

**Evaluation of  
International Trade Cen-  
tre (UNCTAD/WTO)**

**Volume 5  
Corporate Performance  
and Capacity**

**ANALYSIS OF  
BUDGETARY AND  
OPERATIONAL  
FRAMEWORK**

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Exchange Rates (October 2005)

Currency	USD 1.00	EUR 1.00
Swiss franc (CHF)	1.29	1.55

### List of Abbreviations and Acronyms

BAS	Business Advisory Services
BoA	UN Board of Auditors
CHF	Swiss franc
DPMD	Division of Product and Market Development
DPMD/MAS	- Market Analysis Section
DPMD/MDS	- Market Development Section
DPMD/OD	- Office of Director
DPMD/TIS	- Trade Information Section
DPMD/TSS	- Trade in Services Section
DPS	Division of Programme Support
DPS/FMS	- Financial Management Section
DPS/GSPS	- General Services and Publications Section
DPS/HRS	- Human Resources Section
DPS/ITSS	- Information Technology Services Section
DPS/OD	- Office of Director
DSA	Daily Subsistence Allowance
DTCC	Division of Technical Cooperation Coordination
DTCC/OA	- Office for Africa
DTCC/OAPLAC	- Office for Asia-Pacific Latin America and the Caribbean
DTCC/OASEC	- Office for Arab States, Europe and the Commonwealth of Independent States
DTCC/OD	- Division of Trade Support Services/Office of Director
DTCC/OIP	- Office for Interregional Program
DTSS	Division of Trade Support Services
DTSS/BAS	- Business Advisory Services
DTSS/EMDS	- Enterprise Management Development Services
DTSS/IPSM	- International Purchasing and Supply Management
DTSS/OD	- Office of Director
EC	European Commission
FAO	Food and Agriculture Organization of the United Nations
GATS	General Agreement on Trade in Services
GSPS	General Services and Publications Section
GTF	Global Trust Fund
IF	Integrated Framework
IFTF	Integrated Framework Trust Fund
IMF	International Monetary Fund
IMIS	Integrated Management Information System
ITC	International Trade Centre
JAG	Joint Advisory Group
JITAP	Joint Integrated Trade Assistance Programme for Selected Least Developed and Other African Countries

LDCs	Least Developed Countries
MAS	Market Analysis Service
MTS	Multilateral Trading System
NEPAD	New Partnership for Africa's Development
OED	Office of the Executive Director of ITC
OIOS	Office of Internal Oversight Services
RB	Regular Budget (fund/resources)
RBB	Results-based budgeting (in the UN)
SME	Small or Medium-sized Enterprise
TRTA	Trade-Related Technical Assistance
TSIs	Trade Support Institutions
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USD	United States Dollar
WTO	World Trade Organization
XB	Extra-budgetary (funds/resources)

# 1 Financial and Administrative Framework

The Evaluation's analysis of ITC's budgetary and financial, administrative, and operational framework is intended to consider issues of how resources are made available and administered, including programme structure, allocation of resources, and questions of cost-efficiency and effectiveness. The present paper, together with a set of annexes, draws from a larger body of analysis undertaken for the Evaluation.

Among the issues are "Does ITC provide cost-effective value-added as an international technical assistance organisation, i.e. does it achieve desired results on a cost-effective basis?" and "Do individual activities of ITC add value to the overall contribution of the organisation?" The second question is more difficult to answer, and raises basic management issues. These include the cost of deliverables, how they are priced – or how they should be priced if they were to be priced, and how they should be valued if a pricing policy is not appropriate.

The analysis is not a financial review or audit. ITC is subject to financial oversight by the United Nations (UN), including annual reviews by the UN Board of Audit and periodic special inspections and audits by the Office of Internal Oversight Services (OIOS)<sup>1</sup>. This audit and inspection process is comprehensive, and it would be a duplication of resources for the Evaluation to examine these questions. Indeed the Board of Auditors in 2003 noted the frequency of these various audit and inspection processes.

## 1.1 Overview

The *Desk Study Review* undertaken for the Evaluation in 2004 included an examination of the budgetary and operational arrangements for ITC. A summary of this part of the Desk Study Review is attached as Annex 1. A brief overview is provided in the following sections.

ITC's *Regular Budget (RB)* is funded 50 % by the WTO and 50 % by the UN. *Extra-budgetary (XB) resources* are currently provided largely by bilateral donors, for which the principal vehicles are the *Global Trust Fund (GTF)*, with Window 1 providing complementary support for ITC's overall operations and Window 2 financing individual multi-country programmes, and *individual bilateral trust funds*. There is also a *Common Trust Fund for the Joint Integrated Trade Assistance Programme for Selected Least Developed and Other African Countries (JITAP)*. In earlier years, United Nations Development Programme (UNDP) was a principal source of funding for operational programmes, but this has declined to a small part of the total. Issues related to the various financing mechanisms for ITC are examined

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<sup>1</sup> The most recent available for this study was *Inspection of programme management and administrative practices of the International Trade Centre UNCTAD/WTO (ITC)*, 30 July 2004.

in more detail in the separate report on *Governance and Financing Modalities* included in this volume of the Evaluation.

ITC operates under administrative and financial guidelines of the UN. This has implications for every aspect of financial management and administrative arrangements. Equally important, the distinction between the RB and extra-budgetary resources also has important implications for the management and operational strategy of ITC.

## 1.2 UN and WTO Administrative Arrangements

The financial and administrative arrangements with the parent organisations, WTO and the UN, have been subject to review at various times, and there has been some progress in consolidating and harmonizing different procedures, although there are still separate processes, particularly with respect to presentation and approval of the regular budget.

The most recent review resulted in an agreement with WTO and the UN in September 2004 and includes the following summary<sup>2</sup>:

The main foundations upon which the current administrative arrangements are based are the following<sup>3</sup>:

ITC is subject to the Financial Regulations and Rules and the Staff Regulations and Staff Rules of the UN;

The budget of ITC is presented in Swiss francs (CHF);

ITC is subject to the oversight system of the UN (OIOS and Board of Auditors);

The accounts of ITC, submitted in US dollars, are reviewed and audited by the UN Board of Auditors;

Reports of the UN oversight bodies and financial statements certified by the Controller of the UN are provided to the General Assembly and the General Council of WTO;

The RB of ITC is financed in equal parts by the UN and the World Trade Organization (WTO).

Some of the changes in the application of these arrangements have reduced some of the administrative burden involved in the different budgetary procedures for the two organisations. In particular, both parent bodies now use a biennium budget with the same cycle. Despite the progress in harmonisation of the two systems, however, ITC's RB is still subject to a complex dual process for preparation, approval and reporting.

The WTO budget is funded in Swiss francs and the UN budget is set out in US dollars. The RB of ITC, however, is set and authorized in Swiss francs, although extra-budgetary resources are presented in US dollars and travel expenses are paid in US dollars. Equal sharing of the RB between the UN and WTO is maintained by the UN making up for exchange rate changes between the Swiss franc and the US dollar. When the US dollar is declining against the Swiss franc, the US dollar equivalent of ITC's budget appears to be increasing, and the reverse occurs if the Swiss franc falls in value against the US dollar.

Operating under the Financial Regulations and Staff Regulations of the UN has important implications for the management of ITC and the costs of both personnel and general operations. UN rules determine many elements of management and staffing, including in terms of cost parameters. For example, the salary costs for both professional staff,

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<sup>2</sup> United Nations, General Assembly, Fifty-ninth session, Item 110, Programme budget for the biennium 2004-2005, Administrative Arrangements for ITC, Report of the Secretary-General, 30 September 2004.

<sup>3</sup> A/53/7/Add.3, paragraph 5 and 11.

whether retained as permanent employees or potential permanent employees under the regular budget, and temporary staff retained under extra-budgetary financing, are based on salary scales set by the UN according to the rating of the post and the qualifications of the individual. Similarly, General and Administrative staff are retained according to UN rates for Geneva. There is somewhat more flexibility in the rates paid for temporary consultants, but these constitute a small proportion of total costs. Staffing is subject to oversight by the parent organisations through a Joint Appointments Board.

### ***Evolution of Management and Reporting Systems***

The financial and management reporting systems of ITC are evolving, reflecting an evolution in UN systems from input-based reporting to more output-oriented and results-based reporting. Although this evolution is occurring throughout the UN, and ITC operates within the UN norms, ITC is able to be innovative in the adaptation and implementation of new reporting systems. An example is ITC's "project portal", which has been cited as best practice for the UN by the OIOS. Nonetheless, ITC is obliged to use UN software and reporting platforms.

## 2 Programme and Operational Framework

### 2.1 ITC Business Model

The core ITC business model in the past decade has been the development and delivery of tools and services in a number of different programme areas, using three delivery modes or “tracks”. The Evaluation’s *Inception Report* presented a Trade-Related Technical Assistance (TRTA) reference framework for the evaluation of these various ITC products (see Volume 2). This TRTA reference framework grouped ITC competencies or products into 15 separate categories.

The performance of ITC interventions was examined in the Evaluation’s field studies and product studies. A separate Evaluation report on *Trade Support Networks* examines the overall intervention strategy. In brief, ITC’s strategy of programme delivery makes use of three delivery “tracks”:

- Track 1: Global delivery to meet the collective needs of Small or Medium-sized Enterprises (SMEs) using ITC’s product network approach, developed through headquarters-initiated research;
- Track 2: Multi-agency, multi-purpose projects such as JITAP and the Integrated Framework (IF);
- Track 3: National and regional projects to meet the requirements of an individual country or region<sup>4</sup>.

ITC’s intervention strategy is influenced by the level, form and sources of available resources, the objective of providing assistance to a wide range of countries, including in particular the Least Developed Countries (LDCs), and the process of obtaining and managing extra-budgetary resources, including priorities of the different funding sources, and, in the case of GTF, guidance from the GTF Consultative Committee. The strategy is heavily oriented toward global and interregional products, with country-specific and regional projects being undertaken only where donors have agreed to make funds available for this purpose.

Both Track 1 and Track 2 are directed largely to working with TSI partners in trade support networks. For Track 3, involving regional and country-specific projects, the primary direct beneficiaries are also TSI partners, and projects generally involve some element of capacity building for TSIs.

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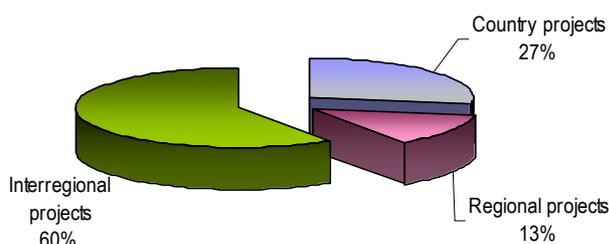
<sup>4</sup> ITC Business Plan 2005-2007.

## 2.2 Level and Type of Interventions

ITC operates a regionally diverse programme of activities. The regional breakdown for the most recent 5-year period is shown in Figure 1 (funding for direct technical assistance is provided from trust fund resources). Interregional activities are prorated among countries and regions.

Figure 2 shows ITC programmes according to the three categories of *interregional activities or projects*, *regional projects*, and *country-specific projects*. The chart shows a strong focus on interregional activities, which are the vehicle

Figure 2  
Programme Allocations by Category 2000-2004

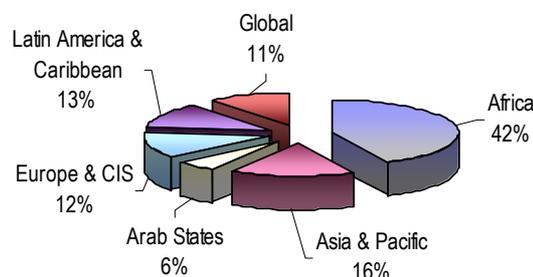


Source: ITC, Statistical Appendix to ITC Annual Reports

nominal terms. The share of extra-budgetary resources (from trust funds and UNDP) also declined sharply over most of the period. See the companion Evaluation report on Governance and Financing Modalities which examines the shifts in funding from different sources and the evolution of overall resources available to the ITC.

The concentration on global or generic products has, in fact, become more pronounced over the period, increasing to just over 70 % in 2004. Regional and country-specific projects, taken together, represented under only 30 % in 2004. The figures for 2004 are shown in Table 1, below with a total for all countries and categories of USD 22.7 million, and USD 16.4 million in interregional projects. Spread over 133 countries, this implies an average of about USD 171,000 per country<sup>5</sup>. If however, the measure of the delivery of

Figure 1  
Allocation of Trust Funds by Region 2000-2004



Source: ITC, Statistical Appendix to ITC Annual Reports

for ITC's global or generic products. The proportion of such projects was 60 % over the 5-year period, with country-specific projects at 27 %, and regional projects at 13 %.

Initially the increased emphasis on global products was a strategic response to a decade of retrenchment and declining extra-budgetary resources. In the decade after 1990, available resources fell sharply, and have still not recovered, even in

<sup>5</sup> There are discrepancies between the data for this table which is drawn from Table 6 of the Statistical Appendix and for other tables presented in the Statistical Appendix. These discrepancies are discussed below. The data from Table <sup>6</sup> of the Statistical Annex are used here because it provides the analytically breakdown suitable for the purposes of analysis.

ITC is the total trust fund expenditures on an annual basis, presented in Table 1 of the Statistical Appendix, the total amount would USD 21.1 million or about USD 155,000 per Beneficiary Country<sup>6</sup>.

The shift in emphasis to global products was partly an economy measure to respond to reduced resources, but it was also influenced by the shift in the relative sources of funds. Increased reliance on the RB meant that a UN policy of providing collective benefits for all beneficiary countries prevailed to a greater extent. In the past, UNDP provided funding for country-specific projects, but now bilateral trust funds are the primary source of such funding.

**Table 1: ITC Programmes by Region, 2004**

	USD '000	No. of Projects	No. of Countries
Africa			
– Country Projects	609.9	13	12
– Regional Projects	1,193.5	10	n.a.
Arab States			
– Country Projects	432.6	8	6
– Regional Projects	-	-	-
Asia and the Pacific			
– Country Projects	1,746.5	10	7
– Regional Projects	358.3	2	n.a.
Europe and the CIS			
– Country Projects	1,346.8	7	6
– Regional Projects	18.2	1	n.a.
Latin America and the Caribbean			
– Country Projects	573.3	4	3
– Regional Projects	65.9	3	n.a.
Interregional Activities	16,398.3	50	n.a.
TOTAL	22,743.3	108	n.a.

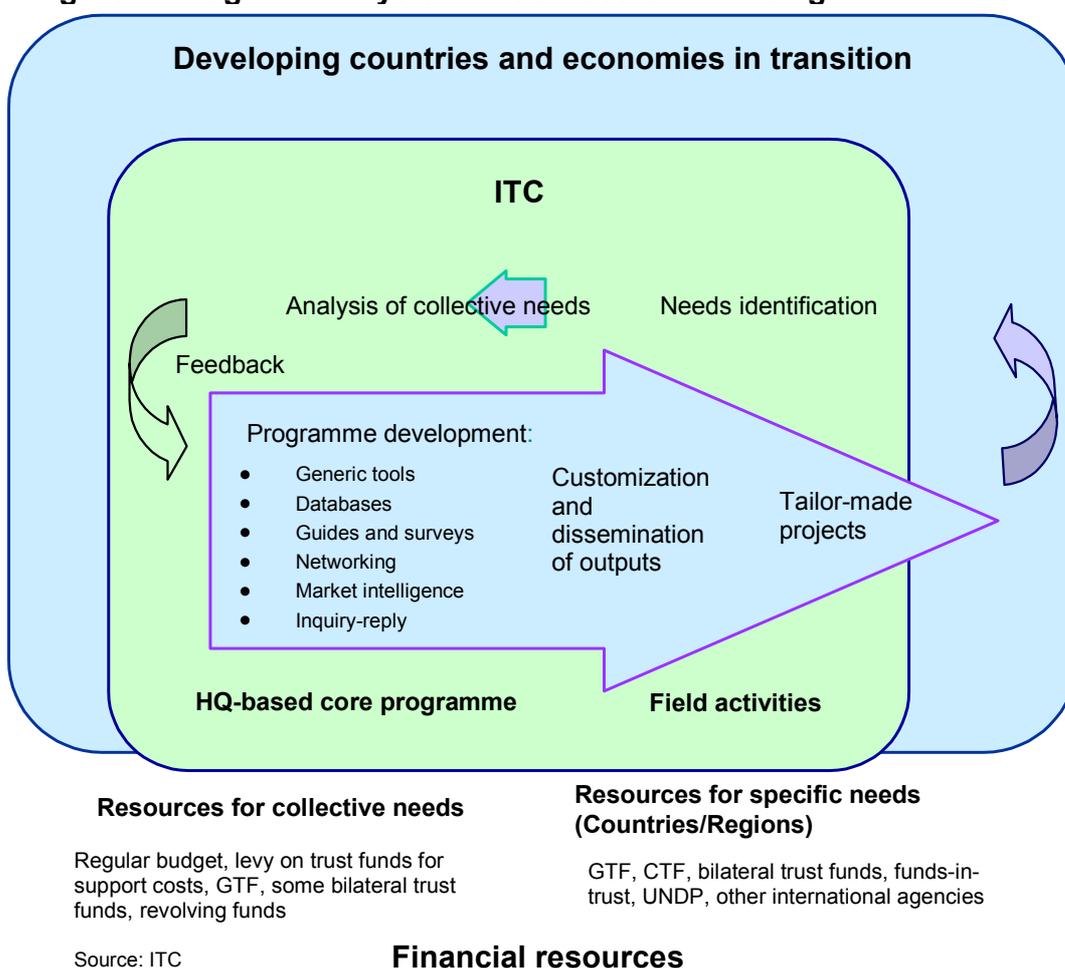
Source: ITC Annual Report 2004, Add. 2, Statistical Tables, Table 6

<sup>6</sup> The discrepancy between the totals for delivery of technical assistance between Table 1 and Table 6 in the Statistical Tables attached to the Annual Report can be explained by various factors, the most important of which seems to be the incorporation of the Revolving Funds in the data presented in Table 6 of the Statistical Tables, which involve project allocations.

### 2.3 Regular Budget and Extra-Budgetary Programming

The allocation of activities between RB and extra-budgetary financing is illustrated in Figure 3. The conceptual distinction is that the RB covers collective needs and headquarters core costs, while extra-budgetary resources are used for technical assistance to meet specific country needs. As already noted, the RB is funded 50 % by the UN and 50 % by WTO, while extra-budgetary resources are provided largely by a group of donor countries. Thus the availability of funds from these different sources is an important consideration in programme development.

