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***Report of the Joint Advisory Group  
at its thirty-sixth session***



Joint Advisory Group on the International Trade Centre UNCTAD/WTO  
Thirty-sixth session  
Geneva, 28 April - 2 May 2003

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### **Agenda item 1: ELECTION OF THE BUREAU**

1. The Joint Advisory Group on the International Trade Centre UNCTAD/WTO held its thirty-sixth session from 28 April to 2 May 2003. Representatives of 92 countries, members of the Group, were present at the meeting. His Excellency Mr Pierre-Louis Girard (Switzerland), Chairman of the thirty-fifth session, opened the meeting.
2. The Group elected His Excellency Mr Faizel Ismail, Head of the South African Delegation to the WTO, Chairman of the thirty-sixth session. It elected Ms Eleanor Fuller (United Kingdom) and Mr A.M. Badrul Hassan (Bangladesh) as Vice-Chairpersons and Mr Adrian Calmăc (Republic of Moldova) as Rapporteur.
3. In his opening remarks the Chair referred to the important linkage between trade and development. He pointed to the critical role that ITC continued to play in assisting the business sector to prepare for the trade negotiations in Cancún and praised the organization for its work in his own country, South Africa, to build an export strategy. He thanked the Group, on behalf of the other members of the Bureau, for its support and expression of confidence.
4. The following documents were before the Group:

ITC/AG(XXXVI)/L115	Provisional agenda
ITC/AG(XXXVI)/193	Annual report on the activities of the International Trade Centre UNCTAD/WTO, 2002
Add. 1	Summary review of technical cooperation projects operational in 2002
Add. 2	Statistical tables
ITC/AG(XXXVI)/194	ITC Global Trust Fund: Report of the Consultative Committee to the Thirty-sixth session of the Joint Advisory Group

### **Agenda Item 2: ADOPTION OF THE AGENDA**

5. The agenda was adopted by the Group, with the addition of one item proposed by the representative of Denmark on an evaluation of ITC. The list of participants is given in the addendum to this report.

#### **UNCTAD Statement**

6. The Secretary-General praised ITC for its performance in 2002 and congratulated the Executive Director on his reappointment.
7. The year 2002 had been another successful one for ITC. Delivery had increased by 21 per cent, exceeding the target set out in ITC's 2002–2004 Business Plan. This performance had been achieved thanks to regular budget and trust fund increases, which bore testimony to donors' appreciation for the work of ITC.

8. The Secretary-General emphasized the importance of continued close collaboration between ITC, UNCTAD and WTO. Such collaboration had strengthened in 2002, and had been formalized by the memorandum of understanding (MOU) signed between UNCTAD and WTO in April 2003. The MOU was intended to give practical effect to the strategic partnership developed by UNCTAD and WTO for implementing the Doha Development Agenda. ITC, as a subsidiary of the two organizations, would be called upon during the implementation of the MOU.

9. UNCTAD's work with ITC had further intensified during 2002 and early 2003. During the World Summit on Sustainable Development in Johannesburg, UNCTAD and ITC had announced a new partnership on biotrade. A partnership agreement had been signed with key partners and donors (the Governments of the Netherlands and Switzerland). The partnership was already bearing fruit, and a national BioTrade programme for Bolivia would be launched in June.

10. UNCTAD was also supporting LatinPharma 2003 to be held in July in Lima, Peru, with a view to promoting South-South trade in natural ingredients for pharmaceuticals. This pioneering initiative was part of ITC's South-South Trade Promotion Programme, which aimed in part at implementing the goals of the Biodiversity Convention.

11. The first phase of the Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries (JITAP) had been completed successfully, and the beginning of the second phase had seen 8 countries added to the programme, bringing the total to 16. The Secretary-General wished to place on record his appreciation of the JITAP donors for their support. JITAP was considered to be a success story of coordination and cooperation among agencies providing technical assistance. It had made an impact on the countries participating in it, enabling them to be more actively involved in the multilateral trading system. JITAP's major achievements included: building improved human-resource capacities and trade infrastructure; raising awareness of export-sector strategy issues; increasing appreciation of the value of the multilateral trading system at the country level; fostering linkages between government, the private sector and civil society; and establishing a holistic approach to trade issues that could be of benefit to the trade process. JITAP was a good example of a successful arrangement that could serve as a model for the further development of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries (IF).

