

Minutes: CCITF Meeting on 17th October 2023

The meeting of the Consultative Committee of the ITC Trust Fund took place in a hybrid mode on 17th October 2023 in Geneva. ITC's Executive Director (ED), Ms. Pamela Coke-Hamilton started the session by welcoming participants to the meeting and outlining the agenda.

The [CCITF Report Jan-June 2023](#) showcases ITC's financial and development results performance, in comparison with the [2023 Operational Plan](#) targets.

1. **CCITF Report (January – June 2023)**

Funding Position

The ED stated in the first half of 2023, ITC received \$54.6 million of XB funds, a 17% increase compared to the same period in 2022. The value of new extrabudgetary funding agreements signed by mid-year was almost \$20 million. Shortly, thereafter ITC signed the EU-EAC Market Access Upgrade Programme (MARKUP II) for €40 million. ITC's Regular Budget, funded in equal parts by the UN and WTO, has been stable and is expected to remain consistent. ED thanked the donors for their valuable support to ITC through both extrabudgetary contributions and regular budget through the WTO and the UN.

Financial Delivery

The ED stated that in the first half of 2023, financial delivery was fully on track and is expected to meet targets by year-end. ITC's mid-year delivery stands at \$77.4 million or 53% of the 2023 target budget. ED mentioned that the extrabudgetary financial delivery by impact areas and core services ranged from 50%-65% of the Operational Plan targets and shown in Figure 3 on page 11 of the report.

The two largest impact areas were 'Sustainable and resilient value chains' and 'Inclusive trade'—together accounting for almost 57% of XB delivery. The largest core service area was 'Improved MSME firm-level capacities to trade', which accounted for over 55% of XB delivery.

Performance against targets set in the 3-tier corporate scorecard

The ED presented the mid-year development results against the targets set in the three-tier corporate scorecard and progress on the 2023 technical assistance milestones.

On Tier 1 indicators on ITC's contribution to the SDGs, about 80% of ITC's project delivery contributes to SDG 8 on economic growth and decent work, SDG 17 on partnerships for the goals, SDG 5 on gender equality and SDG 1 on no poverty.

The ED discussed Tier 2 corporate output and outcome indicators. She noted that data regarding development outcomes will be part of the year-end report. The ED also confirmed that ITC's progress on outputs is on track, particularly in the areas of "Facilitation of intergovernmental processes and expert bodies" and "Generation and transfer of knowledge." With several pending publications expected to be completed in the coming months, the number of finished technical papers and books should meet ITC's targets.

ED highlighted the results achieved with the Window 1 contribution. ITC's SME Trade Academy now offers over 200 courses in the digital format. ITC has also been making good progress on moonshots, in the cross-cutting areas of gender, youth, green/sustainable growth and digital. Highlights include, on gender, ITC launched several new SheTrades Hubs taking the grand total of hubs to 17. On green, ITC hosted roundtables on deforestation-free supply chains with partners from the private and public sectors, civil society, and academia, and

published related op-eds. On youth, ITC now has a strategic roadmap for its positioning in the sports sector. On digital, at the G20 trade and investor meeting, ministers adopted the Jaipur Call for Action for Enhancing MSMEs' Access to Information—which was a major vote of confidence in ITC's Global Trade Helpdesk, jointly with UNCTAD and the WTO.

The ED highlighted significant technical assistance milestones (Chapter 3.4) that contribute to ITC's development outcomes in Tier 2. These milestones include the Ready4Trade project, which established and launched the NOVICA Artisan Empowerment Hub in Tashkent, Uzbekistan, A gender toolkit was rolled out for agricultural value chains in Pakistan, Côte d'Ivoire, Liberia, and Sierra Leone, and a mapping and recommendations for regional business support organizations and networks were delivered to the AfCFTA Secretariat.

