



ITC/AG(XXXVIII)/203
23 February 2005
Original: English

***Report of the Consultative Committee
of the Global Trust Fund***

**Joint Advisory Group on the International Trade Centre UNCTAD/WTO
Thirty-eighth session
Geneva, 18 - 22 April 2005**

Contents

| | |
|---|-----------|
| INTRODUCTION | 1 |
| THE CONSULTATIVE COMMITTEE | 1 |
| WINDOW I | 2 |
| WINDOW II | 3 |
| Progress reports on Window II programmes | 3 |
| I. World Tr@de Net – Business development and the Doha Development Agenda | 3 |
| Table – Budgetary situation as at 31 December 2004 | |
| II. South-South Trade Promotion Programme | 7 |
| Table – Budgetary situation as at 31 December 2004 | |
| III. E-Trade Bridge Programme for SMEs (a capacity development programme for e-facilitated trade) | 10 |
| Table – Budgetary situation as at 31 December 2004 | |
| IV. Export-led Poverty Reduction Programme (EPRP) | 15 |
| Table – Budgetary situation as at 31 December 2004 | |
| WINDOW III | 19 |
| Annex I – Global Trust Fund: Pledges and resources available | 20 |
| Annex II – Global Trust Fund: Window II – Pledges and allocations to individual programmes | 21 |

INTRODUCTION

1. The proposal to establish a Global Trust Fund (GTF) and a Consultative Committee was adopted at the twenty-eighth session of the Joint Advisory Group (JAG) in June 1995. The implementation of GTF-financed activities started in early 1996.
2. During 2004, the GTF continued to be an essential mechanism for broadening the outreach of ITC's technical cooperation activities. Complementing the ITC regular budget, the Fund enabled ITC to provide certain services to partner countries and to field activities for a larger number of beneficiaries. Four Window II programmes were operational in 2004.
3. The combined and mutually supporting resources and activities under Window I and II allowed ITC to respond effectively to the collective requirements of partner countries. In particular, Window I enabled ITC to ensure the availability of key senior expert staff and thus expand the range of complementary trade-related functions available from the organization.

THE CONSULTATIVE COMMITTEE

4. The Consultative Committee advises the ITC secretariat on, and ensures transparency in, the utilization of the Fund. Constituted in October 1995, it has had 29 meetings to date under the chairmanship of the ITC Executive Director.
5. The Committee currently has 18 members: Canada, Cuba, Denmark, Finland, Germany, India, Ireland, the Islamic Republic of Iran, Madagascar, Nepal, the Netherlands, Nigeria, Norway, the Russian Federation, Sweden, Switzerland, the United Kingdom and Venezuela. In addition, the following countries have been granted observer status at their request: Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Cameroon, Chile, China, Egypt, Ethiopia, Italy, Japan, Malta, Pakistan, Panama, Peru, Romania, Slovenia, Tunisia and Turkey.
6. In accordance with the Committee's working procedures, members are nominated for a one-year period between annual JAG sessions. The Committee recommends, as in previous years, that each regional grouping should decide whether its representation should be extended for another year or whether one or all of its representatives should be replaced by new members, taking due account of the need to ensure continuity in the Committee's work. Likewise, any country interested in proposing itself to represent its region should request observer status in order to become acquainted with the Committee's procedures before formally taking over from the outgoing member.
7. The Committee met twice during 2004 to review the ITC secretariat's proposals for earmarking of funds under Window I and the progress of the four programmes financed by Window II, namely: 'Business development and the Doha Development Agenda (World Trade Net)', 'South-South trade promotion'; 'E-trade bridge for SMEs – A capacity development programme for e-facilitated trade' and the 'Export-led Poverty Reduction Programme (EPRP)'. The Committee also discussed and agreed to a proposal for the creation of a third Window in the GTF to which donors could earmark contributions for co-financing of specific joint ITC/European Commission programmes. Concept papers on proposals for two new Window II programmes on 'ServiceExportNet' and 'Capacity building in export strategy design and management' were also considered by the Committee.

WINDOW I

8. Contributions under Window I are used primarily to finance technical expertise, programme development activities in the priority areas agreed by JAG, and country-specific activities – principally the formulation of tailor-made programmes – for which insufficient resources are available from the regular budget and other sources. They also finance other activities in support of ITC's work, such as missions, meetings of experts and independent evaluations. These are un-earmarked contributions that are allocated periodically by the ITC secretariat on the basis of the most pressing needs, taking due account of the parameters set by the Consultative Committee.
9. According to the usual practice, the available resources in a given year are allocated up to May of the following year, i.e. when new pledges are announced or confirmed at the annual JAG sessions. This ensures the continuity of the technical expertise financed from GTF and makes it possible to fund activities that have to be initiated before new contributions are made available.
10. Total funds available in 2004 amounted to US\$ 4.34 million, an increase of 11% from 2003 (US\$ 4.29 million). The following provides an overview of the utilization of these funds as at end December 2004 within the various subwindows:
 - **Core staff.** This subwindow partly financed 12 senior expert staff in the specialized areas where ITC needs to maintain professional expertise so that it can adequately fulfil its mandate. These staff were also financed from other sources such as details to projects. This strengthened the ITC capacity for developing technical cooperation tools, for improving understanding of the multilateral trading system, and for providing advisory and information services in response to the collective needs of partner countries. (US\$ 1,282,431)
 - **Missions by ITC staff.** These missions were related to the regular programme of work. They were undertaken for various purposes, including participation in specialized meetings and liaison with existing or potential partner organizations, which could not be financed from the regular budget. (US\$ 82,600)
 - **Programme development activities.** This subwindow financed activities to strengthen ITC's research and service delivery capabilities. Funds were allocated, *inter alia*, for the enhancement of legal databases; the development of a joint ITC/UNCTAD Investment Map; development of a website version of ITC's publication *Coffee: An exporter's guide*; and organization of an ITC Competitiveness Tools Fair in conjunction with the 5th World Conference of Trade Promotion Organizations in Malta in October 2004. As in previous years, the requirements went far beyond the available funds, and priorities were determined by ITC's Senior Management Committee on the basis of the collective needs of partner countries. (US\$ 1,350,193)
 - **Formulation of tailor-made programmes and other country- or region-specific activities.** Funds in this subwindow enabled ITC to meet requests from specific countries for project and programme development assistance, based on its needs assessment and programme design methodology. It was also possible to react quickly to requests for small-scale, self-contained technical cooperation activities which could not be financed from other sources. The subwindow also allowed ITC to maintain and strengthen the dialogue with beneficiaries. Funds were allocated, *inter alia*, for needs assessment in Peru; a feasibility study on the creation of a Bangladesh leather service centre; and development of a strategy on export of services in Mauritius. (US\$ 552,207)
 - **Meetings of experts.** This subwindow made it possible to organize an e-Business Forum in 2004 for Latin American countries on 'Building e-business competencies for the information society'. It also allowed ITC to organize a workshop for the private sector in Africa on the WTO Agreement on Technical Barriers to Trade in cooperation with the African Regional Organization for Standardization (ARSO). (US\$ 255,292)

- **Evaluations.** No evaluations were undertaken using Window I financing.
 - **Other activities.** This subwindow was created in 2004 to finance activities for the export development of organic products from least developed countries (LDCs) and other low-income developing countries. (US\$409,640)
11. Future requirements under Window I will continue to depend on a number of factors that are not entirely predictable, such as the availability of other financing sources for core staff and demand from partner countries for needs assessment, programming and short advisory missions. Since resources available to ITC under this Window are, as in previous years, fully allocated, the secretariat counts on pledges in 2005 of at least the same level of resources available in 2004, i.e. US\$ 4.34 million.

WINDOW II

Progress reports on Window II programmes

12. The paragraphs below describe the activities undertaken under the four Window II programmes that were operational during 2004.

