agreement in Bali.
16. Referring to the 2013 Annual Report, Ms. González noted that ITC operated on an USD 84 million budget, with close to USD 40 million in projects funded by extra-budgetary support. While this represented a slight increase from the 2012 overall budget, the extra-budgetary funding had declined slightly. This is due to a combination of consolidation, effective planning for the next generation of projects, and the transition to a new management structure.
17. The 2014 Operational Plan, which was shared with ITC's members for the first time, included an ambitious yet reachable expenditure target of USD 51.8 million in extra-budgetary resources in 2014. This represents a 30% increase over 2013, with delivery well on target as of mid-2014.
18. Ms. González focused on the most salient points of ITC's work as well as the ITC independent external evaluation, which has served as a management and guidance tool for the Executive Director and ITC staff.
19. Ms. González noted that although ITC's work had grown in both reach and impact, it remains a relatively small, lean and compact organization with a clear mandate and a dedicated focus on assisting SMEs to enhance their international competitiveness. Ms. González spelled out her vision for ITC of "doing more and doing it better" and emphasized the need for ITC to continue to innovate in order to respond to the evolving needs of its partners – with a continued focus on least developed countries (LDCs), Landlocked Developing Countries (LLDCs), Small Island Developing States (SIDS) and Sub-Saharan Africa. Moving forward, ITC's work will increasingly be guided by the need to harness the potential of global and regional value chains for SMEs.

20. Ms. González also emphasized ITC's efforts in strengthening its work in services, non-tariff measures and trade facilitation. She noted the crucial importance of strengthening trade support institutions for long-term sustainability and for providing new solutions to enhance SME competitiveness. In addition, support to women's economic empowerment, youth employment and the environment were highlighted as central dimensions of ITC's work.
21. Ms. González emphasized that as ITC grew, it would continue to focus on its concrete mandate to assist SMEs to enhance their competitiveness and internationalize. She called for ITC's partners to support the organization in developing its thematic focus areas – organized around six baskets where ITC interventions are concentrated – and thereby enable it to grow and maximize its results while multiplying its impact.
22. ITC, along with the WTO and UNCTAD, would continue to advocate the role of trade, SME development and entrepreneurship in supporting sustainable and equitable growth and decent jobs as part of the Post-2015 Development Agenda. ITC was also helping to craft indicators to monitor and measure progress made in these areas.
23. Ms. González also echoed both Mr. Azevêdo's and Mr. Kituyi's calls for greater collaboration as well as the importance of partnerships with the private sector and other UN and international agencies. She concluded by noting the various management and operational improvements in ITC, including results-based management (RBM), impact analysis of ITC projects, and advancements on a costing exercise to better understand how each dollar is spent by building an accountability and risk management plan. Finally, ITC is also investing in knowledge management and in the further training of its staff.
24. Ms. González also reminded donors and partners that there was a need for increased financing which was more stable and predictable. The independent evaluation had indicated this was necessary for ITC to fully deliver on all of its commitments and to implement truly transformative actions.

### **General statements by delegations**

25. Delegates congratulated ITC on its 50th anniversary and commended the professionalism of the Executive Director and ITC staff. They expressed appreciation for ITC's disciplined focus and practical orientation. ITC has been and continues to be a key resource for developing countries in trade development. In the same vein, delegates highlighted and welcomed the new dynamism within the organization.
26. Delegates thanked the Secretariat for the documents submitted to the JAG meeting and praised the high quality of these documents, particularly ITC's 2013 Annual Report. They also welcomed the fact that ITC's Operational Plan 2014 was made publicly available for the first time.
27. JAG members recognized ITC's unique mandate and appreciated the strong private sector focus of the organization. Many delegations emphasized that ITC is a robust and vibrant organization with a demand-driven approach and strong focus on results. Several donor countries mentioned that they count ITC among their prime partners for trade-led economic development. They underscored their interest in a strong, healthy and vibrant ITC as part of their overall aid and development strategies.
28. With respect to ITC's stated ambition to grow, delegates recommended that it focus on comparative advantages, build on existing strengths and consolidate its service portfolio accordingly. Delegates also recommended deepening the focus on private sector cooperation. The JAG welcomed ITC's focus on the six baskets, with one donor delegation expressing commitment to align funding support accordingly. Delegates also welcomed the renewed impetus by ITC to intensify cooperation with the WTO and UNCTAD, pointing to the highly complementary work of the three organizations that constitute the Geneva trade hub. Trade facilitation was mentioned by several delegations as an area where increased co-operation was important.
29. Referring to the debate on the Post-2015 Development Agenda, delegates noted that ITC is well poised to contribute to the new development objectives. As such, delegates expressed hope that the role of ITC would be further strengthened in order to boost the competitiveness of SMEs and contribute to economic transformation at large.

