

**Evaluation of  
International Trade Centre  
(UNCTAD/WTO)**

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**Role of Trade Support  
Networks  
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**List of Acronyms**

CAPNET/BIS	Capacity Building and Networking for Business Information Services
EPRP	Export-Led Poverty Reduction
FDI	Foreign Direct Investment
IFIs	International Financial Institutions
ITC	International Trade Centre
JITAP	Joint Integrated Technical Assistance Program
LDC	Least Developed Countries according to UN designation
MDGs	Millennium Development Goals
MNC	Multinational Corporation
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Paper
RBM	Results-Based Management
SME	Small or Medium-sized Enterprise
SPS	Sanitary and Phyto-Sanitary
SRF	Strategic Results Framework
SSE	Small-Scale Enterprises
TBT	Technical Barriers to Trade
TRTA	Trade Related Technical Assistance
TRTA/CB	Trade Related Technical Assistance & Capacity Building
TPO Net	Trade Promotion Organizations Network
UN	United Nations
UNCTAD	United Nations Conference on Trade & Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
WAIPA	World Association of Investment Promotion Agencies
WTO	World Trade Organization
WTPO	World Conference of Trade Promotion Organizations

# 1. Role of Trade Support Networks

## Introduction

Ever since its foundation in 1964, the International Trade Centre (ITC), in delivering its technical assistance services, has relied upon the collaboration of partner networks in the countries recipient of its interventions. This is still the case today even if there has been evolution in the kinds of partners with whom ITC is working. Given the modest scale of ITC project funding, set against its global mandate, ITC relies upon the support and commitment of national organisations to lever its interventions.

Although ITC has sought to promote global delivery of its products in recent years, delivery to, through, or in combination with, these intermediary organisations in beneficiary countries remains a key element of the ITC delivery of technical assistance.

This report, as with the other reports in this volume, focuses on the strategic context within which ITC is operating rather than being an evaluation of specific ITC interventions.

## Role of Trade Support Networks in ITC Interventions

The central role of these trade support networks in ITC interventions is evident from the mandate of ITC and from statements in the Annual Report of the organisation.

### *Mission Statement*

“ITC supports developing and transition economies, and particularly their business sector, in their efforts to realize their full potential for developing exports and improving import operations.... ITC’s technical assistance concentrates on the three issues for which it believes the need for national capacity-building is most critical: helping businesses understand WTO rules; strengthening enterprise competitiveness; and developing new trade promotion strategies.”

*About ITC, [www.intracen.org](http://www.intracen.org)*

### *Trade Support Networks*

“Our emphasis is and will continue to be on building the capacities of national trade support networks concerned with providing the cross section of services required by small and aspiring exporters.” (emphasis in original)

*Foreword to the ITC Annual Report 2001*

These national trade support networks include Trade Promotion Organisations (TPOs) and other Trade Support Institutions (TSIs). In this report we will use the term TPO for the officially sanctioned Trade Promotion Organisations and use the term TSI for the wide variety of other business association and business support organisations. Of course, the TPO is a TSI, but this report is focusing on the roles of TPOs and other TSIs in Trade Support Networks.

The crucial role played by these organisations in trade development is something the ITC recognises fully, and it underlies many of ITC’s capacity building initiatives. An emphasis on capacity building and institutional development is not without its detractors however

(not only outside of ITC, but also within), who advocate as an alternative more direct forms of intervention, e.g. through working directly with exporters and in areas where direct evidence of export expansion can be found. Of course, these two intervention modes are not mutually exclusive, and ITC in practice functions across both modes. Yet in practice most ITC interventions are in support of, or in tandem with, national partner organisations involved in trade support networks.

### **Trade Promotion Organisations (TPOs)**

Although there are some exceptions (e.g. India), in most developing (and developed) countries there is a single national TPO, and this has been the partner organisation ITC has traditionally worked with. Depending on the nature of the service, the particulars of the project being supported, or the intended beneficiaries, ITC may also work with Chambers of Commerce, Industry Associations, Training Institutes, and a wide range of other business representative associations. There has been an evolution over the years from working primarily with traditionally structured TPOs to a pattern of greater collaboration with a broader range of so-called Trade Support Institutions (TSIs). Nevertheless, even when other TSIs are involved, it is rare that the national TPO is not, at least in some capacity, and it remains the key intermediary organisation for ITC interventions.

Mindful of the evolution of the trade development function, we need to stress that we are using the term TPO here to refer to that agency in a given country that has been assigned official responsibility for the national export development/promotion effort. It is of course true that in developing, as in developed countries, many traditional TPOs have been merged or restructured to take on other responsibilities such as for enterprise support or investment, and the term TPO may no longer be strictly correct. However we wish to use it here to differentiate it from those other Trade Support Institutions or TSIs (which could be Chambers of Commerce, individual industry associations, etc.), that while they may provide trade support services to their members, do not have the official responsibility or mandate for the provision of such services on a national basis. Thus, while a TPO may be one of a number of TSIs in the country, there will (usually) be just one TSI that has the official trade development mandate for the country as a whole. These are the organisations that make up the core membership of the World Trade Promotion Organisation (WTPO), which was established, with strong ITC support, in 1998, however there also some business associations and trade support institutions, which are also members. The WTPO has members from developed, developing, and least developed countries.

### **Trade Support Institutions (TSIs)**

The term Trade Support Institutions covers a wide variety of business associations or other organisations that help business to participate in international commerce. Of course as noted the TPO is one of many TSIs in a country. However, this report uses the term TPOs for those officially designated as such and TSIs for the other associations and institutions. Even in small countries, there are several potential TSIs. These can be business associations or other institutions working with businesses. They can be broad multipurpose organisations serving large numbers of businesses such as the chambers of com-

merce or they can be more focused organisations supporting a particular sector or focusing on a particular function. Business associations focused on particular sectors may be closely connected to their members and acquire specialised expertise in the sector. Horizontal and functional groups focused on business challenges such as packaging or standards can also play a significant role in Trade Support Networks.

### **Outline**

The structure of this report is as follows:

- There is a brief review of evaluation methods;
- There is a summary of the current role of TPOs and TSIs in Trade Support Networks;
- The debate about the effectiveness of export promotion in the early 1990s is revisited;
- The current situation with respect to support for Trade Support Networks is assessed;
- The strategic implications of the trade and development context are examined; and
- Conclusions and Recommendations are presented.

### **1.1 Evaluation Methods**

The Evaluation Methods utilised for this report include:

- Desk research on ITC documents and relevant documentation from the World Bank and other sources;
- Interviews with ITC staff;
- Interviews with participants in the Executive Forum in Montreux in September 2004;<sup>1</sup>
- Interviews with participants in the Fifth World Conference of Trade Promotion Organizations (WTPO) in Malta in October 2004;
- Interviews with TPOs and TSIs including some from developed countries as well as from beneficiary countries;
- Analysis of a database of interviews and datasheets completed with 31 TSIs in the 10 countries where country studies were conducted during the Evaluation and subsequently collated;
- Analysis of a database of 41 end-user enterprises who drew services from TSIs or utilised ITC products drawn from the 10 countries where country studies were conducted during the Evaluation; and
- Review of the Country and Product Studies completed for the Evaluation.

Note that the database of TSIs was developed on the basis of field interviews in the 10 countries subject to country studies in the Evaluation. The Annex presents a summary analysis of the database of the datasheets completed in the interviews. Although the sample is drawn only from the 10 countries, the sample is broadly representative of ITC partners in these countries and also includes TSIs which are not ITC partners. Out of the 32

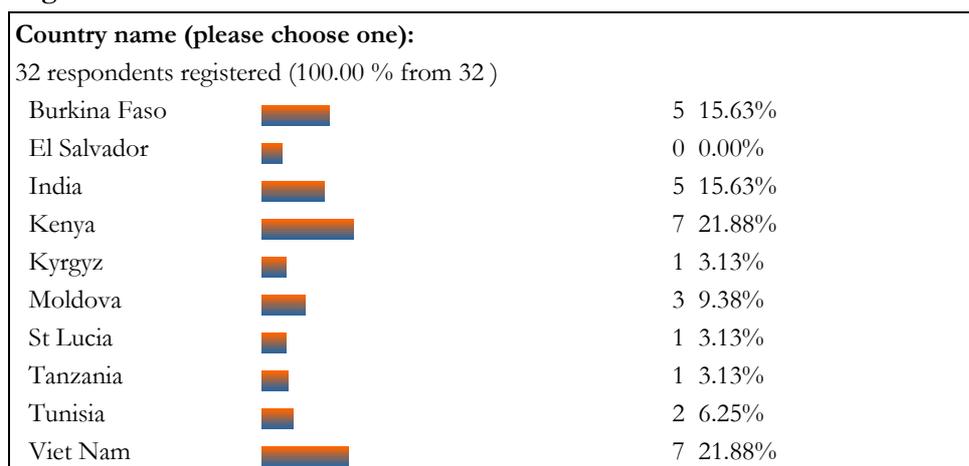
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<sup>1</sup> The Executive Forum is an annual event organized by the ITC, which was held in Montreux in September 2004.