I. World Tr@de Net – Business development and the Doha Development Agenda (INT/W2/10)

13. The programme supported networks of public–private stakeholders in 51 member countries in analysing the changes for business operations brought about by the evolving WTO regulatory framework for international trade. At the request of network members, strong emphasis was given to strengthening business advocacy in the preparation of trade negotiations under the Doha Work Programme. Activities in the first half of the year concentrated on putting the WTO negotiations back on track after the failure in Cancún in 2003. Work in the second half of 2004 reflected the breakthrough for negotiations reached with the 'July package' after the WTO General Council Decision of 1 August 2004. ITC's business partners in developing and transition economies visibly increased their participation in shaping the world trading system. Requests for support from the World Tr@de Net continued to increase.
14. The major objectives of the World Tr@de Net were addressed in 2004 by:
- Providing country network members' with business-relevant, up-to-date information on WTO topics of priority interest to them in the Doha negotiations; and
 - Assisting the business communities to better define and express their interests in the evolving trading system, thereby helping the Doha negotiations to get back on track.

Business information and tailor-made support material

15. To equip network members for an informed public–private sector dialogue and prepare for meaningful contributions to the Doha Development Agenda, a unique array of business-relevant information and background materials were provided to World Tr@de Net members, for in-country use and dissemination through the networks. Information materials include progress reports on six key areas of ongoing negotiations for business people (WTO agricultural negotiations; WTO negotiations on market access for non-agricultural products (NAMA); WTO services negotiations; WTO negotiations on paragraph 6 of the Doha Ministerial Declaration on the TRIPS Agreement and Public Health; and WTO negotiations on the establishment of a multilateral register for geographical indications for wines and spirits). The updates were published in January and September 2004. Versions are also available in French and Spanish.

16. The World Tr@de Net monthly newsletters were distributed to all members of the country networks and made available on the website. The newsletters provide members with updated information on the Doha negotiations and regional trade issues. They are often used in the implementation of networking activities at the country level. Case studies, training and briefing materials, technical papers and publications (including the ones prepared in 2004 on trade remedies, textiles and clothing, business advocacy, and trade facilitation), were put at the disposal of the participants during all World Tr@de Net events, and at the Business for Development and JITAP meetings, and have encountered a very positive feedback. Most information materials are accessible on the website. An interactive web forum for exchange of experiences among networks has been launched at the request of World Tr@de Net members.

Development of the country networks

17. Regional coordinators helped to intensify the working relations with the growing number of networks in the four regions. Country-level initiatives supported by them included the organization of information sessions and dissemination of World Tr@de Net briefing materials and newsletters as well as business advocacy, networking for trade negotiations, participation in e-discussions and team preparation for contributions to regional events.
18. The regional coordinators have been constantly interacting with the country facilitators and have undertaken advisory missions to Bangladesh, Cambodia, Lesotho, Mozambique, Nigeria, Pakistan, Sri Lanka, Swaziland, Thailand and Zambia. Through the provision of grants, the World Tr@de Net is further sponsoring networking activities in the following members: Belarus, Bulgaria, Croatia, Egypt, Malawi, Mozambique, Nepal, Nigeria, the Philippines, Sri Lanka and Tajikistan. Activities by these networks include events on WTO and regional trade agreements, agriculture, services, textiles and clothing, business advocacy and publications on WTO implications for the business community.
19. Following Cambodia's request soon after its accession to WTO as the first LDC, in October 2004, a special event on 'The Implications of Cambodia's WTO Membership for Business and Government' was organized with the full involvement of the local business community by the Cambodian network in close cooperation with the Ministry of Commerce in Phnom Penh.
20. One kick-off meeting took place in Nigeria, a new member of the World Tr@de Net. The priority for the remaining programme in 2005 will be to hold further kick-offs in some of the following countries which have asked to become members of the World Tr@de Net: Belize, CAN countries (Bolivia, Colombia, Ecuador, Peru and Venezuela), China, Côte d'Ivoire, India, Indonesia, the Islamic Republic of Iran, Mexico, Morocco, Paraguay, the Russian Federation and Yemen.
21. Country networks and their facilitators have further served as the backbone for the preparation of the Business for Development meetings, through the selection of participants, discussion of issues that are priorities to their members, and submission of country papers. Without this backstopping work by networks in Africa, Asia, Latin America and the Caribbean, and Eastern Europe and Central Asia, the thematic regional meetings could not have taken place.
22. Last but not least, the work done by country networks, in conjunction with the expertise developed by the World Tr@de Net, has been instrumental in the design of full-fledged bilateral trade-related technical assistance (TRTA) programmes.

Networking activities and exchange of experiences among network members

23. Substantial efforts were deployed by the World Tr@de Net on the occasion of the virtual conferences with network members prior to major meetings. Virtual interaction and exchange of views on selected WTO subjects took place among network members in the African region (8–12 March 2004), and the Latin American and Caribbean region (24–28 May 2004). Summaries of these virtual conferences can be found on the programme website. Similar efforts took place for the preparation of other major subregional and regional meetings held in Cairo, Guatemala City and Colombo.
24. In response to specific requests from its African members, the World Tr@de Net organized a topical workshop with Egypt's International Economic Forum on the 'Business Implications for the Private

Sector in Africa of the WTO Agreement on SPS' in Cairo, on 10–12 October 2004. This meeting gathered representatives from the private and public sectors from all the African World Trade Net networks in order for the African business sectors to better understand the potential benefits and challenges associated with the implementation of the WTO Agreement on Sanitary and Phytosanitary Measures (SPS).

25. At the request of its Latin American members, the World Trade Net organized, in cooperation with the Guatemalan Apparel and Textile Exporters Commission (VESTEX), a workshop on the 'Challenges and Opportunities for Business in Textiles and Clothing – Post 2004 Era' in Guatemala City, on 24–25 November 2004, for the Latin American and Caribbean networks. To respond to the demand of its Asian members, a workshop on the business implications of the phasing out of the quota system on textiles and clothing was organized jointly with the Ceylon Chamber of Commerce in Colombo, Sri Lanka, on 1–2 December 2004, for the Asian and Pacific networks. These workshops were organized with a view to assisting country networks to face the competitive challenges and increased export opportunities in the international trade in textiles and clothing in the post-ATC era, to help them to clarify the new legal framework, to prepare structural adjustments, and to exchange views on how to develop business strategies in a quota-free environment.

Business for Development and other contributions by the World Trade Net

26. After the success in 2003 of its Business for Cancún initiative, ITC launched in 2004 – within the framework of the World Trade Net Programme – the Business for Development initiative aiming at further encouraging business to engage more actively in the Doha negotiations. The main objective was to increase dialogue, at regional level, between business and trade negotiators so as to enable a better and more transparent consideration of business inputs by governments in WTO negotiations.
27. This ITC initiative was supported by the WTO secretariat, UNCTAD and by Geneva-based trade negotiators at the highest levels of representation. Resource people in the meetings included the Director-General and Deputy Director-General of WTO, the Secretary-General and Directors of UNCTAD, and Foreign Trade Ministers and Vice-Ministers, Ambassadors or Permanent Representatives and top trade negotiators to WTO in Geneva. Experts from the region and academia also attended. The business communities from the different participating developing and transition economies – including all World Trade Net member countries – were represented, in most cases, by their business leaders: chairs and presidents, vice-presidents of the chambers of commerce, trade associations and business federations.
28. In 2004, five regional meetings were successfully held:
 - East and Southern Africa (Nairobi, Kenya, 30–31 March);
 - Central and Eastern Europe (Sofia, Bulgaria, 18–19 May);
 - Latin America and the Caribbean (Rio de Janeiro, Brazil, 8–9 June);
 - Asia and Middle East (Manila, Philippines, 21–22 October); and
 - Central and Western Africa (Casablanca, Morocco, 1–2 December).
29. Discussions focused on the business implications of WTO negotiations in agriculture, NAMA, services, textiles and clothing; special and differential treatment; trade facilitation; interaction between bilateralism/regionalism and MTS; and business advocacy. For all these meetings, participants prepared country papers on MTS-related subjects in their areas of expertise. These papers are accessible on the website.
30. The five Business for Development meetings brought together some 240 business leaders, 112 government decision-makers, and key trade negotiators from 89 developing countries and transition economies. The World Trade Net's networking platform, as well as its team expertise and tailor-made documentation, constituted the foundation for these meetings. The network infrastructure served not only to design, prepare and organize the Business for Development meetings, but also to bring the key issues back to country level for further discussion in the World Trade Net's public–private networks.