30. Delegations from beneficiary countries expressed their thanks to ITC's donor community for their contributions to enable ITC to carry out its work. Delegates called on donors for continued financial support to enable ITC to fulfil its mandate and meet the growing demand for its trade-related technical assistance. Delegates also emphasized the importance of long-term partnerships and funding support as an important success factor.
31. Delegates from beneficiary countries and donors alike highlighted the importance of results-based management, accountability and impact measurement at ITC. Many delegates commended ITC on the quality of its RBM architecture and continuous efforts to make improvements in this regard. One delegate expressed appreciation for the seminar on RBM and impact evaluations in trade-related technical assistance, which ITC organized recently in Geneva. Another delegate mentioned that ITC's corporate logical framework and results logic could serve as a model for other organizations. Delegates also welcomed ITC's support in strengthening accountability and promoting results-focused policies through its benchmarking programme for Trade Support Institutions.
32. Another donor delegation echoed the importance of RBM and encouraged ITC to further develop its monitoring and evaluation system, as funding will increasingly be channelled to institutions that can demonstrate results. Delegations re-iterated the importance of following up on projects in the beneficiary countries to assess their long-term impact. One donor delegation recommended that ITC undertake an overview of its service portfolio and refine its indicators to better reflect the result of its activities. Delegation also encouraged ITC to continue efforts to develop large multi-year programmes given that these can prove to be more effective.
33. Delegations from beneficiary countries thanked ITC for specific projects and programmes under implementation and highlighted their concrete benefits in their respective countries and regions related to trade policy, institutional performance and SME competitiveness. They highlighted, among others, the Enhancing Arab Capacity for Trade Programme (EnACT) in the five beneficiary Arab countries, the Programme for building African Capacity for Trade (PACT II) carried out in co-operation with three regional economic communities, the Programme d'Appui au Commerce et à l'Intégration Régionale pour la Côte d'Ivoire (PACIR), a new trade and private sector development project in Zimbabwe, National Export Strategies specifically in Jordan and the State of Palestine, WTO accession support, and numerous sector development projects at national and regional levels.
34. Several delegations expressed appreciation of ITC's work in trade facilitation and encouraged ITC to do more in this field. In particular, they praised the ITC business guide on the new WTO trade facilitation agreement and thanked ITC for having made the publication available in multiple languages.
35. Delegates recognized ITC as a leading agency for trade and market information and intelligence based on its comprehensive databases and tools. A number of delegates highlighted the usefulness of ITC's Market Analysis Tools and the organization's work on tariff barriers and non-tariff measures. They noted that TradeMap, MacMap and StandardsMap provide practical tools for a wide range of users and translate into concrete benefits. Delegates expressed their interest in more analytical studies for net-importing countries and in the area of services. One delegation encouraged ITC to simplify the tools and to provide more customized solutions for trade intelligence and analysis.
36. Numerous delegations recognized the importance of ITC's work in the area of economic empowerment of women and expressed their support to ITC's Women and Trade Programme. Job creation, especially for youth, was mentioned by many developing countries – particularly from the Arab region – as a major development challenge.
37. A number of donors and beneficiaries highlighted ITC's Ethical Fashion Initiative and welcomed the results achieved by the programme. One delegation particularly highlighted the contribution of the programme to an increase in income of over 200% for its beneficiaries, mostly women.
38. Delegates encouraged ITC to continue developing its expertise and service offering for SME competitiveness, connecting enterprises to value chains, trade facilitation, services, support for LDCs, trade and investment promotion, youth-centred trade development, gender and women economic empowerment and environment and the green economy.