12. UNCTAD was also involved in ITC's Business for Cancún initiative, and had participated in a related event in South Africa in March 2003. Discussions were under way on combining the efforts of UNCTAD's capacity-building activities on competition policy and ITC's competitiveness tools programme.

13. Cooperation between ITC and UNCTAD would continue to thrive and would further assist developing countries' integration into the world economy and, more generally, reinforce trade and development. Given ITC's focus on supporting international competitiveness of the small and medium-sized enterprise (SME) sector in developing countries and economies in transition, it was expected to play an important role in the run-up to UNCTAD XI, of which one of the central themes was the enhancement of competitiveness in developing countries.

14. In conclusion, the Secretary-General stated that ITC had always been an extraordinarily effective partner of UNCTAD. ITC's involvement in the Third United Nations Conference on Least Developed Countries (LDCs) had been instrumental in the success of that event. Partnership between ITC and UNCTAD would be even more important leading up to UNCTAD XI. The two organizations should pool their experience and expertise and build on the complementarities of their mandates and objectives. ITC was a remarkable example of fruitful collaboration, and its existence and good work embodied cooperation. UNCTAD and WTO had worked effectively in setting up an autonomous and independent ITC, and both parent organizations were very proud of ITC and its achievements.

## **WTO Statement**

15. Deputy Director-General Rana commended ITC for its good work in 2002 in consolidating its public-private sector networks in developing countries and in focusing its activities on the realization of the Doha Development Agenda. He noted with appreciation that the scale of ITC's technical cooperation activities had grown considerably in terms of value and number of partner countries during the year.

16. WTO had been especially encouraged by ITC's extended initiatives to ensure that the business community understood the business implications of the multilateral trading system. These activities were a perfect complement to the corresponding WTO activities for government officials.

17. WTO was working closely with ITC and UNCTAD to harness the complementary mandates of the three organizations. Cooperation between WTO and ITC had continued and deepened. The Deputy Director-General acknowledged and thanked ITC for its valuable contribution to their common activities in 2002.

18. Joint efforts had been especially deep within the framework of JITAP. As the Chairman of the JITAP Common Trust Fund Steering Group, the Deputy Director-General was pleased to inform the JAG that the implementation of JITAP phase II had begun in earnest on 1 February 2003 with a total budget of US\$ 12.6 million and 16 partner countries. He encouraged donors to honour their pledges.

19. Another example of cooperation was the IF. The IF, which was designed to assist LDCs in developing the necessary analytical and policy framework for mainstreaming trade into national development strategies, had been built on the principles of country ownership and partnership. The work programme under the IF involved three broad steps: first, the preparation of a country-specific diagnostic trade integration study (DTIS); second, the development of an action matrix on the basis of the findings of the study; and third, the consideration of the resulting priority technical assistance needs by donors. As the new Chairman of the IF Working Group, the Deputy Director-General was committed to improving the IF process by stressing the importance of 'pre-IF activities' in order to raise awareness about the process and ensure better implementation at the national level. He was also insisting on effective and concrete follow-up to DTISs by translating their results into operational activities.

20. It was clear that the IF and JITAP had important opportunities to build close working relationships with each other, and were complementary. The two Steering Groups were exploring scope for interaction between the two programmes.

21. ITC, with its vast experience in capacity building in developing and least developed countries in the areas of trade promotion and export development, had a role to play in assisting countries to diversify their production base and exports. This would help beneficiary countries to overcome domestic supply-side constraints and make further use of the increased market access opportunities that were being negotiated under the Doha Development Agenda. There was considerable common interest in examining the effects of the WTO Agreements on decisions made by enterprise managers, and WTO looked forward to ITC continuing its good work in this area.