31. The contributions of the World Trade Net's expertise and information materials are increasingly solicited and valued in other trade-related forums, bringing in the necessary business perspective on WTO issues and trade negotiations, highlighting the implications of WTO for business, and stressing the importance for developing countries of business advocacy in trade policy-making.
32. In this regard, at the request of partner organizations and other TRTA programmes, such as WTO, the Agency for International Trade Information and Cooperation (AITIC), JITAP, or activities organized by governments, the World Trade Net contributed in 2004 to videoconferences, briefing sessions, and presentations on various MTS issues.

Outlook for the future

33. During the first half of 2005, priority will be given to the organization of kick-off meetings for new members. A networking meeting among the most active World Trade Net members is planned to review progress in individual country networks and the scope for forthcoming activities to accompany the Doha Development negotiations. Work on developing technical material and publications will be continued.
34. By mid year, the programme will be poised to address technical assistance requirements in this area commencing with the immediate needs in the run-up to the December 2005 ministerial meeting in Hong Kong and beyond.

BUDGETARY SITUATION
World Trade Net (Business development and the Doha Development Agenda)
INT/W2/10
As at 31 December 2004
(US\$)

| 2002-2004 pledges | | | | | |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|------------------|
| | Expenditures (June 02 – Dec. 02) | Expenditures (Jan. 03 – Dec. 03) | Expenditures (Jan. 04 – Dec. 04) | Planned expenditures (Jan. – May 05) | GRAND TOTAL |
| Project personnel | 367,316 | 552,151 | 807,171 | 348,583 | 2,075,221 |
| Subcontracts | 57,163 | 134,386 | 71,032 | 69,474 | 332,055 |
| Group training | 133,973 | 54,217 | 441,995 | 103,566 | 733,751 |
| Equipment | 120,937 | 6,757 | 14,478 | 5,019 | 147,191 |
| Miscellaneous | 27,928 | 32,123 | 65,713 | 19,347 | 145,111 |
| (A) Total | 707,317 | 779,634 | 1,400,389 | 545,989 | 3,433,329 |
| | | | | | |
| (B) Pledged | | | | | 3,433,329 |
| (C) Cash received | | | | | 3,433,329 |

II. South-South Trade Promotion Programme (INT/W2/09)

35. The South-South Trade Promotion Programme (SSTP) consists of a series of activities aimed at generating new trade and investment transactions between enterprises in developing countries and transition economies. It is a core activity of ITC that includes trade flow analyses, national supply and demand surveys, sectoral buyers–sellers meetings, and other networking events.
36. In 2004, the programme organized seven buyers–sellers meetings and two networking events, in which 694 firms from over 70 developing countries (including 26 LDCs) and transition economies participated and reported direct transactions for more than US\$ 22 million. Additional partnerships, investments and negotiations were also initiated. Nine regional trade flow analyses and 33 supply and demand surveys were prepared in collaboration with local trade support institutions (TSIs) and national consultants. Apart from the various training seminars and conferences held during each event, two specific workshops were held, in Abidjan on commercial information and market analysis, and in Tunis on matchmaking.

Regional events

37. **Africa and the Arab Region** – A substantial part of the activities during the year focused on Africa. Two buyers–sellers meetings on the publishing and printing industry were held to promote the expansion of intraregional and interregional trade between the Central African Economic and Monetary Community (CAEMC) and the West African Economic and Monetary Union (WAEMU). In the first meeting, held in Abidjan in February, 24 companies from Côte d'Ivoire, Guinea, Niger, Senegal and Togo participated. In Brazzaville in July, 23 companies from Cameroon, the Central African Republic, the Congo, the Democratic Republic of the Congo and Gabon attended the second meeting. Business transactions in excess of US\$ 1.6 million were reported for both meetings.
38. The fourth Meet in Africa, the biennial pan-African leather fair sponsored by ITC, gathered 270 exhibitors and nearly 2,200 buyers. It included a buyers–sellers meeting which was held in Addis Ababa for 225 participants from 19 countries.
39. Under the Buying from Africa for Africa initiative, launched in 2001 to encourage international aid agencies to procure more from African enterprises, ITC organized in Midrand in August a buyers–sellers meeting on aid procurement covering food, water, sanitation, shelter and household items. Representatives of 59 companies from Madagascar, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe were assisted by SSTP in marketing their products to procurement officers from 21 aid agencies. Business transactions for US\$ 13.4 million were reported by these agencies as a result of contacts made at the meeting.
40. In preparation for the forthcoming buyers–sellers meeting on horticultural and apicultural products to be held in Dubai in February 2005, a comprehensive package of ITC assistance, including direct training and advice on product development and conditioning, was provided to Kenyan small and medium-sized enterprises (SMEs) to better equip them for participation in the Dubai meeting.
41. SSTP provided its matchmaking services at the Africa Economic Summit, organized by the World Economic Forum (WEF) in Maputo in June for 54 enterprises from Angola, the Democratic Republic of the Congo, Egypt, Ghana, India, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Rwanda, South Africa, the Sudan, Zambia, Zimbabwe, Switzerland and the United Kingdom. Similarly, SSTP matchmaking services were provided to the World Economic Forum in Jordan in May to promote business contacts among 140 companies from Bahrain, Egypt, Iraq, the Islamic Republic of Iran, Israel, Jordan, Kuwait, Lebanon, Palestine, Qatar, Saudi Arabia, the Syrian Arab Republic and the United Arab Emirates, as well as Belgium, Canada, China, France, Germany, Monaco, Pakistan, Singapore, South Africa, Switzerland, Thailand, Turkey, the United Kingdom and the United States. The SSTP matchmaking services added networking value to both events.
42. **Asia** – AsiaHealthCare 2004, a buyers–sellers meeting held in Singapore in July on pharmaceuticals and natural products, was organized to foster business linkages between importers, exporters, wholesalers, agents and manufacturers of raw materials and formulations. Participants included 87 SMEs from Bangladesh, Cambodia, China, India, Indonesia, the Lao People's Democratic Republic ,

Malaysia, Myanmar, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand and Viet Nam. Transactions for over US\$ 1.5 million were reported by the participants. As an additional result of this meeting and its follow-up, the harmonization of product registration procedures in the region is expected to accelerate, reducing market entry lead-time from an average of 18 months to 3 months. Better information on intellectual property rights will also be made available to SMEs and regular opportunity-identification and market intelligence updates will be fostered, targeting opportunities for joint ventures and strategic alliances with the active support of local TSIs.

43. SSTP also provided substantial inputs to the Symposium on Trade Development between Tibet and its Neighbouring Countries, which was held in Lhasa in September by UNDP and the China International Center for Economic and Technical Exchanges.
44. **ECO countries** – In line with the socio-economic development and integration efforts of Economic Cooperation Organization (ECO) member countries, ITC organized a buyers–sellers meeting on the pharmaceutical sector in Istanbul in December. Fifty-nine enterprises from Azerbaijan, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey and Uzbekistan indicated transactions under negotiation for US\$ 1.5 million at the end of the meeting.
45. **Latin America** – Following the success of LatinPharma 2002 and 2003, SSTP organized, as a side event at UNCTAD XI, LatinPharma 2004 to promote regional trade in pharmaceuticals and natural products in the MERCOSUR countries and Chile. Participants covered the entire value chain for pharmaceuticals and natural products, from active principal manufacturers to retailers in the Southern Cone region. More than 1,050 Latin American enterprises and associations participated in a virtual discussion forum to identify and debate issues, preparing the way for a series of conferences, a trade fair and a buyers–sellers meeting finally held in Rio de Janeiro in June. Participants in this meeting included 54 SMEs from Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Ecuador, El Salvador, Honduras, Paraguay, Peru, Uruguay, the United States and Venezuela. Business transactions for almost US\$ 3.7 million were reported to have been negotiated during the event. The process also enabled companies to vertically integrate their operations within the region by developing business relationships with both suppliers and buyers.
46. **E-solutions** – Intensive efforts have been dedicated in 2004 to the development of e-tools to improve intraregional and sectoral information exchange in cooperation with national trade promotion organizations (TPOs) in MERCOSUR and the establishment of a similar portal by TPOs in the CAEMC and WAEMU countries, with the sponsorship of the Agence intergouvernementale de la francophonie. Three cybercafés in CD-ROM format were developed to reflect regional and national sources of statistical data, marketing and legal information: two were devoted to the pharmaceutical sector in South America's Southern Cone and the ECO countries, while one focused on means of increasing African firms' participation in the aid procurement market.
47. **Strategic development** – In 2004 the programme entered the last year of its current three-year phase with a record number of outputs and regions covered. The growing financial support by donors permitted the programme to aim for global reach and the deeper exploration of regional value chains by sector. Activities to better prepare buyers and sellers in their business negotiations will continue to be pursued in cooperation with other content providers within ITC. In its forthcoming phase SSTP will build on the partnerships launched during 2002–2004 and will spin off some activities to regional and national entities, thus bringing capacity building to the centre of its efforts. The aim is to reduce ITC's economic contribution progressively while counterparts are enabled to run an increasing number of regional trade promotion activities by themselves. Such agreements are under finalization with the Department of Economic Development (DED) of Dubai and Dubai Aid City (DAC) for the Arab States; the International Trade Institute of Singapore (ITIS) for the Asia–Pacific region; the Department of Trade and Industry of South Africa (DTI/TISA) for the southern Africa subregion; and FUNDES Internacional for Latin America.