39. Many beneficiary countries used the opportunity of the JAG to request new or continued support by the ITC. Several delegations requested ITC's assistance on trade facilitation, specifically in categorizing commitments and developing projects emanating from the recent WTO trade facilitation agreement. A number of LDCs requested support in the area of youth and gender, in the context of the Enhanced Integrated Framework Tier II projects. Delegations requested the extension of large programmes such as EnACT and PACT II and its follow-up programmes to other countries and regions. One delegate encouraged ITC to extend the geographic scope of the PACT II successor programme to the entire continent of Africa, beyond just Sub-Saharan Africa.
40. Delegates from African countries stressed the relatively low ratio of inter- and intra-regional trade on the African continent and welcomed ITC's increased support to foster regional economic integration including through trade, investment and cooperation. They welcomed the alignment of ITC's work on regional integration with the priorities of the African Union.
41. A number of countries encouraged ITC to expand its role in Latin America and the Caribbean, given that the region receives a small share of Aid for Trade-related support. ITC was encouraged to work more with both land-locked and middle-income countries in the context of regional economic integration and South-South trade. Delegations also encouraged ITC to increase its work in the Pacific, where they felt that ITC could have a significant regional impact.
42. Delegations from Eastern Europe and Central Asia appreciated ITC's increasing focus in the region and reaffirmed their interest to collaborate with ITC in implementing more programmes in future.

## **Findings and recommendations of the external Independent Evaluation of ITC**

### **Presentation by Team Leader, External Independent Evaluation of ITC, Mr. Bernard Wood**

43. The Team Leader of the external Independent Evaluation of ITC, Mr. Bernard Wood, presented the main findings and recommendations. Mr. Wood reaffirmed the rigour and reliability of the evaluation methodology. The evaluation was conducted in line with United Nations Evaluation Group (UNEG) evaluation norms and standards.
44. The purposes of the evaluation were to (i) assess the changes since the 2006 Evaluation of ITC, (ii) evaluate the results of ITC's work over the period of 2006–2013, (iii) and draw out relevant lessons and guidance for strategic and operational direction to the organization.
45. The evaluation found that, as a relatively small organization with a complex international governance structure, ITC had continued to be focused on delivering practical support to developing countries, and especially to SMEs, to help them increase their development through trade. There are growing demands for ITC-type services, and ITC is well-placed to respond, providing that it secures sufficient and predictable funding for a coherent long-term strategy.
46. In terms of assessing the organization, management and changes, the evaluation concluded that significant progress had been made since 2006, with no regression in any main aspect examined by the evaluation. It pointed out that the improvement was made from a very low base.
47. Regarding the performance of ITC in the period of 2006–2013, a key message expressed was that, in spite of limited resources and heavy constraints, ITC continued to provide high-quality services in its specialized field. However, ITC's overall resource situation limits the greater use of this asset by developing countries, reduces its efficiency, and contributes to distortions in the organization and its results.

48. The evaluation drew out four major strategic recommendations with supporting action points to be addressed by ITC management, governance bodies and supporters.
- Move to a strategic base to support and deploy its unique strengths in the global Aid for Trade effort.
  - Protect and develop ITC's distinct working assets: its special capacity to deal with the private sector in trade and its excellence in providing relevant technical assistance.
  - Pragmatically strengthen governance and accountability, while minimizing bureaucracy.
  - Move ITC up to the next level of visibility, engagement and effectiveness as a key player in the global Aid for Trade effort.
  - Today as we reflect on 2012 and what is still a fragile global economy, and on 2013 which promises to be no different, ITC is in a better place to provide solutions to countries seeking to expand their economies while ensuring the development process is more inclusive and sustainable.