TSI responses analysed in the database, seven were TPOs, 13 were TSIs partnering with ITC and there were 12 TSIs not partnering with ITC.<sup>2</sup> Thus, the sample is very representative of the TPOs and TSIs that are or could be involved in ITC assisted Trade Support Networks in the 10 countries selected for field studies. The distribution of the TSIs over the 10 countries was quite evenly spread as the following figure demonstrates.

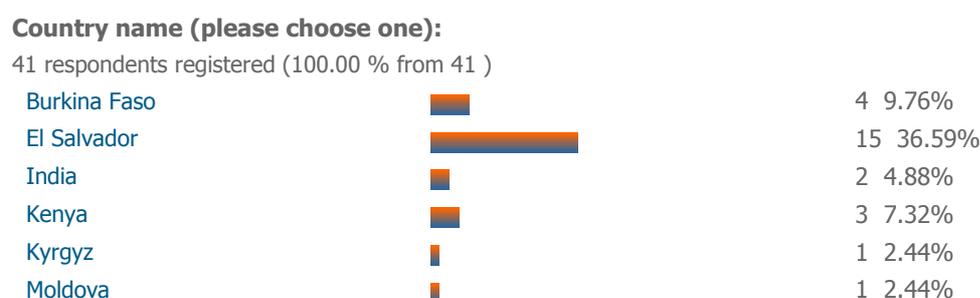
The results of the analysis of the TSI database are reprinted in the Annex to this report.

**Figure 1: Distribution of TSIs in the Field Studies**



In Figure 2 below, it is evident that the sample of end-user enterprises is characterised by greater dispersion among the number of entities in different countries in the field studies. Note that the sample of 41 end-user enterprises drawn from the field studies is weighted towards El Salvador where a particular ITC project had a significant number of end-users. In some countries, it was difficult to find end-user enterprises, which had utilised TSI services linked to the ITC. This sample of end-users was necessarily ad hoc; although the number of enterprises is larger than the number of TSIs surveyed, because the sample of TSIs in the database offers a more comprehensive perspective on the TSIs in the 10 countries selected. This is because it is easier to identify the present and potential TSI partners, while end-user enterprises are drawn from a much larger potential universe of firms.

**Figure 2: Characteristics of the Sample of End-user Enterprises from the Field Studies**



<sup>2</sup> Not all of the countries had TPOs.

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St Lucia		6 14.63%
Tanzania		5 12.20%
Tunisia		0 0.00%
Viet Nam		4 9.76%

### Income profile:

41 respondents registered (100.00 % from 41 )

LDC		9 21.95%
OLIC		11 26.83%
MIC		21 51.22%

### Population size:

41 respondents registered (100.00 % from 41 )

Small		27 65.85%
Med/large		14 34.15%

### Small island or landlocked:

41 respondents registered (100.00 % from 41 )

Yes		12 29.27%
No		29 70.73%

### Turnover (USD):

30 respondents registered (73.17 % from 41 )

0-499,999		15 50.00%
500,000-1,499,999		2 6.67%
1,500,000 – 10,000,000		8 26.67%
more than 10,000,000		5 16.67%

### Export % of turnover:

31 respondents registered (75.61 % from 41 )

0%		8 25.81%
1-10%		2 6.45%
11-25%		2 6.45%
26-50%		6 19.35%
51-90%		3 9.68%
more than 90%		10 32.26%

Both the databases of the questionnaires and data sheets developed for the TSIs and for the end-user enterprises are aggregations of data collected in the field studies for the Evaluation, but not analysed in detail in the individual country studies. The purpose of this analysis is to analyse the performance of ITC in assisting Trade Support Networks in beneficiary countries.

This report is also a type of meta-evaluation since it is drawing on other evaluation reports and studies, as well as original data and interviews. The focus is on the strategic context for ITC interventions at the country level.

### **1.2 Key Features of TPOs and TSIs in Trade Support Networks**

The ITC continues to work with TPOs but the strategy of the organisation has evolved to a more diversified approach with greater emphasis on working with TSIs as complementary partners in National Trade Support Networks.

One very important consequence of ITC's reliance on partner organisations (both TPOs and TSIs) in beneficiary countries can be some loss of control over the effectiveness and impact of its interventions, since these to varying degrees will be mediated and modified by the part played by these partner organisations. This aspect has been identified in our field research as a key factor conditioning the effectiveness and sustainability of ITC interventions. It is therefore very important to attempt to understand the different features of TPOs in developing countries, and their specific advantages and possible limitations, to evaluate the effectiveness of the ITC's actions. This report will assess these organisations as vehicle for the achievement of ITC goals, and will examine the alternatives, if any.

Before attempting to answer this question however, we first need to note some key recent developments that have altered the focus and modus operandi of TPOs. These are:

- The impact of e-commerce and the advent of Internet-based research, networking, and trading environments. Internet based developments have the capacity to facilitate self-generated business trade ventures and research in a way undreamt of years ago, independently of, and in some cases even undermining the importance of, the support network of TPOs. One attraction to ITC of working with TPOs has been their multiplier role within their country; this unique strength however may be weakened in the Internet age.
- The increasing interconnectedness of investment and trade, and the threat posed to the traditional 'single mandate' trade promotion TPO model focused solely on trade development. Although there are a growing number of exceptions, the traditional TPO model is still the norm in many developing countries. However, the role and/or relevance of agencies whose mandate is restricted to trade can be questioned in a world in which Foreign Direct Investment flows are driving international trade. The scale and impact of FDI on trade is hugely different now than in the 1950's and 1960's when the standard TPO model first emerged. In countries that have been successful in attracting FDI, the MNC export share can be as high as 80%. This phenomenon has huge implications for the design of effective export development strategies, and for the traditional role of TPOs who may find their SME client base increasingly sidelined in terms of overall national export performance, if disconnected from the FDI sector.
- The participation of many countries in the WTO and the accession or pending accession of countries not yet members to the WTO, the global trend toward more open

trade regimes and the ongoing Doha negotiations all point toward more open trade. This is in stark contrast to the largely protectionist or mercantilist 1970s and 1980s, and marks a major shift in the trade policy environment in these countries. This too challenges the traditional role of TPOs.

### 1.3 The Debate

Over the last 15 years there has been a debate about the role of TPOs and of Trade Support Networks in supporting trade development in developing and beneficiary countries. This debate has influenced the attitude of the World Bank and of donors to the role of TPOs and Trade Support networks and has influenced the intervention strategy of the ITC.

#### World Bank Critique

In 1991 the Economic Development Institute of the World Bank published a study of export support institutional arrangements in developing countries, which included a thorough examination of the role of ITC<sup>3</sup>. We have reviewed the World Bank report and its critique of the support for export promotion by ITC and by donors, because it raises interesting and important issues.

This review was highly critical of such arrangements, deeming them to be a failure overall. Based on the evidence of the preceding 30 years, the authors arrived at the conclusion that external assistance to the range of export support services in developing countries had been entirely ineffective (in expanding exports from those countries). Trade promotion organisations in developing countries, manned by public officials and facing almost no private competition, had nearly always proved unsatisfactory, regularly being deflected into policy, administrative, or regulatory tasks. This paper was quite influential in the debate regarding the direction of international trade TA, and generated a reaction against the idea of TPO institution building, a 'prejudice' that is still held some quarters. It may also have been a factor (but not the only one) causing ITC itself to be more circumspect in its relationship with TPOs, and in the introduction by ITC of a post 1995 strategy that has progressively emphasised broader issues of export strategy/competitiveness, as distinct from the more traditional trade promotion/marketing/border out issues.

Although there have been many changes since the time the report was written, many of the issues remain relevant today, and it may be instructive to consider the key points contained in that report. The principal reasons advanced for the failure of developing country TPOs were the following:

*The Legacy of Import Substitution:* Import substitution policies, pervasive import controls, and over-regulation prevailed in most developing countries through the 1970's and 1980's. Rent seeking behaviour was encouraged, non-competitive industry structures were maintained, and the skills necessary for exporting (e.g. packaging, pricing, design etc.)

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<sup>3</sup> Paul Hogan, Donald B Keesing, and Andrew Singer, *The Role of Support Services in Expanding Manufactured Exports from Developing Countries*, Economic Development Institute of the World Bank, 1991.

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were neglected. This is one argument that holds much less weight today, with the proliferation of countries pursuing WTO accession, and with the relative decline of the ideology of import substitution. It should also be noted that trade promotional bodies themselves have played an important role in changing such perceptions;

*Neglect of Supply Side Issues:* TPOs in developing countries (often in imitation of TPOs in developed countries), tended to focus exclusively on marketing related initiatives, to the neglect of production/supply and border-in issues which were not seen as their concern. This is still a common bias of TPOs today (but not of ITC - in its range of tools and services ITC provides equal coverage of border-in and border-out issues) and in our experience one that can be difficult to change – there tends to be a ‘glamour’ to the foreign marketing element that is not found in the foot slogging with local companies

*Donor Lack of Leverage and Acceptance of Low Impact:* While this may have been true in the past, it would appear to be much less so today. Many of the lessons of the past have been taken on board, and donors today are much more diligent in requiring demonstration of impact, and in ‘standing up to’ beneficiary demands.