BUDGETARY SITUATION
South-South trade promotion
As at 31 December 2004
(US\$)

| | 2002–2004 pledges | | | | GRAND TOTAL |
|-------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|------------------|
| | Expenditures (Jun. 02 – Dec. 02) | Expenditures (Jan. 03 – Dec. 03) | Expenditures (Jan. 04 – Dec. 04) | Planned expenditures (Jan. 05 – May 05) | |
| Project personnel | 352,989 | 876,715 | 1,319,593 | 584,545 | 3,133,842 |
| Subcontracts | 28,260 | 13,863 | 201,256 | 149,510 | 392,889 |
| Group training | 44,231 | 82,275 | 169,094 | 74,755 | 370,355 |
| Equipment | 3,100 | 22,838 | 18,776 | 15,038 | 59,752 |
| Miscellaneous | 19,662 | 46,922 | 82,789 | 40,580 | 189,953 |
| (A) Total | 448,242 | 1,042,613 | 1,791,508 | 864,428 | 4,146,791 |

| 2002–2005 (Second phase) | |
|--|-----------|
| (B) Pledged | 4,146,791 |
| (C) Cash received | 3,981,009 |
| (C–B) Surplus/(Shortfall) Cash against pledges | (165,782) |
| (B–A) Surplus/(Shortfall) Pledges against budget | 0 |

III. *E-Trade Bridge Programme for SMEs (a capacity development programme for e-facilitated trade) (INT/W2/08)*

Objectives

48. The overall objective of the E-Trade Bridge Programme, based on ITC's E-Facilitated Trade Development Strategy,¹ is to help SMEs bridge the digital divide in the area of international trade. The programme assists enterprise managers, administrators of multiplier organizations and government policy makers to better understand and apply tools and services based on information and communication technology (ICT) in day-to-day business to improve competitiveness.
49. The programme links 'e' with competitiveness of SMEs by integrating managerial capacity and export competence of managers with e-trade applications in cooperation with ITC's national and regional partners, and builds national capacities to help enterprises bridge the digital divide in international trade by strengthening their abilities to make decisions on how to incorporate ICTs in business management processes.
50. The project document specifies 15 building blocks combined under 5 components as shown in the table below.

| PROGRAMME COMPONENTS | | BUILDING BLOCKS |
|----------------------|--|--|
| Component I | Improving SME competitiveness through e-trade | <ul style="list-style-type: none"> • Practical e-guides for SMEs • Best e-practice tools for SMEs |
| Component II | Preparing e-maps, e-balance sheets and action plans | <ul style="list-style-type: none"> • Handbook for E-Trade Bridge kick-off meetings • Guide for preparing e-balance sheets • Action planning for e-facilitated trade development • Handbook for National E-Task Force |
| Component III | Training national programme developers and managers | <ul style="list-style-type: none"> • Preparing national action plans |
| Component IV | Building national and regional hubs for e-commerce | <ul style="list-style-type: none"> • The e-trade platform and marketplace |
| Component V | Capacity building by training trainers and counsellors | <ul style="list-style-type: none"> • Managing e-assets • E-marketing • E-enabling business processes • Managing training programmes • Delivery skills for trainers and counsellors • Designing training and counselling programmes • E-readiness for SMEs |

¹ ITC's strategy for e-facilitated trade development was designed to enhance trade performance and international competitiveness of enterprises in developing and transition economies through Awareness raising, Building knowledge and Creating competence, or the A-B-C strategy.

51. The programme components and implementation methodologies recognize that ICTs can help businesses become competitive, but 'e' is merely a way to do things, not a thing to do. The E-Trade Bridge is the only programme to link 'e' with competitiveness of SMEs by integrating strategic and export competence of managers with e-trade applications. The 'E-Trade Bridge Paradigm' rests enterprise competitiveness on three pillars – **management readiness, export-readiness and e-readiness** – and forms the foundation of the E-Trade Bridge publications and activities.

Achievements

52. From June 2002 to April 2004, the programme activities resulted in the preparation and extensive field-testing of training materials, documents, e-tools and guidelines, and their delivery to the beneficiaries, particularly to the regional hubs, in three languages (English, French and Spanish). Since May 2004 the programme has been field-testing its materials and methodology to improve SME competitiveness. This was achieved by utilizing the national capacities created under Component IV: Building national hubs for e-commerce, and Component V: Capacity building by training trainers and counsellors. The results so far have proven the validity of the E-Trade Bridge methodology.
53. **Component I – Improving SME competitiveness through e-trade** (project target 20; 93 achieved). As a global networking initiative, 15 experts from TSIs and hubs of 7 countries (Cameroon, Cuba, El Salvador, the Philippines, Trinidad and Tobago and the United Republic of Tanzania) were trained in Geneva in a week-long E-Assessors Training Programme. This E-Trade Bridge component was nationally implemented through the Winning With the Web (WWW) and the Enabling SMEs programmes in El Salvador, the Philippines and the United Republic of Tanzania, where E-Trade Bridge regional hubs were supported by local private institutions and the governments. In each country about 30 small enterprises (34 Philippines, 30 El Salvador, 25 United Republic of Tanzania), short-listed after evaluation of their applications, underwent a three-day course on building strategy. They redefined their businesses and prepared strategies incorporating 'e' into their business management processes. Of the 30, 10 enterprises were short-listed in each country and received further training and counselling from the trained counsellors of the regional hubs. This programme was very successful and very well received by the participants. The results obtained so far are very encouraging. To meet the demand from SMEs and individual consultants, ITC partners are making preparations to offer this programme on a regular basis. The lessons learned suggest that the next phase of the E-Trade Bridge Programme for SMEs should concentrate on this component, creating best practice cases to be disseminated.
54. **Component II: Preparing e-maps, e-balance sheets and action plans** (project target 30 surveys; 28 completed, 7 in 2004, work under way for 2 surveys). All the 28 applicant countries were helped to complete their e-preparedness reports capturing (a) the state of 'e' in the country; (b) the different roles of the stakeholders in terms of 'who is doing what'; and (c) action points for the short, medium and long term. This report includes a country's e-balance sheet identifying its assets and liabilities relating to ICT, and assesses the e-facilitated trade risks and opportunities. In addition, extensive desk research was carried out and the results were made available in an E-Business Resource DVD and book that contains e-business links in those countries. During 2004, e-preparedness reports on Barbados, Bolivia, Cambodia, Ecuador, Turkey, Turkmenistan and Uzbekistan were published. Work is under way for the publication of e-preparedness reports on Cameroon, China, Costa Rica, Mauritania and Senegal.
55. The e-preparedness reports formed the basis for the kick-off meetings for: training E-Trade Bridge stakeholders to develop a common understanding of the state of 'e' in their country; forming a low-cost support network; and identifying action points for the short, medium and long term. More than 250 participants were trained in China, Cameroon, Mauritania and Senegal in 2004.
56. **Component III: Training national programme developers and managers** (project target 7 in 2004; target met). More than 300 national programme developers and managers were trained in eight pilot countries on the E-Trade Bridge's National E-Strategy Template. The trainees were enabled to assess export and sector specific development of a country and its information technology strategies from an e-trade perspective. Pilot training events were held in China (Wuhan), Brazil, Cameroon, El Salvador, Mauritania, the Philippines, Senegal and the United Republic of Tanzania.