22. The Doha Development Agenda underlined the essential role that technical assistance and capacity building played in helping developing countries to implement WTO rules and obligations, prepare for effective participation in the work of WTO, and thus to benefit from the open, rules-based multilateral trading system. In order for this assistance to be effective and have long-lasting results, it had to be complemented by the development of capacities within the business community. It was also important that private sector leaders understand the developments of the multilateral trading system, and that companies in developing countries were entitled to reap the benefits of the new business opportunities created through policy initiatives. ITC had a crucial role to play here.

23. WTO warmly welcomed the initiation of ITC's Business for Cancún series.

24. The Deputy Director-General reported that on 16 April 2003, WTO and UNCTAD had signed a memorandum of understanding to deepen collaboration on the delivery of technical assistance.

25. WTO's assessment of the Doha Development Agenda was mixed. On the positive side, progress had been made and participation by Members had increased. On the other hand, some negotiating deadlines had been missed. Nevertheless, Members were committed to continuing to work to find agreement in these complex negotiations, and WTO believed that the negotiations would be completed on time in 2005.

26. Since Doha, technical assistance and capacity building had played a central role in the negotiations. Developing country partners of WTO and ITC had expressed a need for further links between trade policy and practice. Enhanced cooperation between the organizations was the most efficient way to achieve this goal.

27. The Deputy Director-General concluded by thanking ITC and its Executive Director for their valuable contribution to the objective of supporting development through trade, and encouraged donors to support ITC's programmes. He affirmed that WTO was very pleased with the Executive Director's reappointment for another term.

### **Agenda item 3: STATEMENT BY THE EXECUTIVE DIRECTOR**

28. In his opening statement, the Executive Director highlighted ITC's achievements in 2002, and spoke of his vision for ITC's future development.

29. For ITC, 2002 had been a very good year and ITC intend to build on it to assert its relevance, to continue the process of change and to grow as a niche player in trade-related technical assistance.

30. ITC's key assets were its specialized expertise, its extensive field experience and its world network of partners. The Executive Director considered his job as ensuring that these assets were put to work fully to help exporters in developing and transition economies.

#### **A plan for growth**

31. The plan for the growth of ITC rested on three basic principles. The **first principle** was for ITC to remain focused and to continue to do what it did best. ITC would strive to expand its partnerships, to reach out to more countries, and to increase its efficiency of delivery. The Doha Development Agenda was changing the nature of demand for trade-related technical assistance, and a new formula was called for which would have to: maximize the contribution of trade to overall economic and social development; build national capacities to participate effectively in trade negotiations and to take rapid advantage of opportunities created; enhance private-public sector alliances; and respond concretely to the urgency of competitiveness.

32. The **second principle** was to continue to innovate in technical assistance approaches and programmes. ITC would seek to broaden its participation in multi-agency initiatives and forge new alliances with other centres of excellence.

33. The **third principle** was to work towards greater field-level impact, increasing enterprise competitiveness and national capacity to service the export community, and ensuring that the export sector contributed to employment generation and poverty-reduction.

### **Activities in 2002**

34. In 2002, the Executive Director had appealed to donors to increase their support to ITC. That support had come and, as a consequence, delivery had been increased by 21 per cent.
35. Full-scale implementation of the Export-led Poverty Reduction Programme had begun in 2002, and the programme was now active in 10 countries.
36. The second phase of ITC's effective South-South Trade Promotion Programme had also been launched, as had a new activity, the ITC Competitiveness Tools Fair.
37. An E-Trade Unit to coordinate ITC's e-facilitated trade development strategy had been established.
38. ITC had produced the first model joint venture contracts for use by SMEs in developing countries and economies in transition.
39. Field-level support under the Integrated Framework had increased, and ITC was implementing national projects in 7 of the 19 selected IF countries. The pilot phase of the Trade in Services programme had been completed and a broader programme would be launched.
40. ITC's performance was largely due to the positive response of its donors and to the constructive and straightforward dialogue it had had with donors and beneficiaries. A good deal of the credit also went to the ITC staff, which had responded enthusiastically to the challenge of meeting higher delivery targets.

