

Ministry of Foreign Affairs – (UN Mission Geneva)

Meeting in the Council for Development Policy 12 June 2018

Agenda item 2

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| 1. Overall purpose | For discussion and recommendation to the Minister |
| 2. Title: | Programme for Support to Multilateral Aid for Trade Activities 2018-2020 |
| 3. Presentation for Programme Committee: | 4 May 2018 |

Programme for Support to Multilateral Aid for Trade Activities 2018-2020

Key results:

Contribute to ITC reaching its corporate indicators for SME competitiveness in 2020: Bringing 6200 more enterprises into global or regional value chains, 45 % of which are owned, operated, and controlled by women. Complemented by interventions for SPS capacity building and investment facilitation, undertaken by STDF and WEF/ICTSD respectively.

Upgrade international competitiveness of SME's and farmers in coffee in Ethiopia and cocoa/yam in Ghana through ITC programs. Particular focus on women-owned SMEs in Ethiopia.

Reduce trade costs for SMEs through better management of non-tariff measures and implementation of the Trade Facilitation Agreement; globally through GATF and STDF, at country level through ITC. Focus from ITC on Burkina Faso, Mali, Niger and Vietnam.

Ensure the best possible leveraging of funding for multilateral Aid for Trade, through additional funding or action by development partners. Special focus on ITC and GATF, which will receive 80 per cent of Danish funding during the three-year period.

Justification for support:

The new program supports The World 2030 through its focus on strengthening SME competitiveness and SME integration in global and regional value chains. The mission has prioritized agencies, which have 1) demonstrated continued impact with respect to SME competitiveness and reduction of trade costs (ITC and STDF) or 2) are working within a public-private partnership model designed to create breakthroughs in trade and investment facilitation (GATF and WEF/ICTSD).

Major risks and challenges:

1) Insufficient core funding and distortion of priorities though earmarked funding, 2) no added value from the new public-private partnership models for trade and investment facilitation, 3) insufficient resources for donor coordination. Policies to mitigate them are in place.

File No.	2018-686					
Country	Developing countries					
Responsible Unit	FN-Genève					
Sector	Private sector development, Aid for Trade					
	<i>DKK mill.</i>	2018	2019	2020	20xx	20xx
Commitment		50	50	50		150
Projected ann. Disb.		50	50	50		150
Duration	2018-20					
Finance Act code.	§ 06.38.02.14					
Head of unit	Carsten Staur					
Desk officer	Carl Christian Hasselbalch					
Financial officer	Alla Kvasnina					
Relevant SDGs	<div> <div> <p>No Poverty</p> </div> <div> <p>No Hunger</p> </div> <div> <p>Good Health, Wellbeing</p> </div> <div> <p>Quality Education</p> </div> <div> <p>Gender Equality</p> </div> <div> <p>Clean Water, Sanitation</p> </div> </div>					
	<p>Affordable Clean Energy</p>	<p>Decent Jobs, Econ. Growth</p>	<p>Industry, Innovation, Infrastructure</p>	<p>Reduced Inequalities</p>	<p>Sustainable Cities, Communities</p>	<p>Responsible Consumption & Production</p>
	<p>Climate Action</p>	<p>Life below Water</p>	<p>Life on Land</p>	<p>Peace & Justice, strong Inst.</p>	<p>Partnerships for Goals</p>	

Strat. objective(s)

To strengthen SME competitiveness and integration in global and regional value chains through support for ITC, GATF, STDF and WEF/ICTSD – in synergy with Danish bilateral programs and policies in Ethiopia, Ghana, Burkina Faso, Mali, Niger, and Vietnam.

Priority Results

Priority area 1: Connecting SMEs to global and regional value chains through value adding goods and services, supported by sustainable investment (ITC, STDF and WEF/ICTSD) (including DKK 6 million annually in preferred funding)

Priority area 2: Reducing trade costs for SMEs through better management of NTM's, especially SPS standards, and implementation of the TFA Agreement (ITC, GATF, and STDF) (including DKK 10 million annually in preferred funding)

Priority area 3: Leveraging action and funding for Aid for Trade through ITC's and GATF's innovative projects and effective coordination with governments, donors and the private sector

Preliminary Budget Overview (DKK/year)

Danish Contribution to Aid for Trade	2018	2019	2020
Global level (ITC, GATF, STDF, WEF / ICTSD)	35	35	35
Country level (ITC)	15	15	15
Total	50	50	50

Danish involvement in governance structures

- Danish membership of GATF Steering Committee, STDF Policy Committee, ITC's CCITF and JAG (advisory bodies), EIF donor group and ICTSD core donors group
- Denmark was a donor member of the EIF's Board from 2015–17

Program for Support to Multilateral Aid for Trade Activities 2018-20

Programme Document

1. Introduction

Denmark recognizes the importance of economic growth through trade and has for many years supported Aid for Trade, including through the Geneva-based multilateral organizations specializing in this field, as part of its development assistance activities.

The Danish plan for multilateral Aid for Trade activities from 2014-17

In 2014, the Permanent Mission of Denmark in Geneva (henceforth: The Mission) initiated an external review of some of the leading Aid for Trade organizations, all of which had been supported by Denmark and like-minded donors in previous years. The review was followed up by a *Transitional Strategy for Denmark's Multilateral Aid for Trade activities 2014-15*, which remained the basis for Danish multilateral Aid for Trade activities also in following years where extraordinary budgetary pressures delayed the formulation of a new multiyear strategy.

The strategy was based on three pillars: (1) requests for support coming out of the WTO negotiations, (2) trade as a driver of development, and (3) the green agenda aimed at trade-related aspects of climate change.

Implementing the transitional strategy, it was decided to consolidate the relevant Danish activities around three partners of key importance: the Enhanced Integrated Framework (EIF), the International Trade Centre (ITC), and the International Centre for Trade and Sustainable Development (ICTSD). Even though their work and results were appreciated, it was also decided to at least temporarily phase out Danish contributions to three entities established within the framework of the WTO Secretariat: the WTO Standards and Trade Development Facility (STDF), the Doha Development Agenda Global Trust Fund (DDAGTF), and the Advisory Centre on WTO Law (ACWL). This was done not least with a view to focusing Denmark's engagements and limiting the number of partners under the programme.

When the Mission moved forward to implement the transitional strategy it was further decided on the basis of the means available to give priority to the EIF replenishment for its second phase from 2016-22. EIF is a multi-donor trust fund dedicated to developing the trade policy and export potential of the LDCs. Denmark has supported EIF and its predecessor in WTO since 1997 and from 2015-17 had one of the three donor seats on its Executive Board.

The Mission also maintained the level of annual contributions to ICTSD (DKK 5mio) while the contributions to ITC were suspended for the time being because of the stated budget pressure and the priority given to supporting EIF in the early stages of its second phase.

Consequently, the Danish multilateral Aid for Trade contributions from 2014-17 have been as follows:

Table 1: Danish Multilateral Aid for Trade contributions (2014–17)

(Mio. DKK)	Commitments				Disbursements			
	2014	2015	2016	2017	2014	2015	2016	2017
EIF			30	30				60 ¹
ITC	28				14	14		
ICTSD	10		5	5	5	5	5	5
ACWL	9				3	3	3	
DDAGTF					3	3		
STDF					3	3		
Total	47		35	35	28	28	8	65

In early 2017, and as part of the MFA exercise to implement *The World 2030*, the Mission proposed to establish a new three-year Multilateral Aid for Trade program for 2018-20. This three-year program was included in the Finance Act 2018, account no. § 06.38.02.14, as part of the section on Partnerships for Sustainable Growth.

The Mission proposes that Denmark allocates the DKK 50 million per year from 2018-20 as follows (a total of 150 million DKK):

Table 2: Proposed allocation of Aid for Trade funding (2018–20)

(Mio. DKK)	Commitments			Disbursements		
	2018	2019	2020	2018	2019	2020
ITC	30	30	30	30	30	30

¹ The disbursement of DKK 60 million to EIF in 2017 was decided upon within the framework of the overall management of disbursements for development assistance last year.

WEF	10.5 ²	10.5	10.5	10.5	10.5	10.5
ICTSD	5.5 ³	5.5	5.5	5.5	5.5	5.5
STDF	4	4	4	4	4	4
Total	50	50	50	50	50	50

In addition to the agencies mentioned in the table above, EIF continues to be included in the strategic approach to multilateral AfT activities as the Danish contribution of DKK 60 million in 2017 covers all of EIF's phase 2, i.e. the period from 2016-22.

2. Strategic considerations and justification

In the new strategy for development cooperation, “*The World 2030*”, Denmark recognizes the importance of trade for attaining the SDG's, not least SDG 8 about decent work and economic growth.

As described in the context analysis, the new *Program for Support to Multilateral Aid for Trade Activities* seeks to complement and add value to the overall Danish support in the area through, i.a. the EU and bilateral programs, be it private sector development programs or partnership programs with the private sector.

The strategic objective of the program is to strengthen SME competitiveness and integration in global and regional value chains through support for ITC, GATF, STDF and WEF/ICTSD – in synergy with Danish bilateral programs and policies in Ethiopia, Ghana, Burkina Faso, Mali, Niger, and Vietnam.

To this end, it has specific goals – priority results - at global as well at country level for connecting SMEs to global and regional value chains and for reducing the trade costs of SMEs when dealing with non-tariff measures (NTMs) and trade obstacles at international borders. With a view to the key issue of trade finance, it also has a goal for facilitating investment in food/agri-business value chains at country level, including in SME's.

The Mission has had to take into account that it has only limited resources available for joint work with other donors to improve the performance of the involved organizations. The partners chosen for the program are thus known for effectiveness and efficiency – this applies to ITC and STDF – or for developing innovative public-private partnerships to solve challenges in trade policy – as is the case for the World Economic Forum and ICTSD.

² The intention is to contribute DKK 10 million per year to the Global Alliance for Trade Facilitation through the World Economic Forum and another DKK 0.5 million to WEF as earmarked funding for its collaborative work with ICTSD on investment facilitation, cf. 3.1.5.

³ ICTSD will receive DKK 5 million per year for its regular work and another 0.5 million in preferenced funding for its collaborative work with WEF on investment facilitation, cf. 3.1.5.

Thus, to some extent the intention behind the Program has been to “pick winners” and obtain solid results without expending undue effort in optimizing the effectiveness and efficiency of the agencies chosen for support (cf. 5. below and Annex 2).

However, the program is not without risks, and primarily these risks fall in two categories. The first has to do with problems well known from other multilateral agencies: insufficient core funding or a lack of balance between core and earmarked funding. The second has to do with leveraging. None of the agencies in the WTO system nor the World Economic Forum are big players in development assistance. They only have limited resources at their disposal. Therefore, to have real impact, they must ensure that their programs and activities have a catalytic function, attracting resources and collaboration from other players. For more details, please refer to 4.3 below as well as Annex 2 and the Risk Management Matrix.

3. Thematic program summary

The aim of the program is to help SME's access global or regional value chains, not least by minimizing the prohibitive trade costs they face in most countries. It does so through its focus on improving the competitiveness and the access of SME's to global and regional value chains while maintaining the traditional Danish contribution – through EIF and ICTSD – to the public sector with respect to the integration and coordination of trade policy in national economic policymaking.

The four focus areas for the new strategy – trade facilitation for SME's, helping SME's address NTM's (non-tariff measures), connecting SME's to value chains, and attracting foreign investment for SME development (cf. 3.1-3.4) – will all be implemented with a view to creating synergy with Danish bilateral programs, cf. 4.1. and 4.2 below.

3.1 Prioritising the implementation of the Trade Facilitation Agreement

WTO's Trade Facilitation Agreement (TFA) entered into force on 22 February 2017. It is a landmark agreement, the only major multilateral agreement WTO has managed to conclude since its establishment in 1995. The developing countries will only be able to reap the considerable benefits from the agreement, however, if they receive sufficient assistance to implement it effectively⁴. It is a cornerstone of the agreement that developing countries can choose delayed implementation of individual provisions in the Agreement (category B commitments) and even defer implementation of provisions subject to receiving sufficient development assistance for this purpose (category C commitments).

