

ITC

WHAT IS YOUR AID FOR TRADE STRATEGY?

1. Do you have an aid-for-trade strategy and what are the key elements in this strategy?

ITC has a rather particular position in aid-for-trade, because 100% of its work is in fact within the provision of aid-for-trade as OECD has defined the term. The work of the ITC is entirely focused on the development of exports in developing and transition countries. As expressed in its Mission Statement, “ITC enables small business export success in developing countries by providing, with partners, trade development solutions to the private sector, trade support institutions and policy-makers”.

Three key elements in this strategy have been defined outlining the priority areas in which ITC delivers technical assistance:

- Strengthen the international competitiveness of enterprises;
- Develop the capacity of trade service providers to support businesses
- Support policy makers in integrating the business sector into the global economy.

2. How has this strategy evolved since the December 2005 WTO Ministerial Conference?

The December 2005 WTO Ministerial Declaration reinforced ITC’s strategic approach by encouraging “all Members to cooperate with the ITC, which complements WTO work by providing a platform for business to interact with trade negotiators, and practical advice for small and medium-sized enterprises (SMEs) to benefit from the multilateral trading system.”

Since June 2006, the ITC has embarked in a change management process with a view to improve the relevance of its services to clients. In terms of values, the new ITC approach places growing emphasis on sustainable development in exports development efforts, the ultimate goal of the organization being its contribution to the MDGs and priority on the countries which most need its support.

3. How does this strategy address regional aid-for-trade challenges?

ITC’s programme (the Consolidated Programme Document) has been designed around a sub-regional configuration, since ITC recognizes the importance of regional cooperation and integration in the trade field. ITC is working with a number of regional economic cooperation organizations, laying special emphasis on networking and value-chain development among private enterprises. For example ITC conducts at regional level the “Bridges Across Borders” networking events with the specific purpose of bringing together service sector industry associations in Africa in order to promote partnership and exchange market information.

HOW MUCH AID-FOR-TRADE DO YOU PROVIDE?

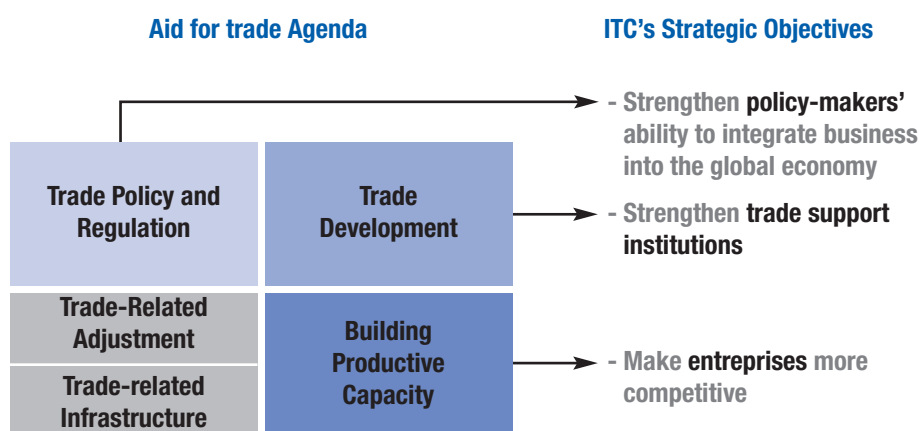
SCOPE

4. *How do you define aid-for-trade (i.e. which types of programme and project do you consider trade-related)?*