Tier 3 of the corporate scorecard, key operational performance indicators, and progress on the efficiency and effectiveness milestones

The ED mentioned that many of the KPIs in Table 12 are reported at the end of the year, so she will focus on some mid-year indicators. The ED highlighted that ITC received an unqualified audit opinion on our financial statements for 2022, and 53% of the open audit recommendations were closed, exceeding the target of 47%. Additionally, 93% of extrabudgetary delivery for trade-related technical assistance projects was published to IATI, and the average time to recruit fixed-term staff was 8 days shorter than targeted.

The ED discussed ITC's Tier 3 KPIs, complemented by ITC's efficiency and effectiveness milestones, including effective partnerships. Highlights include ITC actively engaged in the LDC5 conference in Doha in March to ensure LDCs' needs in international trade were well represented. ITC has continued to support three countries, namely Iraq, Turkmenistan, and Uzbekistan, in their accession to the WTO, and collaborated with UNCTAD, the WTO, and UN DESA on the elaboration of an impact study of LDC graduation on the textiles and clothing sector in the five Asian LDCs.

ED put forth the work of the Independent Evaluation Unit and also discussed the ITC's top corporate risks and mitigating actions implemented during the first half of this year.

ED ended by giving a preview of ITC's work in the next few months. Preparations are underway for events such as the Africa-Caribbean Trade and Investment Forum in Guyana, the UNFCCC's COP 28 in Dubai, and the Thirteenth WTO Ministerial Conference in Abu Dhabi. The ED will also be making her first visit to China as the Executive Director of ITC.

The ED concluded the statement by thanking the funders for their support—crucial to ITC achieving the good results in the first half of 2023—and opened the floor for questions and comments.

Delegates' Questions and Comments

Germany (Donor Coordinator): On behalf of ITC's funders, the donor coordinator thanked the ED and the Secretariat for the progress report for the first half of 2023 She also thanked fellow delegates of donor countries for their inputs and general support of ITC.

The donors were pleased to note that ITC is on track in terms of delivery and continues to provide valuable Trade-Related Technical Assistance (TRTA), global public goods, and thought leadership on Trade and SME Competitiveness in projects worldwide. They also acknowledged the well-prepared report by the ITC team.

Concerning the budget, the donors commended ITC's delivery at 54% at mid-year and the good progress in each of the impact areas and core services. They raised a concern,

previously discussed in CCITF meetings, regarding lower-than-planned delivery in priority countries. However, they were glad to read about the new projects starting this year, which would lead to increased activity, particularly in LDCs, LLDCs, and sub-Saharan Africa.

Regarding ITC's corporate scorecard performance, donors found the Tier 1 of the results framework helpful and informative. They also appreciated the detailed information on ITC's results performance by corporate outputs, W1 contributions, and milestones. Donors expressed a desire to understand why the usual quantitative progress against the corporate outcome indicators was not included in this report and inquired whether this information would be shared at a later time.

ITC was commended for its deep engagement at LDC5, and donors expressed hope for a similarly active engagement at the LLDC3 conference in Rwanda the following year. They recognized ITC's efforts in hosting the World Export Development Forum (WEDF) in an LLDC earlier in 2023. Donors were equally pleased to see ITC actively seeking new types of partnerships and cooperation models with the private sector and their foundations. They indicated their interest to receive more information on such partnerships.

On organizational effectiveness and efficiency, donors were pleased to read about the Gender and Diversity Unit's (GU) work. They were interested in knowing if ITC learns from the approaches of other UN organizations' work on gender, diversity, and inclusion. Donors appreciated ITC's efforts in relation to the diversity indicator "Percentage of women in professional and senior-level positions" and suggested that it would be useful to have this data disaggregated by different professional categories. With regards to ITC's fundraising target, donors noted that grant agreements that are expected to be signed during the second half of 2023 would enable ITC to meet its target.