57. **Component IV: Building national and regional hubs for e-commerce** (project target 2 in 2004; target met). In April 2004 a two-week-long E-Trade Bridge Global Network meeting was held in Geneva with 35 participants from several countries including the senior managers of the prospective partner institutions, and the current and future e-trade trainers and advisers. The meeting (1) briefed the present and future partners on the new tools and products developed under the E-Trade Bridge Programme; (2) defined and specified the operating principles of the E-Trade Bridge Network and the roles of members; and (3) built teams of consultants for the implementation of the E-Trade Bridge Programme. The meeting led to the strengthening of ITC's regional hubs in Asia-Pacific (ATIFTAP), Central America (ACCACI-COMPITE), East Africa (CIBDS) and Turkey (UTIDED), and expanded the ITC network into Bangladesh, Bolivia, Bulgaria, Cameroon, China, Cuba, Kenya, Mauritania, Romania, South Africa, Trinidad and Tobago, Uganda and Viet Nam. Development of national and regional hubs is an ongoing process within the programme that will be enriched by the implementation of the components and by the number of countries participating.
58. In order to strengthen the national centres and regional hubs for e-competence, the E-Trade Bridge continued to help partners to build model websites. In addition to partners in Cambodia, Ecuador, India, Kenya, Romania and Viet Nam, during 2004 partners in Bangladesh, Barbados, Bolivia, Cameroon, China, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, the Islamic Republic of Iran, Jamaica, Mauritania, Mongolia, Nicaragua, Panama, Senegal, Trinidad and Tobago, Turkey, Uganda and Uzbekistan received help to build their websites. The websites cover the country's institutional and physical infrastructure, legal and economic environment, national policy and strategy, network access, and the ICT users. They already constitute an important resource for the researchers, getting 300 hits per month on average – an impressive number considering the fact that they have not been publicized outside the E-Trade Bridge Network.
59. **Component V: Capacity building by training trainers and counsellors** (project target met). More than 100 trainers and consultants were trained and certified directly by ITC to build national capacities in the three pilot countries. Those trained continued to disseminate E-Trade Bridge materials and tools to SMEs and other trainers and consultants to build their own national capacities. Among the knowledge and skills imparted to the trainees were: managing e-assets; e-marketing; e-enabling business processes; managing training programmes; delivery skills for trainers and counsellors; designing training and counselling programmes; and e-readiness for SMEs. This enabled ITC to build capacities within multiplier institutions by transferring knowledge, skills and methodology to those who already know about e-business and turning them into trainers and counsellors who will e-enable SMEs, i.e. help them use ICTs and benefit from effectiveness and efficiency gains. The national centres shared costs for some of the component V activities. Extensive training was carried out on enterprise diagnostics using the following e-tools:
- AuditSME. An e-tool for enterprise diagnostics.
 - ExportSME. An e-tool for export potential assessment.
 - E-SME. An e-tool for diagnosing potential benefits of e-trade applications.
 - NeedSME. An e-tool for diagnosing management weaknesses – online version.
 - DemandSME. An e-tool for assessing demand for training – online version.
60. Trainers and consultants also received extensive hands-on training on strategic planning using PlanSME I (designing enterprise strategies) and PlanSME II (designing enterprise strategies). The use of e-tools was also covered by the programmes with training on:
- *Verifying Strategy*. A manual on using the Internet to research buyers and competitors.
 - *Designing Promotions*: A manual on building web presence for an enterprise.
 - *Purchasing and Expediting*: A manual on finding suppliers on the Internet.

Cooperation with other initiatives

61. The E-Trade Bridge Programme for SMEs works in close cooperation with ITC's E-Trade Development Unit (ETDU), the International Labour Organization (ILO), the International Telecommunication Union (ITU), the Organisation for Economic Co-operation and Development (OECD), UNCTAD, the United Nations Economic Commission for Europe (UNECE) and other multinational and national agencies. The dissemination of the materials and tools for capacity building produced by the E-Trade Bridge is now an integral part of other ITC initiatives (e.g. Romania Project). Synergies within ITC have also been achieved. After participating in WSIS in Geneva, Switzerland in cooperation with the Swiss State Secretariat for Economic Affairs (**seco**) in December 2003, in preparation for WSIS 2005 in Tunis, the E-Trade Bridge was also involved in:
- The Thematic Meeting in Antigua Guatemala in cooperation with ILO, OECD and UNCTAD in January 2005.
 - The first PrepCom Meeting for WSIS in Tunisia, February 2004.
 - Internet Enterprise Development with UNECE, Switzerland, May 2004.
 - Three training workshops, organized by the E-Trade Bridge at the request of the Confederation of Asia Chambers of Commerce (CACCI) in June 2004. These were held in Bangladesh, Nepal and Sri Lanka, training more than 180 participants on ways to make the most out of e-trade. As a result of these workshops, three project proposals are under consideration by the Asia Trust Fund and the European Commission.
 - The Gulf Enterprise Meet in Oman, July 2004.
 - The Ministerial Meeting on SMEs with OECD, Turkey, July 2004.
 - The ICT Stakeholders' Forum, Special Focus on LDCs, Mauritius, July 2004.
 - The National Strategists Training event in São Paulo, Brazil, in November 2004: a parallel event during ITC's Regional E-Business Forum in Latin America organized by ETDU in cooperation with the Brazilian Chamber of e-Commerce (Camara – e.net).
 - The Global Summit on SMEs in New Delhi, November 2004.
 - The Expert Meeting on Promoting the Export Competitiveness of SMEs, Switzerland, December 2004.
 - Creating a new generation of Entrepreneurs – Making 'e' work for you, India, December 2004.
62. In each of these events the E-Trade Bridge Programme was presented as a major platform contributing to reducing the digital divide between countries and presenting decision-makers and managers with capacity-building alternatives leading to private-sector growth.

Way forward (June 2005–July 2008)

63. The E-Trade Bridge Programme will be extended to a large number of beneficiaries in the next phase (2005–2008).
- At least 700 SMEs will benefit from the management-export and e-competence programmes of the E-Trade Bridge.
 - Best practice strategic plans and cases integrating e-trade with management and export processes will be disseminated to a large number of beneficiaries.
 - Three new regional hubs and 15 new national centres will be created, while existing hubs and centres are strengthened.
 - At least 180 trainers and counsellors will be trained to expand the already active network.

BUDGETARY SITUATION
E-Trade Bridge Programme for SMEs
INT/W2/08
As at 31 December 2004
(US\$)

| | 2002 - 2004 pledges | | | | 2005 pledges (June 05 – May 06) | GRAND TOTAL |
|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|------------------------------------|------------------|
| | Expenditures (June 02 – Dec. 02) | Expenditures (Jan. 03 – Dec. 03) | Expenditures (Jan. 04 – Dec. 04) | (Jan. 05 – May 05) | | |
| Project personnel | 144,250 | 658,133 | 534,896 | 272,670 | 166,453 | 1,776,402 |
| Grants to institutions | | 101,918 | 529,722 | 62,700 | 64,446 | 758,786 |
| Group training | 15,296 | 119,421 | 128,744 | 5,650 | 56,106 | 325,217 |
| Equipment | 34,488 | 4,678 | 10,654 | 2,260 | 3,412 | 55,492 |
| Miscellaneous | 10,963 | 33,226 | 52,675 | 10,506 | 14,730 | 122,100 |
| (A) Total | 204,997 | 917,376 | 1,256,691 | 353,786 | 305,147 | 3,037,997 |

| | 2002 - 2004 | | | | 2005 | |
|---|-------------|--|--|--|----------|-----------|
| (B) Pledged | 2,732,850 | | | | 305,147 | 3,037,997 |
| (C) Cash received | 2,682,850 | | | | | 2,682,850 |
| (C-B) Surplus/(Shortfall) Cash against pledges | -50,000 | | | | -305,147 | -355,147 |
| (B-A) Surplus/(Shortfall) Pledges against budget | | | | | 0 | 0 |