It is therefore crucial – for the WTO, for the success of the Agreement as such and for developing countries in particular – that bilateral and multilateral donors

⁴ The TFA is estimated to simplify customs procedures and to reduce trade costs of manufactured and agricultural goods by 18% and 10% respectively, leading to annual gains of up to \$1 trillion globally. Developing countries, having significantly higher trade costs than developed ones, are likely to gain even more in reduction from the TFA than the global average of 14.3 %. As expected, the TFA has triggered high demand for targeted development assistance, in particular to LDC's

show a readiness to fulfil the spirit of the TFA by providing funds for effective implementation of the Agreement.

With their limited staff, administrative skills and resources, SME's from developing countries are disproportionately affected by burdensome customs procedures and are thus estimated to benefit particularly from the Agreement. TFA implementation must therefore be a key component in Danish efforts to improve the connection of SME's to global value chains.

3.2 Addressing NTMs - “behind the border” issues

SME's in developing countries are not only meeting trade obstacles at the border. The so-called “behind the border” obstacles to trade or non-tariff measures (NTMs) – in particular health regulations, technical product requirements, etc. – are known to be equally cumbersome and expensive for both exporters and companies importing commodities and components that they need in order to connect to global value chains. Surveys have shown that for companies in developing countries, lack of transparency in NTM administration increased the costs per product by up to 15%.

Surveys have also shown that it is not the content of the NTM's, e.g. health requirements for products, that is the problem. Rather it is the actual administration of NTMs, in terms of slow processing of documents, unpredictable and difficult procedures, lack of transparency on the payment of fees, etc. There is an urgent need for transparency about NTMs in developing countries and procedural requirements in this connection.

3.3 Connecting to global value chains

Moreover, to connect to global value chains SME's need tailored assistance across the full range of company activities from strategy and innovation over branding and marketing to operations management. Programs for assistance should be delivered by a variety of agents at country level, not least business associations, and be designed in modules adaptable to individual enterprises.

ITC's decades-long experience in working with the integration of developing country SME's in global markets has led the organisation to develop the so-called “Alliances for Action” approach. The approach is particularly prevalent in ITC's agri-business programs. It covers a number of stakeholders, including lead and competing enterprises, working closely together to enhance the international competitiveness of the industry as such and maximize sustainable development outcomes. A presentation of the approach is included at the end of Annex 2.

3.4 Facilitation of investment for SMEs in agri-business value chains

Finally, investment facilitation for sustainable development has emerged as a key new policy area for negotiations of new rules in the WTO. The reasons are, first, that foreign direct investment is crucial for making decisive progress towards meeting the SDG's, and, second, that rules for international trade and investment must work in tandem for global value chains to be effective.

From the perspective of developing country SMEs trying to link up with international companies in global or regional value chains, an attractive local climate for foreign direct investments is important. This is a major reason the present investment facilitation initiative in the WTO has attracted a lot of interest among developing countries, not least in Africa.

In parallel with the upcoming negotiations at the WTO on an international framework for investment facilitation WEF and ICTSD have launched a joint initiative to turn basic principles for sustainable investment – such as those discussed at the WTO – into practice within the food/agri-business value chain in selected developing countries. The initiative will include facilitation of investments in local food/agri-business SME's with a view to integrating them into global or regional value chains.

The two organizations will pursue the initiative through the public-private partnerships and multi-stakeholder platforms in which they both specialize. For efficiency, the emphasis will be on working through existing multi-stakeholder partnerships for sustainable value chains, as e.g. Better Cotton Initiative and Cocoa Action.

As part of the present multilateral Aid for Trade strategy, the Mission will team up with the Permanent Mission of the Netherlands to provide seed funding for the initiative.

4. Expected Results of Danish Support

Denmark will continue to work closely with other donors to maximise the outcomes of EIF's and ICTSD's interventions for developing country governments, not least those of the LDC's. However, the cornerstone of the new strategy will be its focus on strengthening the competitiveness of SMEs through integration in global and regional value chains. 4.1- 4.3 below lay out in more detail how to do this through the relevant Aid for Trade agencies.

Denmark's contribution of ITC of DKK 30 million per year is divided in two segments. Firstly, DKK 15 million for its global activities and secondly, DKK 15 million as preferenced funding for its country level activities. The preferenced funding is again divided into DKK 5 million for each of the three program areas *connecting to global and regional value chains, addressing NTMs and trade facilitation*. It will be targeted at obtaining results in Danish partner countries, which could provide synergy with Danish bilateral programs for private sector development.

- 4.1. Connecting SMEs to global and regional value chains through value adding goods and services, supported by sustainable investment (ITC, STDF and WEF/ICTSD – cf. 3.3-4)

This priority area deals with the agencies directly involved in facilitating the access of developing country SMEs to global and regional value chains.

At the global level

- ITC focusses on increasing the competitiveness of SMEs in four business areas of particular interest to developing countries, not least LDC's: agri-business, ICT, textiles and clothing plus tourism. The core funding without preference is able to cover a number of highly relevant corporate initiatives. One example is "She Trades", aiming to reach 1million women entrepreneurs by 2020; Maersk is one of ITC's corporate partners in this program. Another area for core funding is the on-going development of innovative programs for young people, refugees and migrants, giving priority to business education and digital entrepreneurship.
- STDF builds the capacity of developing country governments to handle SPS issues as effectively as possible and thus indirectly strengthens the export capacity of their SMEs in a crucial area for market access.
- Finally, within the investment facilitation initiative WEF and ICTSD work together to catalyse action at country level to improve investments in local SMEs ready to join international value chains. Their focus will be on food and agri-business value chains.

The expected results (see Annex 3) correspond to ITC's and STDF's corporate results framework as well as WEF's and ICTSD's joint logical framework for their investment facilitation initiative. Danish policy will focus on maximising results obtained by these agencies.

At the country level

- Discussions with ITC on its so-called Value Added to Trade Programme have pointed to Ethiopia and Ghana as two countries in Africa where its activities could benefit from Danish support, and where there is potential for synergy with Danish bilateral programs.
- In Ethiopia, ITC will build on its work with women owned SMEs in coffee. The target is the women owned exporting companies as members of the Ethiopian Women in Coffee association, EWiC, which ITC helped to create during 2014-2016 under the Women and Trade program. The Danish support will allow ITC to expand the program, focusing on connecting women growers and traders to global value chains through e-commerce. The program might also include local spice exporters. It will encompass institutional strengthening of EWiC, plantation management and crop diversification for lead coffee growers, and linking up these lead growers and EWiC member companies with smallholder families. The Danish Embassy in Addis Ababa has welcomed the ITC program, stating that it supports its own priorities in the coffee sector in the country programme from 2018-22, including the emphasis on assisting women growers and traders.
- In Ghana, ITC has built an Alliance for Action developing a multi-market multi-channel approach in cocoa and yam with the participation of local lead firms as well as lead farmers. There are specific interventions for women farmers and women-owned SMEs. The profitability of cocoa has

stagnated in recent years, but the addition of yam to cocoa in participating farmers' fields helps diversify production, substantially increases farmers' incomes (on average by 22% in 2017) and boosts export potential. With Danish support and local investment, the program will be scaled-up from about 600 farmers in 2018 to 3,000 in 2019 – with plans for further upscaling in 2020. The Danish Embassy in Accra has indicated to the Mission that there good opportunities for synergy between the ITC program and the Private Sector Development Program, in particular the so-called Business Advocacy Challenge Fund, phase III (BUSAC III).

The priority results (cf. Annex 3) are based on ITC's program results frameworks for the Ghana and Ethiopia programs. Danish policy with respect to the two ITC programs will be to maximize possible synergies with Denmark's bilateral programs for private sector development in the two countries in question. However, how this is done will be entirely up to ITC and the embassies in Accra and Addis Ababa. The Mission will facilitate contacts between the two parties whenever relevant.

4.2 Reducing trade costs for SMEs through better management of NTM's, especially SPS standards, and implementation of the TFA Agreement (ITC, GATF, and STDF – cf. 3.1-2)

ITC, GATF, and STDF all work to reduce the trade costs of SMEs coming from obstacles for trade at borders and from NTMs. The costs involved in both types of barriers are described in 3.1. (footnote 4) and in 3.2, respectively. For the purpose of this strategy, priority results are defined for GATF and STDF at the global level and for ITC at the country level⁵.

At the global level

- GATF works to “co-create” trade facilitation projects from a private sector perspective, but in dialogue with governments and other stakeholders as described in 2.2 and 3.2. The alliance of major trading companies with big donors has potential for considerable impact in GATF's project countries. As member of GATF's steering committee Denmark will work to maximize the use of in particular Maersk's data on cross-border trade and take a pragmatic, “private sector-friendly” approach to dealing with trade barriers, no matter whether they are strictly within the remit of the TFA or rather of an NTM, “behind the border” character. At the same time, Denmark will seek to ensure that there is government ownership and involvement in the GATF projects.

⁵ Within this area, too, the Mission undertook a dialogue with ITC about synergy at country level. It asked ITC to pinpoint countries of Danish interest where a concerted effort from its NTM and TFA programs would provide added value. The answer was not countries like Ghana and Kenya, which already attract considerable donor interest, but one sub-region in western Africa, the LDCs Burkina Faso, Mali, and Niger, plus Vietnam.

- STDF's capacity building of government institutions for "safe trade" – ensuring animal and plant health as well as food safety – is also carried out with a view to facilitate processes for issuing and assessing SPS permits, inspecting goods, etc. A large proportion of STDF projects are public-private partnership projects concerning agricultural products of major export interest. Denmark will work to ensure government involvement and the coordination of STDF's activities – STDF having no permanent presence at country level - with other donors engaged in private sector development programs.

Please refer to Annex 3 concerning the expected results for each of the two organizations.

At the country level

- ITC collaborates with governments, trade support institutions and business associations representing SMEs to identify bottlenecks in the administration of NTMs and the facilitation of trade. It helps governments design projects for international support and strengthen institutions for dialogue between stakeholders in the two areas.
- As ITC has not yet performed needs assessments on the ground in Burkina Faso, Mali, Niger and Vietnam, a more detailed description of its interventions there is not possible at the time of writing this strategy. The Mission will follow the same approach as in results area 1: Staying well informed and ensuring that ITC keeps in touch with Danish embassies in the four countries while working on trade facilitation and NTMs.

Because of the early stage of ITC's work in the four countries the outcomes on trade facilitation and NTMs in the summary results framework of the strategy are only generic. Specific indicators will be decided on when ITC's programming has taken place.

The embassies in Bamako, Hanoi and Ouagadougou have welcomed ITC's focus on trade costs in their respective countries (including Niger), indicating that its efforts on NTM's and trade facilitation will be complementary to the Danish private sector development programs.

4.3 Leveraging action and funding for Aid for Trade through ITC's and GATF's innovative projects and effective coordination with governments, donors and the private sector

In the para above 2 the Mission has described the various challenges and opportunities the Aid for Trade agencies have in respect to being catalysts for wider action, leveraging funds for their programs or interventions from others because of their activities. In priority area 3, the Mission has decided to define leveraging/catalytic targets for its two main recipients of Aid for Trade funds in 2018-20, ITC and GATF. With respect to EIF, STDF, and ICTSD the Mission will also pursue the best possible leveraging of their funds, whenever it is relevant

in dialogues with their management and in their governing bodies, but it will give priority to ITC and GATF.

ITC does not work with indicators for balanced extra-budgetary resource mobilisation, but follows a policy of developing its “tool box” – its programmatic approaches across the full spectrum of SME competitiveness – from year to year, so that no major program area is left untouched. In co-operation with ITC, the Mission has decided to use this approach to formulate a qualitative, “proxy” indicator for balanced extra-budgetary resource mobilisation, cf. Annex 3.