**Figure 3: Programme Cycle and Sources of Financing**



The level and rate of change in the RB has been influenced by the slow growth in the overall budget of the UN. The WTO budget has increased more rapidly than that of the UN in recent years, and as a result the share of ITC in the total budget of WTO has decreased. It seems likely that the UN budget may continue to grow slowly and represent a significant constraint on any growth in ITC's RB as a result of the fixed 50:50 sharing ra-

tio between WTO and the UN. Overall growth in ITC's resources may accordingly be heavily dependent on the level of extra-budgetary finding, as has been the case in recent years.

### *Support costs*

A fixed charge is made on donor funding to cover support costs for programmes financed from such resources. This is a standard practice across the UN. The charge is set at 13 % for most extra-budgetary funding, although it is understood that there are lower rates of 10 % for UNDP and 7 % for European Commission (EC) funding. Funding for support costs is a separate budget line and is used to pay for additional staff and other administrative costs in respect of donor-funded project activities.

ITC's practice in respect of support for donor-funded technical assistance is intended to reflect the view of the UN Advisory Committee on Administrative and Budgetary Questions that there is "a need to ensure that RB activities do not subsidize extra-budgetary budget activities and vice versa"<sup>7</sup>.

It is understood that the UN is proposing to lower the rate for support costs to 7 %, but to charge for all administrative expenses on a cost recovery basis for specific costs incurred. This may have only a modest net effect on contributions for support costs, but seems likely to increase administrative expenses due to the need to document the additional administrative costs, although it should provide greater transparency in the costing of services.

Support costs are one of the few areas of flexibility in ITC's budget and any 'surplus' on support costs is used within the organisation. With the various budgetary constraints facing ITC, support cost funding provides a valuable, although limited, source of flexibility.

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<sup>7</sup> Report of the ACABQ on the UN programme budget for 1996-97 (para. 115). ITC also applies this in respect of the separation of programme activities, although the precise meaning and appropriate application of the ACABQ recommendation may be subject to some interpretation.

## 2.4 Financial and Management Challenges

### *Financial Challenges*

ITC faces a number of challenges in financial management. These include:

*Annual vs. multi-year commitment authority:* While ITC must plan its activities and undertake commitments on a multi-year basis, many or most of the donor contributions are committed for a single year at a time, with in some cases considerable delays in making the funding available for the year in question. The challenge, discussed further in the Evaluation's study on *Governance and Financing Modalities*, is to find means of making it possible for donors to provide multi-year commitments, an issue similar to that faced by other international agencies.

*Availability of donor funding:* Individual donors have different patterns and timing of funding. In some cases, the commitment authority is made late in the year for which it is intended (and in some cases after the year is over). This can create considerable difficulty in using the funds effectively.

*Cash flow issues:* A closely related issue is that of cash flow. Delays in the transfer of funds by donors can create cash flow difficulties for ITC in light of the financial regulations under which it operates. The ITC does not have recourse to credit lines to finance and the only financing mechanism is the reserve fund. The current reserve fund of USD 1 million is heavily utilized to help bridge the gap between donor commitments and the actual disbursement of funds to reimburse costs incurred.

Given these various factors and in the context of the substantial increase in trust fund resources in recent years, the current reserve provision of USD 1 million has become increasingly stretched. An increase in the reserve level would provide useful flexibility in the management of trust fund resources.

The issues of multi-year commitment authority and late availability of funding are reviewed further in the study on *Governance and Financing Modalities*

### *Management Challenges*

The dichotomy between the RB and extra-budgetary resources is a major factor in the management of ITC. Extra-budgetary resources, and, in particular, bilateral trust funds, have grown more rapidly than the regular budget, and their effective use has required continuing adaptation in the terms and management of such resources. Such resources are now provided almost entirely by bilateral donors, and the upward trend may continue, consistent with the priority for TRTA generally. At the same time, as noted above, the RB is likely to grow more slowly, if at all, due to constraints on the UN budget. The UN budget is influenced by other factors and does not reflect the increased resources being made available for TRTA.

Greater reliance on extra-budgetary funding has implications for staffing and human resource management, as well as broader implications for the management of the organisation. It is likely, for example, that an increasing share of operational base expenditures, including personnel, may need to be financed from extra-budgetary sources. The challenges

in planning and delivering a coherent and focused programme with resources provided from different sources on differing conditions, and with often differing objectives and management processes, may increase unless progress can be made on donor harmonisation and ITC governance issues, as discussed in the study on *Governance and Financing Modalities*.

In the 1990s, the sharp contraction in extra-budgetary resources led ITC to retrench its technical assistance programmes at the country level and focus on global and generic products based on headquarters activities similar to those in ITC's first decade. In recent years, the growth of extra-budgetary resources has helped to support this broad strategy and there not been a significant expansion of technical assistance at the country project level. Instead, the share of the project portfolio allocated to global products and inter-regional projects has increased. An issue is whether current or increased resource levels may now provide scope for an increased focus on country-specific projects.

As discussed in the study on *Governance and Financing Modalities*, the dichotomy between the RB and extra-budgetary resources, combined with the variety of sources and conditions of extra-budgetary trust funds, imposes costs on the organisation in terms of negotiating and managing resources, programme development and delivery, financial management and reporting. It also makes programme coherence and focus on common objectives and monitorable results more difficult.

There is a related challenge for ITC, in that expenditures under the RB are not allocated to specific products or projects. Thus it is currently not possible to measure systematically the full cost of particular products, or the backstopping, delivery and follow-up of projects. The newly revised Annual Operations Plan is intended to make some allocation of these costs, but much remains to be done to document and analyse the costs of developing and providing ITC products.

### 3 Cost-efficiency and Cost-effectiveness

The Evaluation has included efforts to assess cost-efficiency and cost-effectiveness with respect to ITC products and deliverables, into order to provide insights into the core evaluation questions related to overall efficiency and effectiveness, although recognizing the constraints on such analysis, some of which have been referred to above, in particular the absence of comprehensive product or project cost data. The dichotomy between the RB and extra-budgetary resources is a significant obstacle to conducting an analysis of the costs of ITC deliverables.

#### 3.1 Conceptual issues

Neither cost-efficiency nor cost-effectiveness was not focused upon in the Terms of Reference for the Evaluation but the Management Group and the Core Group supervising the Evaluation requested in April 2004 that additional analysis should be undertaken on this as well as other aspects of the Evaluation. The Evaluation has sought to complete the additional work requested, but the issues of cost-efficiency and cost-effectiveness are especially problematic.

The definitions for these terms are:

- *Cost-efficiency*: the extent to which resources/inputs are converted into activities and outputs or results economically.
- *Cost-effectiveness*: the extent to which objectives are achieved economically, compared to alternative approaches to achieving the same objectives.

Cost-efficiency is linked to the general efficiency criterion for evaluation and is commonly cited in evaluation literature. Cost-effectiveness is more rarely used, but is cited in the *Evaluation Guidelines* of the European Commission<sup>8</sup>. The distinction between the two relates to the distinction between *efficiency*, which in evaluation terms relates to how economically resources or inputs are converted to results<sup>9</sup>, and *effectiveness*, which is the extent to which a development intervention's objectives are achieved, or are expected to be achieved, taking into account their relative importance<sup>10</sup>.

The two cost-based concepts are closely related, but unit costs can be used as a proxy to assess cost-efficiency. Normally cost-efficient activities can be expected to be cost effective, assuming achievement of higher order outcomes or intended results, but activities with relatively higher unit costs can also be cost-effective if they achieve significantly good

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<sup>8</sup> Commission of the European Communities, *Evaluation in the European Commission: A Guide to Evaluation Procedures and Structures*, Brussels, March 2001, pp. 11-12.

<sup>9</sup> Results include outputs, outcomes and impacts, sometimes referred to as lower and higher order outcomes.

<sup>10</sup> DAC Working Party on Aid Evaluation, *Glossary of Key Terms in Evaluation and Results-Based Management*, OECD, 2002

results. In principle, higher unit costs can be offset, or more than offset, by better results, but this objective has to be achieved on a practical basis.

One example of relatively high unit costs in a project being offset by relatively good results that was analysed in the Evaluation's technical studies was a country-specific project that had essentially one deliverable analysed. The project involved the training of a group of participants from Moldova in Switzerland in purchasing and supply chain management seven years ago. The unit costs were high, and thus the cost-effectiveness could be questioned, because the costs of a lengthy training programme in Switzerland were allocated over a limited number of participants. However, the project has proved to be reasonably cost-effective because the core group of participants formed an association that has subsequently trained many more Moldova participants in purchasing and supply chain management.

Data linking input costs with ITC's activities and outputs have not been compiled in the past and were not available for the Evaluation. Management costs and the cost of product development are not broken down to allow calculation of the costs of particular interventions at the country level.

In a few instances, however, it was possible to draw inferences about costs. One positive case was the Modular Learning Service of International Purchasing Supply Chain Management, which was adapted from a high cost model of training based in Switzerland to a low cost model of training through partner institutions in developing countries.

In an effort to find a benchmark for cost-efficiency and cost-effectiveness analysis in a comparable context, several recent evaluations undertaken for different donors and technical assistance agencies in related fields were reviewed. These are shown in Table 2.

**Table 2: Cost-efficiency and Cost-effectiveness in Other Evaluations**

Name of Evaluation
Evaluation of Trade Related Assistance by the European Commission in Third Countries Final report – Volume 1 – 24th May 2004.
Desk Phase of the Evaluation of EC Support to Private Sector in Third Countries Final Report – 27 May 2004.
Economies in Transition: An Office of the Executive Director of ITC (OED) Evaluation of World Bank Assistance 2004.
Mauritania: Private Sector Development, Private Sector Development and Capacity Building, Public Resource Management, and Fiscal Reform Support Credits by World Bank.
2003 Annual Review of Development Effectiveness: The Effectiveness of World Bank Support For Policy Reform.
Moldova Country Assistance Evaluation October 22, 2004 Operations Evaluation Department of the World Bank.
An Evaluation of Trade Capacity Building Programs USAID Support for WTO/FTA Accession and Implementation, 2003.
Evaluation of the Second Global Cooperation Framework by UNDP
Evaluation of UNDP's Role in PRSP Process, 2003.
Country Evaluation: Bulgaria. Assessment of Development Results, UNDP.

None of these cases, however, included information on unit costs of deliverables, cost-efficiency analysis, or cost-effectiveness analysis.

It was possible to find one evaluation that had useful information on the cost of deliverables related to training. One was the *Evaluation of Danish Assistance to Vocational Training and Education* conducted for Danida in 2002. The costs of deliverables were identified for the training institutions and Project Management Units in the beneficiary country. The Evaluation was not able to find any cost-efficiency or cost effectiveness analysis for UN organisations.

There were, therefore, limited precedents for this particular type of efficiency and effectiveness analysis in a comparable evaluation context. There are particular challenges in measuring cost-efficiency and cost-effectiveness in an international entity operating under UN financial rules with multiple sources of financing.

### 3.2 Cost of Deliverables

Allocating the costs of deliverables is difficult in ITC. Management and financial reporting systems are either UN systems or were designed according to UN standards. The UN budgeting and reporting system was geared to measuring financial transactions and the cost of inputs. Therefore, in the past, it was not possible to allocate staff costs from line divisions to measure the costs of deliverables. This is changing with the introduction of new financial and management reporting systems.

ITC was accordingly not in a position to provide comprehensive costing data, and the approach taken by the Evaluation was to undertake a simulation analysis of costs based on the application of UN-based financial rules and procedures. Since staff costs of ITC are the most important determinant of the cost of deliverables, approximate calculations can be made of the cost of deliverables according to the cost of staff, together with, in the case of training or seminars, estimates for travel and related expenditures.

Two case studies were developed as an indicator of the cost factors for ITC. These were: *Development of a generic global product such as a guide or tool.* In the ITC Compendium of Tools and Products, 13 such guides are listed, as well as 18 benchmarking and assessment tools. *Provision of training or seminars in Geneva or other locations.* This was examined in some detail and under different assumptions on the number of ITC staff involved and the origins of the participants.

### ***Case Study of a Generic Global Product***

This case study was prepared based on a review of project documents for some generic products. The allocation of staff time was based on interviews with ITC staff, and the salary cost estimates were based on salary scales according to the grade of the officer for a posting in Geneva. This information was provided by ITC. Other costs were also included such as travel costs for airfares and the Daily Subsistence Allowance (DSA). Based on this analysis, the following cost estimates were constructed for the development of a generic global product.

**Table 3: Cost of a Generic Product**

Cost Items	Input	Amount USD
P4 Staff Time*	6 months	70,640
P3 Staff Time*	6 months	58,596
Other staff time	2.5 months	22,500
Travel costs including DSA	3 trips	25,000
Miscellaneous		16,000
<b>Total</b>		<b>192,736</b>

Staff costs are based on entry-level grades for these categories, assuming one dependent, with staff benefits calculated at 28 %.

Thus the cost of developing this product would be USD 192,700. Marketing and dissemination would be in addition, as well as some testing of the product and revisions before release. The total cost could be about USD 200,000 - 250,000. It is assumed that the tool can be distributed on a CD ROM quite cheaply, but some training may be required to facilitate its use.

Hence, each global tool or product has significant fixed costs, and the cost of a number of the global tools could exceed this amount. Of course the cost of maintaining a tool once it is developed is much less, but the staff time in updating and revising tools, guides or training packages needs to be considered.

It could be questioned whether this is cost-efficient, at least in all cases, because staff costs in Geneva are relatively high, notwithstanding that ITC together with its staff enjoys the benefit of tax free status. However, since ITC is subject to UN staff rules there is limited opportunity to make economies in these costs, unless the production of the tool or guide is outsourced. Since the ITC is using the RB to finance the development of such generic tools and since the RB is allocated to staff posts in Geneva there is limited flexibility to contain costs.

The key to whether this is cost-effective is the extent to which it is utilized. If the tool is used widely in many partner countries, and there are significant results achieved in terms of improved competitiveness of enterprises, then the benefits may be significant. If the tool is not sufficiently used in beneficiary countries, then it may be questionable whether the activity should be undertaken. It is difficult to get reliable measures of the potential benefits of the use of the tools, but it is important to try to get measures of the extent which they are used.

### ***Case Study of Training Costs in Different Locations***

In order to derive a measure of training costs in different locations, the following three scenarios were analysed:

- Training course in Geneva and in Bangkok with two different alternatives: with two ITC trainers/presenters and with eight ITC trainers/presenters. The participants are assumed to be drawn from beneficiary countries all over the world.
- Training course in Geneva and in Bangkok with two different alternatives: two ITC trainers/presenters and eight ITC trainers/presenters. The participants are assumed to be drawn from beneficiary countries in the same geographic region.
- Training course in Geneva and in Bangkok with two different alternatives: two ITC trainers/presenters and with eight ITC trainers/presenters. In this case, the participants are assumed to be drawn from beneficiary countries in a nearby sub-region.

The differences in travel and related expense costs were calculated according to UN rules and ITC travel procedures in the different locations. Quotations were obtained for negotiated or discounted tickets, or the cost would have been considerably higher. The hypothetical seminars or training sessions are assumed to be proposed three months in advance, so there is an allowance for exchange rate fluctuations. In addition, in the case of seminars outside Geneva, some miscellaneous costs are included for shipment of materials and the costs of room rentals. This analysis of costs was done in collaboration with ITC, and the cost estimates for air fares were generated by ITC's travel agency and verified by ITC travel officers.

The results are shown in Tables 5, 6 and 7. Detailed calculations are provided in Annex 5.

**Table 4: Seminar/Training Costs, Scenario 1 (participants from different geographic regions)**

**Variant 1A.: Training course takes place in Geneva.** Four days training course. 20 trainees from: Benin, Bolivia, Brazil (2 persons), Cambodia, Cameroon, China, Cote d'Ivoire, Ethiopia, Gambia, Ghana, Haiti, India, Kenya, Kyrgyzstan, Mauritania, Moldova, Romania, Senegal, Tunisia.

(1) with 2 ITC trainers vs. (2) with 8 ITC trainers.

Variant 1A. (1)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	28,190	29,000	-	60,057
Variant 1A. (2)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	28,190	29,000	-	60,057

**Variant 1B.: Training course takes place in Bangkok.** Four days training course. 20 trainees from: Benin, Bolivia, Brazil (2 persons), Cambodia, Cameroon, China, Cote d'Ivoire, Ethiopia, Gambia, Ghana, Haiti, India, Kenya, Kyrgyzstan, Mauritania, Moldova, Romania, Senegal, Tunisia.

(1) with 2 ITC trainers vs. (2) with 8 ITC trainers.

Variant 1B. (1)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	47,120	14,560	240	69,024
Variant 1B. (2)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with 5% margin for fluctuation rate)
	Total costs (est.)	63,962	19,240	960	92,378

**Table 5: Seminar/Training Costs, Scenario 2 (participants from the same geographic region)**

Variant	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
Variant 2A.(1)					
	Total costs (est.)	30,774	29,000	-	62,768
Variant 2A. (2)					
	Total costs (est.)	30,774	29,000	-	62,768
<b>Variant 2B.: Training course takes place in Bangkok.</b> Four days training course. 20 trainees from: Bangladesh, Cambodia, China (3 persons), East Timor, India (2 persons), Indonesia, Kyrgyzstan, Laos, Nepal, Pakistan, Philippines, Sri Lanka, Thailand (2 persons), Uzbekistan, Viet Nam (2 persons). <b>(1) with 2 ITC trainers vs. (2) with 8 ITC trainers.</b>					
Variant	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
Variant 2B.(1)					
	Total costs (est.)	18,724	14,560	240	39,205
Variant 2B. (2)					
	Total costs (est.)	35,566	19,240	960	62,559

**Table 6: Seminar/Training Costs, Scenario 3 (participants from adjacent sub-region)**

<b><i>Variant 3A.: Training course takes place in Geneva.</i></b> Four days training course. 20 trainees from: Viet Nam (10 persons), Cambodia (5 persons), Laos (5 persons). <b>(1) with 2 ITC trainers vs. (2) with 8 ITC trainers.</b>					
Variant 3A.(1)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	40,000	29,000	-	72,451
Variant 3A.(2)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	40,000	29,000	-	72,451
<b><i>Variant 3B.: Training course takes place in Hanoi.</i></b> Four days training course. 20 trainees from: Viet Nam (10 persons), Cambodia (5 persons), Laos (5 persons). <b>(1) with 2 ITC trainers vs. (2) with 8 ITC trainers.</b>					
Variant 3B.(1)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	11,008	12,992	240	29,453
Variant 3B.(2)	Description	Total estimated ticket costs	Total DSA	Total terminal expenses	Total (with exchange rate adjustment and miscellaneous)
	Total costs (est.)	32,060	17,168	960	56,698

The tables above focus on travel costs for participants and ITC staff. Changes in the origin of the participants and the number of ITC staff involved have important implications for which location is relatively more cost effective, as shown in Table 8.