*Corruption and Inefficiency in the public service;* Unfortunately, in many parts of the developing world this is still a problem.

*Poor positioning of the TPO within the public sector.* Many TPOs were positioned in a way that condemned them to ineffectuality, being overly subordinate to a government ministry, and not having the weight needed to effect policy decisions or to secure adequate funding. In some cases organisations did nothing at all and merely served as a passive channel for foreign aid. This poor positioning reflected the fact that the ground had not been properly prepared and their establishment was premature, in that there was no broad consensus on their objectives or importance. Ideally, a TPO should be put in place when the government has demonstrated a clear political will to increase exports and transform the economy, with the TPO playing a central role in mediating and leading change.

*Inadequate Human Resources:* This has been one of the most persistent failings of developing country TPOs. Suitably qualified people are often in short supply and may be highly sought after by the private sector. As a result, many developing country TPOs are staffed by civil servants with little hands on experience of business or exporting. They fail to inspire confidence in and win the trust of the exporting community. There is often a strong cultural divide between the government officials and the trading community, and the public service is often viewed as lacking credibility with private sector. The quality of staff is depressed by low salaries, and staff members are often rotated elsewhere within the public sector, with whatever they have learnt lost to the TPO when they leave.

Further, the impacts of donor supported training programmes are rapidly diluted in the absence of ongoing effective staff development programmes within these organisations.

*Inflexibility of government procedures:* Activities and expenditures (e.g. for travel) are subject to rigid bureaucratic procedures, inhibiting the creation of a responsive and dynamic public sector.

*Lack of Sustained Intervention:* Institution building is a long drawn out affair that requires patience and commitment over a period of years. Most 'TPOs' were established following donor intervention but then set adrift with minimal guidance and support. When programmes failed to yield rapid results, donors and local governments were disappointed, and the TPOs abandoned or wound down.

The conclusions of the authors that the public service model was fundamentally inappropriate, and that almost all TPOs surveyed (outside of East Asia) were failures; may be too extreme. However, a listing of some of the characteristics of ineffective TPOs that they identified may be salutary:

- TPOs were set up on donor advice and with donor funding, not as a result of demand from exporters;
- They were seriously under funded, and the government had no faith in the TPO;
- TPOs had no funds available for direct assistance to exporters;
- There existed a strong divide between public servants and the business community;
- Instead of distributing useful information to exporters, TPOs would retain it as a bargaining chip in their dealings with exporters;
- More services were being provided to government rather than to exporters;
- Missions abroad were heavily made up of TPO staff or other public servants;
- Missions abroad rarely generated orders;
- Public servants were paid so badly that many had second jobs;
- The organisation was overloaded with unmotivated clerical staff;

There was a confusion of purpose resulting from the assumption of regulatory and administrative roles (e.g. handling compulsory registration of exporters, providing documents needed to obtain import licenses, etc.) Exporters who are required to deal with TPOs as regulators are rarely inclined to trust them as a source of information or marketing related services.

### **Institution Building and ITC's Capacity Building Support**

One specific line of criticism within this report is highly germane to the debate concerning ITC's focus on capacity building within TPOs and TSIs. This is the criticism of assistance provided for purposes not dependably connected with export expansion, e.g. establishing permanent export institutions, training of their staff, supporting their participation in trade fairs, *etc.* Too often (according to the authors – and referring to the pre-1990 era), such actions were viewed by the ITC as ends in themselves, independent of the exports that might flow from them. This mode of operation was seen by the authors as flowing directly from ITC's principal mandate, i.e. the provision of assistance to export promotion in developing countries. ITC had only limited powers (if any) to influence the export policy mix of developing countries, and was not free to choose the countries and policy environments in which they provided assistance. Rather, they were supposed to

respond to requests from developing countries, with the recipients dictating the mode and location of assistance.

It must be stressed that at that time about 3/5 of total ITC funding came from UN funding allocations and UNDP was the largest source of funding for extra-budgetary trust funds (compared to the present when the UN funding for the Regular Budget amounts to about one quarter of total resources and there is negligible funding from UNDP for extra-budgetary funding). In the early 1990s, funding was calculated in advance based on a formula that reflected population and poverty, and ITC was not in a strong position to reject a request for the unpromising use of UNDP funds. As a result (according to the authors of the World Bank report), the ITC and other external assistance agencies built up a tolerance of ineffective projects, and donor agencies continued to fund Trade Related Technical Assistance (TRTA)<sup>4</sup> year after year in countries where the policy environment remained strongly biased against exporting.

The World Bank report is highly critical of the emphasis that was then placed by ITC and the UNDP on a strategy of institution building for TPOs. The thinking behind this strategy of the ITC was that TRTA should not confine itself to a short-term injection of foreign advice and expertise, but that some of this expertise should be left behind so that the effect is sustained rather than transitory. The World Bank report asserted that donors could create better institutional results as a side benefit of ensuring that support to SMEs is leading to improved export capacity of SMEs as a primary objective. The report was also highly critical of the assumption by donors that institution building meant in practice the building of permanent institutions within the public sector. In addition, as policy environments improved and became more outward looking, the organisations created early on (in the 1960s and 1970s) proved unsuitable for the needs that emerged, and were themselves an obstacle to the creation of new and better support services.

It is difficult for us to conclusively comment on the validity of such criticisms in today's trade environment and for today's ITC. Undoubtedly these observations would have been taken on board by ITC in its strategic re-positioning in 1995. Certainly ITC's overall portfolio of tools and services today span much more than the traditional trade promotion/marketing focus. Programme areas such as the Executive Forum, MDS, BAS, and IPSM among others all have that export strategy/policy or supply-side dimension that the 1991 report found singularly lacking.

Also, not all of the authors to the report concurred, and at least one argued that institution building remained an inescapable part of a trade development strategy. ITC's support for the creation of counterpart organisations that would serve as focal points to its interventions in part derived from the failure of earlier efforts involving short term advisers whose advice, in the absence of any resources to pay for implementation, was often disregarded. However the new institutions ran into problems when confronted with the realities of having to operate and survive in a developing country context. New TPOs constituted another financial burden for the country, and were soon starved of the re-

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<sup>4</sup> The term TRTA was not used at that time but we have applied the current usage.

sources they needed for their full development. Further, the focal point was often seen as an end in itself rather than a means, with ITC people vague on what an export promotion organisation could be expected to achieve, with what resources, and in what time frame. The end result was that after 25-30 years of intervention, only a handful of self-sustaining and effective institutions had been created. In those countries where inefficiency and corruption were rife, the TPO conformed to the norm

Given that capacity building within such institutions is today a central element of ITC's programme of services, it is fair to assume that ITC still holds to the merits of the institutional building route, although, as indicated above, this is complemented with a broad array of other programmes and services. As one example of what ITC does in terms of Capacity Building, ITC has worked steadily over the years to enhance the trade information management capabilities of these organisations (e.g. through the CAPNET/BIS programme), delivering training and skills upgrading to the staff of these organisations. ITC has also provided capacity building support across a range of other areas and has attempted to extend its reach to a wider constituency.

There have been many changes in the global trading context since the beginning of the 1990s.

### **1.4 Analysis and Findings**

The debate about the effectiveness of export promotion in the early 1990s suggests a number of issues which are relevant to the current context and which are considered below.

#### **Should Trade Development Receive Donor Support?**

In raising basic questions, the question can be asked, should export promotion: or trade development more generally; receive support from donors in the form of TRTA? The authors of the 1991 World Bank Report seem to disagree, since one of them supported institution building for export promotion but with more emphasis on institutional reform and achieving results. The other authors suggested that services to exporters could be purchased more easily at less cost from private providers.

The rationale for support for trade development is that there are market failures and information asymmetries that disadvantage SMEs in developing and transition countries. The rationale for intervention is that introducing SMEs to international trade will not only serve to expand exports, but also serve to stimulate the adoption and diffusion of technology and lead to upgrading of skills. This issue is examined in more detail as part of the larger debate about trade and development, which is considered in the Evaluation Report, the *Global Trade and Development Context* in this volume. Apart from this normative debate, it is evident from the Evaluation Report also in this volume, *The TRTA Context* that significant donor funds are allocated to supporting trade development in many developing countries and transition economies.

For the purposes of this report, it is taken as given that there is a rationale for supporting trade development and that donors are willing to allocate funds to support TRTA for this

purpose. The questions considered here are, what are the best ways to support trade development, what vehicles are likely to lead to capacity building, and what are the best ways to achieve results?