As indicated in Annex 2, the greatest effectiveness challenge for GATF is its ability to generate action at country level for a more thorough implementation of the Trade Facilitation Agreement beyond the GATF projects themselves. The Secretariat in WEF and members of the Alliance have recognized this and formulated a specific indicator for GATF projects in regards to catalytic action, cf. Annex 3.

The Mission will pursue results in this area through dialogue with the two agencies and work with other donors in the advisory groups of ITC as well as the Steering Committee of GATF⁶.

4.4 Theories of change and risks at the programme level

For the theories of change that the two largest recipients of Danish support, ITC and GATF, work with please refer to Annex 4. With respect to the two organisations, the priority results at global level in areas 1 and 2 (cf. Annex 3) are based on development outcomes in their respective theories of change and results frameworks. As far as ITC is concerned, the chosen indicators C3 and C4 address the international competitiveness of SMEs. In GATF’s case, the chosen indicator relates to Objectives 1 and 2, enhanced trade facilitation implementation and reduced time and costs of cross-border trade.

In addition to the risks for the programme at the strategic level discussed in para. 2, at the program level one more risk can be identified: Insufficient coordination at country level with other donors and possibly also government agencies. The Geneva agencies are cognizant of the importance of government ownership and donor coordination. Given their lack of traditional country offices, the latter is a challenge. Staff travelling from headquarters and implementation units on the ground have standing orders to map all relevant activities at country level and to engage in donor coordination and task forces set up by governments. It is fair to ask, however, whether units are sufficiently manned and whether travelling staff have enough time on their hands to coordinate effectively. This question is one that an upcoming MOPAN assessment of the WTO system is likely to look into.

5. Overview of management set-up

⁶ The weakness in ITC’s governance mechanism – that there is no formal governing board for donor governments and other stakeholders – is off-set by a substantive dialogue in the advisory groups and a high degree of responsiveness to donors from ITC’s management.

The Danish policy priorities will be pursued through direct bilateral contacts with the agencies and in their governing/advisory bodies, to the greatest extent possible in concert with other donors.

In Annex 2, table 1, the Mission has listed the different forms of Danish participation in the governing bodies and advisory groups for the agencies. In addition, Denmark participates in the donors groups for ITC, EIF and ICTSD, all of them meeting whenever policy issues arise between donors and the agencies. In general, all the traditional like-minded donors are active in Geneva. It is worth noting that also Australia, Canada and Switzerland have a high profile.

In its daily management of the Program, the Mission will have three general policy priorities in support of the program results:

- In bilateral contacts with all the supported agencies, the Mission will be keen to ensure that relevant opportunities for synergy and collaboration with the Danish private sector development programs in the six chosen partner countries are utilised. It will do so through facilitation of contacts and discussion, not as an actual participant in ITC's and Danish bilateral program implementation;
- The mission will also be aware of opportunities to avoid duplication and maximise synergy between program activities and other Danish or Danish-funded activities at regional and country level, e.g. those of IFC, IFU, IDH and Trade Mark East Africa. The mission refers to Annex 7 with an overview of some options for synergy between Danish programs and those of ITC.
- Finally, the Mission will also stay in touch with MFA in Copenhagen to explore to what extent some of ITC's innovative programs for women, youth, refugees, migrants and digital entrepreneurs can work to support Danish private sector development initiatives.

The financial management of the Program will be undertaken by the Mission according to the normal guidelines for the management of Danish multilateral assistance. The current funding agreements between the Mission and the agencies will need to be updated to reflect the 2018-20 AfT Program. For illustration, the Mission encloses the previous agreement for 2014-15 with ITC (Annex 6).

The mission plans to have annual consultations with ITC and GATF/WEF on implementation of the Program. As for STDF and ICTSD, the Mission will be satisfied with the feedback on program implementation every six months that the Policy Committee and the Donor Group, respectively, receive.

In 2019, the Mission will assess the implementation of the program, possibly in the context of a Mid-Term Review.

6. Program budget

Please refer to Table 2 on page 2. The management of the budget will be straightforward, consisting of annual commitments and disbursements based on reporting by the agencies. In the case of WEF's participation in the joint program

with ICTSD on investment facilitation, the Mission will have to earmark the DKK 0.5 million for WEF in order to ensure adherence to DAC rules. In the case of ICTSD, all its activities are “DAC-able” and no earmarking is required.

In case program implementation is unsatisfactory, the Mission may make minor adjustments in its commitments from year to year. For example, the joint project between ICTSD and WEF is a two-year program, co-funded by the Denmark and the Netherlands with DKK 1 million/USD 150,000 each per year. In case results of this pilot project do not meet expectations or it is decided not to prolong it from 2019-20, the Mission might decide to shift the DKK 1 million to STDF for the remainder of the Program period.

Program for Support to Multilateral Aid for Trade Activities 2018-20

Context analysis

Trade features prominently as an engine for economic growth and sustainable development in Agenda 2030. Trade is highlighted as a crosscutting issue in SDG 17 on partnerships for development and is interwoven throughout the SDG's, including with explicit targets or trade-related objectives.⁷

All the same, the relationship between trade and poverty reduction (SDG 1) is complex. The global percentage of people living in extreme poverty has fallen from 35% in the 1990's to 10.7% in 2013 (according to the World Bank) while trade grew well above its average historic levels from the 1990's to the financial crisis, especially in the developing countries.

There is broad consensus, however, that in order to help reduce poverty, new trade opportunities need to be accompanied by a spectrum of national policies ranging from development of infrastructure and productivity, not least in agriculture, to social insurance schemes⁸. Productivity- and export-enhancing policies should also aim at reaching women, unskilled labourers and other groups without connection to export markets, for example traditional farmers.

Thus, Aid for Trade (AfT) covers a broad range of interventions. Most Danish bilateral programs on private sector development contain Aid for Trade components, whereas supra-/multilateral institutions like the EU, the World Bank, the regional development banks and the WTO have dedicated AfT programs.

As an integral part of the Doha Development Round, the WTO took the initiative to establish the Aid for Trade initiative in 2005. The intention with the initiative was to create greater awareness about the importance of AfT to development, to identify concrete needs in developing countries for building capacity and trade infrastructure through AfT and to raise additional financial resources in the area.

13 years later, in terms of financial resources raised and invested, the WTO has a limited role in the overall AfT effort. Its niche and comparative advantages lie in three areas:

- 1) Ensuring a global focus on areas of critical importance in AfT, backed up by expertise to provide technical assistance in these areas (as e.g. prioritising trade in national economic policy, challenges in trade for SME's, e-trade, handling technical product standards),

⁷ See SDG's 2, 3, 8, 9, 10, 12, 14, and 15.

⁸ Aid for trade 10 years on: Keeping it effective, OECD, November 2015.

- 2) Providing know-how in the implementation of WTO (including GATT) trade agreements,
- 3) With their technical assistance for AfT, the WTO agencies contribute to the all-important development dimension of the WTO, paving the way for future trade agreements. The priority in all AfT work carried out by the WTO agencies is on assisting the LDC's.

With its focus on improving productive capacity, reducing trade costs and facilitating investment for SME's, the proposed AfT program for 2018-20 draws on all three comparative advantages of the WTO system. At the same time, the Program maintains the public sector component of earlier Danish AfT strategies by maintaining support for the Enhanced Integrated Framework (EIF) and the International Centre for Trade and Sustainable Development (ICTSD).

The emphasis in the strategy on SME's is in step with the World 2030 and borne out of a number of studies demonstrating the importance of competitive SME's for inclusive growth and development. In general, SMEs are less productive than large enterprises. When able to join and move up international value chains with more competitive products, however, SMEs are able to close some of the productivity gap.

International value chains offer SME's of developing countries new opportunities as sub-suppliers to enterprises further down the value chain, and not only as producers of finished products. SME's participating in international trade not only boost the economy, but also help diversify it, and create new jobs, not least for young people and for women. As SMEs on average account for 60-70 % of employment in developing countries and developed countries alike, improving SME productivity and exports on a broader scale can have significant impact on poverty reduction⁹.

As regards the EU (including its member states), which continues to be the largest AfT donor in the world¹⁰, the Program has important linkages to the European Consensus of Development (June 2017) and the Updated Joint EU Strategy on Aid for Trade (November 2017). Like the Program, the Consensus and the Strategy aim at leveraging investment for and enhancing productive capacity of enterprises from developing countries to help them participate more effectively in regional and global value chains. And, like the WTO agencies, they give priority to the LDCs (to which too little EU AfT assistance flowed from 2007 to 17). The complementarity of the Program is its focus on SMEs and using the specific strengths of the WTO system.

⁹ Studies have shown that improving SME productivity increases wages for up to 70 % of the workforce in some countries. Connection to international markets can have dramatic effects on SME productivity, profitability and job creation – in one example from Tunisia, it meant a growth of 143%, 196% and 16%, respectively (ITC's SME Competitiveness Outlook 2015).

¹⁰ Euros 13.2 billion by 2015, equivalent to 30 % of total Aid for Trade since 2007

The private sector and SME focus is also the feature that distinguishes the Program from the comprehensive program of the World Bank, the largest multilateral AfT donor. In AfT the World Bank is mainly providing assistance to the public sector with respect to four key areas: Connectivity (in particular trade facilitation), safe trade (SPS standards) as a partner to STDF, one of the WTO agencies supported in the Danish program, e-trade and women's empowerment. The World Bank is also a partner agency to EIF, relying on its Diagnostic Trade Integration Studies (on trade needs and challenges for LDCs) for its government support in AfT.

With respect to the Danish bilateral private sector development programs and various partnership programs with the private sector, there are numerous opportunities for creating synergy with the AfT program in Geneva. Some of the most obvious opportunities have been integrated in the Program through proposed priority results at country level in Ethiopia and Ghana as well as in Burkina Faso, Mali, Niger and Vietnam, cf. the Program Document.

By going through most of the Danish portfolio of bilateral programs as part of the World 2030 implementation exercise in spring 2017, the Mission identified other possible and/or already achieved examples of synergy – at country, regional and global level. For more details, please refer to Annex 7 (in Danish).

Annex 2

Partner overview - Program for Multilateral Aid for Trade Activities in Geneva 2018-20

Danish AfT partners in Geneva: Basic characteristics. Risks. General points of policy vis-à-vis the agencies

1. The Organizations to be supported

1.1 Basic data

The basic data concerning the organizations proposed for support are the following:

Table 1: Overview of organizations to be supported:

	Main area	Staff	Budget	Core contributions v. earmarked contributions	Supervisory /supporting agencies	Governance
ITC	Supports small and medium-sized enterprises (SMEs) in developing countries in connecting to international markets.	311	\$92,8 million (2018)	Regular budget: \$37,8 million Extra-budgetary funds: \$55,0 million	WTO, UN (through UNCTAD)	Joint Advisory Group & Consultative Committee of the ITC Trust Fund.– Denmark active in both committees
GATF (World Economic Forum)	A public-private alliance to help governments implement the Trade Facilitation Agreement.	13	USD.8 million (2017)	Only core contributions	The ICC, WEF, Center for Int'l. Private Enterprise	Steering Committee – Denmark becoming member in 2018

ICTSD	Advancing sustainable development through trade-related policymaking.	70	\$8,946,1 (2018)	Core funding complemented by minor earmarked funding	NGO	Governing Board and Executive Committee –Regular meetings with donors
STDF	Supports developing countries in implementing international sanitary and phytosanitary (SPS) standards, guidelines and recommendations.	6	\$4.6 million (2017)	Only core funding	FAO, OIE, World Bank, WHO, WTO	Policy Committee – Denmark becoming member in 2018
EIF	Supports LDCs in harnessing trade for poverty reduction.	12	2016-2022(phase 2): \$115.4 million.	Only core funding	WTO, IMF, World Bank, UNDP, UNCTAD, ITC	The EIF Board. DK a Board member from 2015-17

It is worth noting that none of the agencies have field offices. Some, like ITC, GATF, and EIF, have occasional project officers on the ground, coordinating local and international consultants implementing their projects. Two, EIF and STDF, are essentially funding and coordination mechanisms that, in addition to this, carry out global advocacy roles within their mandates. All the agencies have staff travelling regularly to program countries to implement programs and coordinate with governments and local stakeholders.