**Table 7: Summary of Travel Costs for Seminars in Different Locations**

Variant	Geneva	Other location
2 ITC Global	60,057	69,024
8 ITC Global	60,057	92,378
2 ITC Regional	62,768	39,205
8 ITC Regional	62,768	62,659
2 ITC Country/Sub-regional	72,451	29,453
8 ITC Country/Sub-regional	72,451	56,698

For a global course or seminar, with participants from all parts of the world, Geneva is a cost-efficient location compared to Bangkok, regardless of whether there are two ITC staff involved or eight. This reflects the fact that airfares in several cases are cheaper to Europe than to Asia. The same would likely be true for activities in Latin America. For the regional course, the result is different. In this scenario, the Bangkok location is more cost-efficient if there are two ITC staff involved, but it is break-even if there are eight staff. If staff costs of two travel days for each ITC staff member are taken into account, then the Geneva location becomes more cost-efficient.

Finally for the country/sub regional activity, the in-country location is significantly more cost-efficient. Even if there are eight ITC staff involved, and taking into account staff costs of two days travel for all of them, the in-country location would be more cost-efficient.

It should be noted that ITC is well aware of these cost parameters, and regularly makes decisions on where to hold training programs. ITC appears to make concerted efforts to hold down travel costs.

### 3.3 Willingness to Pay/Economic Benefits

The concept of willingness to pay can be understood in different ways. On one level it could be understood as a measure of potential revenue sources from the sale of ITC products and services. At another level, it can be understood as a measure of the benefits derived by private-sector groups and beneficiary countries from the delivery by ITC of products and projects, whether directly or through intermediaries. These two potential applications of the concept of willingness to pay are different in focus and require different approaches to analyse.

In a private market context, there is a strong relationship between these two concepts, of willingness to pay as measured by market prices and of the potential economic benefits to be derived from the provision of services to support trade and business development. However, there are significant conceptual issues involved in attempting to assess the potential links between actual or hypothetical pricing strategies for the provision of ITC products or services to the private sector in developing countries or countries in transition and an assessment of the potential economic benefits that can be derived from ITC products.

#### *Conceptual Issues*

Among the reasons why potential prices and potential economic benefits may differ, three are particularly significant. First, ITC products in many cases, but not all, have the character of public goods. Even in developed countries, governments support the provision of services to support trade development because of externalities associated with the provision of information related to exporting, import sourcing or exposure to international trade. These externalities are potentially more important in developing and transition countries where the public policy and legal framework and the commercial infrastructure are less developed. The measurement of the potential benefits of the utilization of ITC products and services is a more challenging task in developing countries and transition economies.

Second, ITC frequently provides services and tools to TSIs or other intermediaries including training institutes. In turn, these TSIs or other intermediaries provide services to enterprises in that economy, but have difficulty in gaining even part of the potential benefits that they might generate.

Third, the provision of technical assistance creates distortions. In some countries, donors and agencies pay “sitting” fees to encourage participation and increase prospective economic benefits. Thus, the cost of services that offer direct economic benefits does not necessarily provide a direct measure of the potential benefits. In particular, the distortions caused by competing free delivery or sitting fees creates problems for ITC partners in beneficiary countries.

#### *Revenue Generation and Sustainability Issues*

ITC does make an effort to generate revenues, and in some cases is relatively successful. For example, the revolving fund for the Market Analysis Service (MAS) has generated sig-

significant revenues, which have been reinvested in the further development of the tools. The funds are coming primarily from donor funding of the TPOs and TSIs that are using the Trade- Map and Product-Map tools<sup>11</sup>.

ITC can only generate such revenues through activities funded by extra-budgetary funds. Revenues such as book sales generated from the activities of staff on the regular budget serve to reduce net budget revenues according to the UN rules for the Regular Budget. Thus, there is no real incentive for ITC to engage in substantial revenue generation activities on this account.

The key issue for ITC is not so much the question of revenue generation for ITC itself as the question of the generation of revenues by partner organisations. Since ITC works through intermediary organisations, the viability and sustainability of these organisations is an important issue.

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<sup>11</sup> See the Evaluation of the Product and Market Develop Report in Volume 4 of the background reports for a discussion of the subscription to these tools. In Annex F to this report below, the funds allocated from the Revolving Fund to the Project INT/R2/01A amounted to USD 1,299,166 in 2004.

## 4 Scale of the Organisation

The appropriate scale of an international organisation or agency such as ITC raises difficulty issues. In one sense, the appropriate scale of ITC is determined by the funding that governments are prepared to provide. In ITC's case, this is the sum of what the UN and the WTO are prepared to pay for the regular budget and what donors are prepared to provide in extra-budgetary resources. Shifts in the shares of the regular budget and extra-budgetary resources, of course, have implications for the staffing of the organisation.

In a private sector organisation operating in the market place, scale organisation is influenced by the technology of the industry and the relative costs of operating at different scales of activity. For example, the civil aircraft industry and the automotive industry are characterized by very large enterprises due to the interaction of the technology and competitive pressures in the market place. In general, these industries are characterised by high fixed costs, and only very large enterprises can exploit sufficiently economies of scale in order that they can have competitive unit costs.

ITC can be compared to a mid-sized law firm or a mid-sized commercial bank, in the sense that it is seeking to provide a full range of services, but it is smaller than some of the other agencies. Since there are fixed costs for every service and product line, if ITC wishes to become more cost-efficient, then it needs to either scale up or rationalise its product line.

An analysis of the resources and capacity of ITC raises complex issues on the scale and focus of the agency's activities. As noted earlier, total annual delivery of USD 22.7 million in technical assistance to 133 countries in 2004 implies an average expenditure of USD 171,000 per country based on the data presented in Table 6 of the Statistical Appendix and presented in Annex 6 below. If the measure is the total trust fund expenditures on an annual basis, presented in Table 1 of the Statistical Appendix, the total amount would USD 21.1 million or about USD 155,000 per Beneficiary Country<sup>12</sup>. If the regular budget is included, then the total of USD 48 million implies an expenditure of USD 360,000 per country, although this would involve an allocation of all headquarters activities<sup>13</sup>. There is, of course, significant variation in the level of technical assistance provided to individual countries, but the scale of intervention, even in countries where ITC is most active, remains limited. The level of resources does not permit a meaningful country-specific TA programme in many countries.

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<sup>12</sup> The discrepancy between the totals for delivery of technical assistance between Table 1 and Table 6 can be explained by various factors, the most important of which seems to be the incorporation of the Revolving Funds in the Table 6 involving project allocations.

<sup>13</sup> It should be noted that the Report of the UN Advisory Committee on Administrative and Budgetary Questions on the UN programme budget for 1996-1997 (at para. 115) states that there is "a need to ensure that RB activities do not subsidize extra-budgetary budget activities and vice versa." The General Assembly subsequently took note of the Report and its recommendations (A/RES/50/216 part II, para. 1).

As noted earlier, the process of shrinking the organisation from 1990 to 1999 as a result of declining resources had important implications. The orientation of ITC programming shifted to greater emphasis on global programmes. This was, at least in part, ITC's response to diminished resources and, at the time, greater reliance on the regular budget.

Since 2000, total resources have risen, and the share of the regular budget has declined. Increasing reliance on extra-budgetary resources, as already noted, may well continue, since the growth of the regular budget is limited by constraints on the UN budget, while increased funding for TRTA seems likely to be sustained over at least the medium-term.

The overall level of resources for ITC has shaped the current strategy and pattern of intervention, which relies heavily on global products and interregional programmes, with limited resources spread over many countries. This reflects the results of a decade of declining resources and the need for consolidation<sup>14</sup>. Overall resources remain about one sixth below the peak of 1990 in nominal terms and about 40 % lower in real terms<sup>15</sup>. Further increases in the level of funding would offer the opportunity of reconsidering the current strategy.

Global products have significant fixed costs. The fixed costs, however, can be spread over many beneficiary countries if the product can be distributed at relatively low cost. Whether the global products achieve results in terms of development at the country level depends on the extent to which they are relevant and are used by TSIs and end-user SMEs.

If ITC were to enter a period of zero growth or declining resources, the existing portfolio of products would need to be reviewed and pruned, given the costs of maintaining and delivering a wide range of products, and the possibility of a stronger emphasis on country-specific programmes and projects would be further diminished.

On the other hand, an increased emphasis on the delivery of country-specific projects could be expected to require increased resources, unless strict criteria were applied for country selection, since country-specific projects normally require significant resources to be expended in a country, as well as backstopping at headquarters.

There is evidence that, although ITC has adapted its programme to the current level of resources, the level of resources may be inadequate. The evidence on problems of follow-up and continuity suggest an organisation that is stretched. Also the small scale of inter-

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<sup>14</sup> It also reflects elements of ITC's comparative advantage, in its wide network of TSIs and its ability to complement the country-specific projects of other donors as well as ITC itself.

<sup>15</sup> The real adjustment is based on the Swiss consumption deflator of 24 % from 1990 to 2004. Since the USD and CHF nominal exchange rates for 1990 and 2004 are roughly equivalent, a US based GDP or Consumption deflator would indicate a greater decline in purchasing power.

ventions and the absence of a significant programme of country-specific projects suggest that the scale of the organisation is less than would be optimal.

## 5 Evaluation Findings and Conclusions

The following are the key findings and conclusions from the above analysis.

- The dichotomy between regular budget and extra-budgetary financing and an increasing reliance on extra-budgetary resources, has implications for staffing and human resource management, as well as for overall management of ITC, including the delivery of a coherent and focused programme.
- There are a number of factors that serve to increase transaction costs for what is a relatively small organisation. These include the differences in conditions and management of funding from different sources, including the various sources of extra-budgetary funding. There is also the dual process for preparation and approval of the regular budget, as well as extensive UN oversight procedures.
- There is a substantial, and increasing, emphasis on the provision of global or generic products in ITC's technical assistance. In part, this reflects the reduction in ITC resources beginning in the 1990s, which was a principal factor leading to a retrenchment in technical assistance at the country level and an increase in the focus on global products. In recent years, however, the growth of extra-budgetary resources has also been used to support this broad strategy, with an increase in the relative share of global and interregional products. The issue now is whether current or increased resource levels may provide scope for a greater emphasis on country-specific programmes and projects, and what the appropriate balance should be at a given level of resources.
- ITC must both plan and enter into technical assistance commitments on a multi-year basis. Its ability to do so is weakened by the use in many cases of annual, as distinct from multi-year, pledges of extra-budgetary resources, and the late availability of pledged resources, even for the year in which they are intended to be used. Once funds are committed, there is also the related issue of cash flow constraints. The reserve fund of USD 1 million is becoming increasingly stretched, and is likely to be inadequate in the future.
- Expenditures under the regular budget are not currently allocated to specific programmes or products. It is, therefore, not possible to identify or analyse the full costs of particular programmes, products or projects. Steps are being taken in the context of the Annual Operational Plan to make some allocations of costs, but much remains to be done to document and analyse the costs of developing and providing ITC products.
- In the case of a global product, there are significant fixed costs in developing such products, which assume the character of public goods, since the marginal costs of distribution may be relatively low. Whether they yield a reasonable return on investment, in terms of development benefits, depends on the extent to which they are utilised either by TSIs to support SMEs or used directly by SMEs. Products that are relatively high cost to develop can yield a significant return if they are heavily used and achieve development results. Information on the utilisation of many of ITC's products, particularly at the end user level, is limited, although the Evaluation's field studies, (re-

ported in other of the Evaluation's background studies) suggests that there is considerable variation in the extent to which different products are utilised.

- In the case of seminars and training, based on a review of ITC training practices and a simulation analysis of training costs under various scenarios, the Evaluation found that ITC chooses training and seminar locations between Geneva, regional and country-specific venues in a way that is generally cost-efficient based on the origin of the participants and the resource persons.
- One example of a product that has been adapted from a higher cost to a more cost-effective product is the training program on Purchasing and Supply Chain Management, which has been shifted from more expensive training in Switzerland to a more cost-effective modular course delivered by partner institutions with web-site support.
- Cost-effectiveness is more difficult to assess in the absence of better costing of product development and life cycle costs, as well as on the extent to which global products in particular are utilised by end-user enterprises<sup>16</sup>.
- Analysis of ITC's resources and capacity raises the issue of the scale and focus of the agency's activities. The Evaluation's analysis indicates that there is a strong case for increased emphasis on country-specific interventions and that this could improve ITC's ability to determine effectiveness and impact in terms of identifiable and monitorable outcomes<sup>17</sup>. The extent, to which the balance between country-specific interventions and global or generic activities can be considered appropriate, depends at least in part, on the overall scale of operations. If the organisation shrinks as it did during the 1990s, it is obliged to shift toward greater emphasis on global products because the scale of country interventions will decline, especially since ITC has difficulty to prioritise countries for technical assistance. It is more questionable when the relative share of resources allocated to global products and activities is rising when overall resources are rising as has been the case in recent years.

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<sup>16</sup> An assessment of effectiveness also requires better data on outcomes or results than was available for the Evaluation. This is examined in other studies undertaken for the Evaluation.

<sup>17</sup> This is a finding and conclusion in a number of the Evaluation's various field studies and is supported by analysis of ITC's overall intervention strategy.

## 6 Recommendations

- The recommendations that follow from the analysis and conclusions of the study are:
- The complexity of ITC's budgetary and extra-budgetary financing and administrative framework, with the associated transaction costs and differing programming directions, should be re-examined by contributors and stakeholders with a view to reducing transaction costs and simplifying and strengthening programme strategy and delivery. These issues should be considered further in the light of the Evaluation's separate analysis on governance and financing modalities in this volume of the Evaluation's report.
- It would be appropriate and desirable to re-examine the strategic direction of ITC programming in terms of the balance between country-specific programming and global or generic products, in the light of current and prospective resource levels and the need to show identifiable developmental results from the use of the resources provided to ITC. This key strategic issue should be considered by ITC and its governing bodies in the light of the results of the Evaluation's field and product studies, presented elsewhere in the Evaluation's report.
- The constraints on effective programming represented by annual, as distinct from multi-year, financing authority from some donors, late availability of commitment authority and/or cash flow, and the limited size of the cash reserve in relation to current programming levels, should be re-examined by the donors concerned and ITC.

## **Annexes**

- Annex 1: ITC Operations and Budget
- Annex 2: Budget Estimates for 2004/2005
- Annex 3: ITC Organisation and Functions
- Annex 4: Project Portfolio
- Annex 5: Analysis of Seminar and Training Costs
- Annex 6: Analysis of Project Allocations for 2002, 2003 and 2004

## ANNEX 1: ITC Operations and Budget<sup>18</sup>

### *Recent Developments*

The trade and development context within which ITC now operates is different in many respects from that of a decade or more ago. There is now within the mainstream international development community a much greater acceptance of the importance of trade enhancement and business sector support as development tools. At the same time, there has been a substantial expansion in trade-related technical assistance (TRTA), which now runs to the billions of dollars annually (and of which ITC expenditures constitute a relatively small share). Also, in contrast to 10 or 20 years ago, ITC operations are now conducted with only limited contributions from UNDP. When the budget for ITC peaked in the early 1990s, UNDP was a major source of operational funding. Now, ITC relies mainly upon bilateral donors for funding its technical assistance operations.

A notable recent development has been an increase in the variety and number of donor countries coming forward, following many years in which the Nordic countries and the Netherlands comprised the core funding base. For example, though on a relatively small scale, the US funding commitment in 2003 was a breakthrough for ITC, as was the new EU commitment for an Asia Trust Fund. Countries such as Switzerland, the UK, Canada, France, and Germany are also more to the fore than in earlier years.

The launch of the Integrated Framework represented another shift of emphasis, in recognition of the shortcomings of a piecemeal approach to development. The IF recognises the interdependencies that are involved and the need for an integrated approach, with ITC's emphasis on trade promotion and trade development combined with the complementary capabilities of the World Bank, the International Monetary Fund (IMF), and others.

ITC delivers a range of specialised services, organised under seven programme headings, as follows<sup>19</sup>:

- *Programme 1: Strategic and Operational Market Research*: This supports ITC's corporate goals relating to effective national and sectoral strategies, improved trade support services, and the increased competitiveness of the SME sector. The strategic component is designed to support priority-setting by trade strategists and managers of Trade Support Institutions (TSIs), and the operational component is designed to provide enterprise managers with information and decision-support assistance.
- *Programme 2: Business Advisory Services (BAS)*: This programme is aimed at supporting participation by developing countries in the MTS, and at enhancing the ability of

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<sup>18</sup> The background study that forms the basis for this Annex was completed in 2004.

<sup>19</sup> ITC Business Plan 2003-05.

SMEs to compete in the international marketplace. Participation in the MTS is coordinated under ITC's World Tr@de Net system,

- *Programme 3: Trade Information Management:* This concentrates its priorities on capacity building and networking activities within LDCs in the trade information area.
- *Programme 4: Export Training Capacity Development:* This programme is intended to develop the competencies of enterprise managers to 'grow' their export business.
- *Programme 5: Sector Specific Product and Market Development:* This programme focuses on reducing supply-side ('border-in') constraints to exporting and generally improving a specific sector's export performance.
- *Programme 6: Trade in Services:* The objective of this programme is increasing awareness of service sector opportunities and enhancing capabilities of same.
- *Programme 7: International Purchasing and Supply Chain Management:* This focuses on improving purchase and supply operations with the aim of enhancing the reliability and competitiveness of export delivery.