### **What Makes for Successful TPOs?**

Based on the Evaluations interviews of TPOs, there is a broad consensus of the factors conducive to operating a successful TPO both in developing and developed countries. Critical factors include the following:

- *Autonomy of Operation:* While operating within the framework of established government policy, TPOs must have the capacity to remain sufficiently autonomous to be able to take their own decisions and to respond in an effective manner to the needs of clients. While TPOs are almost always created by government initiative, it should always be with the exporting interest in mind, and not for narrow or self-aggrandizing bureaucratic interests. The TPO should not be seen as part of the territory of any particular Minister. The quasi-political or bureaucratic character of TPOs can leave them vulnerable to ongoing political or bureaucratic interference or even to dissolution or merger in changed political circumstances. To be effective in promoting the export interest, TPOs need to be operationally independent of the oversight Ministry and to have freedom of action in the export promotion sphere. TPOs should also not be vulnerable to changed political circumstances.
- *Adequate Funding:* TPOs are funded in various ways – by government grant, by levies on imports and exports, by membership subscriptions, by charging for their services, or by a combination of all these methods. While government grant-in-aid relieves the organisation of having to generate revenue from other sources, it can be subject to arbitrary curtailment, and as it is approved from year to year, inhibits long-term planning. This has reduced many TPOs in developing countries to a dependence on foreign aid for much of their funding. Because of their financing constraints, TPOs in developing countries can become more oriented to revenue generation than export development, to the point of in effect blocking diffusion of export promoting/supporting tools to capture their income generating potential. This remains a difficult challenge, but at the same time achieving a degree of financial independence is of critical importance to their effective functioning.
- *The TPO should be representative of the wider export community:* A key consideration in the effectiveness of any TPO (and not only in developing countries), is the size and make up of their member company / business base, and whether or not it is representative of the national export interest. In many economies, the representation of business interests is organised around industry or sector associations, or chambers of commerce, who view with some suspicion the claims of representation by other entities. In transition or ex-centrally planned economies, there is the phenomenon of former trading houses, who may have been in existence for a much longer time, and who may be territorial in the defence of their member interests. In many countries, TPOs are relatively recent and under funded creations, with weak links to the business community. Counterpart organisations may have a more active and more numerous subscriber

base; have more effective lobbying capabilities; and more generally be regarded by business as a more effective proponent of their interests. To be effective, TPOs have to be active in developing export capabilities on the ground. They need to pay attention to grass roots business issues, and to building supply side capacity, and not be distracted e.g. by the opening of prestigious foreign branches. Within the country, they should have the commitment to develop effective regional networks, and not be confined to the capital city.

### **Should TPOs have exclusive rights to ITC services and products?**

The answer to this question is clearly no. ITC has continued to work with TPOs but increasingly ITC is working with a broader range of TSIs. It is important that the TPO diffuses the results of the ITC support and the capacity building of the TPO leads to support for the Trade Support Network of the country. Unfortunately some TPOs attempt to monopolise the support services from ITC and this pressure should be resisted.

### **The Current Situation**

It is our view that the quality and focus of TPOs in developing countries is now much superior to what prevailed in the 1970s and 1980s. In large measure this reflects significantly changed policy environments in these countries, the expansion of WTO membership, and official recognition of and support for outward oriented trade development initiatives. The increased professionalism has itself been reinforced through the networking and sharing of best practices through key organisations such as the World Trade Promotion Organisation (inaugurated in 1998) and through structures such as the annual meetings of the ITC's Executive Forum. The ITC itself, through its website *TPONet*, which reports on the proceedings of the WTPO and maintains a database of support materials (e.g. best practices reports) and a network of TPOs worldwide, has also contributed to this increased professionalism.

Increased professionalism has been in evidence at recent WTPO Conferences, the most recent in Malta (September 2004), at which there was a vigorous sharing of ideas, best practices, and proposals for best approaches to trade development. A total of 48 developing and/or transition countries were represented (plus 20 developed countries) at this conference. Of the 48 developing/transition countries, over half (25) were represented by conventional TPOs, with another 12 comprising integrated bodies (i.e. combining enterprise and/or investment development with trade promotion), while 5 were represented by private industry associations and 3 by government ministries. There has been an increase in recent years in the number of bodies integrating trade development with enterprise/investment development, and this is a trend that appears likely to continue. A persuasive factor is the compelling evidence of recent years of the interconnectedness between export growth and FDI, which developing countries are deliberately targeting. Many (particularly the CEE states) are drawing on the example of Ireland, which has had the highest rate of export growth of any WTO state in the 1990's, derives 80% of its exports from Multinational Companies (MNCs), and operates a very successful linkage programme to match indigenous SME's to MNCs, and through them to global markets. India and China are also two obvious examples of countries whose export growth is being lifted concurrently with FDI. It is worth noting that insofar as 'measurable trade impacts' are

concerned, one substantial FDI export investment can dwarf a multitude of indigenous SME directed interventions. If only for that reason, the argument that ITC should devote more attention to the interconnectedness between FDI and trade could be made.

Although a relatively small sample, the partner TSI information garnered from our field research in 10 countries (see Annex) is also consistent with the view of an increased professionalism among TPOs and TSIs. Thus, of those sampled, client membership showed significant increases (since 1998), virtually all had their own web sites, 80% were in receipt of fee or subscription income, over 80% were affiliated with international networks, over 90% engaged in advocacy activities, and almost half (45%) operated regional branches. In considering the situation of TPOs in developing countries, we must remember that the trade development and institutional environment in these countries is much more challenging than in developed countries, and the standard 'European' TPO model on which these TPOs were designed has to be adapted to fit those circumstances. ITC contribution is crucial to that task. For example, the organisation and financing of trade missions in Africa or Latin America is a much more challenging undertaking than within a compact geographical area such as Europe. The TPO focus needs to adjust accordingly. The South-South Trade Programme of the ITC which emphasises the promotion of intra-regional trade links is a very good example of the kind of adaptation required.

Of crucial importance also is the export environment in the country and how supportive or hostile it may be to developing export business. Success depends on having competitive exporters working within a competitive economy. These are not always found together within a developing economy. Barriers to exporting can be numerous, and can include Financial – e.g. an unfavourable exchange rate, insufficient or unavailable pre-shipment export finance, protracted payments situations, or lack of working capital, – and Non-Financial – e.g. insufficient promotion of companies products in international markets, inadequate negotiating skills, lack of contacts in market, lack of know-how, transportation costs, tariffs and technical barriers, other low cost competition, lack of foreign partners, *etc.*

Many of these barriers are outside a TPOs direct capacity to resolve, although the TPO could act as a catalyst to draw together exporters, government, and service providers in a forum or council to address these barriers. These broader export competitiveness and export strategy issues are the focus of the ITC's Executive Forum, in which many TPOs and TSIs participate. The Executive Forum is an effective vehicle for ITC to stimulate broader dialogue about the policy climate for exporters as well as supply-side and border-in issues.

### **1.5 Development Context and Key Issues**

Looking ahead, how should ITC support Trade Support Networks in the future and how in future could ITC ensure the achievement of results? Our findings are organised according to five topics:

- Modes of delivery;
- Viability of TSIs;

- Assessing Needs;
- Achieving Results; and
- Cross-cutting Issues.

### **Modes of Delivery**

Although the ITC has stressed the delivery of global products in recent years, many of the global products are in fact delivered to or through national partners in Trade Support Networks. Achieving results with these products depends upon whether the enhanced capacity of the TPOs and TSIs translates into increased capacity to support SMEs in trade development. In the Product Studies undertaken for the Evaluation, we find that the global delivery over the Internet only works to a limited extent for a limited range of ITC products, and the principal delivery channel of many of the ITC global products is either to, or through, the TPOs and TSIs in national trade support networks. The National Trade Support Networks have been a key delivery channel for ITC for many years and this is likely to continue to be the case for the years ahead, although the nature of the interaction with these networks has evolved.

### **Viability of TSIs**

The funding base for both TPOs and TSIs remains a continuing issue in many beneficiary countries. The World Bank critique of the TPOs in the early 1990s focused on the problems of low pay and poor incentives in TPOs. Although there has been some progress in this area, the challenge still remains especially in low income and least-developed countries.

In the database of the TSIs analysed in the Annex, the TSIs identified their membership as the most frequent source of funds but this was followed closely by governments and donors. However, from the more detailed answers it is evident that for many TSIs either governments or donors or both were the most important source of funds for the organisation.