## **ITC management response to the evaluation recommendations**

### **Statement by Ms. Arancha González, Executive Director, ITC**

49. Congratulating the evaluation team for its high-quality work, Ms. González noted that the Independent Evaluation was conducted with the greatest level of transparency and impartiality. She stressed that the ITC management regarded the evaluation as an important endorsement of ITC's work and focus areas. The organization has initiated various strategic actions, some of which directly respond to the findings and recommendations.
50. ITC management echoed the findings of the evaluation by stating that ITC is fit for purpose and adaptable to the needs of its beneficiaries. Notably, the evaluation confirmed the improvements achieved since 2006, and found no evidence of backsliding in any of the areas examined. In this regard, Ms. González believes that the evaluation stressed the pragmatism of ITC's small-scale and nimble approach to addressing the demands and priorities of clients.
51. To move forward, ITC would have to be pragmatic and strategic in responding to the recommendations of the evaluation. The Executive Director considered that the recommendations could be grouped around five key strategic goals with which ITC has been working since she took office in September 2013.
- The first strategic goal is to ensure that ITC work is planned around and focused on well-defined priorities. The ITC's new Strategic Plan for 2015-2017 focuses on areas where ITC could have greater impact. The organization has identified six major themes, or baskets, of interest, including: (i) trade and market intelligence for SME competitiveness, (ii) supporting regional economic integration and South-South trade, (iii) connecting to value chains, (iv) strengthening trade and investment support institutions, (v) promoting and mainstreaming inclusive and green trade, and (vi) building a conducive policy and business environment through public-private partnership and dialogue.
  - The second strategic goal is to further improve the quality of ITC's technical work. The organization is working to place itself at the forefront of innovative solutions and thought leadership in SME competitiveness.
  - The third goal addresses the need to become leaner and more efficient. Among other actions taken to further improve efficiency, ITC has pushed forward an assessment exercise to uncover the detailed costs of all its activities, and is working on simplifying manual processes with the objective of cutting down transaction costs.
  - The fourth goal is to increase ITC's accountability to members. The organization is developing a policy framework to support organizational and individual performance and reinforce a culture of transparency, with results and impact orientation and value for money. Furthermore, it will continue to strengthen the dialogue and transparency with members and stakeholders.

- The fifth goal is to raise ITC's visibility and prominence. The objective is to continue to position ITC as a key stakeholder in the global Aid for Trade effort and in the post-2015 debate. Meanwhile, ITC is working with UNCTAD and WTO to enhance cooperation.
52. Ms González indicated that some recommendations require further consideration, such as those that concern the internal organization of ITC, and those that depend on decisions and actions of ITC members, supporters, and governing bodies. She stressed that much of the future success of ITC will be highly contingent on support from the organization's members and stakeholders. On the one hand, to fully achieve its potential, ITC requires more stable and predictable funding. On the other hand, it needs to strengthen relations with the stakeholders in beneficiary countries, particularly with the private sector.
53. As the next step, the Executive Director suggested reconvening in the last quarter of 2014 to have a fully informed discussion on the collective response to the evaluation. Meanwhile, she suggested treating the intervening period as a dialogue and consultation phase, parallel to the consultation on the new Strategic Plan.

### **Statements on the ITC evaluation by delegations**

54. Delegates welcomed ITC's independent evaluation report and appreciated the findings and recommendations including on ITC's unique role, continued delivery and that there was no regression since the 2006 evaluation in any of the elements examined.
55. Several delegations commended ITC on being a reliable and receptive partner. They appreciated ITC's commitment to developing customized programmes that meet beneficiaries' needs.
56. Delegates encouraged the institution to address challenges highlighted by the evaluation concerning risk mitigation, RBM, and the coherence and durability of interventions. Particular emphasis was placed on ensuring adequate financing of ITC to enable it to meet growing demands for its services by beneficiaries.
57. Delegations showed a keen interest in participating in the dialogue planned later in the year to ensure that the recommendations of the evaluation are adequately taken into account in ITC's future activities. Several delegates supported the Executive Director's suggestion to meet later in the year to discuss the evaluation's recommendations in more detail.

## **The draft ITC Strategic Plan 2015–2017**

### **Presentation by Ms. Riefqah Jappie, Planning and Policy Support Officer, ITC**

58. Ms. Jappie summarized the strategic setting in which ITC is operating including the renewed commitment to multilateralism as exemplified by the adoption of the WTO Agreement on Trade Facilitation at the ninth WTO Ministerial Conference in 2013. The global trade landscape has witnessed major shifts. Noteworthy trends are the rise in the share in global trade of emerging and developing economies, the increase in services trade and the growing importance of value chains. Consensus is emerging around the importance of SMEs as agents for development. Against this backdrop, Aid for Trade continues to be acknowledged as a partnership platform that can help countries further integrate into the global economy.
59. Ms. Jappie highlighted several factors that make ITC unique. It is the only international agency that operates under the joint mandate of the United Nations and the WTO. It is unique in providing integrated assistance at the policy, institutional and SME level with a strong private sector focus. Furthermore, ITC has a very clear mandate and sharp focus on helping SMEs to internationalize.
60. Ms. Jappie summarized ITC's vision of fostering inclusive and sustainable growth and development through trade and international business development. In implementing this vision, ITC will pursue three goals: (i) strengthen the integration of the business sector of developing countries into the global economy; (ii) improve the performance of trade support institutions for the benefit of SMEs; (iii) and develop the international competitiveness of SMEs.

