

JOINT ADVISORY GROUP 2011

OPENING SPEECH

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Mr. Chairman, Excellencies, Distinguished Delegates, Ladies and Gentlemen,

Thank you, Mr. Lamy and Dr. Supachai for your opening statements.

On behalf of ITC I wish to thank you, Mr. Lamy, for hosting this event within the walls of the World Trade Organisation. Paradoxically even though the International Trade Centre was initially created by the GATT in 1964, this is the first time that we hold our Joint Advisory Group meeting at the WTO.

As an institution created by WTO and UNCTAD, ITC's mission is to support you and other international organizations in promoting a more equitable and inclusive international trading system that helps deliver sustainable quality growth.

Inclusiveness requires development strategies that allow people to contribute to and benefit from economic growth. From that perspective, ITC strives to bring four innovative contributions to build more inclusiveness into the world trading system, for the benefit of the poorest.

Access to information

The first source of injustice and imbalances of power in transactions within the international trading system comes from information asymmetries between countries and within countries. Therefore, ITC's first and most important mission, according to its historical mandate from the 1960's, is to deliver access to trade and market information as a public good.

Getting free access to market information is the first pre-requisite to allow poor people to participate in the world trading system and take advantage of its opportunities. I can underline that ITC responds to this challenge and supports both the WTO and UNCTAD's work in an efficient and innovative manner.

The "old economy" still matters very much: on trade and tariff data collection we offer a cutting-edge information service to SMEs and to Trade Support Institutions globally. We count 155,000 users in 224 countries with a very high intensity of connection from LDC users.

We are working with the World Bank, UNCTAD and the WTO to integrate our different sources of data and thus contribute to delivering this information as a global public good.

The "new economy" is already there: ITC has developed a significant programme dealing with obstacles to trade both domestically and "behind the border". We are very much aware that non-tariff measures and private standards are the next frontiers that ITC is actively exploring in order to provide the trade information that our beneficiaries deserve.

ITC is also preparing to strengthen its role in the area of trade in services. Though we are not present, we recognize that trade in services plays a major role for LDC economies. Starting with tourism we intend to work with partners to identify the right role. Another example is creative industries: ITC, UNCTAD, WIPO, and the WTO have been teaming together to

explore better the underlying economics of this sector, starting with improving our statistical knowledge.

So you can see that, to us, inclusiveness starts with offering access to information to those who need it the most. And we are doing this in an innovative way, trying to constantly adapt our product to the evolving realities of world trade.

Access to decision-making tools

ITC does not limit itself to passively providing information on markets to its beneficiaries. But rather we try to activate the use of this information to empower the external trade constituencies and authorities in their decision-making process.

We help build constituencies for external trade by empowering Trade Support Institutions throughout the developing world. We help TSIs improve their tools and services to the private sector; we help TSIs build networks with each other and with markets on the national, regional and international level; we are piloting a global benchmarking tool with them that will help them develop as organizations.

We help organize dialogues between private sector actors and governments on trade policy and trade promotion policy. We help governments design National Export Strategies, and improve their overall business environment, based on an inclusive dialogue with their business representatives and other stakeholders

We cooperate with regional integration secretariats to help them strengthen their administrative and statistical capacities and develop their interaction with private sector representative bodies. We have a special commitment to African Union regional bodies (COMESA, ECOWAS, ECCAS) but also have started developing relations with CARICOM and the Custom Union between Russia, Kazakhstan and Belarus.

We are mainstreaming a gender focus within our projects to systematize the promotion of women in trade-related decision-making bodies. On International Women's Day's last March, thanks to the hospitality of WTO, we had the opportunity to showcase one example of these efforts, focusing on the Coffee Sector.

Access to markets

Real access to markets is key to sustainable job creation for poor people with potential to contribute to international trade. ITC contributes to building the capacity of developing countries to obtain access to markets in three major ways

First is helping to prepare WTO accessions of LDC's. This is a priority that has been assigned to us. I am pleased to report that we are now working with Ethiopia, Lao PDR, Samoa and Yemen. The objective of this programme jointly implemented by ITC and the

WTO is to build the confidence of stakeholders in their government's bid for WTO membership by strengthening interaction and coordination between the government and the private sector, and preparing private sector to seize new business opportunities.

Second, we help SMEs working in the commodities' sector in developing countries to climb up the value chain and find new markets. Here is another core element of ITC technical assistance, which remains as relevant and innovative today as ever.

- Examples include pineapple in Benin, cotton in Mali, coffee in Uganda, leather in Chad, and mangoes in West Africa. We are acting to build capacity in sectoral information, quality, standards compliance, packaging, supply chain including transport and logistics, and marketing.
- We are developing innovative responses to modern needs: mobile phone solutions for access to market information for producers; and access to trade finance are two examples
- We are focusing on fast growing markets by developing south-south market linkages: this is one of the important efforts ITC has undertaken since the financial crisis; here again it represents innovative efforts to adapt how we work and develop new networks with big emerging markets: for instance we have been promoting business exchanges between leather producers in Chad and Indian manufacturers.