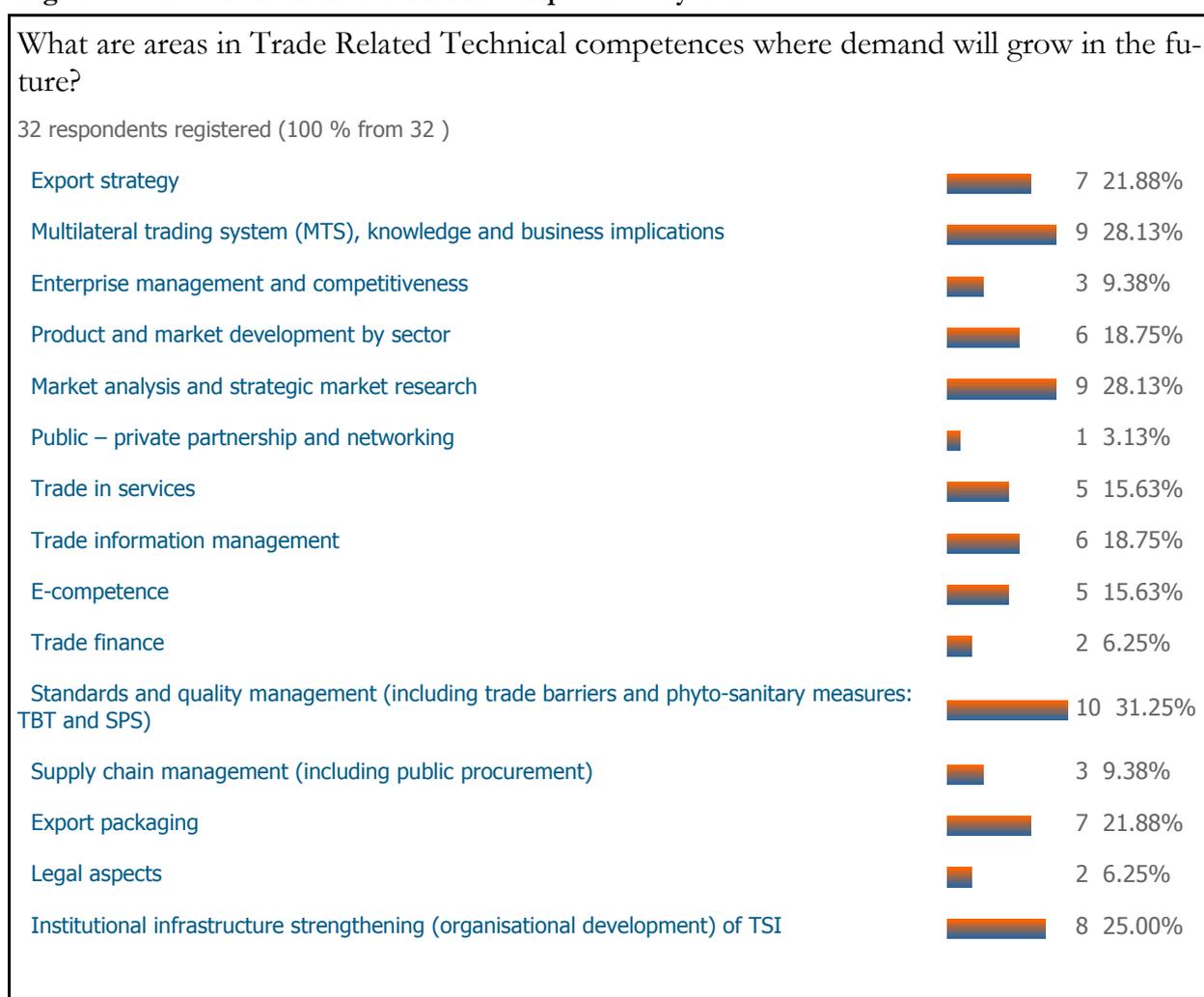
The challenge for TSIs in developing countries and transition economies is that the ability to charge fees for services to enterprises is limited both by the low ability to pay of the enterprises and the effects of aid distortion on economies in low income countries, where valuable services to support business development and training come to be expected to be provided by donors for free or even to be the source of income supplements or expense reimbursement.

The prevalence of such widespread and often competitive aid is that it means that enterprises do not value properly the technical assistance that is received. It also has the implication that the economic viability of the TPO or the TSI is undercut and eroded, since the potential for the TPO or TSI to obtain revenue or even to cover costs for services is greatly reduced. As a result ITC has a challenge of determining whether the TPO or the TSI are likely to be viable and sustainable partners since ITC is investing in the capacity of the TPO or TSI partner and the longer term benefits of partnering with the TSI depend on the sustainability of the TSI.

### Assessing Needs

Although the ITC is very effective in networking with partners in National Trade Support Networks and the Executive Forum is an effective vehicle for this purpose, there is no systematic process across ITC to assess the needs of ITC partners in Trade Support Networks. As indicated above we have surveyed the TSIs in the 10 countries selected for country studies in the Evaluation. Based on the survey of both partnering and non-partnering TSIs, the Evaluation has identified the following indicated needs and priorities from the survey.

**Figure 3: Future Demand for TRTA Competences by TSIs**



Although the survey is only indicative, we can see that 10 or 31% of the TSIs identified Standards and quality management, 9 indicated both more information about MTS and also Market Analysis and Strategic Research as priorities, and 7 indicated either Export Strategy or Export Packaging as future priority needs for technical assistance. These quantitative indications are very consistent with our qualitative sources including interviews at the country level and the studies undertaken of ITC products (“product studies”) discussed in the next section as well as the surveys of donors and partners.

If we consider the Standards and Quality Management, the most cited technical assistance need identified by the TSIs, we have corroborating support from other sources including donors and other international development partners. The growing concerns about food and product safety in developed countries combined with increased concerns about security in the movement of products in international trade and the requirements for traceability of the supply chain and meeting SPS/TBT technical requirements are important issues facing developing countries and transition economies in obtaining effective market access to developed country markets.

The assessment of the needs identified by the end-user enterprises was less conclusive since the end-users identified several needs with less clear identification of priorities. For example, more than three quarters of enterprises indicated a need for the following services from TSIs:

- Export market information;
- Designing products for export markets;
- Advice on quality management and standards; and
- Advice on trade fairs and business delegations.

Only topics such as general management training, training on e-competence or information on sources of supply, generated significantly lower priority in ranking among the enterprises in terms of the services they were seeking from TSIs.

The picture that emerges is the TSIs have a clearer image of the kinds of services that ITC can offer them than do the end-user enterprises. Of course, the end-user enterprises are not dealing with ITC directly and perceive ITC support as supporting the activities of the TSIs. Nonetheless, the TSIs seem to have a more focused perspective on the types of services needs that are like to expand for them in the next five years.

Undoubtedly these overall results will not come as a surprise to ITC, since ITC has an effective set of contacts with the TSI partners in Trade Support Networks. At the same time, however, ITC is not assessing the needs of its partners in Trade Support Networks on systematic basis. Of course ITC sections are in regular contact with their network contacts, but there is neither strategic assessment capacity nor systematic monitoring across the ITC of the emerging needs of Trade Support Network partners.

### **Achieving Results**

The efforts to implement the Millennium Development Goals, the Monterey Consensus and the recent *Paris Declaration on Aid Effectiveness* to support aid harmonisation, all stress the need to achieve results from development interventions.<sup>5</sup> The focus in this report is how to achieve, and how to measure the results achieved, from ITC support to national Trade Support Networks.

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<sup>5</sup> The broader set of issues is addressed in the Evaluation Report, *The Global Trade and Development Context*.

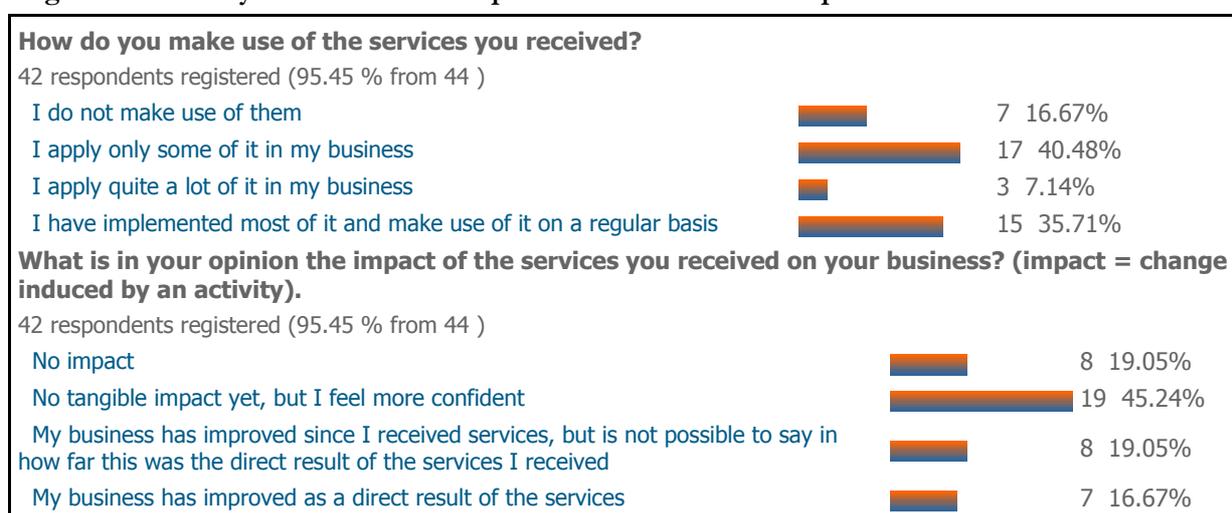
## ROLE OF TRADE SUPPORT NETWORKS IN TRADE DEVELOPMENT

In the Report, *The Global Trade and Development Context*, the Evaluation addressed some of the broader challenges of measuring results and impacts for Trade Related Technical Assistance. The specific challenges for ITC in measuring results and impacts from technical assistance to Trade Support Networks is that the results achieved, (assuming results are achieved), beyond activity or output indicators, are in the form of enhanced capacities of the TPOs and the TSIs and in the form of results achieved from support to SMEs. Indicators such as an increased number of SMEs entering international commerce can only be collected by the partner organisation. If the ITC is to collect this type of information, and such information is essential to measure results and impacts, it will be necessary to have a systematic reporting system from partner TSIs to document these results and this reporting and analysis will need to reach beyond the TSI partner to the ultimate end-users, normally the SMEs themselves.