61. To allow for better coherence of its assistance and targeted solutions, ITC will structure its trade-related technical assistance around six thematic areas:
- Promoting trade and market intelligence for SME competitiveness;
  - Supporting regional economic integration and South-South trade;
  - Connecting to value chains: SME competitiveness, diversification and links to export markets;
  - Strengthening trade and investment support institutions;
  - Promoting and mainstreaming inclusiveness and green trade;
  - Building a conducive business and policy environment through public-private partnerships.
62. To foster effectiveness and efficiency, ITC will work towards continuously improving its existing RBM framework. The organization will increase efficiency by investing in more and better e-learning tools, improving its project cycle management, better managing its financial resources and streamlining administrative procedures in order to reduce internal transaction costs. Moreover, ITC will build new partnerships and strengthen existing ones, and invest in building in-house expertise and raising the visibility of its service portfolio among clients.
63. Ms. Jappie concluded her presentation by encouraging delegates to share their views on ITC's draft Strategic Plan 2015–17 over the next four weeks.

### **Statements on the draft ITC Strategic Plan by delegates**

64. A total of 11 countries contributed to the discussion on ITC's draft Strategic Plan 2015–17.
65. Delegates commended ITC for its draft Strategic Plan 2015–17, emphasizing its coherence with ITC's mandate. They expressed appreciation for the structuring of ITC's strategy around thematic and geographical focus areas, as well as for the reflection on lessons learned from the recent Independent Evaluation of ITC. Delegates supported the choice to maintain a market-led approach and focus on partnerships based on demand, and suggested to ITC to consider the opportunities that such an approach brings to fundraising and resource mobilization.
66. Several delegates emphasized that the focus on SMEs should not be at the expense of other clients. Some delegates supported the idea of working more closely with academic institutions to educate future experts that could provide trade-related assistance in their home countries. It was suggested that competence centres for SMEs at universities could be established with the help of ITC. Delegates urged ITC to work more closely with the private sector, especially in countries that are acceding to the WTO, and on issues regarding non-tariff barriers to trade. Another delegate suggested that ITC could organize a high-level event with ministers of foreign trade, in order to increase political momentum for resource mobilization for SME development.
67. Delegates emphasized ITC's important role as a provider of trade-related technical assistance and its relevance to the Post-2015 Development Agenda. They suggested adding more information in the Strategic Plan about ITC's role in developing the aforementioned agenda, perhaps as a separate item in the document. They also raised the question of how trade will be mainstreamed into the new Post-2015 Development Agenda and what ITC's role will be in implementing it.
68. Delegations expressed support for ITC's continued focus on strengthening trade support institutions. They urged ITC not to make support to institutions a goal in itself, but to see it as a step towards a higher-level objective. They suggested focusing on bottlenecks that are specific to each institution and which should be identified through individual assessments.
69. Several delegates welcomed the inclusive approach that ITC has adopted for drafting its Strategic Plan. They stated that they look forward to providing their inputs and inquired about how the planned consultations will take place. A question was raised on whether the consultation will be extended beyond the JAG members to experts, academics, thinktanks and other stakeholders.
70. The focus on six baskets was welcomed as a way for ITC to build greater coherence.

## Voluntary contributions to the ITC Trust Fund

71. Several donor countries announced or confirmed their voluntary contributions for 2014:
- **Sweden** confirmed its ongoing multiyear agreement to 2016: 30 million Swedish kroner (USD 5.4 million for 2014 un-earmarked).
  - **Netherlands** funds through the NTF: USD 10 million for a multi-year programme.
  - **Finland** strives for multi-year commitments and confirms 5 million euros for 2 years (2013-2014).
  - **China** supports with USD 500,000 for activities with ITC and will continue to provide support in 2015.
  - **Norway** will increase its contribution to 20 million kroner in 2014 (USD 3.4 million).
  - **Switzerland** contributes CHF 1.8 million in 2014 and CHF 1.9 million in 2015.
  - **Canada** contributes USD 950,000 annually in core and USD 5 million for the ITC project in Morocco over multiple years.
  - **Azerbaijan** noted that a request for funding should be formally made to the country for decision.