Our third market access focus is assisting in integrating producers of poor countries into major international value chains. Here again, the classic buyers-seller meeting has proven to be successful. But there is also room for innovation in that field:

- We have launched a platform connecting supplier diversity programs from multinational companies to women-owned businesses in the developing countries. We will reinforce the initiative with our Chinese partners in Chongqing this September.
- We are working to connect local producers' communities to international tour operating circuits in the tourism sector. And this leads me to the fourth and last contribution that ITC is trying to make to the cause of inclusiveness in international growth and trade: access to income for poor communities.

Access to income

Promoting exports helps promoting growth. But promoting exports does not automatically contribute to poverty alleviation or inclusive growth. Too often, the incomes derived from increases in world trade do not trickle down to the poorest sectors of society such as women and young people. Access to income from trade is also very much linked with reaching the informal sector : 60 – 70% of African families are sustained by the informal sector.

Access to income is therefore a critical dimension that ITC has been trying to integrate in how it designs, executes and measures its programmes recently as part of a process of mainstreaming the MDGs into our project portfolio.

This is true in particular of our recently rolled-out Women and Trade Programme, and Poor Communities and Trade Programme.

- We already had some successes in Peru in connecting women businesses operating in the clothing design sector with industrials and buyers from developed countries. Leveraging corporate supplier diversity programs offers a new niche and growing opportunity to integrate women vendors into global value chains.
- Our Poor Communities and Trade Programme is trying to connect micro-entrepreneurs from poor communities to international value chains (Ethical Fashion, Tourism, and Creative Industries).

So these are the main principle lines along which we are building an organization that can effectively contribute to embedding inclusiveness in the world economic and trading system.

What are the new challenges that we are specifically looking at from the perspective of inclusiveness in 2011?

The first challenge is how to improve the situation of the poorest especially in LDCs.

This may sound like an old story for the JAG since you already know that we have committed to dedicate more than 50% of our project portfolio and activities to the least developed countries. I can proudly confirm that we live up to this commitment.

In the wake of LDC IV we have been trying to shed new light on the way we work with LDCs. And we chose to partner with the UNWTO to concentrate on the tourism sector, which became the topic of our World Export Development Forum, held in Istanbul during the UN LDC-IV conference.

We intend to sustain this momentum by strengthening our partnerships with other UN institutions and initiatives, in particular the Enhanced Integrated Framework, and the Steering Committee on Tourism and Development.

During the informal session of our JAG tomorrow we intend to dedicate two round-tables to LDC IV follow-up with two trade angles: the first one on WTO accessions, the second one on project formulation within the EIF framework and based on the Paris Declaration on country ownership.

The second challenge is the economic impact of current political transitions

ITC, along with other institutions, has been witnessing and monitoring the huge political changes which have been taking place throughout the developing world over the first half of 2011.

The unprecedented events which have unfolded in the Arab Region over the last six months have not only affected the socio-economic fabric of the region but will also leave a strong imprint across the globe: trade flows have been adversely affected, growth forecasts for the affected countries have been revised downwards with huge spill over effects. Conservative estimates tell us that 50 million new jobs need to be created in the Arab region just to maintain current growth levels.

The greatest challenge for the Arab economies and nascent democracies is therefore to manage economic recovery and economic transition at the same time.

We, at ITC, have taken three steps to see how we may contribute to responding to this challenge.

- First, we have stayed closely engaged with our current TSI partners in the region. Even as events were unfolding, ITC teams travelled to Tunisia and Egypt to talk with new leaders and reworked current activities to support transition and recovery as well as working with new governments under the EnACT programme.
- Second, we intensified our dialogue with Arab countries. Mr. Chairman, we organised recently at ITC a successful debate on changes in the Arab world and their implication for trade related technical assistance; and we thank you again for accepting to help and guide us in that regard. We are also considering strengthening our administrative capacities to implement projects with the region.
- Third, we are working on proposing a new programme for Sustainable Employment through Export Development (SEED) which would enable ITC to work with SMEs, trade support institutions and policy-makers to develop export sectors with high potential for employment creation. In addition, this programme could serve as a rapid response facility to enable ITC to address immediate needs in a prompt, effective and meaningful manner and allow the affected countries to obtain some “quick wins” along the more medium to long term path of transformation. Our development partners may wish to consider extending support to the SEED programme with a view to create sustainable jobs and incomes, particularly for youth and women, in the countries affected by the Arab Spring.

With Cote d'Ivoire, the tragic events of the first months of the year had obliged us to suspend all our operations. We have now been contacted by the new government and asked to renew our cooperation. I am pleased to confirm that we are ready to do this and that a technical mission will go to Abidjan in the next two weeks to review the situation and formulate project proposals.

Bearing this in mind, ITC will continue, Mr. Director General, Mr. Secretary General to support your action in favour of a more inclusive international trade agenda. Since ITC defines itself as a 100% aid for trade agency, we are obviously looking forward to contribute to the Third Aid for Trade Global Review which will take place here in the WTO in three weeks' time

- We have submitted case studies on Cotton, Modular Learning System, Market Information and Trade Intelligence, Coffee in Ethiopia, Ethical Fashion and the Business Perspective on A4T
- We will also contribute with a side event on gender issues and, in cooperation with the Governments of Germany and Switzerland, with a side event on Trade for Sustainable Development.

In closing, I would again like to thank the Director-General of WTO and the Secretary-General of UNCTAD for their continued support and guidance to ITC.

I thank you for your attention.