IV. Export-led Poverty Reduction Programme (INT/W2/11)

64. The progress made in 2004 by several ongoing pilot projects, in terms of development impact (i.e. empowerment of poor communities to participate in the value chain of market-oriented products and services), has been the major factor in the Export-led Poverty Reduction Programme (EPRP) gaining credibility as a practical and result-oriented approach for trade to contribute to poverty reduction. The success of multidisciplinary EPRP activities in several countries has also proved its effectiveness as a sector-specific technical cooperation approach.
65. EPRP continued to be financially supported by the Governments of Germany, the Netherlands, Norway and Switzerland. Apart from ongoing projects initiated the previous year, funds made available in 2004 enabled ITC to launch two new pilot projects, in Ethiopia and Mongolia. EPRP-related projects are currently under implementation in Bolivia, Brazil, Cambodia, El Salvador, Ethiopia, Kenya, Mongolia, South Africa and Viet Nam, delivering poverty reduction impact to several thousand families through entrepreneurial action.
66. The status of programme activities during 2004 in the ongoing EPRP pilot projects can be summarized as follows.
- **Bolivia** (community-based tourism). In 2004 the Foundation Suma Jakañani ('We will live better') became operational. ITC will now deliver its EPRP technical inputs through this foundation, in areas such as promotion, quality enhancement and development of micro-enterprises. The foundation, composed of a group of concerned local citizens supported by the local municipal authorities, will play a key role in fostering sustainable tourism development in the Copacabana region.
 - **Brazil** (community-based tourism). Based on the results of the feasibility studies completed in November 2004, seven promising productive chains were selected: waste recycling (8 tons/day of organic garbage produced by the resort hotels); agriculture; cultural products; soaps and shampoos; fishery; clothing; and artisanal products. Moreover, a census provided detailed information on the population, living conditions and level of education and employment in the eight communities benefiting from the project. The production plans for each of the selected productive chains will be implemented during 2005 with a maximum involvement of community members in the various production processes, thus ensuring a direct measurable impact on poverty reduction. In parallel, advice is being provided to the Bank of Brazil for the implementation of a nation-wide replication of the EPRP approach in selected Brazilian States.
 - **Cambodia** (entrepreneurial capacity building and export promotion of silk products). ITC provided technical inputs to a silk hand-weaver community through the Cambodian Craft Cooperation (CCC). In 2004, the group formation was completed and the community was structured around well-defined key responsibilities. Different training inputs were delivered, namely in community building, product adaptation (use of azo-free dyes, design and creativity, etc.), and costing and pricing. A group mechanism was also organized for the purchase of the required production inputs. A store in the village was built to supply raw material to the weavers and to sell their finished products. A study tour to associations located in Siem Reap and to other CCC model communities was undertaken by the weavers to learn from other successful projects, thus reinforcing their community spirit. Market surveys in Cambodia, France, Switzerland and the United Kingdom itself established new commercial relations with importers and local buyers. The CCC sales outlet in the capital was modernized and marketing campaigns were carried out to attract local tourists. Tourist tours to the community were also promoted. Preparatory work for the establishment of two or three new communities within the CCC's Handmade Textile Organization (HTO) was completed. HTO has now formally joined the Cambodian Silk Forum to take advantage of synergies.
 - **El Salvador** (community-based tourism and coffee). In the tourism sector, the pilot project benefited the communities of La Palma and San Ignacio. The work was based in the development of the trade value chain of agricultural products and handicrafts that these communities can supply to hotels and tourists and the establishment of a local group, which includes all the main stakeholders of the tourism sector in the region. This group was very active

in the organization of different activities during the year, thus consolidating the sustainability of the initiative. At national level, the newly created Salvadorian Ministry of Tourism was, together with EPRP, leading the process for the establishment of an EPRP national programme aiming at the replication at national level of the work done in La Palma and San Ignacio. In the coffee sector, during 2004 the project was able to increase and consolidate the penetration of the Japanese gourmet coffee market. In addition, and as a result of the project, the cooperation between the government authorities and the communities in the area was strengthened. Based on the results of these projects, ITC assisted national organizations in the preparation of their requests for financial support for further replication of the experience. The proposals were submitted for the consideration of the Inter-American Development Bank.

- **Ethiopia.** The opportunity study was initiated in October 2004 and was completed satisfactorily. A workshop gathering the main actors of a future pilot project and various individual meetings with partners and development institutions were prepared for a first mission in January 2005. This will confirm the feasibility of a pilot project for the building of production and selling capacities of paprika in the Lanfuro district (some 150 kilometres south of Addis Ababa).
- **Kenya** (chillies, French beans and honey). On the basis of well-identified communities, market links and the national TSI, implementation of the pilot project started in February 2004 and several training activities at grass-roots level were implemented. Unfortunately, the financial situation and management structure of the national TSI, and therefore its commitment to the project, have been adversely affected by the change of Government. For this reason, project activities were discontinued in October and now the programme is actively looking for a new committed organization based in the project site.
- **Mongolia** (woollen products and textiles). In October 2004 a national consultant completed the required opportunity study. The promotion of wool processing and related garment production in Zuunmod was identified as the best opportunity for an EPRP pilot project in Mongolia. To facilitate further project appraisal, a programming mission to Ulaanbaatar and Zuunmod was undertaken in December 2004. The mission confirmed the existence of a sound framework of committed partners and support organizations in Ulaanbaatar and Zuunmod, justifying the launching of a pilot project. However, prior to this there is a need to assess the market demand and identify the specific market niche. The available technologies required to develop a novel, value-added approach to wool processing and textile production in Zuunmod, also need to be identified.
- **South Africa** (aloe ferox). The project seeks to integrate the productive capacity of some 40 aloe tappers into an existing export supply chain of aloe ferox-based cosmetics, health food and food supplement products. The project started in mid 2004, with the organization of a cooperative of farmers, which is now registered and managed by a board of eight group leaders. Based on training materials specifically developed in the local language, a first training workshop was organized in November 2004 for the board members. An illustrated training manual, with special emphasis on environmental conservation, was also developed for the tapping and harvesting operations and a first field-based training for the tappers was undertaken in November 2004. A preliminary audit of both the pre-processing and main production plant was undertaken in October 2004. As a result a proposal for a comprehensive quality management system including appropriate on-site testing arrangements will be developed in 2005, thus responding to further requirements identified in the European target export markets. The project builds on an innovative partnership between a private exporter and the Eastern Cape Development Corporation, which have put up a joint investment of US\$ 300,000 for a pre-processing plant, with basic facilities for collection, sorting and simple processing operations. The establishment of such a facility was a precondition for the overall viability of the project, given the remote location of the target group in relation to the processing factory.
- **Viet Nam** (community-based tourism). This project was launched in February 2004 in Kim Bong village, close to Hoi An in central Viet Nam. The project aims at combining the already existing attractions of Kim Bong village as well as a number of additional events into an attractive tourism product, which would lead to an increase in the number of visitors and in their length of stay, thereby improving income and general livelihoods of about 400 inhabitants. In

September, a training workshop on group formation techniques was organized in close cooperation with COOPSME Quang Nam, a local support organization for SMEs and cooperatives. A direct outcome of the workshop was the formation of a tourism cooperative, which will be the base for future promotional activities. Targeted consultancy was also delivered to strengthen the tourism cooperative and local tourism department in setting priorities and to develop a tourism trail as the major attraction in the village. The project is also working together with other cooperation agencies in the province, such as UNESCO or WWF Viet Nam.

