

STATEMENT OF THE INTERNATIONAL TRADE CENTRE (ITC) FOR THE MEETING OF THE MINISTERS OF FOREIGN AFFAIRS OF LLDCS

PARTNERING FOR ACCELERATED IMPLEMENTATION OF THE VIENNA
PROGRAMME OF ACTION FOR LLDCS AND ACHIEVING SUSTAINABLE
DEVELOPMENT IN LLDCS IN THE ERA OF COVID-19

TUESDAY, 23 SEPT 2020

DOROTHY TEMBO

ACTING EXECUTIVE DORECTOR

Your Excellency Minister Tileuberdi, Chair of the Group of LLDCs,

Ministers of Foreign Affairs, Excellencies,

During this period of continued uncertainty, it is important to recall the most essential ingredients of resilience: partnership, technical collaboration, and the stability of the multilateral system. The Vienna Programme of Action for LLDCs (VPoA) remains a central actionable component of helping LLDCs to meet the SDGs and building back better for the ‘new normal’.

As the joint agency of the United Nations and the World Trade Organization, the International Trade Centre is fully committed to supporting the implementation of the VPoA through enhancing trade in LLDCs and their transit countries. Our approach is focused on assisting micro, small and medium-sized enterprises (MSMEs) to connect to global markets, and for that we work closely with private sector institutions.

ITC contributes to two of the six priority areas of the VPoA: 1) International trade and trade facilitation, and 2) Regional integration and cooperation. Since 2014, ITC has implemented more than 40 projects for almost all LLDCs including our global projects such as of public goods on data and intelligence.

Still, in this period of COVID-19, we have seen demand for trade related assistance increasing as LLDCs and their MSMEs seek help in coping with the pandemic. Trade will be an important part of the resilience and the recovery, and the VPoA should emphasize that. This is my main message today.

Worldwide restrictions on the movement of people and goods, along with the slowdown of production and commercial activities, have become a huge burden on LLDCs as their trade routes through neighbouring transit countries came under further strain. LLDCs are disproportionately affected by those disruptions, which will have repercussions in every stage of the supply chain.

ITC carried out a worldwide survey to assess the economic impact of the coronavirus pandemic on small businesses. The results are alarming: one-fifth of MSMEs are at risk of bankruptcies, and 15% of jobs may potentially be lost affecting primarily women and youth. The survey confirms that the major impact of COVID-19 is on supply chain and demand side shocks, triggering a cash crisis for MSMEs and exacerbating access to finance issues which was already the biggest concern before COVID-19.

I see three areas where ITC will intensify its efforts in supporting and implementing the VPoA:

First, enhance digital access and connectivity of MSMEs to trade online. Indeed, lockdown restrictions due to COVID-19 have led to a rapid global shift onto digital platforms. For example, e-commerce has shown in particular its value to small firms in this period as many have been forced to integrate digital solutions in order to keep on serving customers or search new sources of demand. ITC's FastTrackTech initiative has provided many solutions to African LLDCs tech-entrepreneurs through providing individual coaching sessions and distributing internet access credits in Burkina Faso, Mali, Niger and Uganda. ITC assisted the Rwanda Post Office to deploy a crowd logistics solution aimed at drastically reducing the transportation cost and ITC's virtual training on customer service and home delivery has helped them enhance staff capacity even during the crisis.

ITC's SheTrades Initiative, which aims at connecting women to international markets, has significantly expanded its online portfolio to support women-owned enterprises to conduct business digitally and connect remotely during COVID-19. This includes new content and modules on the SheTrades.com platform, workshops on the SheTrades virtual learning space, where members of the initiative can access free and high-quality modules developed by ITC experts and partners on export-readiness and logistics. ITC is also working with the logistics sector, which is faced by ever rising demand along with increased e-commerce sales since the outset of COVID-19.

Second, continue and accelerate our work on trade facilitation and trade policy to strike the right balance between better control at borders and more trade across borders. Ensuring that trade complies with sanitary norms and standards should not impede LLDCs to trade internationally and block access to new opportunities. Trade must be 'good trade' and 'smart trade'.

As part of our effort to promote this 'good' and 'smart' trade, ITC provides implementation support in applying relevant trade facilitation measures, including provisions of the WTO Trade Facilitation Agreement.. ITC also develops and offers trainings for border officials on topics such as how to conduct inspections in emergency situations and classification of medical goods and pharmaceuticals used in the immediate COVID-19 response to support border agency readiness and application of expedited measures and processes.

On the policy side, in Uzbekistan, ITC launched a new project in February this year to support their WTO accession. The project will provide assistance for the government to align its national trade policy with the requirements of the WTO membership.

Third, regional integration is a top priority for ITC's action. This year, ITC is stepping up its efforts to support the implementation of the African Continental Free Trade Agreement (AfCFTA). ITC is working with the African Union Commission to establish the African Trade Observatory, an online portal that provides key up-to-date trade data and statistics for policymakers across the continent to monitor the progress of economic integration in the AfCFTA area. ITC is also joining forces with the UN Economic Commission for Africa to help governments develop national trade strategies in line with the agreement.

To conclude, ITC will extend its full support to accelerate the implementation of the VPoA by working hand in hand with LLDCs. I firmly believe that effective implementation of the VPoA and the COVID-19 response in LLDCs are mutually reinforcing and crucial for the attainment of the Sustainable Development Goals.

Thank you.