Although our sample of end-users is somewhat ad hoc reflecting the capacity of the field study teams to identify end-user enterprises through contact with the TSI partners, it is the only available evidence on the utilisation of TSI services and ITC products by end-user enterprises.

If we examine the results of the survey of end-user enterprises in the field studies we see the results are somewhat mixed. Most of the respondents or 83 per cent used the services in their business, but 7 or one sixth of the respondent to this question did not use the services in their business. Nonetheless this is evidence that the services were considered useful by most of the end-user enterprises and the assessment is relatively positive.

**Figure 4: Survey of End-User Enterprises: Usefulness and Impacts**



The picture on impact is less encouraging. About one-third of enterprises identified positive impacts from the TSI services, almost half said there was no tangible impact, but they felt more confident, while about one-fifth said that there was no impact on their business. The Evaluation does not attach undue emphasis on these results, but they do illustrate the challenges inherent in tracing the benefits of support to Trade Support Networks through to the end-user enterprises.

### **Cross-Cutting Issues**

The challenge of documenting and measuring results is greatest with respect to the development concerns and the integration of cross-cutting issues. For example, in the case of gender impacts, ITC is now making an effort to collect more information on the gender aspects of their work. However, the ITC does not presently collect this kind of information on the activities affecting end-users.

The ITC has made a determined effort to address both poverty reduction issues through the Export Led Poverty Reduction Programme (EPRP) and the South-South Trade Promotion programme. Both of these initiatives rely upon partnering with TSIs in the country concerned. More needs to be done to improve the quality of data collection for these programmes in the future.

Gender issues should receive higher priority in the future in ITC. There are two dimensions to gender issues. One is that enterprises employing women may benefit from ITC activities and the use of ITC tools. The other dimension is initiatives deliberately targeting the gender bias such as supporting the development of the enterprises of women entrepreneurs.

In terms of the first dimension, measuring the potential gender dimension of ITC interventions involves assessment of the effects of the interventions on end-user enterprises. In our database of end-user enterprises we asked the respondents whether more than 50 per cent of their employees were women. In response to this question 43 per cent of end-user enterprises indicated that women accounted for more than 50 per cent of employees, while 57 per cent indicated the contrary.

Again this evidence is not necessarily conclusive, but it does illustrate the need to analyse the gender dimension among end-user enterprises that are the intended beneficiaries of the technical assistance provided to Trade Support Networks.

## **1.6 Conclusions and Recommendations**

This section draws out some conclusions about the role of ITC in supporting trade development through trade support networks and issues related recommendations.

### **Conclusions**

Notwithstanding the criticisms that have been directed against them, TPOs occupy a unique niche and remain an essential cog in the trade support networks of developing countries. The proposition that ITC bypass these entities completely is in our view impractical. Many of these TPOs have transformed their operations in recent years and have become a valuable and worthwhile component in the export platforms of their respective countries. In most beneficiary countries, TPOs are key elements in the trade support network. In those countries where TPOs are not key elements in the trade support networks, they could and should play this role.

The most compelling argument for strengthening ITC's co-operation with and support to these agencies is ITC's absolute requirement, given its resource constraints, for a local focal point to sustain and build upon its own (time and resource limited) interventions. If there is one weakness that is common across the range of ITC interventions, it is the lack of sustained follow-up and impact to these interventions. It is in this crucial area that the effective collaboration of the national counterpart is essential. The ITC simply does not have the resources to maintain a meaningful presence beyond the formal project time frame. But the TPO partnering needs to be approached in a much more structured fashion than has been the case in the past, with clear lines of accountability and responsibilities.

One response to the World Bank critique of support to TPOs is not to stop all support to TPOs but to apply criteria to the support to TPOs that will reduce the problems identified by the World Bank. Furthermore the World Bank critique is useful in identifying the types of best practice that will improve the effectiveness of TPOs in supporting SMEs. This approach is fully compatible with the increased emphasis in recent years in achieving results with development interventions.

The ITC has broadened its support to other TSIs in addition to TPOs and this approach should be continued. While it is important that ITC continues to work with the TPOs, the TPOs should not be allowed to monopolise ITC services and products and ITC should continue to work with other TSIs that have some capacity and the likelihood to be sustainable.

Capacity building of the TPOs and other TSIs is an important task for ITC. The ITC continues to rely upon local partners to deliver its products and services and capacity building in local partners is an important result of ITC interventions. Achieving results in terms of greater participation of SMEs in international trade requires that these intermediaries are effective in diffusing the benefits of ITC support to their members.

The support to Trade Support Networks at the country level has been the core business of the ITC and it will remain its core business. ITC has made efforts to distribute its products globally over the internet and through other channels, but the partners in the countries, the TPOs and the other TSIs remain critical to the delivery of ITC products and services to the target beneficiaries in SMEs.

### **Recommendations**

The Recommendations are divided into Recommendations for ITC Management and Recommendations for Strategic and Cross-Cutting Issues.

#### ***Recommendations for ITC Management***

1. The ITC should certainly continue its strategy of working with TSIs in addition to TPOs.
2. At the present time ITC management does a very effective job of networking with partners in Trade Support Networks in beneficiary countries and the Executive Forum is an effective vehicle to support this networking. However networking is cur-

rently mostly built on effective and long established personal relationships. In the near future, the ITC Management will change due to demographic factors and ITC does not have in place a systematic process to monitor the emerging needs of partners in Trade Support Networks. We recommend that ITC conduct every two years in conjunction with the preparation of the biennium budget a survey of the emerging needs of partners in the Trade Support Networks and use this in the planning for support to Trade Support Networks and in assigning priorities to product areas.

### ***Strategic and Cross-cutting Recommendations***

The recommendations for ITC that can be derived from this report are strategic and cross-cutting in focus are as follows.

#### *TPO Certification*

In the view of the Evaluation, concerns about the performance of TPOs should be addressed directly. What this entails is the application by ITC of standards that the national TPO must meet, and a readiness, where necessary, to decline project proposals in those countries where these standards are not being met. In other words, the quid pro quo of an intensified partnering relationship would be the exercise of greater discretion in the selection of ITC partners. A preparedness to walk away where necessary might challenge the current modus operandi and political sensitivities, but the Evaluation believes that would be the right option in certain circumstances. The natural corollary of this would be for ITC to develop a formal performance standard that it would insist upon for partnering arrangements; and the assignment of internal resources to co-ordinate ITC assistance to organisations attempting to reach that standard. What we are proposing is that ITC re-engage in a form of institution building, of a type that it took criticism for in the past. At the most fundamental level, the responsibility for sustained export and trade expansion within developing countries, the paramount objective toward which the ITC and its parent agencies are striving, rests with the relevant agencies within those countries, and not, in the final analysis, with the ITC.

The criteria a partnering TPO would need to meet could be developed and formalised by ITC. Examples might include:

- Official designation of responsibility for trade development;
- Acceptable level of autonomy from government interference;
- Adequately resourced;
- Staff with adequate absorption capacity;
- Representative membership base.

#### *Promotion of Investment*

Since there is considerable variation between TPOs in terms of their responsibilities (e.g. whether they do or do not cover inward investment, or whether they provide a broad or narrow range of enterprise supports), such differences are not the issue in deciding on a partnership arrangement with ITC. Rather, it is the professionalism with which they discharge those responsibilities. For one of those areas of responsibility however, i.e. inward investment, ITC's current portfolio of services is under-developed, particularly in view of

the trade enhancing impact that FDI can have in developing countries. We believe that this is a serious omission on ITC's part, and one that should be rectified, if ITC is to continue to occupy a central role in trade development support for developing countries. The evolution by many TPOs in this regard has not been matched fully by ITC, for reasons which are unclear but may lie in the traditional split between national trade and investment promotion agencies to which ITC appears to continue to adhere. In this respect, the recent efforts to develop Investment Map in collaboration with UNCTAD, the World Association of Investment Promotion Agencies and the World Bank is a welcome development complementing the TradeMap tools. Similarly the Executive Forum with its emphasis on National Export Strategy encourages a broader perspective and scope on ITC interventions. Since many of the ITC tools and products are aimed at supporting Trade Support Networks, these tools need to be reviewed to consider if and how they can be adapted to support or to complement promotion of investment or to assist SMEs to develop linkages with MNCs as a strategic tenet to support preparation for exporting.