### ***ITC Mandate***

The relevance of the mandate of ITC for trade and development is widely recognized. The Declaration of the Fourth Ministerial Conference of the WTO (Doha, November 2001) reaffirmed its support for the work of ITC, and called for its enhancement. The Monterrey Consensus of the International Conference on Financing for Development (March 2002) also affirmed the strategic importance for development of trade-related technical assistance and capacity building, and the WTO Ministerial Conference in Cancun, in September 2003, reaffirmed the Doha Declarations and Decisions.

New demands for continued growth of ITC services are, therefore, expected, from both recipients and donors – both national and multilateral. In recent years, ITC delivery of technical assistance has been increasing by approximately 20% each year.

ITC has specified five long-term corporate goals in its successive Annual Reports<sup>20</sup>, i.e.:

*Goal 1:* To facilitate the integration of developing and transition economy enterprises into the MTS;

*Goal 2:* To support national efforts to design and implement trade development strategies;

*Goal 3:* To strengthen key trade support services, both public and private;

*Goal 4:* To improve sector export performance in sectors of critical importance and opportunity;

*Goal 5:* To foster international competitiveness within the business community as a whole and the SME sector in particular.

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<sup>20</sup> ITC, *ITC Annual Report 2003*, Geneva.

In meeting these goals, and delivering its different programmes, ITC has adopted a three-track approach to delivery of technical cooperation.

**Track 1** enables ITC to achieve *global coverage* through the provision of low-intensity field-level support, based on: (i) a publications and information dissemination programme; (ii) direct collaboration through the product-network approach; and (iii) the provision of targeted inputs under GTF Window II programmes (South-South Trade Promotion, World Tr@de Net and E-Trade Bridge). *Track 1* support is to be delivered increasingly through cyber collaboration (i.e. via the Internet). ITC's Web Committee will coordinate the continuous upgrading of the ITC website and sub-sites.

**Track 2** involves the delivery of medium-intensity field-level support under *multi-agency, multi-purpose, multi-country TRTA projects*. The 2004-2006 Business Plan attaches priority to broadening this consortium approach, as experience has confirmed that it not only creates technical synergies and the critical mass needed to address export development issues, but it also creates a foundation for the development of single country, Track 3-type projects.

**Track 3** provides high-intensity field-level support, normally tailor-made to the requirements of *a specific country*. As Track 3 projects provide greatest scope for achieving impact, and ITC attached highest priority to the expansion of this mode of delivery in the 2004-2006 Business Plan.

#### ITC's Strategic Framework

ITC's functional and programme budget is directly linked to the requirements that flow from complying with the agency's role in contributing to meeting the UN's overall trade and development goals. Its role is articulated under the biennial strategic framework process (beginning with the 2004-2005 framework).

According to that framework, ITC should complement the work of its parent bodies, United Nations Conference on Trade and Development (UNCTAD) and WTO, by focusing its technical co-operation activities on supporting the efforts of developing and transition economies, and most particularly their business sectors, to build the capacities needed to realize their full potential for developing exports and improving import operations. ITC deals specifically with the operational aspects of trade development. Its principal technical cooperation partners are national networks of TSIs concerned with the international competitiveness of the small-scale enterprise sector. Special priority is given to Africa and the least developed countries.

Technical assistance is delivered at the national, sub-regional, regional and inter-regional levels. To support these activities, ITC maintains an active headquarters-based applied research programme. This concentrates on gathering and analysis of market information/commercial opportunities and the development of generic tools for subsequent adaptation and application by partner organisations in developing/transition economies or by individual enterprises. This applied research focus ensures that ITC technical cooperation is of a consistently high and up-to-date standard and effectively reduces the lead-time for, and the costs of, input delivery at field level. Technical support is provided through information dissemination, training and advisory services.

In addition to collaboration with its parent bodies, UNCTAD and WTO, ITC cooperates with a network of other multilateral agencies, ranging from the UNDP, IMF and the World Bank to *l'Agence internationale de la Francophonie* and the Commonwealth Secretariat. Direct collaboration with bilateral technical cooperation agencies, primarily from OECD countries, in the design and implementation of operational programmes is also increasing. Principal counterparts at country-level include Ministries of Trade, national trade promotion organisations, trade and industry associations, chambers of commerce, small enterprise development agencies and other specialized members of national trade support networks.

### ***Objectives for the Biennium 2004-2005***

In its biennial strategic framework, ITC identifies a range of *Expected Accomplishments*, *Indicators of Achievement*, and *Performance Measures*. These include:

- Establishment of national core expertise in MTS issues;
- Increasing the number of effective trade development strategies;
- Reinforcing national TSIs;
- Improved trade performance in selected product and service sectors;
- Increased entrepreneurship skills for exports and in competitiveness at the enterprise level.

### ***Budget Overview***

ITC funding is divided between RB and extra-budgetary resources (XB).

The regular budget is funded in equal parts by WTO and the UN. This is the primary source of funding for ITC's 'core' activities, those that meet the collective needs of the organisation (mainly staffing, but also activities such as market analysis, information dissemination, development of tools, etc.). The RB is approved and controlled in Swiss Francs. Allotments are made based on the approved RB, which gives the Executive Director the authority to enter into financial commitments on behalf of the organisation. The budget is approved by main groups of expenditures, such as staff costs, travel, training, and rental of premises. ITC has limited discretionary funds (similar to other UN agencies), and most of its resources are committed from the beginning of the biennium to staff and related costs. For example, for 2003, fixed commitments (staff and rental of premises) amounted to approximately 86 % of the total.

WTO and the UN each use standard costs to determine the cost of posts, based on category and grade of those posts. In the UN system, staff costs are divided into salary costs and common staff costs. Common staff costs are projected based on a five year average. They can vary due to uncertainties regarding staff turnover, repatriation grants, dependency allowances, etc.

Extra-budgetary resources consist of pledges and trust funds from donor governments, governmental and international organisations, NGOs, the business sector, and foundations. They are used to fund technical cooperation projects in beneficiary countries. A

portion is used to finance posts at headquarters and staff travel. Extra-budgetary funding is expressed in USD dollars.

ITC is subject to the Financial Regulations and Rules of the UN, and ITC's financial statements are certified and reported to the General Assembly of the UN and the General Council of the WTO by the Controller of the UN. ITC has been granted broad delegation of authority for administering the UN Financial Rules. ITC's accounts are kept in accordance with UN practices, and ITC uses the applications of the UN Integrated Management Information System (IMIS) to maintain the accounts and record financial transactions.

ITC is subject to the UN oversight mechanism, which comprises the UN Board of Auditors (BoA) and the OIOS of the UN Secretariat. The BoA is solely responsible for the conduct of external audits for ITC. Its findings are conveyed to the General Assembly and the General Council of the WTO. Accounts are submitted by ITC to the UN controller, who certifies them and submits them to the BoA. The OIOS was established in 1994, as an independent office reporting directly to the Secretary General to strengthen internal oversight in the UN. OIOS conducts regular management audits of ITC and its recommendations are included in a report submitted annually to the UN. OIOS has carried out two inspections of ITC – the first in 1996, and a second that had recently been completed as of the preparation of this study.

### ***ITC's Position within the UN and WTO Budget Systems***

ITC accounts for less than 1 % of the total UN budget and approximately 10 % of the WTO budget. The UN and WTO budgeting methodologies differ considerably and special arrangements have had to be made for the review and approval of ITC's budget.

The UN's RB is financed by its member states based on specific scales of assessment. Until December 2003, ITC budgetary procedure included the Medium Term Plan, which provided a structure for programmes and sub-programmes for use in the programme budget. From January 2004, like the rest of the UN, ITC will apply a biennial Strategic Framework. ITC is responsible for the implementation of *Sub-programme 6 of Programme 10, Trade and Development*, of the Strategic Framework. For the biennium 2004-05, Section 13 of the proposed UN programme budget concerns ITC. ITC's budget is approved by the General Assembly. The WTO is primarily financed by contributions from member states based on their share of international trade. ITC is financed within the WTO under the WTO Secretariat Budget. ITC's budget is approved by the General Council of the WTO.

### ***Differences in UN and WTO Budgeting Procedures***

There have been significant differences in the budget procedures of the two parent organisations. The UN runs on a biennial budget cycle, while the WTO has operated under an annual budget cycle. This complicated the budgeting process, which followed the UN system, but which also closed its accounts annually in line with WTO regulations. With the WTO moving to a biennial cycle in 2004, this source of inconsistency was removed. Furthermore, the UN manages its accounts in US dollars, whereas the WTO manages its accounts in Swiss francs. Under current administrative arrangements, ITC's budget is ap-

proved by both the UN and WTO in Swiss francs. It is controlled in Swiss francs, but financial statements are prepared and audited in US dollars. The UN uses an operational rate of exchange revised on a regular basis, which is used for recording US dollar transactions in other currencies. Because of exchange rate variations, the UN may once a year adjust the US dollar appropriations so as to ensure that it can meet requirements of ITC budget in Swiss francs over the biennium. Finally, while the WTO prepares its budget in current terms, the UN prepares its budget in real terms.

### ***Results-based budgeting***

#### *Methodology*

The UN is currently implementing Results-Based Budgeting (RBB) as its budgeting methodology. RBB is a budget process that connects resource allocation to measurable results.

The UN defines RBB as a budget process in which managers formulate budgets around a set of pre-defined *objectives* and *expected accomplishments (or desired outcomes)*, expected accomplishments justify the resource requirements which are derived from and linked to outputs required to achieve such accomplishments, and actual performance in achieving expected accomplishments is measured by *indicators of achievement*.

RBB will now be the accepted technique for achieving effective organisation and management control within the UN network. It aims to provide a comprehensive and internally coherent system of organisation appraisals, including country and program monitoring. While ITC has adopted RBB, the transition to full implementation will take time, as has also been the experience of other parts of the UN system. In recent years WTO has also been moving toward the adoption of a RBB methodology.

In April 2003, ITC completed the implementation of the UN Integrated Management Information System (IMIS), which was designed specifically for the UN to allow real time online transactions and processing.

### ***External Factors Impacting Budgetary Position***

ITC develops its offering of services based on requests from beneficiaries, the level of donor support, and its own assessment of needs. Changes in the international market place and the Multilateral Trading System (MTS), and the needs and priorities of ITC clients, require the continuing adaptation of ITC's programme of work. Any changes in emphasis within the overall technical cooperation programme are reviewed annually within the framework of the Joint Advisory Group (JAG), and through ongoing consultations with stakeholders. The outcomes of the World Bank-led strategic analysis for poverty reduction and of the Integrated Framework process, as well as requests emanating from the annual ITC Executive Forum, also influence the programme of work. Finally, as a technical cooperation agency within the framework of the UN (as well as WTO), ITC's operational TA delivery is expected to be financed by voluntary contributions; as a result, its activities and the level of impact achieved in the field, are directly dependent upon the availability of such contributions.

### ***Extra-Budgetary Resources***

Extra-budgetary resources originate from all sources other than those derived from the regular budget. Extra-budgetary resources finance approximately half of ITC's total expenditures. The largest share of extra-budgetary funds comes from trust funds, which totalled USD 18.6 million in 2003, equivalent to 41 % of total expenditures<sup>21</sup>. Other extra-budgetary resources include UNDP funds, contributions to support costs, and revolving funds.

### ***Major ITC Trust Funds***

ITC trust funds are categorised as technical co-operation trust funds. ITC has a considerable number of such trust funds, including:

**Global Trust Fund (GTF).** A proposal to establish a Global Trust Fund was endorsed by the JAG in 1995, and the implementation of GTF-financed activities started in 1996. The GTF comprises voluntary pledges made yearly, primarily during JAG meetings. It complements ITC's regular budget, enabling ITC to field activities for a larger number of beneficiaries. The Consultative Committee, which currently has 18 members (plus observers), provides advice to the ITC Secretariat and ensures transparency in the use of GTF resources. For many countries that do not benefit from tailor-made country projects, the GTF is the sole source of funding for ITC assistance. The GTF has two windows:

*Window 1* is used for 'unearmarked' contributions that primarily help to finance ITC's technical capability for programme delivery. The available resources in a given year are allocated up to May of the following year, when new pledges are announced or confirmed at the annual JAG session. Total funds available in 2003 amounted to USD4.8 million, an increase of 29 % over 2002, and were allocated as follows<sup>22</sup>:

- *Core Staff (30 %):* This sub-window part-financed 12 senior expert staff. Financing for these positions was shared with support costs as well as the use of vacant posts under the regular budget.
- *Programme Development Activities (28 %):* This sub-window financed activities to strengthen ITC's research and service delivery capabilities across a range of areas (tourism export strategy template; field testing PACKit in five Asian countries, etc.).
- *Formulation of tailor-made programmes and other country or region specific activities (15 %):* This sub window enabled ITC to respond to requests from specific countries for project and programme development assistance, based on its needs assessment and programme design methodology.

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<sup>21</sup> The share of extra-budgetary resources increased further in 2004, and now stands at close to 50 %.

<sup>22</sup> Table 6 of the Statistical Tables, Annual Report 2003; Report of the Consultative Committee of the Global Trust Fund, 8 March 2004.

- *Business for Cancun/Business for Development (8 %)*: This sub-window financed a series of meetings prior to the WTO Ministerial Conference in Cancun.
- *Meetings of Experts (8 %)*: This sub-window financed meetings of experts and resource people in the areas of services trade and for contributions to the World Summit on the Information Society.
- *Other (11 %)*: Other sub-windows covered Evaluations and Missions by ITC Staff.

*Windows 2* of the GTF finances multi-year/country programmes, especially multi-disciplinary projects building upon ITC's basic work programme. Total funds available in 2003 amounted to USD 3.9 million. Six programmes were operational during 2003:

- World Trade Net
- CAPNET/BIS
- ProCIP
- South South Trade Promotion
- E-Trade Bridge
- Export Poverty Reduction Program.

**Common Trust Fund (CTF).** The CTF was established to fund JITAP. It comprises voluntary contributions made to ITC throughout the year. The fund is guided by a Steering Group, which includes donors and benefiting partner countries, and the secretariats of ITC, UNCTAD, and WTO. Within this initiative, ITC manages the fund, and provides the steering group with progress reports, annual performance results, and consolidated annual financial results. Fund allocations in 2003 totalled USD 1.3 million. Funds are divided into two windows. Window I (which is relatively small) is designed for unallocated contributions, and is used to finance needs assessment, project development and other advisory missions, multi country activities, and country projects. Window 2 comprises solely funds for country projects.

**(Bilateral) Trust Funds.** Bilateral trust funds are created on the basis of specific proposals to or by donors for the purpose of customised country and regional projects. These funds may be received at the donor's initiative. Allocations in 2003 totalled USD 8.8 million. While the majority of contributions were from individual countries, smaller amounts of funding were also received from certain international organisations such as WHO and the Islamic Development Bank.

**Funds in Trust.** These are funds contributed by a recipient government to finance a project in that country. Such funds totalled USD 221,000 in 2003.

All expenditures against XB resources are charged for programme support costs incurred by ITC in project implementation. All trust funds are subject to audit, and a trust fund may be closed by the authority that established it, or by its terms of reference.

**UNDP Funds.** These include projects funded by UNDP and projects funded jointly by UNDP and another organisation. ITC may be either the Executing Agency or the Imple-

menting Agency. Expenditures are charged to an operating fund account, a clearing account that is maintained by UNDP. UNDP trust funds must follow UNDP procedures, which are slightly different from ITC trust fund procedures. UNDP allocations have declined substantially in recent years, and in 2003 (excluding the Integrated Fund) totalled USD 1.1 million<sup>23</sup>.

**Integrated Framework Trust Fund (IFTF).** The IFTF is administered by the UNDP, and involves six core agencies: ITC, IMF, UNCTAD, UNDP, World Bank, and WTO. The IFTF operates using two windows: *Window 1* for unallocated contributions, and *Window 2*, in which contributions are allocated to specific projects. The 2003 allocation for ITC was USD 626,400.

**Revolving Funds.** ITC is required to maintain an operating reserve which is set aside within the cash resources of the trust funds to cover delays in and possible non-receipt of pledged contributions and to meet final expenditures of trust fund activities. This reserve currently stands at 7 % of the trust funds (i.e. just over USD 1 million). This fund plays an important role in allowing projects to proceed notwithstanding delays in receipt of donor funding. In light of the increased deliveries of recent years, consideration is now being given to increasing this reserve, while staying within the 15 % UN advisory threshold.

**Support Account.** Expenditures against extra-budgetary resources are charged for programme support costs incurred by ITC. Income received is pooled into a programme support account, which is used to finance administrative overheads (largely staff related) associated with the implementation of trust fund projects. The standard rate is set (per UN regulations) at 13 % of extra-budgetary expenditures, with separate rates for UNDP (10 %) and EC (7 %) related expenditures. In 2003, support income approximated USD 2.3 million, while expenditure on staff approximated USD 1.8 million, generating a small surplus, which accrues to the account.

### ***Budget 2004-2005***

In October 2003, ITC submitted its Proposed Programme Budget for the Biennium 2004-2005 to the General Assembly of the UN<sup>24</sup>. The proposed budget was CHF 32,486,000 for 2004 and CHF 32,848,400 for 2005 for a combined biennium total of CHF 65,334,400. This included projected miscellaneous income for the period of CHF 471,000 and represents a 5.5 % increase over 2002-2003.

Of this 2-year total, an estimated CHF 49,836,200 (76.3 %) related to the funding of 79 Professional and higher level posts and 78 General Service posts. The estimated amount of CHF 15,498,200 (23.7 %) in non-post resources covers such items as database sub-

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<sup>23</sup> Declining further to USD500,000 in 2004.

<sup>24</sup> Proposed programme budget for the biennium 2004-2005, Part IV International cooperation for development, Section 13 International Trade Centre UNCTAD/WTO, Programme 9 of the medium term plan for the period 2002-2005.

scriptions, translation costs, official travel, resource personnel for the Executive Forum, official hospitality, supplies and materials, furniture and equipment, grants and contributions.

Extra-budgetary resources for the biennium were estimated at USD 53,397,000, roughly equivalent (and allowing for USD /CHF variations) to a little over 50 % of the total resources available.

**ANNEX 2: Budget Estimates for 2004/2005*****Staff***

Estimates cover all salary, pension and common staff costs for staff on regular budget posts and those hired under temporary assistance. These are based on UN scales and ITC standard costs; actual charges may vary from year to year with changes in such factors as the cost of living, conditions of service, rates of exchange, and so forth.