1.2 Comparative advantages

Apart from the Global Alliance for Trade Facilitation, Denmark has previously contributed to all the organisations listed:

The International Trade Centre (ITC) is the SME specialist of the multilateral Aid for Trade system. Its key comparative advantage is to connect demand in international markets, especially in Europe, with SME's in developing countries and upgrading their productive capacity to meet this demand. With a focus on key value chains for developing countries or regions, it seeks to address all obstacles SME's encounter on their way to the market: finding customers, adding value to

products, meeting regulatory requirements and sustainability standards as well as moving products and components across borders. In this context, it works to upgrade the capacity of trade support institutions and business associations to take part in public-private dialogue for an improved business environment, including innovative projects for women in trade.

The Global Alliance for Trade Facilitation (GATF) is a new public-private alliance launched at the WTO ministerial conference in Nairobi in 2015. It is supported by a secretariat hosted by the World Economic Forum and uses GIZ as its main implementing partner at country level. The idea behind GATF is to harness the capacity of the private sector behind the implementation of the WTO's Trade Facilitation Agreement¹¹. It combines the power of major donors¹² with that of multinationals like FedEx, DHL, Fiat Chrysler, Walmart, and, from Denmark, Maersk. Taking a data-driven approach (to which Maersk is one of the main contributors), it works with governments to identify and fund projects at country level, which address the main obstacles for effective trade across borders.

The Standards and Trade Development Facility (STDF) is recognized as a global knowledge hub for advocacy on and expertise in international sanitary and phytosanitary (SPS) standards. It designs and funds projects with governments, international organisations and private partners to build SPS capacity in developing countries and thus meet key export requirements for their companies.

The International Centre for Trade and Sustainable Development (ICTSD) is the only NGO in the trade and development arena in Geneva, which is able to engage policy makers from both developed and developing countries in wide-ranging dialogue and formulation of policy ideas. Widely respected for its impartiality, it plays a key role in bringing international trade policy issues in play in capitals of developing countries, not least the LDC's.

Finally, **the Enhanced Integrated Framework (EIF)** has an exclusive LDC mandate. Its remit is to help LDC's undertake rigorous analysis of their trade needs and export needs, establish national implementation units in government for trade policy and exports, integrate trade policy in national development plans and sector policies and build capacity in government to carry these policies out in practice. When undertaking the funding of Aid for Trade projects, these must, first, be prioritised in the analysis of trade and export needs and, second, be capable of leveraging additional funds from the government, donors and the private sector. Like ITC, it prioritises projects for the economic empowerment of women through trade, not least as entrepreneurs.

1.3 Results and challenges. Evaluations

¹¹ The TFA is estimated to simplify customs procedures and to reduce trade costs of manufactured and agricultural goods by 18% and 10% respectively, leading to annual gains of up to \$1 trillion globally. Developing countries, having significantly higher trade costs than developed ones, are likely to gain even more in reduction from the TFA than the global average of 14.3 %. The TFA entered into force in February 2017, triggering high demand for targeted development assistance, in particular to LDC's.

¹² Australia, US, UK, Canada and Germany

All the agencies have monitoring and evaluation systems in place and, apart from GATF, created only in December 2015, they have all been subject to recent external evaluations. The main findings from the evaluations are the following:

With respect to **ITC** (external evaluation in 2014), the technical expertise of its staff and its ability to create results on the ground for SME's seeking to access international value chains were recognized. The main recommendations on ITC's country level activities were to focus resources in longer-term programs and to increase coordination with donors and other actors in the private sector – in spite of its lack of country offices. The evaluation also pointed to a problem, which continues to haunt ITC: the imbalance between the organisation's core funding and its ear marked funding.

Since 2014, ITC has made concerted efforts to channel its resources to longer-term country level programs as recommended by the evaluation. The (expected) resumption of Danish and Norwegian core funding, with respect to Denmark at a significantly higher level than before (DKK 30 million vs. DKK 14 million), will go some way towards addressing previous imbalances between core and ear-marked funding.

GATF is only two years old having almost finished with the establishment of its own monitoring and evaluation function. However its first activities at country level are very closely watched by demanding donors like the UK, the US and Germany. There is no doubt that the key question with respect to GATF over the coming years is whether its innovative partnership model manages to create added value in comparison to other trade facilitation efforts. So far, GATF has launched projects in countries like Ghana, Kenya, and Vietnam – countries which are important to its donors and private sector members, but which are already receiving plenty of trade facilitation support.

STDF was externally evaluated in 2014, and will be evaluated again this year. Like ITC, it has a strong track record in its core operational area. One of the key points for the upcoming evaluation is to what extent STDF has benefitted from implementing the three major recommendations in the 2014 evaluation: strengthening its framework for results based management, improving its cooperation with regional and global players in the SPS field, and strengthening the STDF Secretariat (based in the WTO).

The 2017-18 Strategic Review of **ICTSD** was finalised only a couple of months ago. Management has not yet made final decisions about the follow-up of its recommendations. The majority of the recommendations concern a more efficient management, better outreach to donors, and more stringent prioritization of activities in the light of ICTSD's limited financial resources.

ICTSD is known as a highly professional network organisation, which can gather expert knowledge about topical issues in trade and sustainable development and facilitate wide-ranging policy dialogues, normally resulting in viable policy proposals.

Experience with **EIF** – Denmark was a member of the EIF Board for two years, from 2015-17 – have confirmed a number of the findings in the external evaluation from 2014. EIF is an indispensable actor in multilateral Aid for Trade with its exclusive focus on LDC's ability to assess and address their trade needs. However, management difficulties and inconsistent funding from year to year hampered EIF's operations in its phase 1 until 2016. Since then funding has improved and management has become more efficient. This is largely due to two thorough "value for money" and "change management" exercises supported by its donors, especially DFID.

2. Major Challenges and Risks

Core funding issues

All the Aid for Trade agencies in Geneva are prone to various risks with respect to their funding. In the case of ICTSD, the risk is lower core funding than envisaged in recent strategic plans. ITC is well funded, but before Denmark and Norway as expected return this year as donors to its Window 1 (core funding), the imbalance between ITC's core and earmarked funding has posed a risk for the sustainability of its regular work. For GATF the issue has more been an initial slow disbursement of funds; lately, however, its work has gained some momentum. Finally, after a period with too little staff to support its design and delivery of projects, STDF seems to have found a good balance between demand and supply in its work.

With respect to EIF, it has just decided to downgrade its very ambitious funding targets from the original USD 275 million covering 2016-22 to around 180 million. This will allow the Fund to implement all Tier 2 projects approved in Phase 2 before its completion in 2022. The question donors will have to address over the next couple of years is whether to extend EIF with a Phase 3.

Insufficient catalytic function or leveraging of limited funds

None of the Geneva agencies in Aid for Trade is a big player in the global field of private sector development. To have relevance they must be able to act as catalysts for bigger AfT interventions. At their best, the agencies identified in this strategy each do it in their own way.

EIF was created as a catalytic fund. When its trade needs analysis and government capacity building are done properly, and when, together with the government, it manages to identify the right projects to build productive capacity or facilitate trade, it has shown itself able to leverage considerable AfT funds.

ITC is able to catalyse funds through its successful value chain interventions and through its creation of "public goods" for SME's, e.g. digital platforms to facilitate trade (like its "She Trades" platform) or digital helpdesks (Global Helpdesk on NTM's). For ITC, the risk is not an insufficient leveraging of funds as such, but rather an uneven degree of leveraging across different program areas. For instance, ITC's capacity building of trade support institutions is widely recognized as very qualified and a key intervention in enhancing the competitiveness of developing country SME's. However, this area only receives limited funding from

donors, possibly because this type of activity is less attractive for communication purposes.

For the Global Alliance of Trade Facilitation (GATF), the risk is that an interesting and new concept – a public-private alliance for implementation of a key WTO agreement – does not bring added value to the sum of trade facilitation efforts at country level. GATF works with the government and a broad range of stakeholders to “co-create” trade facilitation projects for gaps in the common efforts or bottlenecks in the flow of goods across borders. It primarily does so from the perspective of the private sector, using its data.

STDF has a strong track record in its SPS projects, but also a limited budget. It is of key importance that it can raise additional funds. From its establishment in 2004, it has managed to raise 25.3 million USD in addition to its own 44.9 million. For STDF the risk is obviously that this ability to leverage funds is weakened, e.g. through lower staffing or a less effective SPS 3.

Finally, the risk for ICTSD with respect to its catalytic function does not relate to country level projects, but to the effectiveness of its regional policy dialogues with developing country capitals, in particular in Africa. The joint initiative with WEF on investment facilitation, mentioned in 3.1.5., illustrates this risk. The initiative will only be effective if some of the basic principles for sustainable investment that it works with, are accepted by local investment promotion agencies, turned into national legislation, and implemented effectively with respect to food/agribusiness investments.

Limited involvement in coordination at country level

The mission refers to the Program Document, 4.4., page 10.

3. General points of policy vis-à-vis the agencies

ITC: ITC is a well-functioning organisation with a clear mandate, strong management and an impressive record of achieving results in its projects and programs. It shares a lack of regular field offices with the other WTO agencies, relying for implementation of its activities on local staff as well as international and local consultants. Their work is overseen by staff from headquarters who visit frequently, carrying out a considerable bulk of ITC's capacity building/technical assistance at country level.

In its dialogue with management and work in the donor group, the Mission will therefore give a relatively low priority to regular management issues and prioritise questions arising from ITC's work in its program countries. In particular, it will:

- Call for regular cost effectiveness analysis of the present structure without field offices but with frequent travel activity;
- Stress the need to set aside enough time and resources for effective donor coordination and collaboration at country level;
- Emphasize that ITC must continue its trend towards larger programs at country level with sustained capacity building of TISIs (trade and

investment support institutions) and clusters of SME's in export capable sectors of industry;

- Ask for detailed analysis of ITC's priorities and capacity when the organisation takes up new areas of work as e.g. facilitation of investment for SMEs.

The Mission refers to the Program Document as far as points of policy on the Program itself is concerned (cf. 5, page 10). With regard to the Program's priority results at country level, as stated in 4. of the PD, the Mission will limit itself to a facilitating role, not least because of its limited resources.

From 2018, Denmark will become the largest donor to ITC's Window 1 (core funding), slightly larger than Sweden. The Mission has already started coordinating policy positions in ITC with Sweden (SIDA) to ensure maximum impact from Danish contributions. One recent example was Danish-Swedish coordination on ITC's T4SD work (sustainability standards for SMEs). SIDA is represented in the donors steering group in this area, having provided ITC with softly earmarked funds for it. Denmark will offer Sweden similar opportunities in the steering groups it participates in (on connecting to global value chains, NTMs and trade facilitation).

GATE

The Global Alliance for Trade Facilitation has sufficient funds to strengthen its secretariat in WEF and upscale its activities at country level. It also has a strong Steering Group consisting of demanding donors and private sector members.

At present, the Alliance discusses the number of countries it should engage in, the balance between poorer and richer, more commercially interesting program countries, the depth and width of engagement in each country and ways to ensure a consistent presence on the ground, including in coordination mechanisms with donors, the private sector and governments.

The Mission will work for:

- Priority given to countries with a number of C-category commitments under the Trade Facilitation Agreement (commitments which they require technical assistance and adequate time to implement)
- Among these, a good balance between countries with strong development needs and countries of commercial interest to Danish business (e.g. Zambia, Bangladesh, India and Nigeria)
- Sound use of lessons learnt and best practices from other agencies working in trade facilitation
- Adequate involvement on the ground, including from Danish embassies, in securing local government and private sector ownership to GATE TFA implementation projects (the Mission expects TC staff to be interested in promoting the TFA agenda)

- Flexibility in applying the width/depth approach. If the Alliance can achieve results in a particular country, it should be possible for it to engage itself for an extended period (with more width and/or depth).