### **Activities in 2003 and beyond**

41. The second phase of JITAP had been launched. The Governments of Canada, Denmark, Finland, France, Norway and Sweden had already pledged half the total budget required to implement this four-year programme.
42. ITC had initiated the Business for Cancún series to reinforce public-private partnership in preparation for the September WTO Ministerial Conference. With the active involvement of WTO and UNCTAD specialists, regional workshops had been held in Asia and Southern Africa and others were planned for Latin America, West Africa, Eastern Europe and the Caribbean.
43. In April the pilot phase of the multi-million dollar programme Building African Capacity for Trade had been launched. This 'joint venture' with the Trade Facilitation Office Canada supported the NEPAD Market Access Initiative with proven trade promotion tools that complemented IF and JITAP efforts.
44. A programme of national export strategy development had begun in partnership with public-private sector strategy design teams in Jamaica, Kenya, St Lucia and Sri Lanka.
45. On 1 April, ITC had introduced the financial applications of IMIS, the Integrated Management Information System, designed to maximize efficiency and transparency and to ensure accountability.
46. The ITC website was being revamped to make it more accessible, and more useful to French and Spanish speaking visitors. ITC was committed to ensuring that its technical assistance was effectively delivered through cyber-collaboration wherever appropriate.
47. ITC had presented to its parent bodies a regular budget that called for a 5.4 per cent increase to bolster technical programmes and delivery capabilities, slightly above the United Nations Secretary-General's target sectoral increase of 5.1 per cent. ITC hoped that its stakeholders would support this increase.



48. To implement its three principles for growth, ITC needed to work on clear assumptions and take concrete steps. It had to assume that extra-budgetary resources and regular budget would grow, and it needed specific activity proposals. In this regard, ITC had a 'shopping list'. For instance, ITC wished to enlarge its World Trade Net Programme, adapt the Business for Cancún series, and combine them with its highly popular Trade Map series and quality management programmes in a Competitiveness Package for SMEs.

49. ITC would continue to focus on Africa and least developed countries, and to lay the foundation for greater activity in Latin America. It intended to fulfil its commitments under the second phase of JITAP and the IF. It wished to exploit the full potential of its promising programmes on national export strategy, trade in services and export-led poverty reduction, and to explore the marketing of tourism in developing and transition economies.

50. With **seco** of Switzerland and Bancomext of Mexico, ITC was preparing for the 2003 Executive Forum, to be held in Cancún just before the WTO Ministerial Conference.

51. In association with *infoDev* of the World Bank and **seco**, ITC was working on a practical contribution to the World Summit on the Information Society. In October 2004 ITC would co-host with METCO of Malta the Fifth World Conference of Trade Promotion Organizations in Malta.

52. The Executive Director concluded by saying that ITC had matured into a lean and confident organization. ITC wished to use its 40th anniversary in 2004 to thank those who had helped to build ITC, and to look at the future. In this context, it was hoping to launch a fellowship programme, to award short-term fellowships to young trade leaders in developing and transition economies who could develop home-grown solutions to their trade development challenges. Interested donors were invited to help ITC realize this dream.

#### **Agenda item 4: REVIEW OF TECHNICAL COOPERATION ACTIVITIES IN 2002**

53. ITC was generally complimented on the quality of the Annual Report and support documentation, including the 2003–2005 Business Plan. It was agreed that the style and organization of the Report should be maintained, with emphasis continuing to be placed on clarity and brevity. Representatives welcomed the identification in the documentation of areas where 2002 targets had not been fully achieved as this represented not only readiness on the part of ITC to be fully transparent, but the growing confidence of the organization. Representatives acknowledged that the lack of success in meeting some 2002 qualitative targets was in part due to factors outside ITC's control. Some representatives recommended that the Annual Report's statistical appendix include a 10-year time series and that addendum 1 (the summary of technical cooperation projects) incorporate a table listing projects by donor: a suggestion that ITC management undertook to consider.

