

**ITC's contribution to the implementation of the Brussels
Programme of Action for the Least Developed Countries**

Comprehensive mid-term review (MTR): 2001-2005

Over the years, International Trade Centre's (ITC) technical focus remained on helping Least Developed Countries (LDCs) in setting up export development strategies, facilitating dialogue between the business sector and governments, strengthening national trade support institutions, and helping Small and Medium-Sized Enterprises (SMEs) gain competitiveness.

A. ITC's contribution to the Brussels Programme of Action focused mainly on Commitments:

- 4: **"Building productive capacities to make globalization work for LDCs"** by:
 - addressing supply capacity weaknesses;
 - strengthening trade-related institutions and
 - promoting public-private partnerships.
- 5: **"Enhancing the role of trade in development"** by:
 - helping LDCs benefit from broader market access (multilateral trading system);
 - developing human capacities for trade development;
 - providing specific functional advisory services to Trade Support Institutions and
 - promoting export diversification.

1. ITC played an important role in the context of the **Integrated Framework (IF)** initiative. It brought, over the years, its support to the elaboration of the Diagnostic Trade Integration Studies (DTIS) of 20 countries via contributions to the definition of the studies' concept notes, notably in Benin, Burundi, Cambodia, Chad, Djibouti, Eritrea, Guinea, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Rwanda, Sao Tome and Principe, Senegal, United Republic of Tanzania, Yemen and Zambia.

ITC has also provided a solid contribution to the LDCs by providing inputs for the preparation of trade-related technical assistance (TRTA) projects flowing from the DTIS and its Action Matrix. Several of these projects have been funded by the Window II of the IF Trust Fund (IFTF WII):

- Burundi: establishment of a quality management system, export development of essential oils, the upgrading of a PVC pipe production unit and the drying of fruits and vegetables for export purposes;
- Cambodia: capacity building for pro-poor trade reforms and trade-related technical assistance for development and equity;
- Djibouti: development of the tourism sector as well as the strengthening of trade support institutions;
- Guinea: development and promotion of agro-based export products, the strengthening of institutional capacities for both effective participation in the multilateral trading system and export development (i.e. the reinforcement of trade support institutions);
- Haiti: export development of mangoes;
- Lesotho: development of products and markets for mushrooms and peaches;
- Malawi: strengthening of local capacities in the areas of standardization, quality assurance, accreditation and metrology (SQAM) and enhancing trade integration, dispensing trade policy advisory services and providing capacity building to the Ministry of Commerce and Industry;
- Mauritania: strengthening of the capacity of the Direction de la Promotion et du Commerce Extérieur (DPCE) as well as the creation of an IF trade information centre;
- Nepal: development of an export credit matching grant scheme;
- Rwanda: development of the production of essential oils;

- Senegal: development of community-based tourism and IF institutional strengthening.

In partnership with the Agence Intergouvernementale de la Francophonie (AIF), support was provided to 19 African LDCs to enhance their capacity to participate in the IF initiative and to develop specific trade support services. The following LDCs have benefited from this initiative: Burundi, Cambodia, Cape Verde, Chad, Comoros, Djibouti, Equatorial Guinea, Guinea, Haiti, Lao People's Rep, Madagascar, Mali, Mauritania, Niger, Central African Republic, Rwanda, Sao Tome and Principe, Senegal and Togo.

2. Angola, Burundi, Central African Republic, Chad, Congo D.R., Equatorial Guinea, Sao Tome and Principe benefited from a **sub-regional project aimed at the economic integration of Central African States (ECCAS)**.
3. Over the years, the following LDCs benefited from the **Joint Integrated Technical Assistance Programme (JITAP)**, a programme which aims at strengthening their capacity to understand, integrate and derive benefits from the multilateral trading: Benin, Burkina Faso, Malawi, Mali, Mauritania, Mozambique, Senegal, Tanzania, Uganda, and Zambia. As part of JITAP II, support was extended to partner countries to implement priority initiatives included in strategies designed under JITAP I. For example, support was provided to:
 - Benin with the objective of helping the country gain greater knowledge of the market potential for cashew nuts;
 - Burkina Faso to assist exporters meet the oilseeds quality and packaging requirements; and
 - Uganda in order to enhance the supply capacity for silk and horticultural products. Another initiative targeted the reinforcement of their promotional activities for horticultural products through the creation of product profiles and a new website.

Synergies were sought in the countries where both the JITAP and IF initiatives are carried out. A continued exchange of information takes place among the staff responsible for each programme and country in ITC, UNCTAD and WTO.