ICTSD

Bearing in mind that ICTSD's management can be improved, the Mission will pay attention to a proper implementation of recommendations to this end from the recent Strategic Review. It will also prioritize ICTSD's handling of regional dialogues with developing countries, in particular LDC's, on topical trade policy issues.

Given ICTSD's limited resources, it may have to downscale slightly its work program for the next two years. The Mission will work to ensure the highest possible focus in ICTSD on issues of key importance to sustainable trade policies of the developing countries, in particular the LDC's.

STDF

The Mission has no recent experience with the Policy Committee of STDF. It will develop Danish policy views on the Fund's SPS work little by little. From the outset, however, the Mission will stress the need for STDF to ensure close coordination with donors on the ground as SPS standards and capacity building are likely to be dealt with in many bilateral programs for food and agri-business.

EIF

The biggest challenge ahead of EIF and its donors is whether the Fund should be extended with a Phase 3 after 2022. Management has improved, but it is still an open question if EIF's Tier 2 projects add value to LDC's trade policies and productive capacity on par with its Tier 1 work. To lay the ground for a decision on a possible Phase 3, a major evaluation exercise is likely to take place in 2019-20.

In EIF's donor group, the Mission will work to give evaluators a mandate to re-think the work and mission of EIF in order to ensure added value from a Phase 3 (which is likely to come because of demands from LDCs). EIF may have to focus on niches in Tier 2 work rather than accommodate a wide range of requests from LDC governments. One possible niche could be projects living up to certain catalytic requirements (leveraging action and/or funding from a broad range of donors/sources).

Overview of donor funding

Table [number]: Core Contributions to ITC by likeminded donor countries (2015–18)

	Core Contributions to ITC (USD)
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Donor	2015	2016	2017	2018 ¹³
Denmark	2.188.000	-	-	4.680.000 ¹⁴
Sweden	4.814.000	3.489.000	3.807.052	4.547.325
Norway	2.619.000	-	1.093.427	1.143.626
Finland	2.254.000	3.615.000	136.164	To be decided
Germany	2.853.000	2.868.000	4.260.770	3.444.000
Total	27.535.000	21.773.000	18.833.915	23.562.951

Table [number]: Core Contributions to EIF by likeminded donor countries (2015–18)

Donor	Core Contributions to EIF (USD)			
	2015 (pledged)	2016	2017	2018
Denmark	9.060.000	-	-	-
Sweden	11.090.000	-	-	-
Norway	18.380.000	-	-	-
Finland	10.880.000	-	-	-
United Kingdom	10.000.000	-	21.480.000	-
Germany	1.430.000	1.460.000	1.610.000	1.610.000
The Netherlands	470.000	-	-	-
Total	61.320.000	1.460.000	23.090.000	1.610.000

Table [number]: Core Contributions to GATF (through WEF; 2015–)

Donor	Core Contributions to GATF (USD)				
	Contractual	Comments	Disbursed	Remaining	Contractual

¹³ All ITC contributions for 2018 are approximate amounts as contributions shown on MoUs are in national currencies

¹⁴ This is an approximate amount of the committed contribution by Denmark for 2018 (MoU not signed yet).

	amount		to date	commitment	+ pledged
Denmark	1.747.059	Contract negotiated on a yearly basis	-	-	1.747.059 (5.241.177 in total in 2020)
Germany (BMZ)	-	BMZ Alliance funds are channelled to directly GIZ (implementing partner) for Alliance Projects	431.681	6.147.759	6.147.759
United Kingdom (DFID)	2.110.301	Contract 2015-2018, renewal expected	2.068.166	2.110.301	4.220.602
Australia (DFAT)	1.922.392	Contract 2015-2020	1.550.744	-	1.922.392
Canada (DFATD)	7.701.188	Contract 2015-2023	3.820.823	-	7.701.188
United States (USAID)	15.000.000	Contract 2015-2022, renewal expected	4.276.461	36.000.000	51.000.000
Total	27.163.682		12.147.875	44.258.060	71.421.742

Table [number]: Core Contributions to STDF by likeminded donor countries (2015–18)

Donor	Core Contributions to STDF (USD) ¹⁵			
	2015	2016	2017	2018
Denmark	411.638	-	-	665.546

¹⁵ All STDF contributions are approximate amounts, as they have been converted from CHF to USD.

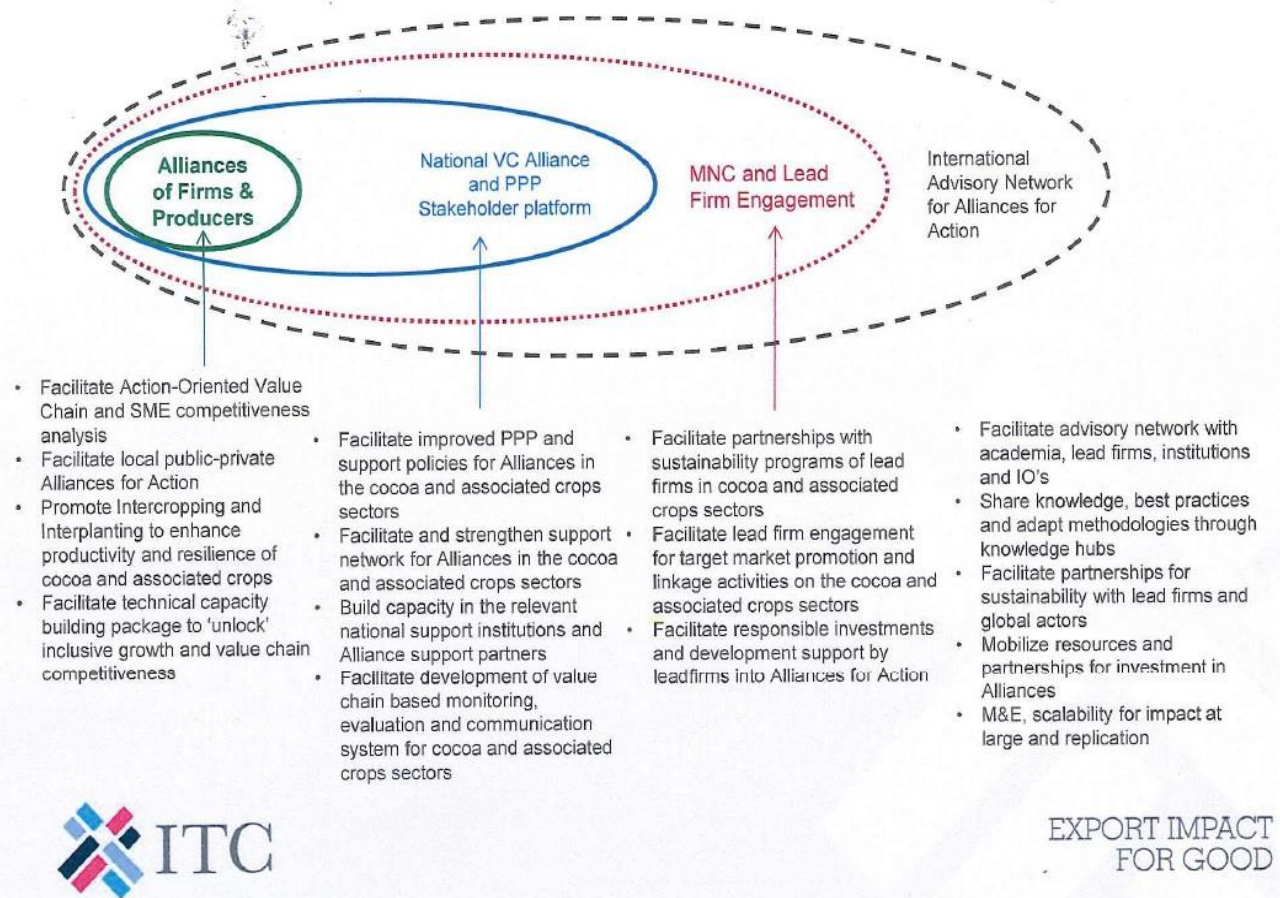
Sweden	1.161.395	1.213.258	1.169.379	N/A
Norway	478.031	484.588	494.272	N/A
Finland	585.204	-	-	608.812
United Kingdom	-	-	-	450.000
Germany	167.627	169.017	176.515	N/A
The Netherlands	900.393	900.394	898.493	N/A
Total	3.704.288	2.767.257	2.738.659	608.812

Table [number]: Core Contributions to ICTSD by likeminded donor countries (2015–18)

Donor	Core Contributions to ICTSD (USD) ¹⁶			
	2015	2016	2017	2018
Denmark	746.410	765.640	749.305	915.126
Sweden	1.658.770	2.486.207	1.294.128	N/A
Norway	464,734	464,464	-	N/A
Finland	573.608	-	-	N/A
United Kingdom	2.598.886	2.786.702	2.302.148	N/A
Germany	-	-	-	N/A
The Netherlands	1.247.827	1.612.895	1,576,424	N/A
Total	7.290.235	8.115.908	5.922.005	915.126

¹⁶ All ICTSD contributions are approximate amounts, as they have been converted from CHF to USD.

Alliances for Action Intervention Logic



Strategic Results Framework

Priority Area 1

Danish Priority Area 1: Connecting SMEs to global and regional value chains through value adding goods and services, supported by sustainable investment (ITC, STDF and WEF / ICTSD)				
	Organization	Measure	Target (2020 – 2018 or 2019 if indicated)	Comments
Global level	ITC	<p><i>Corporate indicator C3: Number of enterprises having transacted international business as a result of ITC's support</i></p> <p><i>Corporate indicator C4: Percentile share of enterprises that are owned, operated and controlled by women having transacted international business as result of ITC's support</i></p>	<p><i>6200 (2000/year in 2018 and 19, 2200/y in 2020)</i></p> <p>45%</p>	<p>Pls. refer to the overview of ITC's results framework in Annex 2. Indicator C1 (15,000 by 2019) complements indicator C3.</p> <p>Likewise, indicator C2 (50% in 2019) complements indicator C4.</p>
	STDF	<i>Enhanced effectiveness of SPS capacity building in developing countries</i>	<i>80% respondents highly satisfied and at least 3 annual collaborative, cross-cutting approaches to capacity building from STDF</i>	STDF was created as a "global hub" for the SPS community. For impact its small staff needs strong commitment from SPS partners and project