54. ITC was congratulated on a productive year, on meeting its delivery target, and on introducing a house-wide system to increase efficiency and transparency.

55. Representatives also confirmed the satisfactory performance of the consultative mechanisms, both formal and informal, that ITC had established with all stakeholders. Representatives of regional organizations reiterated their interest in working more closely with ITC in the design of technical assistance programmes that could be implemented jointly and indicated their intention to maintain greater, and more regular, contact with ITC.

56. The relevance of ITC's overall approach to trade-related technical assistance and the Executive Director's strategy for growth were acknowledged. In this connection, several members of the Group confirmed that they would seek to support, in the appropriate forums, ITC's request for an increase in its regular budget that ITC considered was needed to effectively manage and backstop a progressively larger programme of field-level support.

57. The vast majority of representatives referred to the contribution that the trade sector can, and should, make to overall economic and social development at national level. ITC was commended on its increasing efforts to strengthen the trade and development relationship. Particular reference was made to ITC's new Export-led Poverty Reduction Programme, to the relevance of its 'community-based' approach and to the breadth of field-level activity that had been initiated at this early stage of implementation.

58. Several representatives confirmed support for ITC's niche position in the trade mainstreaming activities of the multi-agency Integrated Framework. A number of representatives from IF countries expressed satisfaction with the export development inputs ITC was providing in follow-up to initial IF interventions, including diagnostic trade integration studies. Representatives from both donor and recipient countries recommended that ITC continue to concentrate on increasing the competitiveness of the export community, in terms of 'supply-side' response and the capabilities of the national trade support network to deliver relevant trade support services to export-oriented small and medium-sized enterprises. It was noted that Window II of the IF Trust Fund might provide increased scope for LDCs to obtain sector-specific support from ITC.

59. All representatives highlighted the importance of trade-related technical cooperation to the integration of developing and transition economies into the multilateral trading system in the context of the Doha Development Agenda. Representatives underscored the importance of UNCTAD, WTO and ITC continuing to work together to ensure a coherent and comprehensive approach, particularly with respect to facilitating the effective, competitiveness-based participation of the SME sector in the rules-based trading system. The three organizations' Joint Integrated Technical Assistance Programme in Selected Least Developed and Other African Countries (JITAP) was generally recognized as a model of both effective institutional collaboration and efficient field delivery and several members recommended that the model be replicated throughout Africa and other regions. Several members of the Group urged ITC, together with UNCTAD and WTO, to redouble their efforts to ensure that the commitments and undertakings made at Doha and in the Monterrey Declaration were met.

60. It was noted that ITC had given strong support for the Programme of Action adopted at the Third United Nations Conference on Least Developed Countries in Brussels in 2001 and implemented many of the issues relevant to its mandate. ITC was requested to continue to pay special attention to the needs of LDCs.

61. While endorsing ITC's planned strategy to maintain focus on areas where it has a successful track record, representatives commented favourably on ITC's readiness to venture into new areas where the need for trade-related technical assistance was growing and where ITC had the appropriate competence. Given the current stage of the Doha Work Programme, a number of members endorsed ITC's plan to increase its support to the building of public-private sector partnerships and to the strengthening of business advocacy. The importance of intensifying the activities and broadening the geographic coverage of ITC's World Trade Net Programme and of extending its related new initiative, Business for Cancún, was recognized. This was seen by a number of delegations as making a potentially significant contribution to the success of the Doha Work Programme, both prior to and following the Cancún WTO Ministerial Conference.

62. In addition, several representatives welcomed ITC's efforts to broaden the content and the geographical scope of its programme on Trade in Services. Particular reference was made, in this regard, to ITC's new, but not yet fully defined, initiative in the area of tourism and to the value of ITC expanding its collaborative and technical cooperation activities in the information and communications services sector. A number of representatives indicated their willingness to contribute expertise to ITC's activities in the area of information and communications technology.

