

Speech by Jean-Marie Paugam  
WTO Conference, 18 October 2012

Dr. Wong,  
Dear Patricia,  
Dear colleagues and friends,

Thank you for the lively discussion and comments.

It is time to bring to a close two days of passionate and dense debate about our institutions, our relevance, our effectiveness and our network. I would like to take a few minutes to share with you what for me have been the main take aways.

As the opening statements made it clear, and as many of you have concurred since, changes in world trade and the economic climate highlight the relevance of TPOs. We face three types of challenges:

- the business challenge of boosting exports at a time of sluggish growth at many of our traditional export markets,
- the fiscal challenge of delivering more for less, at least less in terms of public funding.
- the impact challenge of needing to demonstrate that our work and exports we promote ultimate create jobs and increase living standards,

To confront these challenges and re-iterate our legitimacy in front of policymakers as cost effective providers of services that benefit the society at large, TPOs need to be perceived by their customers and stakeholders as effective and efficient in delivering results.

The question is how to get there? How to achieve this result? What is it that we need to do differently on Monday when we get back to the office?

In my view, the discussions of our conference have provide very valuable and pragmatic directions on confronting these challenges.

**First**, and foremost assessing impact. It is through impact assessment that we can answer the three challenges I have mentioned. So is impact assessment the silver bullet to solve all our problems? Unfortunately, there is no such thing as a silver bullet and we must modestly acknowledge that impact assessment for TPOs is in the very early stages of development. We have heard three different approaches to impact assessment during the conference.

- The macro-economic route: this approach essentially tries to measure the labor intensity of export generation, ideally through an indicator of export-supported jobs. The methodologies used by our colleagues in France and the Philippines take this approach.
- The bottom-up evaluation route: this approach calculates aggregated impact of TPO services based on individual customers, through the establishment of baselines and comparison with a control group. This is the approach followed by APEX Brazil.
- The ROI route: this approach aims to calculate the multiplier that demonstrates the gain in exports based on the public investment into TPOs. This is the methodology that was followed by the World Bank and Kaznext.

All three types of evaluation are very inspiring and promising, but they also have limits: data is hard to gather and linkages between the impact and the TPOs role are not straight forward to establish. For now at least, no methodology can claim to be the "silver bullet" for TPOs. So my first conclusion and take-away is that we need to intensify our work on impact assessment. I believe that ITC can be instrumental in accelerating this process both in terms of conceptual contribution and as a platform for knowledge sharing. I look forward to discussing a major break through in this area at our next meeting in 2 years' time.

**Second** is operational improvement. At times of change, we need to adapt – and need to be working already on how to answer tomorrow's challenges.

Here again, our conference has delivered some concrete and innovative directions. I would underline four of them.

- **Innovative services.** Innovations sometimes are very simple ideas that make a big difference. At other times they are the outcome of a complex process. We have heard examples of both and I'd like to highlight two quickly:
  - o We learned tips on how TPOs can serve niche markets and face up to market segmentation. Consumers are moving from buying a standard product or service to buying an "experience" and expecting more customization and personal marketing. For instance, in tourism consumers increasingly seek a personal and personalized experience, rather than package tours.
  - o Through the example of support to the green economy sector, we have seen how well some TPOs are able to adapt and customize their services to the particular needs of a sector. In this case, to raise the industry's profile through promotional campaigns and assist with gaining access to finance.
- **Benchmarking.** Benchmarking has been clearly recognized as a valuable tool for TPO performance improvement : it is a journey of self-evaluation (like a 360° for a manager!) and it leads to concrete and operational action plan for improvement. Two very operational recommendations have come out of the discussion on benchmarking :
  - o (1) Prioritization: we need to accept that not all of the findings of the benchmarking evaluation can be acted on right away. We need to create an action plan with priorities and realistic milestones and move forward in increments.
  - o (2) Internal communication: staff may react defensively at first and need to be brought on board; we need to make sure that they do not feel scapegoated in the process and see it as a natural reaction to a more demanding external environment.

ITC's Benchmarking tool has reached the maturity that allows us to commit the organization to the development of an ambitious benchmarking work programme and we are looking forward to working on this with many of you.

- Reaction to **sudden change**. I would like to thank MATRADE for proposing to have a session on how to respond to environmental and other disasters: we have learned a lot from the sharing of individual experience of reactions to unfortunately horrendous events. Above all, there is one conclusion to take away from this : as other public institutions, TPOs have an interest in investigating the risks for advers shocks against their economies and exporters populations, and prepare in advance an emergency response plan to manage consequences

of disasters beyond their control. Such plans should cover: staff mobilisation, restoring customer confidence in your country, rebuilding export potentials and detecting new ones, and coping with new measures imposed by foreign partners against your exports. This will contribute to the credibility and relevance of TPOs in the eyes of policymakers.

- Last but not least, **Competition and Award**. First and foremost congratulations are due to the winners, who demonstrated that sky is the limit when it comes to innovation. We are not shy of competition as TPOs! We are trade people! But, as for the Olympic Games, participation is what really matters here : because applying for the award is also a triggering mechanism for performance awareness and improvement. Away from the limelight, the ultimate purpose of the awards is to stimulate innovation, continuous improvement and knowledge sharing in the TPO community. ITC depends for its own impact on strong TPOs as multipliers to reach exporters around the world. I'd like to add that on a personal note it was great to share the pleasant gala night and I would like to thank everyone for the informative and enlightening conversations.

We have talked about impact assessment and operational improvements at TPOs, two areas that require innovations of various kinds. The **third** major takeaway of the conference for me is in the area of **partnership and solidarity** between TPOs.

While policy makers easily lean toward mercantilism, we, trade people know that trade is not a zero-sum game, in fact quite the opposite. This is even more true in a hyper-connected world, where trade and investment are intimately linked, the import content of exports has dramatically increased within globally integrated supply chains. TPOs must be part of these new dynamics in global trade and increase partnerships between them.

TPOs need to work together and share best practices even between WTPO conferences – virtually as well as through regional events and one-on-one partnerships.

Another way to partnering is to share access to trade information.

I am thankful to UBIFRANCE for promoting with us a sponsorship scheme by which TPOs in developed countries contribute to a fund that will enable TPOs in developing countries to have free access to ITC's market analysis tools. We will do our best to rally some support from "developed countries TPOs" and try to roll out this TPO Support Partnership Fund in coming months, ideally before the end of the year. This is of course a symbol more than anything : it shows the direction in which TPOs from rich and poor countries will increase their partnership for joint operations, shared knowledge, win-win engagement.

I would like to end this concluding take aways on this note of solidarity – a real proof that we are a network that continues to innovate and thrive.

Last but not least, its is my duty and privilege to announce the ballot results for the hosting of our next World TPO conference and awards. And the winner is Dubai. Please give them a round of applause.

Before leaving the floor to my ED let me add a personal expression of my deepest appreciation and gratitude to the invaluable work of Dr. Wong and Matrade for making all this possible as well as my commending all the ITC teams which contributed to the design of this event.

Thank you.