Donors observed that ITC has increased its focus on mainstreaming gender, youth, green initiatives, and social responsibility through its Project Design Taskforce and Mainstreaming Focal Points. They expressed an interest in reading more detailed information about ITC's mainstreaming approaches in the upcoming CCITF Reports. Under the title of 'Expertise', donors noted the mention of ITC's first policy on the management of client data and sought more information regarding the significance of this policy and the type of data it concerns.

In regard to ITC's Risk Register, donors welcomed the organization's efforts and expressed a desire for additional information to better understand the reasoning behind the increased risk rating of R5 for "compromised cybersecurity/data breaches" and the addition of a new "red" risk of R20 for the "inadequate or delayed use of Artificial Intelligence (AI)."

Regarding conflicts and geopolitics, donors requested information on the current situation of ITC's operations in the State of Palestine. They also wanted ITC to explain how conflict and natural disasters impact the organization's delivery of outcomes in the context of multiple conflicts.

Sweden thanked ITC for the excellent CCITF report. Sweden noted that the current Strategic Plan for 2022-2025 includes a transformative mission to mainstream green trade. Sweden emphasized its commitment to maintaining close contact with ITC to explore how this mission can be integrated into ITC's operational plan, including the incorporation of corporate green indicators. Sweden highlighted the importance of strengthening the poverty perspective, and the CCITF Report was seen as a valuable resource for understanding which countries benefit from ITC's activities. Sweden stressed the significance of ITC's continued cooperation in promoting inclusive trade and poverty reduction and sought clarification on ITC's efforts to enhance livelihoods and reduce poverty, particularly in the context of migrants and vulnerable groups. Sweden also inquired about the creation of corporate indicators related to job creation,

with a focus on addressing the informal sector. On the topic of internal control and risk management, Sweden appreciated ITC's reporting on the progress of the Moving Forward initiative and acknowledged that there is no quick fix to these challenges. Sweden expressed its commitment to monitoring the progress of the action plan.

The EU took the floor and said they align with the donor statements and asked for further information about the Trade Day at COP28 and ITC's role within it.

Pakistan expressed its appreciation for ITC's efforts in rural advancement and resource mobilization within the country. The Ambassador conveyed gratitude for the financing from FCDO and the EU, highlighting their crucial role in facilitating highly impactful projects that have contributed significantly to positive change, particularly in terms of gender equality.

Responding to the interventions of delegates, the ED thanked everyone for their participation, appreciation, comments and questions.

The absence of quantitative outcome indicators in Tier 2 of ITC's corporate scorecard was a mutual agreement between the CCITF and ITC, acknowledging the limited meaning of mid-year outcome indicators. ITC will present the quantitative outcome indicator results in the year-end report. Regarding updates on partnerships with non-traditional funders, ITC follows its Resource Mobilization Strategy 2022-25 and commits to providing regular updates to the CCITF through mid-year and annual reports.

On the question regarding to what degree ITC exchanges with and learns from other UN organizations' work on gender, diversity, and inclusion, ED reiterated that ITC was seen as a leader and was asked to share best practices. ITC actively engages with, learns from, and coordinates with other UN entities, including its participation in the UN DIS and UN SWAP 2.0 frameworks.

On the question regarding the gender parity figure disaggregated by different professional levels, particularly for mid- and senior management levels, ED responded that at the Senior Management level, there are three women and three men, with one vacant position. Among international professionals, ITC has 50.2% women. For General Services, there is no parity yet—nearly 80% of G-staff are women. ITC provides disaggregated data by gender and professional level in its reports to UN Women.

In response to the donors' inquiry about the target for XB funds secured for the next year and beyond, ED explained that 34 agreements were signed, totalling over \$19 million by June 30, and an additional 20 agreements worth \$55 million were signed post-June 30, achieving the \$205 million target.

The donors expressed interest in how topics such as gender, youth, green, and social responsibility are mainstreamed through ITC's Project Design Taskforce and Mainstreaming Focal Points. ED responded that ITC integrates these themes effectively into project design, with the appointment of specialized "Mainstreaming Focal Points" and encouragement for project developers to include relevant outputs and indicators in their project log frames.