**Table Annex 2.1: Total Budget**

Year	2003	2004	2005
Budget (CHF)	23,453,000	24,707,900	25,117,300

Expenditures under common staff costs include the organisation's contributions toward the UNJSPF and medical insurance, as well as costs associated with appointment and separation, education grant, and home leave.

Estimates for 2004 represent the cost of 157 (regular budget) posts, with an additional 16 to be funded from support costs (see Table B.5).

***Administrative Costs***

Administrative costs include building rental, maintenance and insurance; purchase of office furniture, supplies and equipment (including ICT equipment); communication costs; and contractual services relating to the rental or maintenance of ICT, reproduction, transportation, and communications equipment.

**Table Annex 2.2: Administrative Costs**

Expenditure Item	2003	2004	2005
Communications	423,000	423,000	423,000
Building Facilities	1,973,700	2,018,300	2,022,900
Permanent Equipment	432,200	631,900	533,600
Expendable Equipment	181,700	181,200	183,400
Contractual Services	1,214,100	976,600	988,200
Sub-Total	4,224,700	4,231,000	4,151,100

***Other Costs***

Other costs include the following:

- Staff training: this includes language, communications, and ICT skills training;
- Missions: this includes official consultation missions, needs assessment and programme design missions, ITC representation at international meetings, etc.
- JAG: this includes various costs associated with the holding of JAG meetings, including costs of interpretation, documentation and translation services;

- Publications: this includes costs of publications such as the International Trade Forum and various technical documents.
- Library; includes costs related to the acquisition of library material;
- Contributions to joint activities; this includes ITC's contribution to a number of UN services such as internal audit provided by the Office of Internal Oversight Services, the Joint Medical Service, security arrangements, etc.

**Table Annex 2.3: Other Costs**

Expenditure Item	2003	2004	2005
Staff Training	230,500	233,400	236,300
Missions	334,600	338,600	342,600
Library	352,700	356,900	361,200
Publications	694,100	702,300	710,600
JAG Meeting	271,900	354,600	358,900
Contributions to Joint Activities	293,700	706,800	713,900
Public Information Activities	72,500	88,400	89,500
External Auditors	54,100	49,800	50,400
Other	36,500	36,200	36,500
Sub-Total	2,340,600	2,867,000	2,899,900

#### Income Estimates

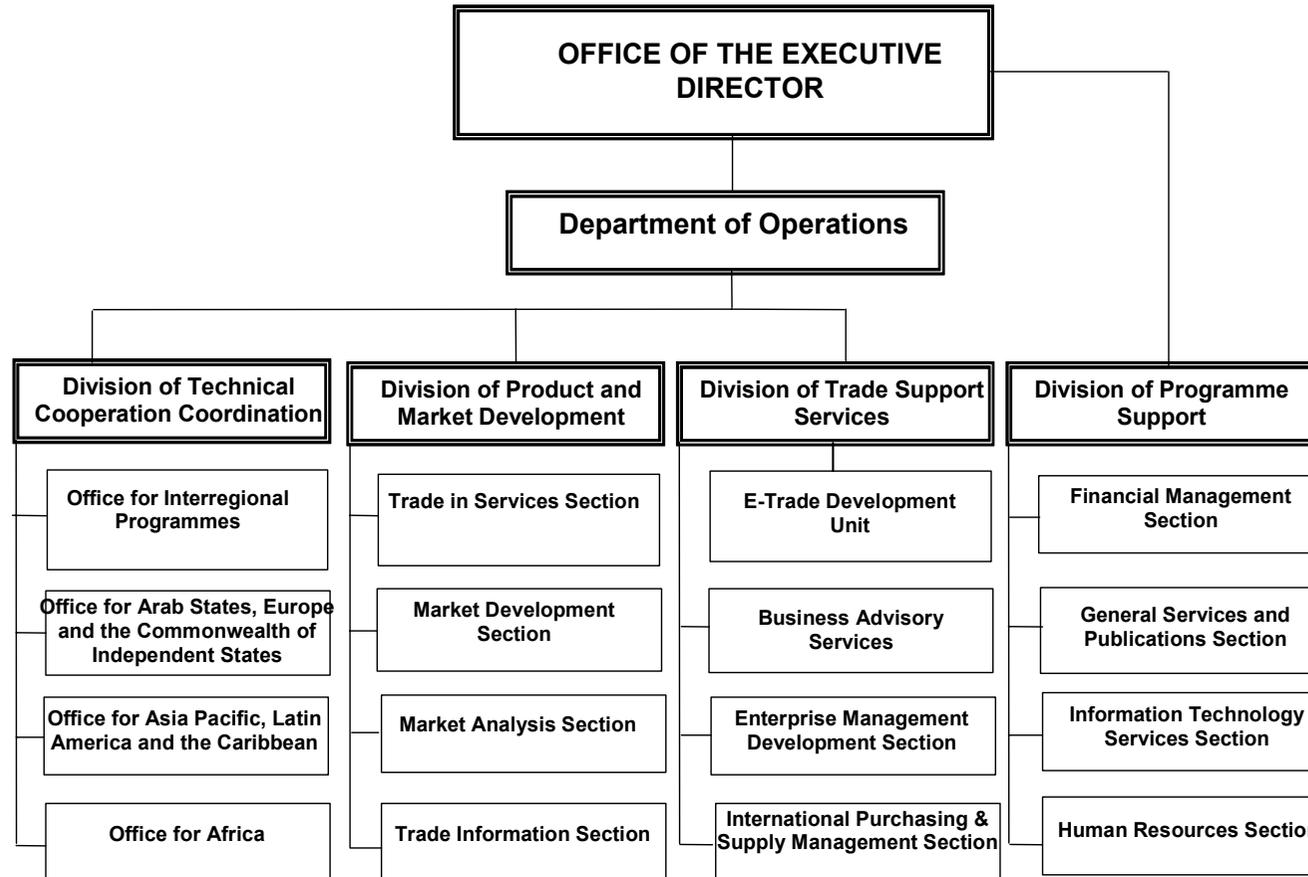
Income estimates (regular budget) for the biennium were as follows:

**Table Annex 2.4 Income Estimates**

Category	2004 (CHF)	2005 (CHF)
WTO Share	16,125,250	16,306,450
UN Share	16,125,250	16,306,450
Income, of which:	235,500	235,500
Rental of office and parking space	100,000	100,000
Interest on investments	37,000	37,000
Sale of publications	80,000	80,000
Other Income	18,500	18,500
Total	32,486,000	32,848,400

***Staff Positions*****Table Annex 2.5 Staff Positions**

Division	Regular Budget	Funded from Support Costs	Total
Executive Directorate	15	3	18
Department of Operations	93	8	101
Division of Trade Support Services	26	2	28
Division of Product and Market Development	42	3	45
Division of Technical Cooperation Coordination	25	3	28
Division of Programme Support	49	5	54
<b>TOTAL</b>	<b>157</b>	<b>16</b>	<b>173</b>



### **Annex 3: ITC Organisation and Functions**

ITC's organisational structure comprises the Office of the Executive Director and the Department of Operations, which is in turn organized into four distinct divisions.

#### Office of the Executive Director

The Office of the Executive Director (OED) provides strategic leadership for the development and management of the organisation. It coordinates the corporate work programme and the key functions of evaluation, resource mobilization and corporate communications. It chairs key policy and corporate development committees and represents the Centre at the executive level vis-à-vis governments, UN bodies, the WTO and other organisations. OED also coordinates the Executive Forum, an annual cycle of research, debate, publication and field-level technical assistance focusing on strategic competitiveness issues confronting developing/transition economies.

The OED's stated objectives are as follows:

- Refine and strengthen tools and methods for continuous monitoring and performance measurement of programmes and projects;
- Improve the project cycle management process and ensure the systematic consideration of lessons learned in new programme/project development;
- Strengthen the financial resource base through improved relationships with traditional donors and the establishment of cooperation with new partners;
- Improve ITC corporate communications capacity, by enhancing communications capabilities of ITC staff, strengthening ITC communications tools and introducing a comprehensive communications strategy;
- Coordinate ITC's contribution to the OECD/DAC-WTO Doha Development Agenda Database on Trade Related Technical Assistance (TRTA);
- Coordinate corporate-level implementation of the Executive Forum on National Export Strategies.

OED staffing (2004) comprises the Executive Director and 17 staff.

ITC's rolling 3-year Business Plan (introduced in 2001), serves as the primary instrument for results-based management planning and performance assessment. This function is overseen through the Senior Management Committee (SMC), chaired by the Executive Director and comprised of all Directors, which meets on a weekly basis and circulates detailed minutes to all staff the same week. The Centre's International Trade Forum magazine serves as the organisation's principal vehicle for awareness building and outreach.

The OED also has responsibility for the implementation of the Executive Forum. This initiative was launched in 1998 and has become an ITC flagship, with a participant network of

about 500 members spread across over 80 countries. The Forum targets decision makers and strategists in developing/transition countries, and is aimed at facilitating and supporting strategic responses to key competitiveness issues through the identification and dissemination of “best practice” and the sharing of national experience. It has in turn generated demand for field-level technical support in national and sectoral strategy design and management.

In addition to the International Trade Forum magazine and the Executive Forum on National Export Strategies, OED outputs include the servicing of intergovernmental and expert bodies such as – the annual meetings of the JAG; meetings of the Consultative Committee of the Global Trust Fund; and meetings of the Steering Group of the Common Trust Fund Committee. The OED also has responsibility for the production of the Annual Report on the Activities of the International Trade Centre as well as Reports of the JAG.

The Budget for 2004 was set at CHF 3,532,000 (Staffing CHF 2,575,100).

### ***Division of Trade Support Services***

The focus of ITC’s Division of Trade Support Services (DTSS) is enterprise competitiveness. DTSS researches, develops and tests new competitiveness tools, methodologies and services and delivers them to the user enterprises through a network of partner institutions. These tools and services are also offered to country and multi-country programmes of ITC managed by DTCC.

The Division is organised into the following four sections:

- *Business Advisory Section*: The BAS section focuses on three broad enterprise support areas; first, support to export-oriented enterprises to develop their competitive capabilities (through the provision of diagnostic and benchmarking tools, methodologies and training); second, the strengthening of national trade support services to enterprises (in such areas as trade finance, export packaging, standards and quality management); and third, support to the business sector for effective participation in the MTS. The latter function is delivered through the WorldTr@deNet programme. BAS is the largest section (in terms of staffing) in the Division.
- *Enterprise Management Development Section*. The EMDS is focused on strengthening the capacities of individual enterprises in the key areas of management, export-readiness, and ‘e’ competence. The section collaborates extensively with national multiplier organisations and networks of local trainers and consultants in providing this service. In association with some of these national partners they have established a network of (four) regional hubs to disseminate training within these regions.
- *International Purchasing and Supply Management Section (IPSM)*. This Section assists SME’s and buying agencies to achieve better value for money in their procurement activities, and to build national advisory and training capacities in these disciplines. Emphasis is on fostering the development of institutional and trainer networks and developing tools for local adaptation and application. They have a network of over 50 institutions and 450 trainers

that they work with. They have also worked with the World Bank in developing public procurement methodologies that can be deployed in developing countries.

- *E-Trade Development Unit.* This unit has only recently been established (2003). It will coordinate ITC activities in implementing the e-Facilitated Trade Development Strategy. Awareness and competency building support is also being increased through an expanded global programme of research into best practice and information dissemination. The Unit will also provide advisory services to public and private sectors in the formulation of e-trade strategies and application of business solutions for e-commerce competence development.

The Division's objectives are stated as follows:

- Build sustainable institutional capacity in partner countries to provide effective and coordinated trade support and human resource development services for enhancing the competitiveness of business enterprises, especially SMEs, in the global market;
- Develop technical and organisational capacities in partner countries for participating effectively in the global digital economy and enhancing SMEs' competence to profit from new information and communication technologies;
- Enable businesses to engage in and take advantage of the opportunities of the evolving MTS and develop the conditions for a continuous dialogue of the business community with their trade negotiators;
- Develop national institutional capabilities for providing enterprises with training, consultancy and information support relating to purchasing and supply chain management.
- Improve ITC corporate communications capacity by enhancing communications capacities of ITC staff, strengthening ITC communications tools and introducing a comprehensive communications strategy.
- Coordinate corporate-level implementation of the Executive Forum on National Export Strategies

DTSS staffing (2004) comprises the Director and 27 staff.

DTSS produces a wide range of outputs (publications). They include: World Tr@de Net newsletters; Trade Secrets; PACKit (integrated packaging information kit); TSI Index; Guide to Procurement under Public Private Sector Partnerships; B2B e marketplaces; Guide to Value Chain Analysis for Sectoral Export Strategy Development; Export Packaging database; and Fitness Checkers (for SMEs).

Budget for 2004 was set at CHF 4,351,600 (staffing CHF 4,044,600).

### ***Division of Product and Market Development***

The Division of Product and Market Development (DPMD) focuses on assisting the business community in developing/transition economies to respond competitively to evolving market trends. Priority is placed on providing enterprises, and relevant trade support organisations, with information and advice in the areas of product development, market analysis and selection, and market promotion. The capacity to develop internationally competitive products and services and to market them more effectively is supported, as are improvements in the availability, dissemination and utilization of trade information. DPMD operates its own portfolio of projects, as well as providing backstopping and support to the programmes and projects of other Divisions within ITC.

The Division is organised into the following four sections:

- *Market Development Section (MDS)*: The MDS provides direct export marketing support to the business community through project management and advice on product development, product adaptation and international marketing. The Section maintains a programme of applied research on markets for agricultural and manufactured products that are of long term interest to developing country suppliers, and assists national counterparts prepare and refine sectoral export strategies. The product coverage includes fresh and processed fruits and vegetables, jute, spices, coffee, wood and wood products, artisanal and cultural products, leather and textiles and clothing, and has been extended in recent years to embrace organic products, medicinal plants, and essential oils. The Section does projects in partnership with other UN agencies (such as with WIPO in the Creative Industries sector), with the Food and Agriculture Organization of the United Nations (FAO), and with UNCTAD (BioTrade Facilitation Program). The Section is also in the process of developing for ITC a new trade and environment strategy.
- *Market Analysis Section (MAS)*: MAS provides strategic and operational market research and analysis, which is organised and delivered under the following main headings (with each associated with its own web-based portal):
  - *Country MAP* - on country trade performance;
  - *Product MAP*- for business information;
  - Market News Service- for prices;
  - *TradeMap*- for trade statistics; and
  - Market Access Map – for trade barriers.

The focus is on enhancing the transparency of global trade and market access, benchmarking export competitiveness and offering leads for business development across products and countries. The Web-based portals are complemented by single-client support research and tailor-made capacity-building activities for partner institutions. Country Map is freely accessible through ITC website, while Product Map and Market Access Map are sold to users in approximately 130 countries.

*Trade Information Section:* In the area of trade information, the Division's capacity building activities centre around three major components: (i) strengthening national trade information support services, involving both public and private business representative institutions; (ii) providing technical assistance in the design and development of business information services and networks at national and/or regional level; and (iii) supplying trade-related information as well as assisting in the identification of relevant business information sources. Priority is placed on human resource development through advice, training and the dissemination of guidebooks and tools based on the use of information and communication technology. The trade information reference system provides online access to databases and information sources.

*Trade in Services Section:* Greater emphasis is being attached to promoting the participation of developing/transition economies in the expanding Trade in Services. The Section's programme of work includes a 6-phase technical assistance programme, aimed at SME's in the service sector, services industry associations, and governments. One objective is to raise awareness of the opportunities which are created by Trade in Services, to diversify trade, create jobs, and contribute to development. This is the fastest growing element of international trade, fuelled by advances in technology which now facilitates the marketing and delivery of many services online. Other initiatives include projects to foster gender mainstreaming, and to promote the participation of developing nations in the General Agreement on Trade in Services (GATS).

The Division's objectives are stated as follows:

Assist governments and TSIs in setting priorities and defining export development sector strategies and trade promotion strategies and plans based on a systematic analysis of their local and international trade environments;

Provide SMEs with the tools to enable them to exploit international market opportunities, and to formulate effective export development strategies leading to an increase in exports;

Assist governments and the business sector to increase diversification of export products and services through market analysis, product and market development and promotion, as well as the design and the implementation of effective sector networking tools;

Advise existing trade information centres and networks to enhance their capacity, and assist in the establishment of new ones in order to develop sustainable information services that respond effectively to the business communities' needs

DPMD outputs included the following: MAS web-based tools, i.e. Trade Map, Market Access Map, Product/Market Analysis Portal, and Country Map; printed outputs including a range of product market guides and market news services; a range of service sector publications such as Business Guide to the GATS and Export Strategies for Women Entrepreneurs in the Service Sector; Performance Measurement for Trade Information Services; and a large number of training events.

Budget for 2004 was set at CHF 7,157,000 (staffing CHF 6,647,500).

### ***Division of Technical Cooperation Coordination***

The Division of Technical Cooperation Coordination (DTCC) coordinates ITC field-level activities, including relations with donors, and ensures that such activities are consistent with national and regional trade promotion needs and priorities. The Division leads the Centre's *needs assessment and programme design process* and manages integrated national and regional projects.

A number of recent developments impact on the DTCC programme of work, such as delivery on the Doha Development Agenda (DDA), with ITC being assigned lead-responsibilities in addressing TRTA needs. At interregional level, special emphasis is placed on responding to demand from least developed countries for technical cooperation within the multi-agency Integrated Framework for TRTA and on broadening South-South trade promotion and export-led poverty reduction activities.

Greater attention is being given to ensuring that these inter-regional and multi-agency initiatives are linked with, and directly support, country level initiatives. Similarly, to strengthen the "trade and development" relationship within ITC's overall programme of work, increasing emphasis is being given to ensuring that "issues of common concern", the Millennium Goals and DDA priorities, are fully integrated into national level programme design.

The Division's programme of work is carried out by the Office for Africa (OA), the Office for Arab States, Europe and the Commonwealth of Independent States (OASEC), the Office for Asia-Pacific, Latin America and the Caribbean (OAPLAC), and the Office for Interregional Programmes (OIP).

The primary focus of the OA is to contribute to a capacity building process to bring the continent more fully into the MTS. ITC has the technical and administrative leadership role in JITAP, which has increased its coverage to sixteen countries, from the original eight. A new initiative, contributing directly to the objectives of the New Partnership for Africa's Development (NEPAD), will become fully operational in 2004. It is called Programme for Building African Capacity for Trade (PACT) and aims at improving the overall export performance of Africa's business sector.