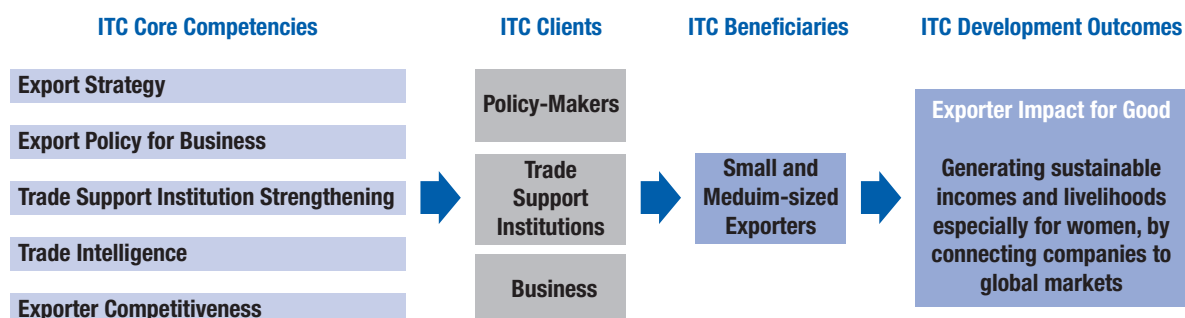
METHODOLOGY

5. *How do you allocate the aid-for-trade share in individual projects and programmes?*

All ITC activities fall under the aid-for-trade concept. As shown in the diagram below, priority areas in which ITC delivers technical assistance correspond exactly to three of the five items of the Aid-for-Trade agenda:



ITC concentrates its activities on trade development with special emphasis on enhancing high performance in business support services and institutions. In terms of ITC's methodology, the objective is to increase the scale of ITC activities to ensure higher impact and effectiveness, through a better use of partnerships and networks, outsourcing and insourcing. Concerning the revamping of ITC's core competences, focus is on demand-driven products and services, e.g. marketing, and their bundling into a coherent and integrated programme mode, in preference to a more fragmented delivery.



COMMITMENTS

6. *According to your aid-for-trade definition, what were your commitments by category for the period 2002-2005 and in particular for 2005?*

As shown in ITC's Aid-for-Trade Proxies table, ITC primarily works at "Building Productive Capacity" and more precisely at "Trade Development" level". The bulk of its efforts focus on the "Business support services and institutions" where ITC assists in the capacity building and networking of Trade Support Institutions vis a vis the business community and in their dialogue activities on export issues with policy makers. The second category of importance is "Market Analysis and Development". On market analysis aspects, ITC is specialized on the provision of Trade Intelligence (market access information, trade data, together with the necessary market research expertise) in order to enable policy makers, trade support officials and exporters to make informed decisions. In terms of market development, ITC provides exporters with the expertise in management practice, production/supply chain including logistics and distribution, as well as marketing and sales. The third is "Trade Promotion Strategy and Implementation" where ITC provides an integrated package of methodologies and tools to carry out trade assessments and approaches to national, regional, sector and enterprise level strategy development and implementation support services. Finally, ITC is also active in the "Trade Policy and Regulations" category, mainly in raising awareness of the business sector about the importance of trade regulations and negotiations.

PLEDGES

7. *Describe any aid-for-trade pledges you have made at or since the December 2005 WTO Ministerial Conference.*

Not applicable to the ITC

8. *What is your medium-term (beyond 3 years) financial plan for aid-for-trade?*

The financial projection for ITC delivery in 2009 is US\$ 60 mio. This would represent more than a doubling of the current levels of aid-for-trade over 2006. It is anticipated that Least Developed Countries (LDCs) will represent by this date, about 50% of ITC activities. The success of this approach will partly depend on the ability of the organization to reverse the current structure in funding from earmarked to un-earmarked funds.

HOW DO YOU IMPLEMENT YOUR AID-FOR-TRADE STRATEGY?

MAINSTREAMING

9. *How do you ensure that aid-for-trade is effectively integrated in your overall development strategy and programming both at head quarters and in-country?*

10. *Have you recently strengthened your in-house aid-for-trade expertise and how is this expertise deployed to link policies with operations?*

Aid-for-trade is an integral part of all ITC's activities.

OWNERSHIP

Refers to developing countries exercising effective leadership over their development policies and strategies and co-ordinating development efforts.