67. **Gender.** EPRP recognizes the importance of women in the process of poverty reduction. Thus, all promoted producer groups include a fair share of women either as direct beneficiaries (Cambodia) or as group representatives/leaders (Bolivia, Brazil). It is important to stress the fact that EPRP pilot projects often open up non-traditional opportunities for women to diversify their productive activities, e.g. in the area of community-based tourism services, thereby creating new sources of household income. In the context of training and consultancy delivered by EPRP, the gender-specific view is facilitated by the active participation of women.
68. **Capacity building.** As part of its comprehensive approach to poverty reduction, the programme also builds the trade-related capacity of local institutions as a means for future replication of pilot projects at national level. Given the high priority of this EPRP objective, the programme continued to develop materials to help countries in the implementation of result-oriented projects. In 2004, the following materials were completed:
 - EPRP impact measurement tool;
 - Monitoring and evaluation;
 - Poor communities' needs assessment;
 - Selection of TSIs;
 - Market links: assessment manual;
 - Advocacy and multiplier effects;
 - Choosing a micro-finance institution.
69. **Strategic coordination.** When working with LDCs, the programme coordinates its interventions with the Integrated Framework for Trade-Related Technical Assistance to LDCs (IF). Within that context, project ideas for several countries (Burkina Faso, Djibouti, Guinea, Madagascar and Senegal) were designed during 2004. Pilot projects will soon be launched for the benefit of Djibouti and Guinea.
70. **Awareness creation and advocacy.** Using the demonstration effect of the concrete results of its pilot projects at grass-roots level, EPRP aims at raising awareness at national policy decision-making level of the potential that trade might have as an engine to reduce poverty. EPRP pilot projects have already been instrumental in triggering national replication strategies in Brazil, El Salvador and India. The concrete results being obtained by different pilot projects are definitely building the credibility of ITC's approach of using trade as a vehicle to reduce poverty. In 2004, the EPRP approach and its achievements were highlighted in several forums: at UNCTAD XI in São Paulo, Brazil; at "Visionaris", a UBS AG Prize to Social Entrepreneurs, Mexico City; at the European Commission in Brussels; at the Centre for Applied Studies in International Negotiations (CASIN), Geneva; and at the ITC Executive Forum in Montreux and Informal JAG in Geneva.
71. **Strategic development.** Social inclusion and poverty reduction are multi-dimensional challenges, effectively addressed only through the combined efforts of all stakeholders in development. Success requires partnerships, at the national and international levels, encompassing governments, NGOs and other civil society organizations, private enterprises and grass-roots groups, as well as other development agencies. With this aim, in 2004 EPRP completed preparatory work for the launching of a global network called EPRP Alliance. This future platform would allow EPRP partners (communities, NGOs, private companies, bilateral and international development agencies, academia, etc.), to exchange experiences, innovative ideas and promising business opportunities. The EPRP Alliance would give partners the possibility to combine their resources and complement each other, thus contributing to a more sustainable development impact. The Alliance would also constitute an effective leverage to channel the financial resources required for trade-related technical assistance aimed at reducing poverty.

BUDGETARY SITUATION
Export-led Poverty Reduction Programme
INT/W2/11
As at 31 December 2004

| | Planned expenditures against pledges | | | | | GRAND TOTAL |
|-------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------------|----------------|
| | 2002-2004 pledges | | | 2005 pledges (June 05 – May 06) | 2006 pledges (June 06 – May 07) | |
| | Expenditures (Jan. 03 – Dec. 03) | Expenditures (Jan. 04 – Dec. 04) | Expenditures (Jan. 05 – May 05) | | | |
| Project personnel | 1,042,982 | 840,622 | 666,006 | 387,508 | 830,375 | 3,767,493 |
| Subcontracts | 105,799 | 118,365 | 97,750 | 54,563 | 116,922 | 493,399 |
| Group training | 15,493 | 4,442 | 912 | 2,047 | 4,387 | 27,281 |
| Equipment | 900 | 3,844 | 3,097 | 1,772 | 3,797 | 13,410 |
| Miscellaneous | 45,768 | 39,696 | 31,217 | 18,300 | 39,213 | 174,194 |
| (A) Total | 1,210,942 | 1,006,969 | 798,982 | 464,190 | 994,694 | 4,475,777 |

| | 2003-2004 | 2005 | 2006 | TOTAL |
|--|-----------|-----------|-----------|-------------|
| (B) Pledged | 3,016,893 | 464,190 | 994,694 | 4,475,777 |
| (C) Cash received | 2,851,111 | – | – | 2,851,111 |
| (C-B) Surplus (Shortfall) Cash against pledges | (165,782) | (464,190) | (994,694) | (1,624,666) |
| (B-A) Surplus (Shortfall) Pledges against budget | | – | – | – |

WINDOW III

72. At its 29th meeting in September 2004, the Consultative Committee discussed a proposal to create a third Window in the Global Trust Fund to allow ITC to access European Commission (EC) funding. The EC/ITC partnership had begun with consultations between the staff of the Commission's EuropeAid Co-operation Office (Asia desk) and some ITC staff. Joint programming missions had been undertaken and a number of opportunities identified. This led, *inter alia*, to the preparation of the "Asia trade-related Technical Assistance Trust Fund", a three year programme with a budget of 5 million euros. For this and other initiatives to become operational, and for them to comply with the partnership agreement between EC and the United Nations, a condition of cost sharing had to be met, ranging from 6% to 10% of the total budget of each project or programme. This share was to be mobilized by ITC. The Consultative Committee welcomed the partnership with EC and noted the pledge of 200,000 euros over a three-year period, from the Government of Denmark towards the cost sharing of the Asia Trust Fund. The Committee had no objection to ITC creating a third Window in the Global Trust Fund to receive these contributions and noted that ITC would strive to mobilize additional resources in order to meet the cost-sharing condition.

Annex I
GLOBAL TRUST FUND
Pledges and resources available to the GTF as at 31 December 2004
(US\$)
(At the prevailing United Nations rate of exchange)

| DONOR | PLEDGES 2002–2006 | | | | | | | | | | | | CASH RECEIVED AGAINST 2002–2006 PLEDGES | | | | | | | CASH TO BE RECEIVED | | |
|---|-------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|----------------|---------------|---------------|---------------|---|------------------|------------------|-------------------|------------------|------------------|------------|---------------------|----------------|---------------|
| | Window I | | | Window II | | | | | Window III | | | | Window I | | | Window II | | | Window III | W I | W II | W III |
| | TOTAL | 2002–2003 | 2004 | TOTAL | 2002–2003 | 2004 | 2005 | 2006 | TOTAL | 2004 | 2005 | 2006 | TOTAL | 2002–2003 | 2004 | TOTAL | 2002–2003 | 2004 | 2004 | 2004 | 2004 | 2004 |
| CANADA | 2,050,705 | 1,324,288 | 726,417 | – | – | – | – | – | – | – | – | – | 2,050,705 | 1,324,288 | 726,417 | – | – | – | – | – | – | – |
| DENMARK | 3,589,702 | 1,951,142 | 1,638,560 | – | – | – | – | – | 265,251 | 88,417 | 88,417 | 88,417 | 3,589,702 | 1,951,142 | 1,638,560 | – | – | – | – | – | – | 88,417 |
| FINLAND | 651,298 | 399,521 | 251,777 | – | – | – | – | – | – | – | – | – | 651,298 | 399,521 | 251,777 | – | – | – | – | – | – | – |
| GERMANY | – | – | – | 9,368,317 | 2,199,770 | 1,956,240 | 2,626,101 | 2,586,206 | – | – | – | – | – | – | – | 4,156,010 | 2,199,770 | 1,956,240 | – | – | – | – |
| INDIA | – | – | – | 150,000 | 100,000 | 50,000 | – | – | – | – | – | – | – | – | – | 100,000 | 100,000 | – | – | – | 50,000 | – |
| IRELAND | 414,823 | 214,823 | 200,000 | – | – | – | – | – | – | – | – | – | 214,823 | 214,823 | – | – | – | – | – | 200,000 | – | – |
| NETHERLANDS | – | – | – | 839,828 | 508,264 | 331,564 | – | – | – | – | – | – | – | – | – | 508,264 | 508,264 | – | – | – | 331,564 | – |
| NORWAY | 1,275,127 | 847,381 | 427,746 | 2,277,628 | 1,493,426 | 784,202 | – | – | – | – | – | – | 1,275,127 | 847,381 | 427,746 | 2,277,628 | 1,493,426 | 784,202 | – | – | – | – |
| SWEDEN | 1,860,436 | 1,157,381 | 703,055 | 1,935,546 | 1,232,491 | 703,055 | – | – | – | – | – | – | 1,860,436 | 1,157,381 | 703,055 | 1,935,546 | 1,232,491 | 703,055 | – | – | – | – |
| SWITZERLAND | 1,161,973 | 832,000 | 329,973 | 3,171,551 | 1,671,551 | 1,500,000 | – | – | – | – | – | – | 1,161,973 | 832,000 | 329,973 | 3,171,551 | 1,671,551 | 1,500,000 | – | – | – | – |
| UNITED KINGDOM | 858,599 | 858,599 | – | 537,164 | 348,485 | 188,679 | – | – | – | – | – | – | 858,599 | 858,599 | – | 537,164 | 348,485 | 188,679 | – | – | – | – |
| Accrued interests | 261,497 | 198,181 | 63,316 | 158,664 | 108,502 | 50,162 | – | – | – | – | – | – | 261,497 | 198,181 | 63,316 | 158,664 | 108,502 | 50,162 | – | – | – | – |
| Balance brought forward from first phase of W II programmes | – | – | – | 326,110 | 326,110 | – | – | – | – | – | – | – | – | – | – | 326,110 | 326,110 | – | – | – | – | – |
| TOTAL | 12,124,160 | 7,783,316 | 4,340,844 | 18,764,808 | 7,988,599 | 5,563,902 | 2,626,101 | 2,586,206 | 265,251 | 88,417 | 88,417 | 88,417 | 11,924,160 | 7,783,316 | 4,140,844 | 13,170,937 | 7,988,599 | 5,182,338 | – | 200,000 | 381,564 | 88,417 |