The OASEC has responsibility for economies in transition, and following an active programme of needs assessment and programme design undertaken during 2002-2003, is launching a number of national and regional projects in Central and South-Eastern Europe. These will cover a range of capacity and competitiveness-building support activities, targeting both TSIs and enterprises. Central Asia is becoming a major focus for ITC, and new multi-year integrated projects are becoming operational, addressing the needs for designing effective foreign trade strategies, improving quality management, streamlining procurement, providing relevant trade information, and dealing with MTS issues. In the Arab States, emphasis

is placed on national capacity building for the provision of effective trade support services in the areas of trade finance, trade information, quality management, training and counselling, public procurement and supply management. At the regional level, priority is given to the implementation of a regional technical cooperation undertaking, based on the JITAP model, and to supporting intra-Arab trade expansion and regional integration.

In Latin America and the Caribbean, since funding possibilities for TRTA are very limited at national level due to the perspective of donors and the perspective on Beneficiary countries in this region. However, in light of the interest in various regional initiatives, the development and formulation of regional projects is the main focus of ITC activities in the region. Priority is given to the participation of the region in the Export-led Poverty Reduction Program and South-South trade promotion activities. OAPLAC has an active resource mobilization programme to secure funding for the increasing number of national requests for technical cooperation and works towards increasing the region's participation in ITC "product-networks" developed under other ITC programmes, such as the World Tr@de Net, E-Trade Bridge and Enterprise Competitiveness Programmes. In the Asia and Pacific region, emphasis is placed on developing multi-country interventions, which concentrate on trade-related concerns/issues shared by a number of countries and which are linked to national economic development priorities, such as poverty-reduction. The introduction of ITC's "product-networks" (e.g. World Tr@de Net and "competitiveness tools" networks) is being pursued. In addition, programming work undertaken at country level in 2003 is expected to result in the launching of a number of new projects spanning the period 2004-2005 and beyond.

The Office for Interregional Programmes incorporates the former LDC Unit and the South-South Trade Promotion Unit. The LDC Unit spearheads ITC's participation in the Integrated Framework (IF), in partnership with IMF, UNDP, UNCTAD, World Bank and WTO. The number of countries participating in the Integrated Framework (IF) is steadily increasing and it is anticipated that in 2004, 19 LDCs (as opposed to five at the beginning of 2002) will be receiving technical assistance from ITC.

The South-South Trade Promotion Unit coordinates the implementation of ITC's intra- and inter-regional trade development activities. During the biennium 2004-2005, the Unit will focus on sectors promoting South-South trade in pharmaceuticals, food products, textiles and clothing, printed matter, building materials and services. It will also work towards expanding the participation of developing country enterprises in regional aid procurement.

DTCC's objectives are stated as follows:

- Coordinate the design and launching of a new phase of ITC/UNCTAD/WTO Joint Integrated Technical Assistance Programme (JITAP) in Africa.
- Contribute substantially to the implementation of the WTO-led Integrated Framework for TRTA (IF) and launch country-specific technical cooperation projects emanating from this initiative.

- Launch a comprehensive programme for Export-led Poverty Reduction, under Trust Fund financing.
- Design and implement a new regional programme for trade capacity building in support of the NEPAD.
- Expand a new multi-country integrated technical assistance programme in Central Asia into its full phase.
- Mobilize ITC's integrated technical expertise in response to regional, sub-regional and country-specific trade development needs, and develop and/or test new approaches for this purpose.
- Undertake coordinated, effective programme/project formulation, implementation and monitoring of ITC's field activities in cooperation with donors and other partners, particularly WTO, UNCTAD and UNDP

DTCC staffing comprises a Director and 27 staff. The Budget was set at CHF 3,954,000 for 2004 (staffing CHF 3,884,000).

### ***Division of Programme Support***

The Division of Programme Support (DPS) provides administrative, logistical and technical support to ITC in the planning and implementation of all its regular and extra-budgetary activities, is responsible for the preparation, monitoring, and reporting on the regular budget to WTO and the UN and for monitoring compliance with the established rules and regulations in the implementation activities of the regular budget and extra-budgetary financed activities. It also has responsibility for overall human resources management, building management, procurement, travel and registry services, information technology infrastructure and enterprise wide computerized applications development and maintenance.

The services are organized around the Office of the Director, the Human Resources Section (HRS), the Financial Management Section (FMS), the Information Technology Services Section (ITSS) and the General Services and Publications Section (GSPS).

In accordance with the agreement between the two parent organisations, the WTO and the UN, ITC applies the UN Staff and Financial Regulations and Rules and is subject to the UN internal and external oversight bodies. To ensure more effective operations, ITC has been granted a broad delegation of authority in the fields of human resources and financial management, including creation and management of trust funds and procurement.

- The Human Resources Section is responsible for the implementation of such delegation of authority in personnel matters, from the recruitment of all categories of staff up to the D1 level, consultants and Experts on Mission, to their administration, to the development of policies and procedures, and to training and counselling.
- The Financial Management Section is responsible for the implementation of the delegation of authority in the financial and budgeting area including the establishment of trust

funds, the certification of financial transactions, the approval of accounts and the development of policies and procedures.

- ITC has been granted full delegation of authority of procurement. Since 1981 the Centre has occupied its own premises and has been fully responsible for all matters related to building services, security, maintenance and allocation of office space, including the management and control of service contracts with outside firms. ITC also handles the full cycle of its publications including technical editing and printing, either on premises or through outside contractors and all travel related processes. These responsibilities are entrusted to the General Services and Publications Section (GSPS). GSPS is organized into the following units: the Travel and General Services Unit (which includes Registry, Messenger, Building Maintenance and Security services), the Contracts and Procurement Unit, and the Editorial and Reprography Unit.
- The Information and Technology Services Section is responsible for the operation and maintenance of the ICT infrastructure for the Centre, for the operations of the corporate office automation and for the development and maintenance of the corporate systems including the E-Mail, the Trade Information Library System, the Intranet, ITC Web site, the corporate management information system which integrates IMIS financial data with project data, and for the integration of the in-house developed applications. It also provides support to all staff for the development and implementation of applications and Web pages to ensure that standards are adhered to.

Budget for 2004 was set at CHF 13,491,400 (staffing CHF)

### Annex 4: Project Portfolio

The portfolio of ITC projects both in terms of country distribution and in terms of distribution across ITC divisions of project activities is reviewed below.

The ITC Projects database (intranet) documents only those projects that were operational, closed operationally, or closed financially during 2001-2004. In this database, there are, in all, 539 projects in the period of 2001-04. Year-wise information is available for years 2003, 2004 and the aggregate for 2001-2004. The database provides details for these years, classified by beneficiary country, responsible division/section, donors, and other useful categories. Information is not available in this format for projects before 2001.

**Table Annex 4.1 Status of Projects**

	2001-04	2003	2004
All projects	539	265	231
Operational	300	167	182
Closed operationally	131	64	36
Closed financially	37	34	13

Source: ITC projects portal, ITC intranet December 2004.

### *Country Distribution of Projects*

On average, each country has a total three projects from the project universe for 2001-2004 across approximately 170 Beneficiary countries. Although ITC is widely spread in its geographic coverage, there is considerable dispersion in intensity across various countries, ranging from one project each in 19 countries during 2001 to 2004 to 52 projects in Tanzania alone during this period. Of the 170 countries in the project universe, 42 countries have three or fewer projects, aggregating to 74 projects, averaging 1.76 projects each. On the other hand, more than ten countries in Africa have more than 15 active projects each since 2001.

Table 4.2 indicates the country distribution of project activities for 2004.

**Table 4.2 Country Distribution of Projects 2004**

Afghanistan (3)	Albania (5)	Algeria (7)
Angola (9)	Antigua and Barbuda (1)	Argentina (6)
Armenia (2)	Asia, other (1)	Azerbaijan (4)
Bahamas (2)	Bangladesh (14)	Barbados (5)
Belarus (4)	Belize (3)	Benin (17)
Bhutan (6)	Bolivia (14)	Bosnia and Herzegovina (5)
Botswana (9)	Brazil (12)	Brunei Darussalam (1)
Bulgaria (11)	Burkina Faso (15)	Burundi (7)
Cambodia (18)	Cameroon (19)	Cape Verde (4)
Caribbean n.e.s. (1)	Central African Republic (10)	Chad (12)

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Chile (5)	China (13)	Colombia (9)
Comoros (3)	Congo (10)	Congo D.R. (4)
Costa Rica (10)	Côte d'Ivoire (16)	Croatia (5)
Cuba (10)	Cyprus (3)	Developing Market Economies in East Asia & Middle East (1)
Djibouti (3)	Dominican Republic (4)	East Timor (1)
Ecuador (12)	Egypt (9)	El Salvador (15)
Equatorial Guinea (8)	Eritrea (8)	Estonia (3)
Ethiopia (13)	Europe (1)	Fiji (1)
France (1)	Gabon (6)	Gambia (7)
Ghana (11)	Grenada (1)	Guatemala (12)
Guinea (8)	Guinea-Bissau (8)	Guyana (3)
Haiti (10)	Honduras (12)	Hong Kong, China (1)
Hungary (4)	India (16)	Indonesia (4)
Iran (Islamic Republic of) (6)	Israel (1)	Jamaica (9)
Japan (1)	Jordan (12)	Kazakhstan (12)
Kenya (21)	Kiribati (2)	Kyrgyzstan (14)
Lao People's Dem. Rep. (7)	Latvia (3)	Lebanon (2)
Lesotho (11)	Liberia (1)	Libyan Arab Jamahiriya (4)
Lithuania (3)	Macau (1)	Madagascar (11)
Malawi (12)	Malaysia (9)	Maldives (2)
Mali (16)	Malta (2)	Mauritania (12)
Mauritius (9)	Mexico (5)	Moldova, Republic of (8)
Mongolia (5)	Montserrat (1)	Morocco (8)
Mozambique (14)	Myanmar (1)	Namibia (7)
Nepal (14)	Nicaragua (9)	Niger (9)
Nigeria (13)	Niue (1)	Oman (3)
Pakistan (11)	Palestine, Occupied Territory (2)	Panama (5)
Papua New Guinea (2)	Paraguay (5)	Peru (14)
Philippines (15)	Puerto Rico (1)	Romania (16)
Russian Federation (4)	Rwanda (5)	Saint Lucia (6)
Saint Vincent & Grenadines (1)	Samoa (2)	Sao Tome and Principe (4)
Saudi Arabia (2)	Senegal (23)	Serbia and Montenegro (3)
Seychelles (2)	Sierra Leone (2)	Singapore (1)
Slovakia (1)	Slovenia (2)	Solomon Islands (2)
Somalia (1)	South Africa (13)	Sri Lanka (13)
Sudan (3)	Swaziland (5)	Syrian Arab Republic (1)
Tajikistan (11)	Tanzania, United Republic of	Thailand (11)

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	(27)	
Togo (11)	Tonga (1)	Trinidad and Tobago (7)
Tunisia (13)	Turkey (9)	Turkmenistan (4)
Tuvalu (2)	Uganda (24)	Ukraine (2)
United Arab Emirates (3)	United States of America (1)	Uruguay (5)
Uzbekistan (10)	Vanuatu (3)	Venezuela (11)
Viet Nam (13)	Virgin Islands (British) (1)	Yemen (1)
Zambia (15)	Zimbabwe (7)	

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Source: ITC Project Portal, December 2004

It is evident that there are a larger number of project activities at the country level than projects. In the table above there are a total of 1,123 project activities recorded at the country level in 2004. Many projects are allocated over several or even many countries and some of the project activities at the country level are relatively modest in scale.

The wide geographic spread of ITC activities is evident. ITC has some project activities in a large number of countries and has project activities in countries at different levels of development in different regions of the world.

As a result of this wide geographic spread and the overall budget limitations, the activities and interventions of ITC are not large in any country, even in countries where ITC is active.

It must be noted that ITC has three tracks for delivery:

- Global;
- Collaboration with partners;
- Country or regional projects.

Many of the activities identified by country relate to the delivery of global products or involve collaboration with partners. For example in Africa, many project activities reported for the individual countries relate to JITAP or IF.

Where ITC has country or regional projects, they are often small and are often intended to be catalytic leading to the subsequent involvement of other donors.

### ***Distribution of Projects by Division***

The distribution of projects by division gives an indication of the distribution of projects by technical competence within ITC.

**Table Annex 4.3 Distribution of Projects by Division**

Division/Department	Staff strength	Number of projects	Share %
OED	18	44	8.1%
DTCC/OD		6	
DTCC/OD/LDCU		4	
DTCC/OD/SSTU		12	
DTCC/OA		170	
DTCC/OASEC		41	
DTCC/OAPLAC		32	
DTCC subtotal	28	265	49.2%
DPMD		1	
DPMD/TSU		14	
DPMD/TIS		18	
DPMD/MAS		18	
DPMD/MDS		52	
DPMD sub total	45	103	19.1%
DTSS/OD		10	
DTSS/FASS		8	
DTSS/EMDS		20	
DTSS/IPMS		47	
DTSS/BAS		42	
DTSS subtotal	28	127	23.5%
Total	119	539	100%

The DTCC has the largest share of projects, but normally DTCC projects are drawing on the services of other divisions.

### ***Areas of Competence***

When the major divisions are broken down into sections they correspond to the technical competences for ITC. There are 15 areas of technical competence in ITC.

Export strategy

MTS knowledge

Enterprise management and competitiveness

Product development by sector

Market analysis and strategic market research  
Public – private partnership and networking  
Trade in services  
Trade information management  
E-competence  
Trade finance  
Standards and quality management (including trade barriers (TBT) and phytosanitary measures (SPS))  
Supply chain management (including public procurement)  
Export packaging  
Legal aspects  
Institutional strengthening of TSI

In addition there are cross-cutting issues such as the promotion of South-South trade and economic co-operation and the Export Led Poverty Reduction initiatives.

Some of these areas of competence are new or their emphasis has shifted. For example, ITC has long worked on packaging issues, but the issues related to standards and quality management have acquired increased attention. Similarly issues related to the broader trading rules were not a priority prior to the WTO, but now the work related to the MTS, now under the rubric of World Trade Net, has been expanded to include the Business for Development and the Export Forum have become a new vehicle for discussion and development of export strategy.

### **Annex 5: Analysis of Seminar and Training Costs**

In order to obtain a measure of training costs in different locations, a simulation was developed. Three scenarios were examined:

- *Scenario 1:* Training course in Geneva and in Bangkok with two different alternatives: two ITC trainers/presenters and eight ITC trainers/presenters. The participants are drawn from beneficiary countries all over the world.
- *Scenario 2:* Training course in Geneva and in Bangkok with the same two alternatives: two ITC trainers/presenters and eight ITC trainers/presenters. The participants are drawn from beneficiary countries in the same geographic region.
- *Scenario 3:* Training course in Geneva and in Bangkok with the two alternatives: two ITC trainers/presenters and eight ITC trainers/presenters. The participants are drawn from beneficiary countries in an adjacent sub-region.

The differences in travel and expense reimbursement costs were calculated according to UN rules and ITC travel procedures in the different locations as follows. Quotations were obtained for negotiated or discounted tickets; otherwise the costs would have been significantly higher.

**Table Annex 5.1: Estimated Training Course Costs – Scenario 1.A: Global training course held in Geneva**  
4-day training course: Variant (1) with two ITC trainers, Variant (2) with eight ITC trainers — 20 trainees

		Estimated Air fare	DSA (USD 290/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)			Estimated Air fare	DSA (USD 290/day)	Terminal expenses	Total (incl. 5% exchange rate margin)
Variant (1) with 2 ITC trainers						Variant (2) with 8 ITC trainers					
Course Participants											
		4 + 1 days						4 + 1 days			
1	Benin	1,100.00	1,450.00	-	2,678.00		1,100.00	1,450.00	-	2,678.00	
2	Cameroon	1,700.00	1,450.00	-	3,308.00		1,700.00	1,450.00	-	3,308.00	
3	Cote d'Ivoire	1,300.00	1,450.00	-	2,888.00		1,300.00	1,450.00	-	2,888.00	
4	Ethiopia	1,200.00	1,450.00	-	2,783.00		1,200.00	1,450.00	-	2,783.00	
5	Gambia	900.00	1,450.00	-	2,468.00		900.00	1,450.00	-	2,468.00	
6	Ghana	2,200.00	1,450.00	-	3,833.00		2,200.00	1,450.00	-	3,833.00	
7	Kenya	1,100.00	1,450.00	-	2,678.00		1,100.00	1,450.00	-	2,678.00	
8	Mauritania	1,050.00	1,450.00	-	2,625.00		1,050.00	1,450.00	-	2,625.00	
9	Senegal	1,600.00	1,450.00	-	3,203.00		1,600.00	1,450.00	-	3,203.00	
10	Tunisia	700.00	1,450.00	-	2,258.00		700.00	1,450.00	-	2,258.00	
11	China	1,500.00	1,450.00	-	3,098.00		1,500.00	1,450.00	-	3,098.00	
12	India	1,200.00	1,450.00	-	2,783.00		1,200.00	1,450.00	-	2,783.00	
13	Cambodia	1,800.00	1,450.00	-	3,413.00		1,800.00	1,450.00	-	3,413.00	
14	Krygystan	940.00	1,450.00	-	2,510.00		940.00	1,450.00	-	2,510.00	
15	Moldova	850.00	1,450.00	-	2,415.00		850.00	1,450.00	-	2,415.00	
16	Romania	850.00	1,450.00	-	2,415.00		850.00	1,450.00	-	2,415.00	
17	Bolivia	2,100.00	1,450.00	-	3,728.00		2,100.00	1,450.00	-	3,728.00	
18	Brazil (2 per-sons)	3,200.00	2,900.00	-	6,405.00		3,200.00	2,900.00	-	6,405.00	
19	Haiti	2,900.00	1,450.00	-	4,568.00		2,900.00	1,450.00	-	4,568.00	
	Subtotal	28,190.00	29,000.00	-	60,057.00	Subtotal	28,190.00	29,000.00	-	60,057.00	
ITC Staff and Other ITC Expenses											
	ITC trainers (2)	No travel costs for ITC staff for events in Geneva				ITC trainers (8)	No travel costs for ITC staff for events in Geneva				
	Subtotal	-	-	-	-	Subtotal	-	-	-	-	
	Shipping of	-	-	-	-	Shipping of	-	-	-	-	

materials					materials				
Conference room rental	-	-	-	-	Conference room rental	-	-	-	-
Miscellaneous	-	-	-	-	Miscellaneous	-	-	-	-
Subtotal	-	-	-	-	Subtotal	-	-	-	-
Total costs	28,190.00	29,000.00	-	60,057.00	Total costs	28,190.00	29,000.00	-	60,057.00