4. To reduce LDCs dependence on a narrow production and export base, as stressed by paragraph 42 of the Doha Ministerial Declaration, ITC continued to strengthen **LDCs supply-side capacities** by helping with product development and certification, the identification of new market opportunities and the formulation of export strategies.
 - a) In the period under review, export strategies at the **sector-level** were designed for a number of labour-intensive products with high export potential, such as in:
 - Bangladesh for the leather and horticulture sector;
 - Benin for cassavas, horticulture, shrimp, cotton;
 - Burkina Faso for hides and skins and animal production;
 - Burundi for essential oils;
 - Cambodia for Silk;
 - Gambia for horticulture and fishery;
 - Haiti for mangoes;
 - Malawi for cotton, ginning, textiles and garments;
 - Mali for shea nut butter, sesame and Gum Arabic;
 - Mauritania for hides and skins;
 - Mozambique for oilseeds and wood products;
 - Senegal for light manufacturing;
 - Tanzania for green beans, textiles, gem, spices and fishery;
 - Togo for precious wood articles;
 - Uganda for apiculture, spices, handicrafts, silk and grains and services;
 - Zambia for horticulture.

ITC devoted increasing resources to analysing markets and business practices of a number of sectors of high interest to LDCs, including organic food, bio-diversity products and medicinal plants. Field-level advice was given on farming practices, processing and storage

techniques, packaging and export marketing of organic spices, herbs, essential oils and honey.

To support this export development work, a number of market orientation tours for exporters were organised. This initiative resulted in concrete business opportunities for SME exporters from Benin, Burkina Faso and Senegal. For example, export of meat from Burkina to Ghana, export of textile furnishings to Canada and of exotic fruits to North Africa.

- b) Regarding **cotton**, ITC assisted Malawi in the development of an export strategy covering all the products of the value chain. In Mali, a Subcommittee on Cotton was created, involving all stakeholders from the public and private sectors. ITC elaborated a detailed outline for an Exporter's Guide on Cotton, which is scheduled for implementation in 2006.
 - c) Regarding the market for **textiles and clothing**, ITC adopted a new approach to delivering support to the sector, in particular to address LDCs needs. This new approach combined industry-level briefings on the phasing out of the quota system with a broader programme of advisory and training services targeting sector-level competitiveness. Accordingly, national action plans were developed in Cambodia, Lesotho, Malawi and Nepal, covering issues such as supply chain management, productivity improvement, product development and fashion-orientation, marketing and performance benchmarking. Through workshops in Madagascar and Mozambique about 200 managers of clothing companies were advised on the practical implications and measures for improved competitiveness in the post-2004, quota free scenario.
 - d) Between 2001 and 2005, ITC supported the design of a number of **National Export Strategies**. While the process has been completed in Cambodia, Malawi and Zambia, the formulation phase is still underway in Lao PDR. A national export strategy project has also been formulated for Benin, Burkina Faso and Uganda.
 - e) Over the years, **market analysis tools** providing trade information and market intelligence were provided to countries such as Chad, Madagascar, Mozambique, Sierra Leone and Senegal. In the future, training activities will be increased to ensure national-wide use and dissemination of such information tools.
 - f) Nationally adapted versions of "**Trade Secrets: The export answer book**", on export related issues of interest to SMEs were produced in Angola, Benin, Burkina Faso, DR Congo, Ethiopia, Haiti, Senegal and Zambia.
5. ITC has also contributed to multilateral trade support advocacy and the promotion of public-private partnerships.
- a) The coverage of the **World Trade Net programme** was expanded between 2001-2005 to strengthen the LDCs business community's preparation and participation to the different Ministerial Conferences (Doha, Cancun and Hong-Kong). For example, in September 2003, ITC organized two regional consultations in LDCs as a lead-up to the WTO Ministerial conference of Cancun, namely in Bangladesh and Senegal. Approximately 300 senior business executives, key government decision-makers and trade negotiators from LDCs participated in the event, entitled "Business for Cancun". The World Trade Net programme reinforced private-public sector consultations on WTO-related issues. The focus was maintained on providing information and training on the business implications of WTO negotiations in the key sectors of agriculture, non-agricultural market access, services, trade facilitation, GOs, TRIPS, Public Health and implementation issues. Beneficiary LDCs were Bangladesh, Bhutan, Cambodia, Haiti, Lesotho, Malawi, Mozambique, Nepal, Senegal and Zambia. The World Trade Net sponsored through its grants scheme the use of tools such as Market Access Maps and Trade Maps. The programme will be further expanded to other LDCs in 2006.
 - b) ITC's projects on a **better understanding and negotiation of the WTO's General Agreement on Trade in Services (GATS)** helped strengthen services trade expertise in

the client countries, provided comprehensive information about the client's services market, and helped identify negotiation options in consultation with services experts. Such activities were organised in Bangladesh, Djibouti, Mozambique and Rwanda.