63. While recognizing the value of these and other global technical cooperation programmes, several representatives emphasized the importance of ITC ensuring that a suitable balance was achieved between global initiatives designed to address common problems and export constraints confronting developing and transition economies, and more focused initiatives at the national level. It was generally agreed that

country-specific projects lead to greater impact and achieve more sustainable results. There were a number of calls for ITC to expand the proportion of national-level projects in its overall portfolio and appeals to donors to facilitate this. Reference was also made to the importance of national 'ownership' of such initiatives, and consultative and communication processes being established to ensure this.

64. Several representatives from economies in transition stressed the special circumstances and needs of economies in transition and emphasized the importance of ITC adopting innovative approaches and methodologies corresponding to their specific foreign trade development related priorities. They suggested that ITC establish a special division at headquarters that would be devoted entirely to the development and management of technical cooperation for the economies in transition, in recognition of the growing importance of these activities in ITC's overall work programme.

65. Members of the Group noted that the issue of balance was also important when it came to ITC's response to the United Nations issues of common concern – poverty reduction, gender, the environment, and economic and technical cooperation among developing countries – in the context of the Millennium Development Goals. While ITC's Export-led Poverty Reduction Programme was now well under way, it was suggested that increasing attention be given, within the parameters of ITC's niche and resource base, to the other three areas of common concern. It was noted in this regard that limited funding was available for implementation of ITC's gender-related strategy and that ITC was in the process of preparing a trade and environment strategy which would be presented to ITC stakeholders before the end of the year.

66. With respect to the issue of economic cooperation among developing countries, several members of the Group noted with satisfaction that the second phase of ITC's South-South Trade Promotion Programme was under way. This GTF Window II programme represented, in their view, a good example of 'hands-on' support to export development and, more specifically, to ITC's ultimate clients, SMEs. It was noted that the programme was making a significant contribution to the expansion of intraregional and subregional trade. The Group commended in particular ITC's activities for the promotion of intra-African trade and the successful launching of a new initiative under the banner 'Buying from Africa for Africa'.

67. As for technical cooperation among developing countries, several representatives noted the contribution of such initiatives as the Executive Forum to facilitating the exchange of best practice ideas and experience. The extensive involvement of consultants from developing and transition economies in ITC's field-level technical assistance programmes was also noted and a number of representatives encouraged ITC to use more consultants from LDCs. Several representatives recommended that ITC work towards establishing institutional partnerships with suitable organizations in these countries.

68. While some representatives emphasized that balance was equally important when it came to geographic priorities, the majority of representatives confirmed their support for the continuation of ITC's field-level focus on Africa and least developed countries. Special note was taken in this regard of ITC's new initiatives in partnership with the NEPAD Secretariat and Trade Facilitation Office Canada, and phase II of JITAP.

69. Many representatives emphasized the value of ITC's ongoing work in the area of e-trade and the development of e-competency with the export communities of developing and transition economies. The E-Trade Bridge Programme, in particular, was mentioned by several members of the Group as having a potentially important impact.

70. A number of representatives referred to the value of ITC's work in the area of sectoral and national export strategy, in the context of both the Executive Forum programme and country-specific inputs. These were providing a useful framework for planning and decision-making at national level and for assessing related technical assistance priorities. Representatives encouraged ITC to continue this work with a view to becoming a lead reference centre in the area of strategy design and management. Several representatives emphasized, however, that it was critical that technical support be available to facilitate the implementation of such strategies once they had been designed.

71. Representatives recommended that ITC ensure it takes a medium-term approach to technical assistance, irrespective of the programme. Several underscored their concern in this regard. While welcoming the expansion and diversification of ITC's activities, they emphasized the importance of ITC ensuring that resources were available to maintain field-level support once initial interventions had been completed. While generally endorsing ITC's strategy for growth, based on the three principles elaborated by the ITC Executive Director, representatives urged ITC to continue to measure its performance in terms of the quality of its contribution and the impact created, rather than the quantity of activities. In response, the Executive Director reiterated ITC's commitment to 'results-based management' and referred representatives to ITC's Business Plan, which specifies 'indicators of achievement' for each of ITC's core programmes. The Executive Director indicated that ITC was continuing to refine these indicators and systems would progressively be introduced to ensure that the indicators were applied.