The response also addressed the donors' inquiry about ITC's first Policy for Client Data Management, explaining that it establishes a systematic approach to managing client data and provides guiding principles, roles, responsibilities, and standardized data points.

Regarding the ITC Moving Forward Action Plan and upcoming surveys, the donors were informed about the planned discussions and surveys related to staff satisfaction and employee engagement.

In response to the donors' inquiry about ensuring that evaluation findings inform current and future projects, the role of the Independent Evaluation Unit (IEU) was explained, emphasizing their role in synthesizing and sharing evaluation findings, as well as measures taken to ensure management ownership and follow-up on recommendations.

Regarding ITC's Risk Register for 2023, focus was on AI risks and opportunities. It was noted that clear guidelines and awareness are crucial to avoid using AI in ways that don't align with ITC's values or lead to unintended consequences.

With regards to ITC's operations in the State of Palestine, ITC had two active projects, one funded by Japan and the other by the EU, and both had activities suspended and ITC would continue to monitor the status.

Regarding integration of green trade considerations into ITC's Operational Plan and key corporate outcome indicators, ED emphasized ITC's the Green Moonshot framework that provides cohesion on ITC's engagement on the green agenda that spans many diverse elements ranging from agriculture, addressing EU deforestation regulations and ensuring market access for developing country MSMEs, to creating the right enabling policy environment that enables greening in countries. These are being addressed across ITC's projects and green indicators are being developed and tested and will be rolled out accordingly.

Concerning enhancing ITC's poverty perspective, especially for migrants and vulnerable groups, the ED acknowledged the challenge of measuring impact, however highlighted success stories like in Zambia, where through matching grants, ITC provided support to a woman owned business in developing renewable energy solutions for communities. Looking at actual projects and beneficiary numbers and results, impact stories became clearer.

On the question regarding ITC's engagement at COP, Fiona Shera, Director of Sustainable and Inclusive Trade, highlighted that ITC sees integrating small business perspectives as crucial for a just climate transition, aligning with their Green Moonshot initiative. ITC has actively engaged in COP events in the past and will have a presence at COP28, participating in the Trade House pavilion, focusing on trade-led climate action. Five ITC small businesses, Business Support Organizations, and partners will join the delegation to emphasize "A just and inclusive climate transition for small business." ITC looks forward to engaging in events, meetings, and speaking opportunities with their beneficiaries.

Finally, the inquiry about conflicts and natural disasters impacting ITC's project delivery was addressed by mentioning that this issue would be explored in the upcoming SME Competitiveness Outlook report, recognizing the need for customized interventions in these settings.

2. Update on the implementation of the “ITC Moving Forward” Initiative

The ED provided a brief update regarding ITC's Moving Forward Action Plan (MFAP) initiative. She outlined the initiative's two main priorities that included a thorough investigation of any allegations of prohibited conduct within ITC, and establishing a clear roadmap for enhancing internal systems, complementing tools available from the wider UN system. The ED noted that this initiative represented a united effort within ITC and had already started positively impacting the organization's working culture within a few months.

The ED also highlighted specific updates related to the initiative, including the establishment of an ITC Ombudsman as a channel for staff to raise concerns, the implementation of a mid-year pulse survey, and efforts to improve conditions for interns and consultants. She then

mentioned two documents provided to donors: one focusing on disciplinary measures and actions taken in response to fraud, corruption, and other wrongdoing, and the other detailing the status of the implementation of the initiative's action plan.

Following the ED's update, Ashish Shah, Director of Country Programmes, provided further details on key action items within the MFAP initiative. These included ITC's commitment to ensure that all personnel adhere to UN values and behaviours in all aspects of their work. It also involved a review of existing practices for financing posts to bring transparency regarding mobility opportunities within ITC. Additionally, working conditions for consultants and corporate skilling needs, particularly in project and people management, were being re-evaluated. Lastly, efforts were being made to improve operational efficiencies at ITC.