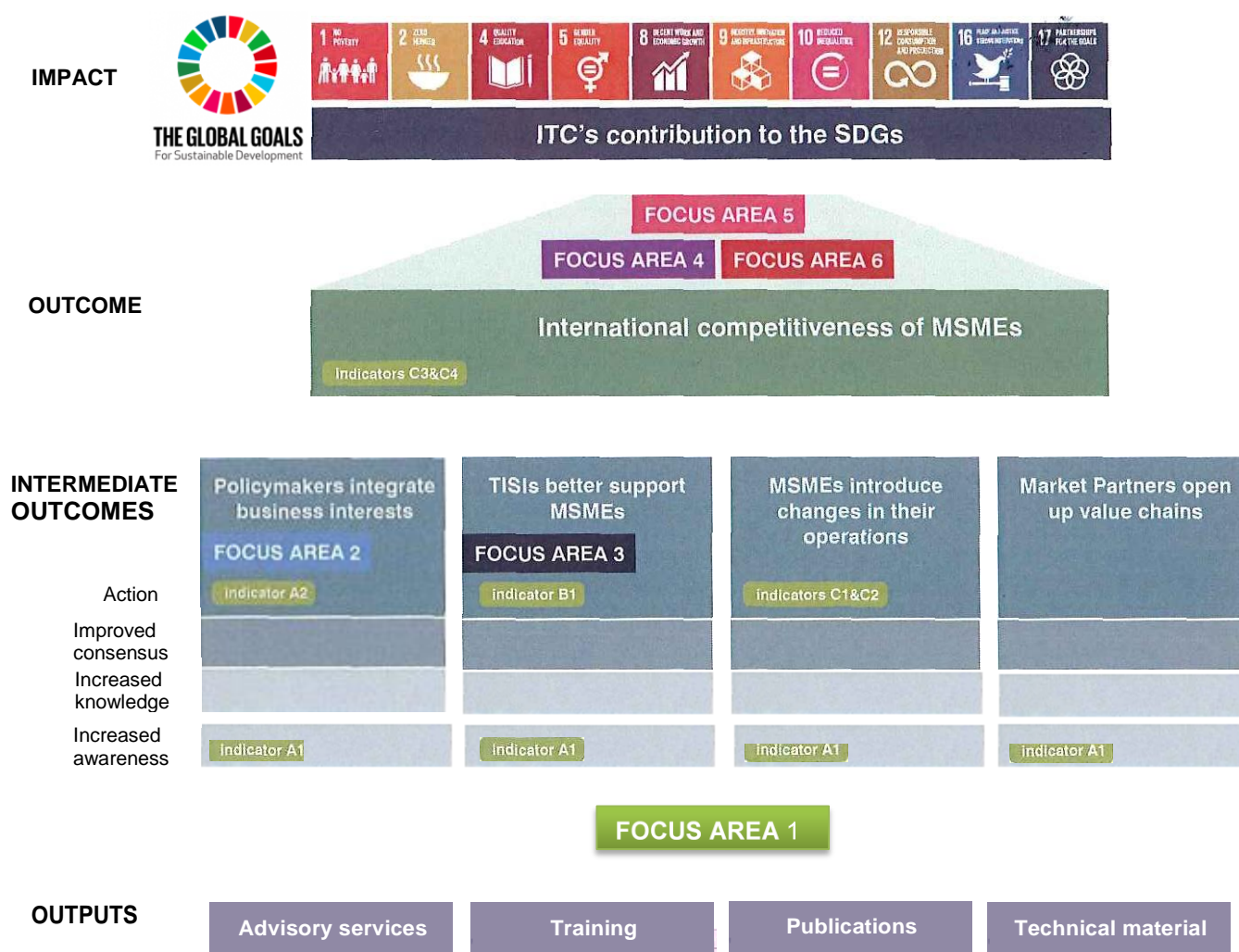
			<i>projects</i>	stakeholders
	WEF/ICSTD	<i>Local sustainable investment facilitation action catalysed</i>	<i>One annual action (pilot initiative)</i>	Pilot country in 2018 not chosen yet.
Country level	ITC – Ethiopia	<i>Upgrade competitiveness of EWiC member companies and reach a large number of smallholder families</i>	<i>20 companies / 4500 smallholder families (2018 - baseline this year: 13 EWiC member companies benchmarked for competitiveness through 2017)</i>	The Mission will update the target in 2019 and 2020. The ITC program is in accordance with Ethiopia's National Coffee Development and Quality Improvement Strategy (2016-2022). ITC works with specific criteria for SME competitiveness and farmer productivity.
	ITC - Ghana	<i>Contribute to inclusive growth in the cocoa, yam and associated crops sector through multi-stakeholder alliances for farmers and SMEs by 2020</i>	<i>50 SMEs / 3000 farmers (baseline 600 farmers in 2017)</i>	The mission will also update targets here. Additional funding i.a. from private sector contributions - Chocolats Halba/COOP and the Max Havelaar Foundation in Switzerland. Lessons learned from the Alliance for Action approach in Ghana will be implemented in Ethiopia.

Priority Area 2

Danish Priority Area 2: Reducing trade costs for SMEs through better management of NTM's, especially SPS standards, and implementation of the TFA Agreement (ITC, GATF, and STDF)

for Trade through ITC's and GATF's innovative projects and effective coordination with governments, donors and private sector				
	Organization	Measure	Target (2020 – 2018 if indicated)	Comments
Global level	ITC	<i>Further developing programmatic approaches for the full range of ITC intervention areas, including 1) integrating refugees and displaced persons in value chain work, 2) digital entrepreneurship for young people, 3) e-Trade for Impact, and 4) investment facilitation for SMEs</i>	<i>Shortfall in W2 funding for ITC program areas counterbalanced by W1 and regular budget funding, including areas 1)–4)</i>	ITC is considering indicators for funding development of its “toolbox” of interventions for SME competitiveness, but at present, only this proxy indicator is possible. ITC management follows the principle expressed by the measure, and for 2016-17 tables showing a relatively even allocation of funds across program areas from the regular budget, W1 and W2, confirm the target.
	GATF	<i>Percentage of Alliance countries in which collaboration among governments and the private sector on trade facilitation reform projects outside the Alliance intensified due to the Alliance engagement</i>	40 %	Reaching this target will not only depend on the effectiveness of GATF's implementing arm GIZ, but also on involvement from GATF donors and private sector members on the ground.

ITC Results Framework



CORPORATE INDICATORS

ITC measures its achievement of outcomes and intermediate outcomes through the listed corporate indicators. They are an integral part of ITC's Strategic Framework. Achievements against biennium targets are reported to the UN Secretariat. They are also reported to the ITC Consultative Committee of ITC's trust Fund (CCITF) as part of Tier 2 of ITC's Corporate scorecard (see Annex II).

ITC measures its contributions with corporate indicators

- A1:** number of clients reporting greater awareness of international trade as a result of ITC's support
- A2:** number of cases in which trade-related policies and-or strategies and-or regulations have been improved with business sector input as a result of ITC's support

- B1:** number of institutions reporting improved operational and managerial performance as a result of ITC's support
- C1:** number of enterprises reporting improved international competitiveness as a result of ITC's support
- C2:** percentile share of enterprises that are owned, operated and controlled by women reporting improved international competitiveness as a result of ITC's support
- C3:** number of enterprises having transacted international business as a result of ITC's support
- C4:** percentile share of enterprises that are owned, operated and controlled by women having transacted international business as a result of ITC's support

FOCUS AREAS

Each of ITC's six focus areas and related programmes emphasize different results in this theory of change. Yet they all build on the same logic and integrate ITC's expertise in the different areas to achieve the respective programme outcome objectives

FOCUS AREA 1

Providing trade and market intelligence

FOCUS AREA 2

Building a conducive business environment

FOCUS AREA 3

Strengthening Trade and Investment Support Institutions

FOCUS AREA 4

Connecting to international value chains

FOCUS AREA 5

Promoting and mainstreaming inclusive and green trade

FOCUS AREA 6

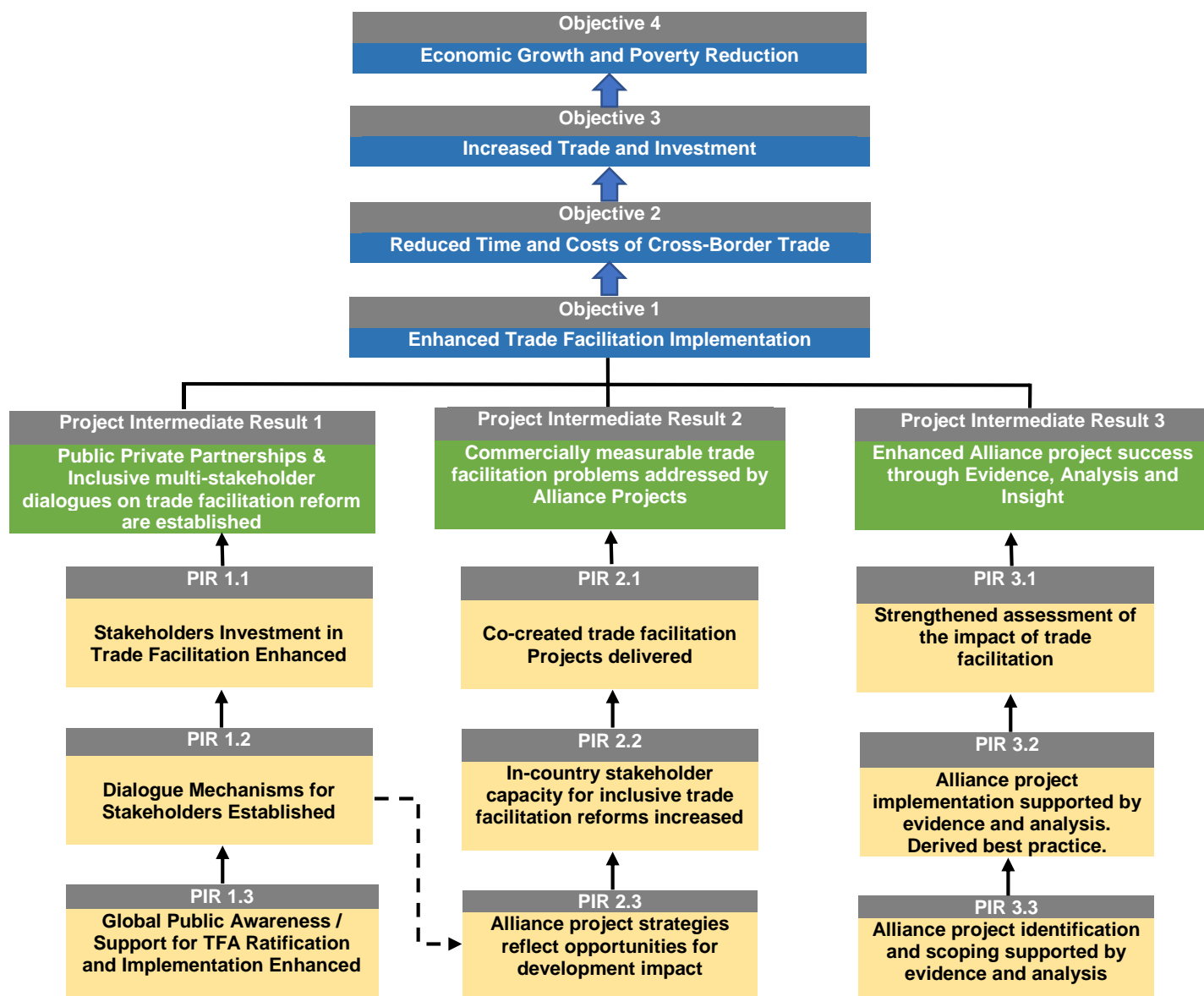
Supporting regional economic integration and South-South links

GATF Results Framework

The Results Framework represents the core foundation of the Alliance initiative and was initially formulated in July 2015 with the submission of the first Alliance proposal. A revised proposal was agreed upon in September 2016, with a further revision taking place in July 2017 as the initiative has evolved.

The main structure of the Results Framework remains unchanged and is built on three pillars referred to as Project Intermediate Results (PIRs). The PIRs are divided into sub-components which are specific activities to be performed in order to achieve the intended results. The PIRs support the delivery of the ultimate objective of the Alliance, namely contributing to the economic development of the countries it supports.

The Work Plan is built on the basis of the Results Framework.



Risk Management Matrix

Risk	Agencies affected	Danish/donors' mitigation measures
Insufficient core funds and/or lack of balance between core and earmarked funds	EIF, ICTSD, ITC	DK contribution to ITC will restore acceptable balance. Smaller extraordinary contributions EIF expected from various donors to cover the rest of Phase 2. ICTSD continues to have problems – partly to be addressed by new donors.
Insufficient leveraging/catalytic function of program (in ITC's case only to the extent that it has to cover gaps with the regular budget and core funds).	All supported agencies	See results matrix for ITC and GATF. Working in donor groups/policy bodies of STDF and ICTSD
Insufficient time devoted to coordination at country level	All supported agencies	The Mission will make this concern a policy priority in its work in governing bodies and donor groups

DONOR AGREEMENT

between

THE GOVERNMENT OF DENMARK

and

THE INTERNATIONAL TRADE CENTRE (ITC)

WHEREAS the International Trade Centre (hereinafter referred to as “ITC”), with headquarters at Geneva, Switzerland, is the joint technical cooperation agency of the World Trade Organization (WTO) and the United Nations (UN);

WHEREAS ITC in its aim to contribute to the achievement of the Millennium Development Goals, generates sustainable incomes and livelihoods especially for poor households, by connecting enterprises to global markets and enables small business export success in developing and transition countries by providing, with partners, inclusive and sustainable trade development solutions to the private sector, trade support institutions and policy-makers;

WHEREAS ITC aspires to hold up the values of vision, integrity, excellence, pragmatism and responsiveness;

WHEREAS the Government of Denmark (hereinafter referred to as the “Donor”) has adopted a new Strategy for Development Cooperation “The Right to a Better Life” (June 2012), which emphasizes that “Denmark will maintain its efforts to promote private sector-led economic growth and job creation” and - represented by the Permanent Mission of Denmark to the United Nations and other International Organizations in Geneva - has informed ITC of its willingness to make a financial contribution to ITC towards the ITC Trust Fund.