## Closing session

### Summary by H.E. Ms. Mariam Salleh of Malaysia, Chair of the 48th Session of the JAG

72. H.E. Ms. Mariam Salleh, Ambassador and Permanent Representative of Malaysia to the WTO, presented her summary as Chair of the 48<sup>th</sup> Session of the JAG.
73. The important takeaway was the strong support from members on the role and mandate of ITC and its vision to do more and do better. Delegates recognized that ITC has a clear and specific mandate and unique technical expertise to assist SMEs to enhance their competitiveness and internationalize. There was further recognition that ITC has great potential to continue expanding its work within this mandate. There was widespread support for ITC's focus to work around the six baskets.
74. There was strong support for ITC's constructive and proactive approach to partnerships, both with other international organizations and with the private sector. There was also clear support for ITC's work in the areas of regional integration, in particular in Africa; strengthening trade support institutions; developing trade and market intelligence; strengthening the focus on services, given their importance for developing countries and economies in transition; SME competitiveness; youth employment; women economic empowerment; South-South co-operation; and mainstreaming environmental sustainability.
75. There was equally a strong call and demand for ITC to work on non-tariff measures and trade facilitation. In addition, there was consensus that ITC should continue to put priority on LDCs, LLDCs, SIDS, Sub-Saharan Africa and post-conflict and fragile states. There was also a call made to ITC for it to scale up cooperation with middle income countries.
76. The independent evaluation of the ITC recognized that since the last evaluation in 2006, ITC made progress in improving the delivery of its mandate as well as its internal management procedures. With the growing demand for ITC's services, the evaluation underlined ITC's continued relevance and stressed that ITC remained "fit for purpose".
77. It also pointed to a number of challenges, many of which ITC had recognized and was addressing, such as: embedding RBM in all of ITC's programmes; improving the project management cycle; fine-tuning frameworks for needs and risk assessment and accountability; enhancing client relationship management; streamlining internal work processes; and conducting a costing exercise process.

78. It was widely recognized that for ITC to be able to fully address the recommendations in the evaluation and to deliver on its mandate there was a need for more stable and predictable funding and an intensified relationship with beneficiary country stakeholders, in particular with the private sector.
79. There was agreement that the JAG members would reconvene later in the year to have a fully informed discussion on the collective response to the evaluation and the progress achieved. The intervening period would be treated as a phase for dialogue and consultation, in parallel with the consultation on the new Strategic Plan.
80. Finally, the draft ITC Strategic Plan for 2015–17 consists of better framing ITC's response to the changing trade and development landscape to address the recommendations in the evaluation and to better reflect the priorities of ITC's clients and partners. The draft Strategic Plan outline would be available on the ITC website as of Monday June 16 for a four-week consultation period.

### **Closing remarks by ITC Executive Director, Ms. Arancha González**

81. ITC Executive Director Arancha González, in her closing statement for the 48th session of the JAG, expressed appreciation for the common understanding of ITC's future direction, guided by the principle of doing more and doing better. She was reassured and ready to address the challenges and opportunities for ITC for the next year.
82. Ms. González committed to report on the progress ITC would make as she strived to maintain an open and transparent dialogue with Members. She reiterated that ITC remained committed to respond to the needs of its Members and partners in an organized, yet flexible manner, which corresponded to the clear priorities of ITC's clients and within areas where ITC had a comparative advantage and would bring value. ITC's work would be guided by showing outcomes, impacts and results.
83. ITC would continue to focus the bulk of its energy on LDCs, LLDCs, SIDS and Sub-Saharan Africa, but would also continue to innovate with the solutions that it offered to post- conflict and fragile states and to middle-income countries. ITC relations with middle-income countries would continue to evolve with them as beneficiaries and also as partners in providing expertise to other countries which are eager to learn from their experience, in the form of South-South partnerships.
84. The independent evaluation was an opportunity for ITC to better understand its strengths and challenges. Ms. González reiterated the commitment made to meet again later this year to continue the comprehensive discussion on the collective response to the recommendations in the report, which ITC management had already begun to implement.
85. It was clear during this JAG session that demand for ITC services was increasing in areas where ITC has a niche and provides strong value added. This is precisely why it was important to reconvene later in the year to review specific suggestions around financing. ITC would continue to cluster its work around the six baskets, which would give members a clearer idea of where the gaps were between the expressed needs of ITC beneficiaries and the resources available. This would further help to frame the discussion on financing.



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