72. The Secretary General of the World Association of Small and Medium Enterprises (WASME) referred to the close collaboration between ITC and WASME since the signing of a Memorandum of Understanding five years before. He looked forward to future joint activities for the promotion of SMEs, in particular for enhancing the capabilities of trade promotion organizations in developing countries and upgrading the crafts sector in selected countries.

73. Several representatives noted with satisfaction ITC's ongoing efforts to provide information in more languages.

74. ITC was also requested to highlight in the 2003 Annual Report its follow-up to recommendations made during the 2003 JAG meeting.

#### **Agenda item 5: REPORT OF THE CONSULTATIVE COMMITTEE ON THE GLOBAL TRUST FUND**

75. The Group took note of the detailed report of the Committee in 2002 and expressed its appreciation for the continued clarity and transparency of its work.

#### **Agenda item 6: ANNOUNCEMENT OF TRUST FUND CONTRIBUTIONS TO ITC**

76. At the invitation of the Chair, the following trust fund contributions to ITC were announced:

- The representative of **Canada** announced his Government's contribution of 950,000 Canadian dollars to Window I of the Global Trust Fund (about US\$ 650,000) for the year 2003. In addition, Canada will be contributing 7,000,000 Canadian dollars (about US\$ 4.76 million), over four years, to phase II of JITAP. ITC and the Trade Facilitation Office Canada were also collaborating in an 8,000,000 Canadian dollar (about US\$ 5.44 million) programme, for a duration of five years, entitled 'Building African Capacity for Trade'. Canada also stated that it was considering an additional 'modest' contribution to the 'Business for Cancún' programme.
- The representative of **Denmark** confirmed his Government's contribution of 10 million Danish kroner (around US\$ 1.45 million) for 2003, 75% for Window I of the Global Trust Fund and 25% for the 'organic products' project.
- The representative of **Finland** advised that his Government was in the process of finalizing its contribution to ITC. During 2001 and 2002 Finland had contributed 667,000 euros. During 2003 and 2004 it would support both the Global Trust Fund and the Common Trust Fund by 850,000 euros (about US\$ 915,000).

- The representative of **France** announced his Government's 2003 contribution to ITC of 375,000 euros (about US\$ 404,000) for two projects: 'Aspects juridiques du commerce extérieur' and 'Gestion des approvisionnements importés'. He also indicated that France would be contributing 86,000 Euros (about US\$ 93,000) to phase II of JITAP as well as continuing its support to the associate experts programme.
- The representative of **India** announced his Government's intention to maintain the level of its annual contribution to the Global Trust Fund at US\$ 50,000.
- The representative of **Ireland** announced that her Government was in the process of finalizing its contribution to ITC for 2003. She assured the Group of Ireland's continued support to ITC which, for 2002, had been for GTF Window I and a bilateral project in Mozambique.
- The representative of **Italy** announced that his Government had already indicated its readiness to provide 150,000 euros (about US\$ 161,000) to ITC for a study on innovative ways of financing SMEs. Italy has been a strong supporter of ITC and had contributed 900,000 euros to the Integrated Framework and 150,000 euros to Mediterranean 2000 in the year 2002. During the course of the year he would be in a position to announce additional contributions for 2003. Italy would continue its support to the associate experts programme.
- The representative of the **Netherlands** announced her Government's contribution of 1,361,000 euros (about US\$ 1.47 million) to ITC in 2003. In addition, the Netherlands had contributed 225,000 euros to two GTF Window II programmes, Export-led Poverty Reduction and South-South Trade Promotion, and this contribution would continue, at the same level, in 2004.
- The representative of **Norway** announced that she expected that her Government's contribution to ITC for 2003 would be at approximately the same level as it had been in 2002, i.e. 10 million Norwegian kroner (US\$ 1.37 million), which included support to JITAP.
- The representative of **Sweden** announced his Government's contribution to the Global Trust Fund for 2003 of 10 million Swedish kronor (around US\$ 1.16 million) equally split between Window I and Window II. He also announced his Government's contribution of 2.5 million Swedish kronor (about US\$ 291,000) for phase II of JITAP.
- The representative of **Switzerland** confirmed his Government's support of the GTF and advised that the funding for Window I would be US\$ 300,000. For Window II, his government would contribute US\$ 150,000 for a 'Business for Cancún' meeting. He further announced that his Government would contribute up to a maximum of additional US\$ 260,000 for the World Trade Net Programme, US\$ 200,000 for the South-South Trade Programme, US\$ 300,000 for the Export-led Poverty Reduction Programme, and US\$ 300,000 for the E-Trade Bridge Programme, on condition that the Swiss contribution did not exceed 25% of the total contributions for each of these programmes.
- The representative of the **United Kingdom** referred to her Government's existing commitment to contribute £250,000 (about US\$ 391,000) and £100,000 (about US\$ 156,000) respectively to Window I and Window II of the GTF for 2003. She also announced that a contribution to phase II of JITAP would be forthcoming. She further advised that a substantial contribution to Window II of the Integrated Framework Trust Fund would be forthcoming once the terms of reference were finalized.