NOW, THEREFORE, ITC and the Donor (collectively, the “Parties”) have agreed as follows:

Article 1 Objective

1. The overall objective of this agreement is to support the realisation of the Millennium Development Goals in developing countries through the work of ITC. The agreement covers the extra-budgetary contribution from the Government of Denmark.

2. The mission of the ITC is to “enable small business export success in developing countries by providing, with partners, sustainable and inclusive trade development solutions to the private sector, trade support institutions and policymakers.”

3. The contribution constitutes official development assistance (ODA) under the OECD Development Assistance Committee (DAC) purpose code 331 Trade policy and regulations and trade related adjustment.

Article 2

Activities, outputs and indicators

1. The interventions of ITC are generally governed by the following documents that constitute the basis of this agreement:

- The Strategic Plan (currently 2012-2015)
- The Strategic Framework (currently 2012-2013)
- The Consolidated Programme Document (CPD) (2012-2013).

2. These documents are revised from time to time and/or redrafted annually for endorsement by the Joint Advisory Group.

3. ITC has three strategic objectives aimed at strengthening the international competitiveness of enterprises in developing countries, increasing the capacity of trade support institutions in those countries to support businesses and strengthening the integration of the private sector into the global economy through enhanced support to policy makers. The indicators of achievement on each of these objectives are included in the strategic framework, mentioned in paragraph above.

4. In addition to these general documents, ITC develops specific programmes and projects documents providing more detailed information on specific activities. One such programme document is the Trade, Climate Change and Environment Programme (2010-2013) to which the Danish International Development Agency (DANIDA) attaches particular importance.

Article 3

Contribution

1. The contribution of the Donor under this agreement is twenty seven million Danish kroner (Danish kroner 27.000.000) (hereinafter referred to as the “Contribution”) for 2012 and 2013. The Contribution shall be placed in the ITC Trust Fund, Window 1. Other donors are also expected to contribute to this trust fund.

2. The Contribution will be disbursed with an annual contribution of thirteen million five hundred thousand Danish kroner (Danish kroner 13.500.000) in each of the two years 2012 and 2013.

3. In light of the Danish priorities and following consultations with ITC, the contribution for 2012 is allocated towards the following activities:

- LDCs Accession: US\$100,000
(Ref. CPD 2012-13: page 22)
- Trade, Climate Change and the Environment
(Ref. CPD 2012-13: page 23) US\$1,000,000

The remainder of the 2012 contribution will be used to fund programmes and projects in developing countries, especially in Africa, in accordance with the CPD 2012-2013.

4. Any specific allocation of the contribution for 2013 will be determined by the Donor after consultation with ITC in early 2013 and agreed upon through an exchange of letters between the Parties which will become an integral part of this agreement. However, the Parties have already agreed that a considerable amount will be reserved for the Trade, Climate Change and Environment Programme. In addition, the Donor has indicated an interest in contributing to financing of the planned evaluation of ITC.

5. The Donor may later agree with ITC to contribute additional funding for ITC, which shall be governed in all aspects by this agreement unless otherwise agreed by the Parties.

Article 4 Disbursement

1. Upon request by ITC confirming the banking details, the Donor shall deposit the annual contribution, in convertible currencies of unrestricted use, into the ITC bank account as indicated below:

Bank Name:	UBS AG
Bank Address:	Rue du Rhone 8, CH-1211 Geneva 2
Account Name:	UNO ITC
Currency:	USD
Account Number:	240-C0590162.1
IBAN:	CH10 0024 0240 C059 0162 1
Swift Code:	UBSW CHZH 80A
Clearing code	240
Reference:	Danida 2012/2013

2. The accounts shall be kept in United States dollars and all financial accounts and statements shall be expressed in dollars.

3. ITC shall, upon notification of transfer of the annual contribution from the Bank, send a receipt to the Donor, indicating the amount received in United States dollars as well as the exchange rate used for the conversion.

Article 5

Expenditure

1. The Contribution shall be used to support the activities described in Articles 2 and 3 of this agreement.
2. The Contribution and activities financed therefrom shall be administered by ITC in accordance with the applicable United Nations regulations, rules, directives, ITC procedures and the ITC General conditions for the implementation of the ITC Trust Fund (ITF). Accordingly, personnel shall be engaged and administered; equipment, supplies and services purchased; and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.
3. Thirteen (13) per cent of all of expenditures from the Contribution shall be charged by ITC for programme support costs in the implementation of the project(s) financed by this Contribution.¹⁷ ITC provides programme support in a cost-effective manner. The UN is working towards reducing the programme support costs.
4. Any exchange gains and annual interest earned on the cash balance of the Contribution shall be transferred to the ITC Operating Reserve until such time the ITC Operating Reserve is maintained at the level of fifteen percent of the estimated annual expenditures¹⁸. Thereafter, any exchange gains or interest attributable to the Contribution shall be disposed of in consultation with the Donor.
5. Ownership of equipment, supplies and other property financed from this Contribution through the ITC Trust Fund shall vest in ITC. On the termination or expiration of activities financed from the ITC Trust Fund, ownership shall be determined in accordance with the provisions of the programme or project document. If not specified, ownership will be transferred to the beneficiary/beneficiaries of the projects/programmes or written-off by ITC if the transfer is not cost-effective.

¹⁷ According to [UN General Assembly Resolution, A/35/217, 17 December 1980](#), p.248/249, paragraph V, the General Assembly "Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions on agency support costs" and "Approves the reimbursement formula embodied in decision 80/44 of 27 June 1980 of the Governing Council of the United Nations Development Programme".

¹⁸ See the minutes of the 36th meeting of the Consultative Committee of the ITC Global Trust Fund on 14 May 2008.

Article 6

Annual consultations

1. The Parties will meet for annual consultations at high level in order to review implementation of the agreement and the performance of the ITC as well as Danish policy priorities with regard to ITC. Consultations will be planned jointly and take place at an appropriate time for both Parties, preferably in the first half of the year.
2. Monitoring and evaluation of the activities financed from this Contribution, including joint evaluation by ITC and the Donor, shall be undertaken in accordance with the ITC's normal practice. The Donor may at any time request an evaluation of specific activities financed from the Contribution.

Article 7

Accounting requirements

1. Except where otherwise provided for by the present agreement, accounts shall be kept in accordance with the General Guidelines on Multilateral Aid of Danida provided by the Donor, and as long as it is not conflicting with United Nations Financial Regulations and Rules and related procedures, as stipulated in Article 5, paragraph 2.
2. The accounts shall be drawn up to the same level of detail as the budget of ITC and in accordance with the applicable United Nations Financial Regulations and Rules and standard United Nations accounting procedures. The total Contribution cannot be exceeded and shall be used for agreed purposes only.

Article 8

Financial reporting requirements

1. ITC shall provide the Donor with the following statements and reports prepared in accordance with the United Nations accounting and reporting procedures:
 - a. A biannual report on the ITC Trust Fund showing contributions to the ITF windows by time period and by donor; as well as the income and expenditure status and funds balance by windows over the time period, and as of 31 December of a given biennium.
 - b. An audited financial statement for ITC for a given biennium and an unaudited interim financial statement for the first twelve months of the biennium.
2. The statements shall clearly state the Contribution made by the Donor as well as the unspent balance of the ITC Trust Fund at the time of reporting. The statements shall be certified by the responsible authority.

3. The Donor is entitled to request from the organization all information relevant to the implementation and progress of activities financed from the Contribution of the Donor.

4. ITC is obliged to immediately inform the Donor if any changes or irregularities in the management of funds are foreseen or have occurred.

Article 9

Audit requirements

All Contributions to ITC shall be subject exclusively to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the United Nations. The United Nations Board of Auditors carries out external audit of the accounts of ITC and reports findings and recommendations to the United Nations General Assembly. The Donor may request a copy of any audit reports and recommendations. The Auditor-General of the Donor cannot request access to accounting material relevant to the Contribution of the Donor.

Article 10

Acknowledgement

ITC shall make an appropriate acknowledgment in publications, speeches, press releases and other project-related documents of the Donor's Contribution. In the absence of the consent of the other party, neither party may otherwise refer to the Contribution or to the relationship between the Parties in any material of a promotional nature. The Donor is entitled to make reference to its donations in its internal documents and in its annual reports.

Article 11

Anti-corruption and child labour

1. No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, including tendering, award, or execution of contracts. Any such practise could be grounds for the immediate termination of this agreement following consultation between the parties and for such additional action, civil and/or criminal, as may be appropriate, also taking into account ITC legal status as an international organization enjoying privileges and immunities by the Convention on the Privileges and Immunities of the United Nations adopted by the General Assembly of the United Nations on 13 February 1946. At the discretion of the Donor, a further consequence of any such practise can be the definite exclusion from any projects funded by the Donor.

2. ITC shall provide a short annual report on its efforts to prevent and combat corruption as well as on any incidences of corruption occurred during the previous year detected by ITC itself, the United Nations Office of Internal Oversight

Services or any partner of ITC. This may be included in the ITC Annual Report or prepared separately.

3. ITC shall abide by the local laws and adhere to the principles contained in the UN Convention on the Rights of the Child and applicable International Labour Organisation conventions.

4. ITC shall ensure that no one under 14 years of age or the age of the end of compulsory schooling in that area, whichever is lower, is engaged by ITC.

5. All agreements between ITC and non state actors contain a provision that the non state actor confirms that it is not complicit in human rights abuses, it does not tolerate forced or compulsory labour or the use of child labour, it is not involved in the sale or manufacture of anti-personnel mines or their components, is committed to the protection of the environment, and works against all forms of corruption, including extortion and bribery. All ITC procurement contracts contain a provision forbidding child labour.

Article 12

Entry into force

This agreement shall enter into force upon signature by both Parties. It shall remain in force until 31 December 2013 or until such time it is replaced by a new agreement between the Parties. ITC shall commence and continue to conduct operations under this agreement on the receipt of the Contribution upon countersignature of this agreement.

Article 13

Termination

1. Without prejudice to the provisions of Article 11, paragraph 1, each party is at liberty to terminate it at any time, after furnishing to the other party a notice of termination, in writing, three (3) months in advance of the date on which the party furnishing such notice wishes to have the agreement terminated, subject to the continuance in force of Article 15 for the purposes there stated.
2. Before a decision to terminate the agreement is made there shall be consultations between the Parties.
3. This agreement may be amended by agreement of the Parties in writing. Amendments may not apply to pending and ongoing projects unless both Parties expressly agree to it in writing.

Article 14

Dispute clause

Any dispute relating to the interpretation or application of this agreement shall, unless amicably settled, be subject to conciliation. In the event of failure of the latter, the dispute shall be settled by arbitration. The arbitration shall be conducted in accordance with the modalities to be agreed upon by the Parties, or in the absence of agreement, with the rules of arbitration of the International Chamber of Commerce. The Parties shall accept the arbitral award as final.

Article 15

Remaining funds

1. On closure of the ITC Trust Fund, the funds will continue to be held by ITC until all commitments entered into by ITC have been satisfied from such funds; thereafter, any balance remaining in the ITC Trust Fund shall be used for a purpose consistent with the intent of the original contribution as determined by ITC and reported.
2. By terminating this agreement, the Donor may cancel all or part of the Donor's pro rata share of any remaining balance of the ITC Trust Fund, Window 1 that is not committed pursuant to any agreements entered into between the ITC and any consultant and/or other third parties for the purposes of activities financed from the ITC Trust Fund prior to the receipt of notice under Article 13. In the event of cancellation of an individual donor's pro rata share of uncommitted ITC Trust Fund, Window 1 funds, ITC shall return such cancelled balance to the Donor on a pro-rata basis, unless otherwise decided by the Donor at that time.