- c) **Regional Executive Forums on National Export Strategies** organized by ITC allowed for a large number of strategy teams from LDC countries to participate in the debate, which concentrated between 2001 and 2005 on the following themes: "*Export of Services: Hype or High Potential- Implications for Strategy-Makers*", "*Competitiveness through Public-Private Partnership: Successes and Lessons Learned*", "*Export Strategy in a Changing Business Environment*", "*Managing Competitive Advantage: The Values of National Strategy*" and "*Is Your Trade Support Network Working?*". These events supported the global and regional networking among public sector strategy-makers and leading representatives of the export community from Angola, Bangladesh, Benin, Burundi, Cambodia, Congo, Eritrea, Ethiopia, Gambia, Haiti, Laos, Lesotho, Madagascar, Mali, Malawi, Mozambique, Senegal, Tanzania, Tuvalu, Uganda and Zambia. Best practices in the design and management of national export strategies were shared.
 - d) 2003 saw the completion of the **Capacity Building and Networking** for business information programme. Training and network strengthening programmes were organized during the year and benefited 10 information officers from LDCs. National-level training was also conducted in Gambia, Nepal and the United Republic of Tanzania.
 - e) ITC adapted and updated tools for credit evaluation, credit insurance and credit guarantees that were introduced at field level in Uganda and the United Republic of Tanzania. With ITCs assistance, partners in Angola, Benin and Ethiopia prepared their own national version of the guide for SMEs "**How to Approach Banks**".
7. A number of other ITC programmes contributed to the implementation of the Brussels Programme of Action for the Least Developed Countries.
- a) Under the **South-South Trade Promotion programme** a sizeable amount of intra- and inter- regional business was generated. Between 2001 and 2005 a number of enterprises issued from high potential sectors from the following LDCs attended the buyers-sellers meetings: Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Congo D.R., Equatorial Guinea, Ethiopia, Guinea Bissau, Lao PDR, Lesotho, Madagascar, Malawi, Mali, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sudan, Tanzania, Togo, Uganda and Zambia. The buyers/sellers meetings covered areas such as covering leather, textiles and clothing, publishing and printing industries, pharmaceuticals, foodstuff and emergency articles. Growing attention is paid under this programme to ensure the participation of SMEs from LDCs.
 - b) The **Export Led Poverty Reduction Programme (EPRP)** was launched in 2002 to enable poor communities to integrate the export value chain so as to improve the revenues of pauper communities. A number of export-led poverty reduction projects were launched, notably in Cambodia, Burundi, Ethiopia, Guinea, Malawi, Mauritania, Mozambique, Rwanda and Zambia. The EPRP also contributed to the training of local institutions and partners, thus encouraging them to replicated good EPRP practices at the national level (Cambodia and Ethiopia).
 - c) With respect to increasing the efficiency and transparency of **public procurement** in LDC economies, ITC maintained an active field-level programme in Africa, with assistance being provided to Gambia and Guinea- Bissau through advisory services and training events.
 - d) In 2001, ITC launched its **e-facilitated trade development strategy** to respond to the need for e-trade capacity building support. In this regard, a number of initiatives were launched, including awareness building in e-purchasing, e-promotion and e-information. Programmes such as **Bridging the use-divide** and the **E-Trade Bridge** resulted in the

e-competency development of a number SMEs and national centres from LDCs, notably in Angola, Bangladesh, Burkina Faso, Cambodia, Burkina Faso, Mauritania, Nepal, Senegal, Tanzania, Uganda.

B. ITC also addressed the following objectives targeted by the Brussels Programme of Action commitments:

- 2: "Gender equality and women advancement policies" and
- 6: "Reducing vulnerability and protecting the environment"

1. In its 2001 strategy **Gender Mainstreaming in International Trade**, ITC committed to develop gender-specific components within its major programmes, while at the same time implementing pilot projects largely for women entrepreneurs or in sectors with a large participation of enterprises owned or managed by women. Access to trade support and business information has been provided through initiatives such as:
 - a) ITC's **Executive Forum on National Export Strategies** which aimed at more systematic gender integration in export strategies,
 - b) the setting up of a gender sub-committee within ITC's ServiceExportNet
 - c) a component of the **Programme for building African Capacity for Trade (PACT/PACCIA)**, "Strengthening Entrepreneurship Among Women Exporters of Services", jointly executed with the Trade Facilitation Office for Canada (TFOC), was launched to respond to the particular challenges faced by women entrepreneur in the service sector. Ethiopia, Tanzania and Uganda benefited from the mentoring programmes. In 2006, the training will be extended to Burkina Faso, Mali and Senegal.

2. The **environmental aspects** were integrated in the various tools and documents used and produced by ITC between 2001 and 2005 such as in national strategies, eco-trade information: green packaging, eco-labelling, prices of environmentally supportive products and the export promotion of "green" products and services.

C. Conclusions

ITC strongly believe in the export development potential of LDCs. With the partnership and in coordination with other development agencies, foundations, Non-governmental organizations, donors and more importantly the commitment of the private sector, ITC has renewed, over the years, its efforts to generate trade and promote sustainable development in LDCs.

ITC will continue, in the coming years, to contribute actively to the achievement of the full implementation of the objectives enshrined in the Brussels Programme of Action for the Least Developed Countries to reduce poverty by further facilitating the integration of enterprises into the multilateral trading system, supporting the design of trade development strategies, strengthening key trade support services, both public and private, improving sector performances and building enterprise competitiveness in LDCs, i.e., support the conversion of export opportunities into concrete business deals.