### *Measuring Results and Impact*

As already indicated, we consider the calls from certain quarters for a demonstration of a direct and measurable link between ITC interventions and national export performance (e.g. increased overall exports) to be overly simplistic since the channels of influence of TRTA on trade performance are indirect and involve many different factors. This is not however true of ITC interventions at the project or micro-level, for which demonstrable business and trade impacts should be required. At the national level, what can be tested are institutional improvements in organisations such as the TPOs, and TSIs. Thus the Evaluation proposes that verifiable, and sustainable improvements in the capacity of these partner institutions should be an important indicator of achievement for ITC and is practical and meaningful surrogate to any attempted measurement of direct export impacts. If the premise is accepted that TPOs, properly constituted, are not redundant and can be effective catalysts for trade development in their country, then there is logic to judging ITC on such grounds.

If ITC is going to be able in the future to demonstrate that its interventions to assist Trade Support Networks lead to results, then it will be necessary to involve TPO and TSI partners in developing verifiable indicators of achievement both with respect to capacity building in the TSIs and with respect to the delivery of services to support SMEs engaged in, or entering, international trade.

### *Integrating Gender and Poverty Reduction into Trade Development*

The special issues related to the challenges of women entrepreneurs should also receive higher priority in ITC activities. This is a challenge since women entrepreneurs tend to manage micro enterprises and face special legal and institutional challenges in many countries in terms of enforcement of property rights and access to finance often because they lack collateral. Thus the challenges for women entrepreneurs to become exporters is especially great and the average scale of their enterprises in many developing countries makes them difficult to target with ITC programmes and activities. ITC is however striving to integrate this dimension, and with some success. Services in particular are an area

## ROLE OF TRADE SUPPORT NETWORKS IN TRADE DEVELOPMENT

where activity is being consciously aimed at women entrepreneurs. This dimension needs to be developed out beyond Services into other ITC programme areas.

The challenges of measuring results and assessing impacts from the services provided by TSIs to end-user enterprises and which have benefited from ITC technical assistance is a significant challenge for ITC, and it is especially difficult to assess these results in terms of achievement of cross-cutting goals such as poverty reduction or improvement of the economic position of women. Nonetheless, we recommend that ITC will need to enter into a more comprehensive partnership with its partners in the Trade Support Networks and engage in a systematic effort to track the effects of the services rendered by TSIs on poverty reduction and gender.

## Annex 1. Field Research TSI Survey (Field Studies in 10 Countries)

### TSI questionnaire

#### Country name (please choose one):

32 respondents registered (100.00 % from 32 )

Burkina Faso		5 15.63%
El Salvador		0 0.00%
India		5 15.63%
Kenya		7 21.88%
Kyrgyz		1 3.13%
Moldova		3 9.38%
St Lucia		1 3.13%
Tanzania		1 3.13%
Tunisia		2 6.25%
Viet Nam		7 21.88%

#### Income profile:

32 respondents registered (100.00 % from 32 )

LDC		6 18.75%
OLIC		23 71.88%
MIC		3 9.38%

#### Population size:

32 respondents registered (100.00 % from 32 )

Small		12 37.50%
Med/large		20 62.50%

#### Small island or landlocked:

32 respondents registered (100.00 % from 32 )

Yes		10 31.25%
No		22 68.75%

#### TSI is:

32 respondents registered (100.00 % from 32 )

Partnering with ITC		20 62.50%
Non partnering with ITC		12 37.50%

#### Type of TSI (please choose one):

29 respondents registered (90.63 % from 32 )

Trade promotion office		7 24.14%
Other export promotion councils		3 10.34%
National Chambers of Commerce and Business Associations		5 17.24%
Private TSIs (similar services providers)		1 3.45%
Standard and quality institutions		0 0.00%
Training organisations to support exports		0 0.00%
Government policy bodies		6 20.69%

Other (please specify below)  7 24.14%

### Specify

12 respondents registered (37.50 % from 32 )

- A federation of business associations in Kenya
- Department of the Export Promotion Council (EPC), responsible for access and dissemination of business information to businesses (especially Kenyan exporters and importers of Kenyan made products)
- Non-profit, non-governmental institution
- Government of India Undertaking Organisation
- Trade Promotion Office (National Commodity Board)
- An association founded by the members which are Vietnamese Seafood Exporters & Producers
- Non-governmental, non-profit organization
- An association founded by the members which are food companies
- An independent, non-governmental, non-profit organization
- Burkina: Office du Commerce Exterieur
- Government TSI
- Manufacturers association

### Year of foundation:

31 respondents registered (96.88 % from 32 )

[show all responses](#)

1966; 1952; 2000; 2001; 1998; 1990; 1999; 1998; 1927; 1992; 1987; 1996; 1998; 1990; 1989; 1999; 1963; 1967; 1972; 1974; 1979; 1999; 1884; 1964; 1960; 1996; 1974; 1948; 2004; 2000; 2000

### Budget (\$ million) in 2003:

24 respondents registered (75.00 % from 32 )

[show all responses](#)

22,80; 0,38; 0,2; 3; 16 000; 8,5; 2692705; 6 000 000; 18,150; 63,500; 150,000; 35000; 400,000; 5; 145; 0,6; 0,05; 0,230; 0,3; 0,1; 0,6; 1,8; 0,052; 15

### Specify source of funds (more than one answer possible):

24 respondents registered (75.00 % from 32 )

Income		19 79.17%
Government subsidies		14 58.33%
Donors		10 41.67%

### Comments

15 respondents registered (46.88 % from 32 )

- Part of EPC funds, which comes from Government and donor funding, and service fees
- State budget 9 000\$ TACIS project 500 000 EUR self-services 50 000 EUR
- ITC funding
- Subscription, Delegation Fee, Contributions from Allied Organisations, Hire & Rent Charges, Interest on deposits, Exhibition receipts, Sale of Publication, Consultancy fee and other miscellaneous income
- Income from Services Interest and dividend income
- Government grants & subsidies 65% Internal revenue generated (Export cess) 30% Other grants 5%
- Membership from Exporters ICD
- In 2003 Ministry of Trade supported with 25%
- Membership fees: 20% paid services: 55% Government and Donor support: 25%

- Training fees on market, production, pre and post handling, certification on chemicals minimum residual levels, records keeping (e.g. on type and amount of chemicals used) requirements Cold room storage, packing, insulated transportation, and go-down charges for exports
- Burkina: Government 0,5 mio \$, income, 0,1 mio \$
- Membership subscriptions. Fee based services.
- Annual membership subscriptions, Seminar/ workshop fees, Donor funds
- Government: 0,5 mio Income 0,1 mio
- Funds available under a Project structure to facilitate access to Markets

**No. of staff in 2003:**

29 respondents registered (90.63 % from 32 )

2500; 63; 5; 48; 48; 22; 41; 299; 1250; 575; 6; 40; 11; 7; 12; 600; 54; 145; 55; 15; 6; 22; 24; 55; 200; 8; 8; 14; 25

**Regional branches:**

31 respondents registered (96.88 % from 32 )

Yes		14 45.16%
No		17 54.84%

**Website:**

30 respondents registered (93.75 % from 32 )

Yes		29 96.67%
No		1 3.33%

**Membership or clients (in 1998):**

14 respondents registered (43.75 % from 32 )

0-20		4 28.57%
21-50		0 0.00%
51-100		2 14.29%
more than 100		8 57.14%

**Membership or clients (in 2002):**

22 respondents registered (68.75 % from 32 )

0-20		0 0.00%
21-50		1 4.55%
51-100		1 4.55%
more than 100		20 90.91%

**Type of members (or clients for TSI without membership) today:**

20 respondents registered (62.50 % from 32 )

TSI has more large scale – Private and State owned enterprises members		3 15.00%
TSI has more SMEs, as members		17 85.00%
TSI has equal number from these two categories		0 0.00%

**% of members per category currently exporting (Large scale – Private and State owned enterprises):**

19 respondents registered (59.38 % from 32 )

0-10%		0 0.00%
11-25%		0 0.00%

26-50%		0 0.00%
more than 50%		19 100.00%

#### % of members per category currently exporting (SMEs):

20 respondents registered (62.50 % from 32 )

0-10%		2 10.00%
11-25%		1 5.00%
26-50%		9 45.00%
more than 50%		8 40.00%

#### What are the top 5 types of services provided? Their relative importance today (2003) and 5 years ago (1998) (1=very important, 4=least important).