Article 16

Contact information

All notices, requests, reports and other communication related to the implementation of this agreement shall be addressed to:

For ITC:

Robert Trocmé
Senior Executive and External Relations Officer
Office of the Executive Director
International Trade Centre
Palais des Nations
1211 Geneva 10
Switzerland
Tel: +41 22 730 06 14
Facsimile: +41 22 730 05 75
E-mail: trocme@intracen.org

For the Donor:

Sofie H. Flensburg

Attaché
Permanent Mission of Denmark
Rue Moillebeau 56
1211 Geneva 10
Tel: +41 22 918 00 40
Facsimile: + 41 22 918 00 66
E-mail: soffle@um.dk

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present agreement in two (2) copies on the date(s) herein below indicated.

At Geneva, on

At Geneva, on

**For and on behalf of the International
Trade Centre:**

**For and on behalf of the Government
of Denmark:**

.....
**Patricia Francis
Executive Director
International Trade Centre**

.....
**Steffen Smidt
Ambassador,
Permanent Representative
Permanent Mission of Denmark**

Inklusiv, bæredygtig vækst: Handelsrelateret bistand (Aid for Trade - AfT) gennem WTO-systemet i Genève - synergi med den øvrige danske bistand

Handelspolitik og handelsrelateret bistand (AfT) i SDG'erne

- Handel og WTO-systemet spiller en fremtrædende rolle i SDG'erne (SDG 17.10, 17.12, 2.b, 3.b, 10.b og 14.6). Det samme gør forskellige aspekter af AfT (delmål i SDG 8, 9, 10, 14, 15 og 17). Området er vævet sammen med de øvrige privatsektor-komponenter som erhvervsmiljø, infrastruktur, industrialisering med eksportpotentiale, social og miljømæssig bæredygtighed, osv.
- Det bekræfter at udviklingsorienteret handelspolitik og AfT er en uundværlig komponent i inklusiv, bæredygtig vækst (frihandel alene gør det ikke).
- Derfor indgår AfT også i de (fleste) danske vækst- og beskæftigelsesprogrammer samt i privatsektor-programmer hos andre multilaterale aktører som EU, Verdensbanken, IFC og de regionale udviklingsbanker.

WTO og AfT i WTO-systemet. Global Alliance for Trade Facilitation (sekretariat hos World Economic Forum)

- Udviklingsdimensionen er en del af WTO's DNA. Den indbygges i alle multilaterale WTO-aftaler og understøttes af WTO-systemets AfT. Hvis udviklingsdimensionen ikke fungerer, forsvinder tilliden til det multilaterale handelssystem, og det bliver umuligt at indgå nye aftaler, endsige overholde de nuværende. Prøvestenen fra 2017 og i de kommende år bliver WTO's globale handelsletelsesaftale (Trade Facilitation Agreement – om reduktion af handelsomkostninger ved grænserne), som trådte i kraft i år, og som har særligt stor betydning for udviklingslandenes handel.
- WTO-aftalerne (GATT, mv.) og AfT har fokus på udviklingslandene og særligt på LDC'erne. Siden etableringen af WTO og AfT-programmet i WTO-regi har det været en konsekvent dansk politik, aktivt støttet af Folketinget, at hensynet til LDC'erne prioriteres højt i såvel nye handelspolitiske aftaler som i AfT. Derfor har Danmark, ligesom de øvrige like-mindede donorer, været en stabil donor til AfT.
- WTO-systemets komparative fordele i AfT kan sammenfattes således: Globalt perspektiv og faglig ekspertise på centrale indsatsområder for udviklingslandene (f.eks.

implementering af multilaterale handelsaftaler, handelsvilkår for SMV'er, prioritering af eksport og handel i den økonomiske politik, handelslettelse og håndtering af internationale produktstandarder).

- ITC, oprettet i 1964, har fælles ejerskab ved WTO og FN og har været støttet fra dansk side i en årrække som AfT's SMV- og eksport/-værdikædespecialist. Organisationen er særlig derved at den arbejder "fra markedet og nedad". Med udgangspunkt i efterspørgsel på f.eks. det europæiske marked bidrager den til at skabe et dertil svarende udbud af produkter og services i udviklingslandene – og forbinde købere med sælgere. ITC arbejder især inden for landbrug, turisme, lettere industri og tjenesteydelser, ikke mindst IT/e-handel.
- I evalueringer (senest i 2014) og donorvurderinger fremhæves ITC's tekniske ekspertise og evne til kapacitetsopbygning i alle led af værdikæden som dens største aktiv. EU og DFID, som begge samarbejder tæt med ITC, peger endvidere på dens evne til at gennemføre innovative projekter, der kan skaleres op, og til formidling af offentlig-privat dialog om erhvervslivets rammevilkår med afsæt i SMV'ernes konkrete erfaringer.
- Global Alliance for Trade Facilitation (GATF), startet på initiativ af World Economic Forum i 2015 og med WEF som sekretariat, er et offentligt-privat partnerskab for handelslettelse med Mærsk og DHL som danske virksomhedsmedlemmer. GATF er foreløbig aktiv på landeniveau i Colombia, Ghana, Kenya og Vietnam. GATF's force er den vægt den qua sine store donorer og multinationale virksomheder kan give offentligt-privat samarbejde om handelslettelse på landeniveau. Mærsk har en særlig rolle i GATF som leverandør af data om forsinkende toldbehandling, uigennemskuelige procedurer, mv. Samarbejdsmodellen er en parallel til det dansk-støttede SDIP (Sustainable Development Investment Partnership) på investeringsområdet.
- Med hensyn til ICTSD's komparative fordele henvises til missionens AfT-oversigtsdokument af 24. marts, tidligere indsendt. ICTSD har været bl.a. været nyskabende ved at formidle dialog om handel og bæredygtig udvikling og til at bringe den fjerde industrielle revolution ind i WTO-miljøet gennem et uformelt samarbejde med World Economic Forum. ICTSD formidler endelig regelmæssige handelspolitiske dialoger på regionalt niveau i udviklingslandene.

Eksempler på synergi med dansk bistand på de tre foreslåede programområder

Connecting to global value chains (ITC):

1. Landeniveau

- Ghana: Alliances for Action, værdikæde-program for kakao, yams og tilsvarende afgrøder med fokus på småbønders produktion. Synergi med det danske privatsektorprogram Rural Development Fund.
- Kenya: ”Hot tea”, tilpasning af Kenyas te-sektor til klimaændringerne (energy and fuel efficiency, water resource management). Finansieret af Danmark og Norge. Synergi med ambassadens Green Growth and Employment Program.
- Uganda: Samarbejde med bl.a. Danmark (inkl. dansk landbrugsforskning) i ITC Working Group at the Donor Committee for Rural Development om udvikling af markedsegnet produktion i landbruget og markedsføring/salg heraf. Synergi med det danske AgriBusiness Initiative.
- Bangladesh: Omfattende eksport-program for SMV’er inden for IT-industrien, særligt ved outsourcing. Finansieret af Nederlandene. Synergi med ambassadens/VBE’s (tidligere?) prioritering af IT-industrien, bl.a. gennem B2B-programmet. Har ifølge evaluering til dels omformet industrien i landet (fra et lavt udgangspunkt) på grund af nye eksportmuligheder (USA, UK, Danmark og Nederlandene er de primære eksportmarkeder).
- Myanmar: Design af den nationale eksportstrategi og igangsætning af opfølgende implementering, inkl. værdikædeprojekter. Finansieret af EU og BMZ. Synergi med den danske programkomponent Myanmar Enterprise Monitoring System.
- Afghanistan: Også design af den nationale eksportstrategi samt opfølgning heraf (bl.a. med kapacitetsopbygning af erhvervsorganisationer og SMV’er). Finansieret af EU. Synergi med det danske Thematic Programme for Growth and Employment.
- Palæstina: ITC står for markedsføringen på mulige eksportmarkeder i det dansk-finansierede FAO-program Enhancing sustainable economic growth through agricultural value chain development.

2. Regionalt

- Gennem sine PACT-programmer (Program for Building African Capacity for Trade) i de regionale samarbejdsorganisationer i henholdsvis Vest- og Centralafrika og Øst- og Sydafrika (bl.a. inden for industrier som tøj/tekstiler og lædervarer) arbejder ITC komplementært i forhold til den dansk-støttede African Guarantee Fund.
- ITC understøtter (indirekte) med sit omfattende SME-konsulentprogram for finansiell rådgivning, fødevarer sikkerhed og kvalitetskontrol i Uganda, Kenya og Tanzania de danske landbrugs-/vækst – og beskæftigelsesprogrammer i de tre lande.

3. Globalt

- ITC er på linje med IFC i sit SME Ventures Program aktiv i en række lande ramt af konflikt og skrøbelighed (f.eks. Afghanistan, Palæstina og Somalia) og yder en rådgivningsservice på linje med IFC's (men ikke en tilsvarende virksomhedsfinansiering).
- IFU: Muligheder for synergi med Danish Agribusiness Fund og The Arab Investment Fund.
- ITC arbejder ligesom IDH aktivt med bæredygtighed i værdikæder, men integreret i den samlede værdikædeindsats som en del af produktudvikling og markedsføring, inkl. kvalitet, sikkerhed og tekniske standarder. ITC's fokus er kommerciel levedygtighed og "market penetration" (f.eks. "ethical fashion", bæredygtige fødevarer), mens IDH's er bæredygtighed (med afledt kommerciel slagkraft).

Trade facilitation og Non-Tariff Measures (ITC og GATF)

- Overskriften på begge områder er store handelsomkostninger som rammer de mindst udviklede lande og SMV'er hårdest. Inden for den danske bistand er der mest synergi med Trade Mark East Africa hvor begge temaer er prioriterede indsatsområder. Derudover virker handelsomkostninger på trods af deres bremsende og fordyrende virkning på handel og eksport ikke særligt prioriteret i danske programmer. Det kan dansk støtte til ITC og GATF afhjælpe.
- Der er en yderligere vigtig synergi-virkning i støtte til trade facilitation og NTM-arbejde: Reducerede handelsomkostninger hjælper dansk erhvervsliv. Det er derfor Mærsk er engageret i GATF. Her agiterer Mærsk sammen med DHL for at GATF også arbejder med NTM's (de såkaldte "behind the border issues"), selv om NTMs ikke umiddelbart er en del af Trade Facilitation Agreement.

Nyere programområder for ITC

- ITC er globalt aktiv inden for digitalisering/e-handel. I Marokko har ITC f.eks. med EU-finansiering skabt en stor e-handelsplatform for SMV'er der fremmer eksport til Europa (og hæmmer migrationen). ITC har et tilsvarende migrationsbegrundet projekt i Gambia med fokus på unge. Digitalisering spiller også en fremtrædende rolle i ITC's trade facilitation- og NTM-arbejde (single windows).
- Udover den obligatoriske mainstreaming er der en række ITC-programmer og -indsatser med et særligt kvindefokus - DFID finder ITC's "She Trades"-program nyskabende. ITC er i gang med at udvikle sit "Youth and Trade"-program i "Innovation Lab" (se nedenfor), og et globalt netværksprogram for unge entreprenører forventes at blive iværksat i løbet af efteråret.

- ITC's "Innovation Lab", der indgår i forskellige internationale innovationsnetværk, især med den private sektor, arbejder løbende med programudvikling, bl.a. med mobilteknologi og nye software-programmer for oprettelse af internetbaserede SMV'er i flygtningelejre og med den fjerde industrielle revolution. Her ser man især på konsekvenserne af 3D-printing og AI for globale værdikæder.

FN-Missionen Genève, den 11.5.17