- 11. What approach do you follow in your country assistance plan, when national development strategies lack a strong trade development component?**
- 12. How do you encourage and support policy dialogues on aid-for-trade among key stakeholders in partner countries?**

One of ITC's "flagship" programmes is the development of national Export Strategies. This programme has been applied in over 30 countries so far, utilizing a unique methodology. These strategies are entirely compatible with, and supplementary to, national development frameworks. They build on existing DTIS and other needs assessment exercises.

ITC's approach specifically emphasizes public-private dialogue to ensure a common understanding of stakes and challenges among stakeholders during the trade development strategy design process. The aim is to ensure that private sector interests are needed and taken account of.

In the context of aid-for-trade discussions, ITC is currently organizing a series of three meetings in Lima (Latin America and Caribbean) Manila (Asia Pacific) and Dar es Salaam (Africa). These meetings take place in the context of regional ministerial sessions that have been called to prepare for a WTO Global Aid for Trade Review in Geneva on 20–21 November. The contribution of the ITC focuses on how public-private partnerships in export promotion are functioning and will look at how successful experiences can be replicated across the three regions.

ALIGNMENT

Refers to donors basing their overall support on partner countries' national development strategies, institutions and procedures.

- 13. Are you using the partner countries' policy planning and budgeting framework as the basis for the provision of your aid-for-trade programmes?**

See above on the development of NES. ITC is also in frequent contact with the Trade and Finance Ministries of beneficiary countries.

HARMONISATION

Refers to donors' actions being more harmonised, transparent and collectively effective.

- 14. Do you coordinate aid-for-trade analyses and programming with other donors at the country level, given that its scope often exceeds the capacity of any single donor?**

Coordination and harmonization with other multilateral agencies are ensured through ITC's participation in the JITAP (ITC, UNCTAD and the WTO) and the Enhanced Integrated Framework (IMF, ITC, UNCTAD, UNDP, World Bank and the WTO). Participation in diagnostic exercises and determination of priorities in the Action Matrix enables the coordination of activities of the organizations in question. ITC has signed agreements with a growing number of partners including the regional development banks. It is engaging with other UN organizations under the One UN initiative. In several countries, ITC collaborates closely with UNIDO under EC funded programmes.

15. Are you increasing the amount of aid-for-trade for regional and/or multilateral programmes? (If you are a regional or multilateral agency, are you managing an increasing amount of aid-for-trade?)

See response in item 8.

MANAGEMENT FOR RESULTS

Refers to both donors and partner countries managing resources and improving decision making for results.

16. What objectives and timeframes do you set for your aid-for-trade strategy and programmes? How do you measure success?

17. What evaluation methodologies do you apply to your aid-for-trade projects and programmes?

ITC has developed a series of sub-objectives related to each of the priority areas in which ITC delivers technical assistance (ref. Response in item 1.). These sub-objectives are expressed in terms of expected results and for each of them, there is a set of indicators by which to measure success. These elements are an integrated part of ITC's Consolidated Programme Document. In the full implementation of this RBM system, ITC will rely on a strong level of partnership with intermediary Trade Support Institutions to monitor the actual impact of ITC products and services on exporters and the national trade infrastructure. To complement these efforts, ITC conducts several major programme evaluations each year.

18. Do you cooperate with partner countries, other donors and stakeholders in joint monitoring and evaluation of aid-for-trade projects and programmes?

In 2004/2005, a team funded by Denmark and other donors comprehensively evaluated the ITC. Individual donors also fund specific programme evaluations.

DO YOU PARTICIPATE IN MUTUAL ACCOUNTABILITY ARRANGEMENTS?

Mutual accountability refers to donors and developing countries providing timely, transparent and comprehensive information in order to jointly assess development results.

19. Do you engage with partner countries, regional organisations, other donors and stakeholders in reviewing progress towards the fulfilment of your aid-for-trade policy and programme commitments?

The most relevant examples of Mutual Accountability in ITC are the involvement of local consultants and counterpart organizations as active team members in the majority of our programme evaluations.