- The representative of the **United States of America** referred to his Government's recent contribution of US\$ 500,000 to ITC to fund developing country access to the Interactive TradeMap project. This project will help entrepreneurs in developing countries to identify new markets and potential exports.

77. The representative of Kenya thanked the donors on behalf of recipient countries for their generous contributions. The Executive Director also thanked the donors for their continuing support to ITC and underlined the positive effect of multi-year contributions on the programming of ITC activities.

### **Agenda item 7: OTHER BUSINESS**

78. The representative of Denmark referred to discussions at the 2001 and 2002 sessions of the Joint Advisory Group on the proposal for an independent, external evaluation of ITC and to the approach paper that had been made available to the Group. The purpose of the evaluation was to determine how ITC's role in trade-related technical assistance could be enhanced. The representative emphasized that such a general evaluation of ITC had never been undertaken and it could, if the findings were positive, offer a good opportunity to broaden ITC's resource base. Denmark had an obligation to evaluate the performance of multilateral organizations and to inform the relevant authorities and the general public on the results and outcome of financial contributions. He underlined that both the scope and focus of the evaluation were open for discussion with all interested stakeholders and that a working group to monitor the process could include representation from the donor community and beneficiaries of ITC assistance. The representative of Denmark also stressed that the proposed modalities were completely open for discussion and that parties interested in joining the evaluation should indicate this in the near future with a view to creating a group for bringing the process forward.

79. Many representatives, while welcoming the general principle of an evaluation, questioned the modalities for participation in the working group and the management process for reviewing and finalizing the terms of reference, including its focus and scope.

80. The ITC secretariat welcomed the evaluation exercise and emphasized that the terms of reference should be decided upon by its stakeholders. While wishing to remain neutral, ITC would collaborate fully with the evaluators.

81. In summary, the Chair proposed that a core group, composed of a small number of donors and beneficiaries (four or five of each), would define the needs and relevance of the evaluation; determine its scope; clarify the processes and its management; decide on a time frame; and agree on the output of the exercise and on what would happen once the report was issued. The representation of beneficiaries should keep in mind the need for regional representation and participation of groupings such as LDCs and economies in transition. The core group should liaise on an ongoing basis with a broader consultation group also combining participation from donors and beneficiaries of technical cooperation. The Group endorsed this approach and the Chair welcomed the flexible attitude of Denmark.

82. In concluding the discussion it was agreed that open-ended and informal consultations would be conducted amongst all interested parties. Any interested stakeholder would contact Denmark with respect to participation in the evaluation exercise.