Annex II
GLOBAL TRUST FUND
WINDOW II
Pledges and allocations to individual programme as at 31 December 2004
(US\$)

(At the prevailing United Nations rate of exchange)

| PROGRAMMES | DONORS | PLEDGES | | | | | | CASH RECEIVED | | | | | CASH TO BE RECEIVED 2004 |
|---|----------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|
| | | TOTAL | 2002 | 2003 | 2004 | 2005 | 2006 | TOTAL | Against 2002 pledges | Against 2003 pledges | Against 2004 pledges | Against 2005 pledges | |
| 1. World Trade Net Business development and the Doha Development Agenda) | Germany | 675,230 | 201,296 | – | 473,934 | – | – | 675,230 | 201,296 | – | 473,934 | – | – |
| | Norway | 245,088 | – | 145,280 | 99,808 | – | – | 245,088 | – | 145,280 | 99,808 | – | – |
| | Sweden | 1,047,009 | 307,481 | 345,817 | 393,711 | – | – | 1,047,009 | 307,481 | 345,817 | 393,711 | – | – |
| | Switzerland | 795,416 | 280,000 | 165,416 | 350,000 | – | – | 795,416 | 280,000 | 165,416 | 350,000 | – | – |
| | United Kingdom | 537,164 | 166,667 | 181,818 | 188,679 | – | – | 537,164 | 166,667 | 181,818 | 188,679 | – | – |
| | Accrued interest | 58,470 | 35,583 | 13,675 | 9,212 | – | – | 58,470 | 35,583 | 13,675 | 9,212 | – | – |
| | Brought forward: 1st phase | 74,952 | 74,952 | – | – | – | – | 74,952 | 74,952 | – | – | – | – |
| | Total | 3,433,329 | 1,065,979 | 852,006 | 1,515,344 | – | – | 3,433,329 | 1,065,979 | 852,006 | 1,515,344 | – | – |
| 2. Programme for Competitive Improvement of SMEs (ProCIP) | India | 50,000 | 50,000 | – | – | – | – | 50,000 | 50,000 | – | – | – | – |
| | Sweden | 138,366 | 138,366 | – | – | – | – | 138,366 | 138,366 | – | – | – | – |
| | Accrued interest | 24,192 | 18,183 | 6,009 | – | – | – | 24,192 | 18,183 | 6,009 | – | – | – |
| | Brought forward: 1st phase | 10,080 | 10,080 | – | – | – | – | 10,080 | 10,080 | – | – | – | – |
| | Total | 222,638 | 216,629 | 6,009 | – | – | – | 222,638 | 216,629 | 6,009 | – | – | – |
| 3- South-South Trade Promotion – new cycle | Germany | 1,040,000 | 269,154 | 296,912 | 473,934 | – | – | 1,040,000 | 269,154 | 296,912 | 473,934 | – | – |
| | Netherlands | 419,914 | 120,838 | 133,294 | 165,782 | – | – | 254,132 | 120,838 | 133,294 | – | – | 165,782 |
| | Norway | 874,390 | 205,769 | 340,682 | 327,939 | – | – | 874,390 | 205,769 | 340,682 | 327,939 | – | – |
| | Sweden | 750,171 | 169,114 | 271,713 | 309,344 | – | – | 750,171 | 169,114 | 271,713 | 309,344 | – | – |
| | Switzerland | 838,755 | 300,000 | 188,755 | 350,000 | – | – | 838,755 | 300,000 | 188,755 | 350,000 | – | – |
| | Accrued interest | 40,865 | 14,354 | 11,103 | 15,408 | – | – | 40,865 | 14,354 | 11,103 | 15,408 | – | – |
| | Brought forward: 1st phase | 182,696 | 170,016 | 12,680 | – | – | – | 182,696 | 170,016 | 12,680 | – | – | – |
| | Total | 4,146,791 | 1,249,245 | 1,255,139 | 1,642,407 | – | – | 3,981,009 | 1,249,245 | 1,255,139 | 1,476,625 | – | 165,782 |
| 4. E-Trade Bridge Programme for SMEs – A capacity development programme for e-facilitated trade | Germany | 1,564,486 | – | 665,659 | 593,680 | 305,147 | – | 1,259,339 | – | 665,659 | 593,680 | – | – |
| | India | 100,000 | – | 50,000 | 50,000 | – | – | 50,000 | – | 50,000 | – | – | 50,000 |
| | Norway | 661,817 | 373,955 | 145,280 | 142,582 | – | – | 661,817 | 373,955 | 145,280 | 142,582 | – | – |
| | Switzerland | 687,821 | 300,000 | 237,821 | 150,000 | – | – | 687,821 | 300,000 | 237,821 | 150,000 | – | – |
| | Accrued interest | 23,873 | 1,456 | 7,000 | 15,417 | – | – | 23,873 | 1,456 | 7,000 | 15,417 | – | – |
| | Total | 3,037,997 | 675,411 | 1,105,760 | 951,679 | 305,147 | – | 2,682,850 | 675,411 | 1,105,760 | 901,679 | – | 50,000 |
| 5. Export-led Poverty Reduction Programme | Germany | 2,698,708 | 390,000 | 435,132 | 414,692 | 464,190 | 994,694 | 1,239,824 | 390,000 | 435,132 | 414,692 | – | – |
| | Netherlands | 419,913 | 120,837 | 133,294 | 165,782 | – | – | 254,131 | 120,837 | 133,294 | – | – | 165,782 |
| | Norway | 496,333 | 137,180 | 145,280 | 213,873 | – | – | 496,333 | 137,180 | 145,280 | 213,873 | – | – |
| | Switzerland | 849,559 | – | 199,559 | 650,000 | – | – | 849,559 | – | 199,559 | 650,000 | – | – |
| | Accrued interest | 11,264 | – | 1,139 | 10,125 | – | – | 11,264 | – | 1,139 | 10,125 | – | – |
| | Total | 4,475,777 | 648,017 | 914,404 | 1,454,472 | 464,190 | 994,694 | 2,851,111 | 648,017 | 914,404 | 1,288,690 | – | 165,782 |
| Others | Germany | 3,448,276 | – | – | – | 1,856,764 | 1,591,512 | – | – | – | – | – | – |
| | Total | 3,448,276 | – | – | – | 1,856,764 | 1,591,512 | – | – | – | – | – | – |
| GRAND TOTAL | | 18,764,808 | 3,855,281 | 4,133,318 | 5,563,902 | 2,626,101 | 2,586,206 | 13,170,937 | 3,855,281 | 4,133,318 | 5,182,338 | – | 381,564 |

ITC: Your Partner in Trade Development

The International Trade Centre (ITC) is the technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) for operational, enterprise-oriented aspects of trade development.

ITC supports developing and transition economies, and particularly their business sectors, in their efforts to realize their full potential for developing exports and improving import operations.

ITC works in six areas:

- ▶ Product and market development
- ▶ Development of trade support services
- ▶ Trade information
- ▶ Human resource development
- ▶ International purchasing and supply management
- ▶ Needs assessment, programme design for trade promotion



International Trade Centre

U N C T A D / W T O

ITC: Your partner in trade development

For more information:

Street address: ITC, 54–56, rue de Montbrillant, Geneva, Switzerland.

Postal address: ITC, Palais des Nations, 1211 Geneva 10, Switzerland.

Telephone: +41 22 730 0111 *fax:* +41 22 733 4439 *e-mail:* itcreg@intracen.org *Internet:* <http://www.intracen.org>