**Table Annex 5.2: Estimated Training Course Costs – Scenario 1.B: Global training course held in Bangkok**  
 4-day training course: Variant (1) with two ITC trainers, Variant (2) with eight ITC trainers — 20 trainees

		Estimated Air fare	DSA (USD 130/day)	Terminal expenses (USD 120)	Total (incl. 5% ex- change rate margin)			Estimated Air fare	DSA (USD 130/day)	Terminal expenses (incl. 5% ex- change rate margin)
Variant (1) with 2 ITC trainers						Variant (2) with 8 ITC trainers				
Course Participants										
		<u>4 + 1 days</u>					<u>4 + 1 days</u>			
1	Benin	3,400.00	650.00	-	4,253.00	3,400.00	650.00	-	4,253.00	
2	Cameroon	3,200.00	650.00	-	4,043.00	3,200.00	650.00	-	4,043.00	
3	Cote d'Ivoire	2,200.00	650.00	-	2,993.00	2,200.00	650.00	-	2,993.00	
4	Ethiopia	1,960.00	650.00	-	2,741.00	1,960.00	650.00	-	2,741.00	
5	Gambia	2,400.00	650.00	-	3,203.00	2,400.00	650.00	-	3,203.00	
6	Ghana	1,950.00	650.00	-	2,730.00	1,950.00	650.00	-	2,730.00	
7	Kenya	1,500.00	650.00	-	2,258.00	1,500.00	650.00	-	2,258.00	
8	Mauritania	2,800.00	650.00	-	3,623.00	2,800.00	650.00	-	3,623.00	
9	Senegal	2,900.00	650.00	-	3,728.00	2,900.00	650.00	-	3,728.00	
10	Tunisia	2,100.00	650.00	-	2,888.00	2,100.00	650.00	-	2,888.00	
11	China	760.00	650.00	-	1,481.00	760.00	650.00	-	1,481.00	
12	India	710.00	650.00	-	1,428.00	710.00	650.00	-	1,428.00	
13	Cambodia	300.00	650.00	-	998.00	300.00	650.00	-	998.00	
14	Kyrgyzstan	1,080.00	650.00	-	1,817.00	1,080.00	650.00	-	1,817.00	
15	Moldova, Rep.									
15	Of	1,200.00	650.00	-	1,943.00	1,200.00	650.00	-	1,943.00	
16	Romania	1,200.00	650.00	-	1,943.00	1,200.00	650.00	-	1,943.00	
17	Bolivia	2,046.00	650.00	-	2,831.00	2,046.00	650.00	-	2,831.00	
18	Brazil (2 per-									
18	sons)	4,800.00	1,300.00	-	6,405.00	4,800.00	1,300.00	-	6,405.00	
19	Haiti	5,000.00	650.00	-	5,933.00	5,000.00	650.00	-	5,933.00	
	Subtotal	41,506.00	13,000.00	-	57,239.00	Subtotal	41,506.00	13,000.00	-	57,239.00
ITC Staff and Other ITC Expenses										
		<u>4 + 2 days</u>					<u>4 + 2 days</u>			
	ITC trainers (2)	5,614.00	1,560.00	240.00	7,785.00	ITC trainers	22,456.00	6,240.00	960.00	31,139.00

	Estimated Air fare	DSA (USD 130/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)		Estimated Air fare	DSA (USD 130/day)	Terminal expenses	Total (incl. 5% exchange rate margin)	
Subtotal	5,614.00	1,560.00	240.00	7,785.00	(8)	Subtotal	22,456.00	6,240.00	960.00	31,139.00
Shipping of materials	-	-	-	2,500.00	Shipping of materials	-	-	-	-	2,500.00
Conference room rental	-	-	-	1,000.00	Conference room rental	-	-	-	-	1,000.00
Miscellaneous	-	-	-	500.00	Miscellaneous	-	-	-	-	500.00
Subtotal	-	-	-	4,000.00	Subtotal	-	-	-	-	4,000.00
Total costs	47,120.00	14,560.00	240.00	69,024.00	Total costs	63,962.00	19,240.00	960.00	92,378.00	

**Table 5.3: Estimated Training Course Costs – Scenario 2.A: Regional training course held in Geneva**

4-day training course: Variant (1) with two ITC trainers, Variant (2) with eight ITC trainers — 20 trainees

		Estimated Air fare	DSA (USD 290/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)			Estimated Air fare	DSA (USD 290/day)	Terminal expenses	Total (incl. 5% exchange rate margin)	
Variant (1) with 2 ITC trainers						Variant (2) with 8 ITC trainers						
Course Participants												
		4 + 1 days						4 + 1 days				
1	India (2 persons)	2,400.00	2,900.00	-	5,565.00		2,400.00	2,900.00	-	5,565.00		
2	Nepal	1,960.00	1,450.00	-	3,581.00		1,960.00	1,450.00	-	3,581.00		
3	Sri Lanka	1,000.00	1,450.00	-	2,573.00		1,000.00	1,450.00	-	2,573.00		
4	China (3 persons)	5,400.00	4,350.00	-	10,238.00		5,400.00	4,350.00	-	10,238.00		
5	Viet Nam (2 persons)	3,000.00	2,900.00	-	6,195.00		3,000.00	2,900.00	-	6,195.00		
6	Cambodia	1,800.00	1,450.00	-	3,413.00		1,800.00	1,450.00	-	3,413.00		
7	Laos	1,980.00	1,450.00	-	3,602.00		1,980.00	1,450.00	-	3,602.00		
8	East Timor	3,114.00	1,450.00	-	4,792.00		3,114.00	1,450.00	-	4,792.00		
9	Indonesia	1,340.00	1,450.00	-	2,930.00		1,340.00	1,450.00	-	2,930.00		
10	Pakistan	1,260.00	1,450.00	-	2,846.00		1,260.00	1,450.00	-	2,846.00		
11	Kyrgyzstan	940.00	1,450.00	-	2,510.00		940.00	1,450.00	-	2,510.00		
12	Uzbekistan	1,660.00	1,450.00	-	3,266.00		1,660.00	1,450.00	-	3,266.00		
13	Bangladesh	1,220.00	1,450.00	-	2,804.00		1,220.00	1,450.00	-	2,804.00		
14	Thailand (2 persons)	1,900.00	2,900.00	-	5,040.00		1,900.00	2,900.00	-	5,040.00		
15	Philippines	1,800.00	1,450.00	-	3,413.00		1,800.00	1,450.00	-	3,413.00		
Subtotal		30,774.00	29,000.00	-	62,768.00	Subtotal	30,774.00	29,000.00	-	62,768.00		
ITC Staff and Other ITC Expenses												
ITC trainers (2)		No travel costs for ITC staff for events in Geneva				ITC trainers (8)		No travel costs for ITC staff for events in Geneva				
Subtotal		-	-	-	-	Subtotal		-	-	-	-	

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Shipping of materials	-	-	-	-	Shipping of materials	-	-	-	-
Conference room rental	-	-	-	-	Conference room rental	-	-	-	-
Miscellaneous	-	-	-	-	Miscellaneous	-	-	-	-
Subtotal	-	-	-	-	Subtotal	-	-	-	-
<b>Total costs</b>	<b>30,774.00</b>	<b>29,000.00</b>	<b>-</b>	<b>62,768.00</b>	<b>Total costs</b>	<b>30,774.00</b>	<b>29,000.00</b>	<b>-</b>	<b>62,768.00</b>

**Table 5.4: Estimated Training Course Costs – Scenario 2.B: Regional training course held in Bangkok**  
4-day training course: Variant (1) with two ITC trainers, Variant (2) with eight ITC trainers – 20 trainees

		Estimated Air fare	DSA (USD 130/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)			Estimated Air fare	DSA (USD 130/day)	Terminal expenses	Total (incl. 5% exchange rate margin)
Variant (1) with 4 ITC trainers						Variant (2) with 8 ITC trainers					
Course Participants											
		4 + 1 days						4 + 1 days			
1	India (2 persons)	1,420.00	1,300.00	-	2,856.00		1,420.00	1,300.00	-	2,856.00	
2	Nepal	1,360.00	650.00	-	2,111.00		1,360.00	650.00	-	2,111.00	
3	Sri Lanka	480.00	650.00	-	1,187.00		480.00	650.00	-	1,187.00	
4	China (3 persons)	2,280.00	1,950.00	-	4,442.00		2,280.00	1,950.00	-	4,442.00	
5	Viet Nam (2 persons)	840.00	1,300.00	-	2,247.00		840.00	1,300.00	-	2,247.00	
6	Cambodia	380.00	650.00	-	1,082.00		380.00	650.00	-	1,082.00	
7	Laos	310.00	650.00	-	1,008.00		310.00	650.00	-	1,008.00	
8	East Timor	1,100.00	650.00	-	1,838.00		1,100.00	650.00	-	1,838.00	
9	Indonesia	990.00	650.00	-	1,722.00		990.00	650.00	-	1,722.00	
10	Pakistan	690.00	650.00	-	1,407.00		690.00	650.00	-	1,407.00	
11	Kyrgyzstan	1,080.00	650.00	-	1,817.00		1,080.00	650.00	-	1,817.00	
12	Uzbekistan	1,100.00	650.00	-	1,838.00		1,100.00	650.00	-	1,838.00	
13	Bangladesh	680.00	650.00	-	1,397.00		680.00	650.00	-	1,397.00	
14	Thailand (2 persons)	No costs	1,300.00	-	1,365.00		No costs	1,300.00	-	1,365.00	
15	Philippines	400.00	650.00	-	1,103.00		400.00	650.00	-	1,103.00	
	Subtotal	13,110.00	13,000.00	-	27,420.00		13,110.00	13,000.00	-	27,420.00	
ITC Staff and Other ITC Expenses											
		4 + 2 days						4 + 2 days			
	ITC trainers (2)	5,614.00	1,560.00	240.00	7,785.00		ITC trainers (8)	22,456.00	6,240.00	960.00	31,139.00
	Subtotal	5,614.00	1,560.00	240.00	7,785.00		Subtotal	22,456.00	6,240.00	960.00	31,139.00
	Shipping of materials	-	-	-	2,500.00		Shipping of materials	-	-	-	2,500.00
	Conference room rental	-	-	-	1,000.00		Conference room rental	-	-	-	1,000.00

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Miscellaneous	-	-	-	500.00	Miscellaneous	-	-	-	500.00
Subtotal	-	-	-	4,000.00	Subtotal	-	-	-	4,000.00
<b>Total costs</b>	<b>18,724.00</b>	<b>14,560.00</b>	<b>240.00</b>	<b>39,205.00</b>	<b>Total costs</b>	<b>35,566.00</b>	<b>19,240.00</b>	<b>960.00</b>	<b>62,559.00</b>

**Table 5.5: Estimated Training Course Costs – Scenario 3.A: Sub-regional training course held in Geneva**

**4-day training course: Variant (1) with two ITC trainers, Variant (2) with eight ITC trainers — 20 trainees**

		Estimated Air fare	DSA (USD 290/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)			Estimated Air fare	DSA (USD 290/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)
Variant (1) with 4 ITC trainers					Variant (2) with 8 ITC trainers						
<b>Course Participants</b>											
		4 + 1 days					4 + 1 days				
1 Viet Nam (10 persons)	18,000.00	14,500.00	-	34,125.00		18,000.00	14,500.00	-	34,125.00		
2 Cambodia (5 persons)	10,000.00	7,250.00	-	18,113.00		10,000.00	7,250.00	-	18,113.00		
3 Laos (5 persons)	12,000.00	7,250.00	-	20,213.00		12,000.00	7,250.00	-	20,213.00		
Subtotal	40,000.00	29,000.00	-	72,451.00	Subtotal	40,000.00	29,000.00	-	72,451.00		
<b>ITC Staff and Other ITC Expenses</b>											
ITC trainers (2)	No travel costs for ITC staff for events in Geneva				ITC trainers (8)	Note: no costs for ITC staff for events in Geneva					
Subtotal	-	-	-	-	Subtotal	-	-	-	-	-	-
Shipping of materials	-	-	-	-	Shipping of materials	-	-	-	-	-	-
Conference room rental	-	-	-	-	Conference room rental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	Miscellaneous	-	-	-	-	-	-
Subtotal	-	-	-	-	Subtotal	-	-	-	-	-	-
<b>Total costs</b>	<b>40,000.00</b>	<b>29,000.00</b>	<b>-</b>	<b>72,451.00</b>	<b>Total costs</b>	<b>40,000.00</b>	<b>29,000.00</b>	<b>-</b>	<b>72,451.00</b>		

**Table 5.6: Estimated Training Course Costs – Scenario 3.B: Sub-regional training course held in Hanoi**  
 4-day training course: Variant (1) with two ITC trainers, Variant (2) with eight ITC trainers — 20 trainees

		Estimated Air fare	DSA (USD 116/day)	Terminal expenses (USD 120)	Total (incl. 5% exchange rate margin)			Estimated Air fare	DSA (USD 116/day)	Terminal expenses	Total (incl. 5% exchange rate margin)
Variant (1) with 4 ITC trainers					Variant (2) with 8 ITC trainers						
Course Participants											
		4 + 1 days					4 + 1 days				
1	Viet Nam (10 persons)	no costs	5,800.00	-	6,090.00		no costs	5,800.00	-	6,090.00	
2	Cambodia (5 persons)	2,680.00	2,900.00	-	5,859.00		2,680.00	2,900.00	-	5,859.00	
3	Laos (5 persons)	1,310.00	2,900.00	-	4,421.00		1,310.00	2,900.00	-	4,421.00	
Subtotal		3,990.00	11,600.00	-	16,370.00	Subtotal	3,990.00	11,600.00	-	16,370.00	
ITC Staff and Other ITC Expenses											
		4 + 2 days					4 + 1 days				
	ITC trainers (2)	7,018.00	1,392.00	240.00	9,083.00		ITC trainers (8)	28,070.00	5,568.00	960.00	36,328.00
	Subtotal	7,018.00	1,392.00	240.00	9,083.00	Subtotal	28,070.00	5,568.00	960.00	36,328.00	
	Shipping of materials	-	-	-	2,500.00		Shipping of materials	-	-	-	2,500.00
	Conference room rental	-	-	-	1,000.00		Conference room rental	-	-	-	1,000.00
	Miscellaneous	-	-	-	500.00		Miscellaneous	-	-	-	500.00
	Subtotal	-	-	-	4,000.00	Subtotal	-	-	-	-	4,000.00
Total costs		11,008.00	12,992.00	240.00	29,453.00	Total costs	32,060.00	17,168.00	960.00	56,698.00	

**ANNEX 6: Analysis of Project Allocations for 2002, 2003 and 2004**

The following tables are drawn from data presented in Table 6 of successive years of the Statistical Tables attached to the Annual Report presented to the JAG.

Project Allocations<sup>25</sup>

## A. PROJECT ALLOCATIONS (2004 AND BEYOND)

**Table Annex 6.1a: Africa**

AFRICA		
	Project No.	2004 (USD)
Cote d'Ivoire	IVC/38/02A	7800
Ethiopie	ETH/61/86A	39000
Ghana	GHA/20/94A	121643
Kenya	KEN/04/101A	50258
Lesotho	LES/04/713A	28218
Mauritius	MAR/55/01A	22982
Mozambique	MOZ/35/05A	40188
Nigeria	INT/90/01A	27676
Senegal	SEN/20/95A	27320
South Africa	SAF/20/96A	88309
Tanzania, United Rep. of	URT/20/99A	117000
	URT/61/88A	20391
Uganda	GLO/02/G04	19082
<b>Total Country Projects</b>		<b>609867</b>
AFRICA		
	Project No.	2004 (USD)
Regional	INT/20/97A	204401
	INT/28/05A	54523
	INT/28/06A	143340
	INT/47/78A	201177
	INT/47/83A	132743
	RAF/20/91A	31182

<sup>25</sup> Source : ITC, *Annual Report 2004 Add. 2 Statistical Tables*, Geneva

RAF/02/015A	110615
RAF/20/98A	83762
RAF/47/51A	221239
RAF/61/71A	10536
<b>Total Regional Projects</b>	<b>1193518</b>

**Table Annex 6.2a: Arab States**

<b>ARAB STATES</b>		
	Project No.	2004 (USD)
Algeria	ALG/02/001A	10921
	ALG/97/001A	13399
Djibouti	DJI/04/621A	27847
Jordan	JOR/89/01A	42477
Mauritania	GLO/03/G02A	91796
	MAU/37/14A	129215
Morocco	MOR/61/70A	58586
United Arab Emirates	UAE/78/01A	58344
<b>Total Country Projects</b>		<b>432585</b>

**Table Annex 6.3a: Asia and Pacific**

<b>ASIA AND PACIFIC</b>		
	Project No.	2004 (USD)
Bangladesh	BGD/75/15A	209980
	GLO/02/G01A	8169
Cambodia	CMB/61/87A	226405
	CMB/02/G01A	13516
China	CPR/22/04A	80134
	CPR/61/75A	17736
India	IND/95/06A	43392
Lao PDR	LAO/61/89A	277050
Pakistan	PAK/75/17A	395324
Viet Nam	VIE/61/94A	474775
<b>Total Country Projects</b>		<b>1746481</b>
<b>ASIA AND PACIFIC</b>		
	Project No.	2004 (USD)
Regional	RAS/61/81A	259467
	RAS/A1/01A	98853
<b>Total Regional Projects</b>		<b>358320</b>

**Table Annex 6.4a: Europe and the CIS**

<b>EUROPE AND THE CIS</b>	
Project No.	2004 (USD)