Delegates' Questions and Comments

Germany (Donor Coordinator): On behalf of ITC's funders, the donor coordinator thanked ITC for its openness for dealing with the allegations that have been raised in a timely manner and with great seriousness. The donors welcomed that ITC prepared and published a report on the disciplinary measures and other actions taken and its openness to share it externally.

The donors asked to be informed about the cases that are still pending and also asked for the measures undertaken to address the issues of short-term contracts. Donors believe that a roadmap would be welcomed towards a new financial model which will shift ITC away from project-based budgeting towards a more corporate approach.

Donors appreciated the ED's open office hours, as well as the separation of the in-take function of complaints of misconduct from the role of the DPS Director. Donors agreed that opportunities for career development, moving away from project-based financing and improving the conditions of consultants were all important corporate personnel matters. Donors were happy to support ITC in any way needed to improve the internal working environment at ITC.

The United Kingdom enquired whether there were any monitoring mechanisms to track impact of the initiative.

Responding to the questions, ED mentioned that on the cases that are pending review, ITC will try to share more information without compromising sensitivity. In addressing the issue of short-term consultancy contracts, ED mentioned that ITC is actively working to improve their conditions, including sick-leave and annual leave allowances in consultancy contracts starting from the following year.

Ashish Shah emphasized the crucial role that donors could play in reconstructing a financing model, which has to be a joint collaborative effort. Development partners that finance ITC have as part of their funding structure a project-based approach. To transition from a project-based funding structure to one that allows for more stability for project staff, we jointly have to work on a holistic approach to funding, and donors should have a greater alignment among themselves for project level requirements.

Regarding management training, the ED stressed the importance of starting with senior management, specifically chiefs and above, and addressing their training needs. Following this, the management trainings will cascade to project managers within ITC. Plans include the implementation of a staff college and training modules for both senior and middle management. These include exploring feedback systems, including discussions about the 360-degree feedback model. Staff members are encouraged to communicate their concerns to leadership to ensure awareness on areas of concern within the organization.

In terms of monitoring the impact of the Moving Forward initiative, Ashish Shah explained that the purpose of the report shared with the CCITF members was to show the progress that ITC had made in implementing the action plan. Expected impact and how it will be monitored and tracked is work in progress and will be discussed at the next CCITF meetings. The role of the ombudsperson had been extended until the end of the year, addressing both formal and informal grievances, and this function will continue within ITC. The Special Advisor's work is also concluding, as they were recruited for a specific task that has now been completed.

3. ITC's work in Investment Facilitation for development

Quan Zhao, Programme Officer at ITC, discussed ITC's Investment Facilitation work, which involves capacity building, regulatory reform for transparency, and supporting Investment Promotion Agencies to connect investors. Investment facilitation is crucial for achieving SDGs, promoting global welfare, and attracting investments in developing countries. Challenges include lack of information on regulations, government agency coordination issues, and complex procedures. ITC addresses these challenges through awareness campaigns, capacity-building workshops, policy advisory, and business engagement.

ITC's investment projects in countries like Ethiopia, Kenya, Zambia, Rwanda, Tanzania, Uganda, and Mozambique aim to improve transparency, simplify procedures, strengthen Investment Promotion Agencies, and link these developing countries to investment opportunities.

Guatemala (on behalf of the SVE group) took the floor and thanked ITC for their impactful work. The delegate mentioned that the Investment Facilitation has been an important area for developing countries, and they will share the presentation with their capital.

China expressed gratitude to the ITC for the presentation and emphasized the significance of enhancing the regulatory environment as a key means to promote Foreign Direct Investment (FDI), which in turn fosters productive capacity, knowledge and technology access to global markets. China also conveyed its willingness to assist ITC in utilizing Investment Facilitation to advance global development.

The ED thanked all participants of the meeting for their continued support and engagement.