Kazakhstan	KAZ/61/90A	278993
Kyrgyzstan	KYR/61/74A	8585
	KYR/61/91A	269863
Romania	ROM/00/001A	77714
Tajikistan	TAJ/61/92A	302593
Turkey	INT/69/01A	133855
Uzbekistan	UZB/61/93A	275155
<b>Total Country Projects</b>		<b>1346758</b>
<b>EUROPE AND THE CIS</b>		
	Project No.	2004 (USD)
Regional	RAF/57/01A	18220
<b>Total Regional Projects</b>		<b>18220</b>

**Table Annex 6.5a: Latin America and the Caribbean**

<b>LATIN AMERICA AND THE CARIBBEAN</b>		
	Project No.	2004 (USD)
Bolivia	BOL/61/80A	460789
Brazil	BRA/99/031A	56550
Haiti	GLO/02/G03A	6423
	HAI/37/16A	49509
<b>Total Country Projects</b>		<b>573271</b>
<b>LATIN AMERICA AND THE CARIBBEAN</b>		
	Project No.	2004 (USD)
Regional	PER/94/01A	7965
	RLA/58/06A	44703
	RLA/81/01A	13270
<b>Total Regional Projects</b>		<b>65938</b>

**Table Annex 6.6a: Interregional Activities (by programme), not including 'Others'**

<b>INTERREGIONAL ACTIVITIES (by programme)</b>		
Project No.	2004 (USD)	
1. Strategic and Operational Market Research		
INT/07/06A	67770	
INT/07/07A	83059	
INT/08/08A	37348	
INT/47/49A	218028	

INT/47/81A	86726
INT/61/95A	191359
INT/85/01A	0
INT/R2/01A	1299166
<b>Total</b>	<b>1983456</b>

## 2. Business Advisory Services

INT/07/05A	31840
INT/07/08A	39179
INT/09/08A	88242
INT/09/09A	38136
INT/09/10A	30393
INT/23/01A	26349
INT/27/07A	280819
INT/37/13A	36683
INT/37/15A	84168
INT/47/75A	233498
INT/74/01A	442477
INT/R5/01A	39652
<b>Total</b>	<b>1371436</b>

## 3. Trade Information Management

INT/47/73A	203540
INT/R1/01A	18792
INT/R3/01A	50364
<b>Total</b>	<b>272696</b>

## 4. Export Training Capacity Development

INT/08/07A	84251
INT/28/04A	62979
<b>Total</b>	<b>147230</b>

## 5. Sector-specific Product and Market Development

INT/08/06A	18232
INT/24/83A	23090
INT/24/84A	78232
INT/33/06A	0
INT/47/76A	15044
INT/61/77A	0
INT/R6/01A	8281
INT/S1/01A	144102
RAF/47/51A	221239
RAF/47/72A	221239
RAF/D2/50A	1237414

RAF/D2/53A	1242904
RAS/97/761A	18810
<b>Total</b>	<b>3228587</b>

## 6. Trade in Services

INT/20/93A	68105
INT/50/45A	11859
<b>Total</b>	<b>79964</b>

## 7. International Purchasing and Supply Chain Management

INT/27/08A	175186
INT/95/09A	69026
<b>Total</b>	<b>244212</b>
<b>Total 1.-7.</b>	<b>7327581</b>

**Table Annex 6.7a: Others**

Others			
Global Trust Fund			
	Project No.	Source of funds	2004 (USD)
Window I			
Core Staff	INT/W1/71-73	GTF	1146727
Mission by ITC Staff	INT/W1/72-74	GTF	97168
Programme Development Activities	INT/W3/**	GTF	1851594
Formulation of tailor-made programme and other country/region specific activities	INT/W4/**	GTF	410551
Expert meetings	INT/W5/**	GTF	320731
Evaluations	INT/W6/**	GTF	23646
Business for Development	INT/W7/**	GTF	122037
Other activities	INT/W8/**	GTF	0
<b>Total</b>			<b>3972454</b>
Window II			
E-Trade Bridge for SMEs	INT/W2/08A	GTF	1113855
South-South trade promotion - new cycle	INT/W2/09A	GTF	1778081
World Trade Net (business and the 'Doha Development Agenda')	INT/W2/10A	GTF	1278951

Export-Led Poverty Reduction Programme	INT/W2/11A	GTF	927358
<b>Total</b>			<b>5098245</b>
<b>Total Window I and Window II</b>			<b>9070699</b>

**Table Annex 6.8a: Summary (Year 2004)**

2004 (USD)		
Interregional Activities (by programme) in 2004 without 'Others'		7,327,581.00
Interregional Activities (by programme) in 2004, including 'Others'	16,398,280.00	
Total Country Projects in 2004	4,708,962.00	4,708,962.00
Total Regional Projects in 2004	1,635,996.00	1,635,996.00
<b>Total</b>	<b>22,743,238.00</b>	<b>13,672,539.00</b>

**B. PROJECT ALLOCATIONS (2003 AND BEYOND)****Table Annex 6.1b: Africa**

AFRICA		
	Project No.	2003 (USD)
Benin	BEN/C2/00	12347
Cameroon	CMR/20/92	86260
Cote d'Ivoire	IVC/38/02	35407
Ethiopia	ETH/61/86	12832
Gambia	GAM/95/07	106399
	GLO/02/G02	45471
Ghana	GHA/20/94	8840
Guinea-Bissau	GBS/48/01	58629
Kenya	KEN/01/005	22633
Mauritania	GLO/03/G02	108272
	MAU/37/14	171799
Mozambique	MOZ/35/05	71631
Senegal	SEN/20/90	12747
South Africa	SAF/20/96	29035
Tanzania, United Rep. of	URT/C2/00	7621
	GLO/02/G05	191290
	URT/61/88	65381
	URT/97/026	8809

Uganda	UGA/C2/00	5835
	GLO/02/G04	36704
<b>Total Country Projects</b>		<b>1097942</b>
<b>AFRICA</b>		
		2003
	Project No.	(USD)
Regional	RAF/02/015	42398
	RAF/20/91	262184
	RAF/47/51	221275
	RAF/47/72	328384
	RAF/50/42	91270
	RAF/61/71	170145
	RAF/C2/51	20551
	RAF/D2/50	493091
	RAF/D2/53	703155
	RAF/C2/50	5839
<b>Total Regional Projects</b>		<b>2338292</b>

**Table Annex 6.2b: Arab States**

<b>ARAB STATES</b>		
		2003
	Project No.	(USD)
Algeria	ALG/02/001	142147
	ALG/97/001	32922
Morocco	MOR/61/70	84086
Tunisia	TUN/96/007	7955
<b>Total Country Projects</b>		<b>267110</b>

**Table Annex 6.3b: Asia and the Pacific**

<b>ASIA AND THE PACIFIC</b>		
		2003
	Project No.	(USD)
Bangladesh	BGD/75/15	33808
	GLO/02/G01	191141
Cambodia	CMB/02/005	80000
	CMB/02/G01	259281
China	CPR/22/04	109009
	CPR/61/75	167697
India	IND/95/06	30600
Mongolia	MON/83/01	10391
Nepal	NEP/50/43	8922
	NEP/01/004	41290
Sri Lanka	SRL/54/01	7965

<b>Total Country Projects</b>		<b>940104</b>
<b>ASIA AND THE PACIFIC</b>		
		2003
	Project No.	(USD)
Regional	RAS/61/81	297227
	RAS/97/761	44740
<b>Total Regional Projects</b>		<b>341967</b>

**Table Annex 6.4b: Europe and the CIS**

<b>EUROPE AND THE CIS</b>		
		2003
	Project No.	(USD)
Kyrgyzstan	KYR/61/74	8268
Moldova, Rep. of	MOL/61/68	17772
Romania	ROM/00/001	292743
	ROM/02/002	18427
	ROM/97/13	10000
<b>Total Country Projects</b>		<b>347210</b>
<b>EUROPE AND THE CIS</b>		
		2003
	Project No.	(USD)
Regional	RER/61/78	21953
	RER/61/85	845743
<b>Total Regional Projects</b>		<b>867696</b>

**Table Annex 6.5b: Latin America and the Caribbean**

<b>LATIN AMERICA AND THE CARIBBEAN</b>		
		2003
	Project No.	(USD)
Bolivia	BOL/61/80	957508
Brazil	BRA/99/031	130713
Haiti	GLO/02/G03	53477
<b>Total Country Projects</b>		<b>1141698</b>
<b>LATIN AMERICA AND THE CARIBBEAN</b>		
		2003
	Project No.	(USD)
Regional	RLA/43/01	8320
	RLA/58/06	136398
	RLA/81/01	130640
<b>Total Regional Projects</b>		<b>275358</b>

**Table Annex 6.6b: Interregional Activities (by programme), not including 'Others'**

<b>INTERREGIONAL ACTIVITIES (by programme)</b>	
<b>Project No.</b>	<b>2003 (USD)</b>
Institutional infrastructure including business organizations, for trade promotion and export development	
INT/07/05	73770
INT/07/07	28485
INT/08/07	30688
INT/09/07	40765
INT/09/08	37874
INT/12/01	24426
INT/18/02	26545
INT/20/93	17680
INT/23/01	11689
INT/27/07	165815
INT/28/04	290688
INT/28/05	293723
INT/34/01	5090
INT/36/02	13558
INT/37/12	5043
INT/37/15	50059
INT/42/01	42360
INT/47/73	144012
INT/47/75	158979
INT/47/76	17699
INT/47/78	154507
INT/47/79	83200
INT/50/44	13895
INT/50/45	121399
INT/61/84	541876
INT/80/90	112563
INT/70/01	15727
INT/R7/01	7257
<b>Total</b>	<b>2529372</b>
Product and market research, development and promotion	
INT/07/06	77337
INT/08/06	24402

INT/24/82	28538
INT/24/83	293094
INT/33/06	45656
INT/37/13	96831
INT/47/49	220769
INT/85/01	19552
INT/R2/01	1242401
INT/R3/01	63899
<b>Total</b>	<b>2112479</b>

Import operations and techniques

INT/27/08	236890
INT/R1/01	13994
<b>Total</b>	<b>250884</b>
<b>Total</b>	<b>4892735</b>

**Table Annex 6.7b: Others**

Others			
Global Trust Fund			
	Project No.	Source of funds	2003 (USD)
Window I			
	INT/W1/61		
	-		
Core Staff	INT/W1/71	GTF	1310480
	INT/W1/62		
	-		
Mission by ITC Staff	INT/W1/72	GTF	55655
Programme Development Activities	INT/W3/**	GTF	1314548
Formulation of tailor-made programme and other country and region-specific activities	INT/W4/**	GTF	1245009
Expert meetings	INT/W5/**	GTF	416744
Evaluations	INT/W6/**	GTF	194936
Business for Cancun	INT/W7/**	GTF	297576
<b>Total</b>			<b>4834948</b>
Window II			
Capacity building and networking business information services (CAP-NET/BIS)	INT/W2/06	GTF	216311
Programme for competitiveness improvement of SMEs (ProCIP)	INT/W2/07	GTF	110321
E-Trade Bridge for SMEs	INT/W2/08	GTF	826002
South-South Trade Promotion	INT/W2/09	GTF	1009779
World Tr@de Net (Business and the Doha Development Agenda)	INT/W2/10	GTF	689941
Export-Led Poverty Reduction Programme	INT/W2/11	GTF	1079487
<b>Total</b>			<b>3931841</b>
<b>Total Window I and Window II</b>			<b>8766789</b>

**Table Annex 6.8b: Summary (Year 2003)**

2003 (USD)		
Interregional Activities (by programme) in 2003 without 'Others'		4,892,735.00
Interregional Activities (by programme) in 2003, including 'Others'	13,659,524.00	
Total Country Projects in 2003	3,794,064.00	3,794,064.00
Total Regional Projects in 2003	3,823,313.00	3,823,313.00
Total	21,276,901.00	12,510,112.00

## C. PROJECT ALLOCATIONS (2002 AND BEYOND)

**Table Annex 6.1c: Africa**

AFRICA		
	Project No.	2002 (USD)
Benin	BEN/C2/00	242688
Burkina Faso	BKF/C2/00	295286
Cote d'Ivoire	IVC/C2/00	129804
	IVC/38/02	62917
Gambia	GAM/95/07	290316
	GLO/02/G02	264545
Ghana	GHA/C2/00	267107
Guinea-Bissau	GBS/48/01	250038
Kenya	KEN/C2/00	205617
	KEN/01/005	105000
Mozambique	MOZ/35/05	95691
Senegal	SEN/20/90	22915
	UGA/C2/00	299556
Uganda	UGA/61/59	19373
	UGA/61/69	12073
	GLO/02/G04	264545
United Republic of Tanzania	URT/C2/00	393762
	GLO/02/G05	128345
	URT/97/026	103584
<b>Total Country Projects</b>		<b>3453162</b>
AFRICA		
	Project No.	2002 (USD)
Regional	RAF/07/04	13286

	RAF/24/70	18659
	RAF/46/02	183186
	RAF/47/51	245133
	RAF/47/72	352361
	RAF/50/42	106406
	RAF/61/71	182712
<b>Total Regional Projects</b>		<b>1101743</b>

**Table Annex 6.2c: Arab States**

<b>ARAB STATES</b>		
	Project No.	2002 (USD)
Algeria	ALG/02/001	39500
	ALG/97/001	32946
Egypt	EGY/72/02	243363
Morocco	MOR/61/70	23588
Tunisia	TUN/C2/00	50215
	TUN/96/007	7955
<b>Total Country Projects</b>		<b>397567</b>

**Table Annex 6.3c: Asia and the Pacific**

<b>ASIA AND THE PACIFIC</b>		
	Project No.	2002 (USD)
Bangladesh	GLO/02/G01	62045
Cambodia	CMB/02/G01	163266
China	CPR/61/75	116898
India	IND/95/06	8938
Mongolia	MON/83/01	71023
Nepal	NEP/50/43	8215
	NEP/01/004	105200
Viet Nam	VIE/62/02	75660
	VIE/98/021	260061
<b>Total Country Projects</b>		<b>871306</b>
<b>ASIA AND THE PACIFIC</b>		
	Project No.	2002 (USD)
Regional	RAS/61/81	316207
	RAS/97/761	65755
<b>Total Regional Projects</b>		<b>381962</b>

**Table Annex 6.4c: Europe and the CIS**

<b>EUROPE AND THE CIS</b>		
	Project No.	2002 (USD)
Kazakhstan	KAZ/97/019	25221
Kyrgyzstan	KYR/61/74	39223
Moldova	MOL/61/68	13243
Romania	ROM/00/001	175797
	ROM/02/002	20000
<b>Total Country Projects</b>		<b>273484</b>
<b>EUROPE AND THE CIS</b>		
	Project No.	2002 (USD)
Regional	RER/61/78	93502
	RER/61/85	681403
<b>Total Regional Projects</b>		<b>774905</b>

**Table Annex 6.5c: Latin America and the Caribbean**

<b>LATIN AMERICA AND THE CARIBBEAN</b>		
	Project No.	2002 (USD)
Brazil	BRA/99/031	42807
Bolivia	BOL/61/80	575223
Haiti	GLO/02/G03	205221
<b>Total Country Projects</b>		<b>823251</b>
<b>LATIN AMERICA AND THE CARIBBEAN</b>		
	Project No.	2002 (USD)
Regional	RLA/58/06	92213
	RLA/81/01	331682
<b>Total Regional Projects</b>		<b>423895</b>

**Table Annex 6. 6c: Interregional Activities (by programme), not including 'Others'**

<b>INTERREGIONAL ACTIVITIES (by programme)</b>	
Project No.	2002 (USD)
Institutional infrastructure including business organizations, for trade promotion and export development	

INT/07/05	22890
INT/09/07	40178
INT/12/01	123397
INT/27/07	191923
INT/28/02	85051
INT/28/03	7286
INT/28/04	132451
INT/28/05	69476
INT/29/74	481440
INT/34/01	7934
INT/36/02	13558
INT/37/12	9376
INT/47/73	143443
INT/47/75	176991
INT/47/76	57522
INT/50/44	14935
INT/61/82	23177
INT/61/83	495575
INT/R4/01	7699
<b>Total</b>	<b>2104302</b>
Product and market research, development and promotion	
INT/07/06	26786
INT/08/06	44865
INT/09/06	44136
INT/24/82	101241
INT/24/83	259775
INT/33/05	10045
INT/33/06	84071
INT/37/13	224917
INT/47/49	228319
INT/47/77	81416
INT/61/77	138475
INT/73/03	24489
INT/85/01	28227
INT/86/01	12548
INT/88/03	9749
INT/R2/01	547280
INT/R3/01	42979
INT/S2/02	63035
<b>Total</b>	<b>1972353</b>

Import operations and techniques	
INT/07/03	19701
INT/27/08	176679
INT/R1/01	161717
Total	358097
Total	4434752

**Table Annex 6.7c: Others**

Others			
Global Trust Fund			
	Project No.	Source of funds	2002 (USD)
Window I			
Core Staff	INT/W1/51	GTF	364393
Mission by ITC Staff	INT/W1/52	GTF	17947
Core Staff	INT/W1/61	GTF	357925
Mission by ITC Staff	INT/W1/62	GTF	57498
Programme Development Activities			
	INT/W3/**	GTF	1088138
Formulation of tailor-made programme and other country/region specific activities			
	INT/W4/**	GTF	1051435
Expert meetings	INT/W5/**	GTF	146056
Evaluations	INT/W6/**	GTF	26905
Total			3110297
Window II			
South-South Trade Promotion	INT/W2/04	GTF	268021
World Trade Net ( Business development and the WTO Agreements	INT/W2/05	GTF	558925
Capacity building and networking for business information services (CAP-NET/BIS)	INT/W2/06	GTF	539867
Programme for competitiveness improvement of SMEs (ProCIP)	INT/W2/07	GTF	473869
E-trade Bridge for SMEs	INT/W2/08	GTF	181581
South-South Trade Promo-	INT/W2/09	GTF	448761

tion - New Cycle			
World Trade Net (Business and the Doha Development Agenda)			
	INT/W2/10	GTF	699026
Total			3170050
Total Window I and Window II			6280347

**Table Annex 6.8c: Summary (Year 2002)**

	2002 (USD)	
Interregional Activities (by programme) in 2002 without 'Others'		4,434,752.00
Interregional Activities (by programme) in 2002, including 'Others'	10,715,099.00	
Total Country Projects in 2002	5,818,770.00	5,818,770.00
Total Regional Projects in 2002	2,682,505.00	2,682,505.00
Total	19,216,374.00	12,936,027.00