0 respondents registered (0.00 % from 32 )

#### Type of service (N1) /relative importance today (1-4), relative importance 5 years ago (1-4)/

32 respondents registered (100.00 % from 32 )

- Industry commissioned work for packaging development 4;4
- Integrated dev. Of crafts cluster 4;4
- Providing business information 1
- Lobbying and advocacy 4;4
- Provision of trade information 4;4
- Advisory services to government on required improvements in policy, procedures and incentives 4;4
- Tools (practical guides, methodologies, benchmarking, assessment tools) 4;4
- Seminars 3;4
- Conferences and Seminars 4; 4
- Organising Trade Fairs Abroad 1;1
- Export Promotion 1;1
- Popularizing policies of the government 2;2
- Providing market information 4;4
- Agriculture extension – at Ministry of Ag. 2;1
- Providing market information 4;4
- Trade Support 4;1
- Business Training 4;4
- Provision of specialized extension services aimed at promoting horticultural production and marketing through organized farmer groups and contract farming, including training on marketing and production requirements 4;4
- Public jurisdiction 4;4
- Offering Business Information to traders 4;4
- Burkina: Market link (4, 3)
- Market Research and Product Development 4;4
- Present of business' interests to the Government 4;4
- St. Lucia: Advocacy with government 4;n/a
- Lobbying and advocacy 4;4
- Logistical and consultancy support to ITC supported projects in Kenya 4;4
- Burkina: Market link (4,3)
- Burkina: economic information (4,4)
- Burkina: Enterprise management (-,4)

- Burkina: Trade information dissemination (4,1)
- Tunisia: Technical advise to enterprise (4,4)
- Management of trade relations with countries

**16.2 Type of service (N2) /relative importance today (1-4), relative importance 5 years ago (1-4)/:**

32 respondents registered (100.00 % from 32 )

- Certification for exports 4;4
- Design & Technology Support 4;4
- Assisting in organization of and participation in trade fairs & exhibitions domestically and abroad 1
- Organizing policy dialogue workshops and seminars for consensus building on relevant topics for members 4;2
- Sourcing & updating trade information 4;4
- Advisory services on market development. Export policy facilitation: This is an advisory service to the government on policy changes, measures and actions that should be undertaken to increase the competitiveness of Kenyan exports. 4;4
- Information sourcing (all, but not including e-shop) 3;2
- Consulting 4;2
- Research and Consultancy 4;3
- Organising Trade Fairs in India 2;2
- Quality improvement 1;1
- Providing market information 3;4
- Staff Training 4;3
- Pilot production 3;3
- Organizing conferences 3;2
- Provision of information 3;1
- Business Match-making/Export promotion/trade 4;4
- Provision of market intelligence information for export and local market, and identification of markets on behalf of farmers 4;4
- Marketing, consulting, information services 4;4
- Lobbying for a conducive trading environment 4;4
- Burkina: Market search (4,4)
- Trade Information Services 4;4
- Analytical research on trade and economy 4;2
- St. Lucia: Training 4;n/a
- Offering business services 3;3
- Follow-up on progress of ITC supported activities in Kenya 4;4
- Burkina: Market search (4,4)
- Burkina: Storage, transit facilities (4,4)
- Burkina: Legal aspects (-,4)
- Burkina: design and server to Commercial Web sites (2.-)
- Tunisia: Training (2,1)
- Management of trade agreements

**Type of service (N3) /relative importance today (1-4), relative importance 5 years ago (1-4)/:**

32 respondents registered (100.00 % from 32 )

- Testing services (product, materials) 4;4

- Marketing Support 4;4
- Dispatching trade missions abroad, hosting foreign business missions visiting Vietnam, organizing business meetings, seminars and conferences for Vietnamese and foreign enterprises 1
- Carrying out research on policy and regulatory business constraints 4;3
- Publicity on products and services available from Kenya, and on trade opportunities available in export markets 4;4
- Advisory services on product development, especially to small scale exporters 4;4
- Training services and modules (Training types: I. Formal (90%) II. In-company (2%) III. Sectoral (8%) 3;3
- Training 4;3
- Training Programmes 4;3
- Providing Trade information 3;3
- Infrastructure development 2;2
- Human resource training 4;3
- Commercial promotion 4;4
- Processing factory 3;3
- Introducing clients to the members 4;4
- Development of quota distribution policies 4;4
- Cooperation with and support to localities 4;4
- Advising farmers on production and marketing trends in order to stabilize supply and demand 4;4
- Organizing business missions, fairs, exhibitions 4;4
- Advising members on market trends and challenges, especially in relation to multilateral trading system, EU-ACP partnership agreement, AGOA facility, and regional agreements. 4;4
- Burkina: Training and awareness (4,4)
- Trade Fairs, Exhibitions and Trade Missions 4;4
- Providing trainings and study 4;2
- St. Lucia: Human Resource Development 4,n/a
- Organizing monthly policy dialogue workshops and seminars on relevant topics for members 3;2
- Has been the National Coordinator of ITC supported programs in Kenya (JITAP, formulation of sector strategies, formulation of national export strategy, awareness of MTS developments in Kenya, developing project concept papers) 4;4
- Burkina: Training and awareness (4,4)
- Burkina: Training (4,4)
- Burkina: Training and advisory service through special fund (-,4)
- Burkina: Cybercafe and business center (3,-)
- Tunisia: Financial support (3,4)
- Negotiation of trade agreements

**Type of service (N4) /relative importance today (1-4), relative importance 5 years ago (1-4)/:**

30 respondents registered (93.75 % from 32 )

- Organising exhibitions and conferences 2;2
- Skill Upgradation through try.etc 4;4
- Training Vietnamese enterprises and trade support institutions in trade promotion and export marketing 2
- Publication of the Kenya export directory 4;4
- Provision of trade information to exporters. This is administered under the Center for Business Information of Kenya (CBIK) 4;4
- Networks (all types) 4;4

- Conferences 3;2
- Business Facilitation 4;4
- Conducting non-trade fair promotional activities 4;4
- Production development 2;2
- Organizing conferences 2;1
- Technology approach (searching for sources) 3;3
- Exhibition Fair – donor funded 3;3
- Development of macro policies 3;1
- Legal services and C/O provision / Certificate of origin 4;4
- Organizing national and overseas product promotion events e.g. trade fairs 4;4
- Advertising, publishing 4;4
- Organizing trade missions (outward/ inward and trade fairs/ exhibitions) 4;4
- Burkina: quality promotion and norms (4,1)
- Incentive Scheme
- Trade information 2;2
- St. Lucia: Trade Missions 4;n/a
- Facilitating sector meetings on policy & sector wise issues 4;2
- Project reviews and evaluations for various clients, including donors 4;4
- Burkina: Quality and standards (4,1)
- Burkina: Studies (2,2)
- Burkina: formalities to create enterprise(-,4)
- Burkina: Change office (2,-)
- Tunisia: Information on local and international support services (4,2)
- Dissemination of information to exporters

**16.5.Type of service (N5) /relative importance today (1-4), relative importance 5 years ago (1-4)/:**

26 respondents registered (81.25 % from 32 )

- Academic courses 2;2
- Export Promotion 4;4
- Developing e-commerce capabilities among the Vietnamese business community 3
- Publicity on products and services available from Kenya, and on trade opportunities available in export markets 4;4
- Programmes, initiatives & projects 4;4
- Round Tables - are planned
- Information Provider 4;4
- Undertaking in-house research 4;4
- Technology transfer 2;2
- Introducing prospective clients to the members 3;3
- Quality control 4;4
- Information 1;2
- Arranging seminars/workshops 3;1
- Market information Consulting 4;4
- Provision of cold storage, insulated transportation, and go-down facilities 4;4
- Training 4;4
- Endorsing “COMESA” certificate of origin for exporters to COMESA countries 4;4
- Burkina: Studies (3,3)
- Human Resource Development

- Trade mission 1;3
- Organizing trade events like trade fairs/ exhibitions 3;2
- Logistical and consultancy support to ITC supported projects in Kenya 4;4
- Burkina: Studies (3,3)
- Burkina: Transit (2,-)
- Tunisia: Information on markets and products (1,1)
- Training and awareness

**What are the areas of trade related technical competence where demand for TSI services has increased over the last 5 years? (Please choose one or more).**

31 respondents registered (96.88 % from 32 )

Export strategy		9 29.03%
Multilateral trading system (MTS), knowledge and business implications		8 25.81%
Enterprise management and competitiveness		7 22.58%
Product and market development by sector		7 22.58%
Market analysis and strategic market research		8 25.81%
Public – private partnership and networking		3 9.68%
Trade in services		6 19.35%
Trade information management		12 38.71%
E-competence		3 9.68%
Trade finance		1 3.23%
Standards and quality management (including trade barriers and phytosanitary measures: TBT and SPS)		7 22.58%
Supply chain management (including public procurement)		3 9.68%
Export packaging		7 22.58%
Legal aspects		6 19.35%
Institutional infrastructure strengthening (organisational development) of TSI		8 25.81%
Other (please specify below)		17 54.84%

**Specify:**

17 respondents registered (53.13 % from 32 )

- Data base on international standards (packaging materials, specifications) information dissemination (international market trends)
- Design & Technology Support, Marketing Support, Skill Upgradation
- Lobbying and advocacy on impact of policies/ regulations to businesses and required corrective measures Negotiating for international and regional trade agreements that are beneficial to businesses
- Enquiries on export market opportunities and market requirements (standards, packaging, import duties, documentation, etc)

- Export policy facilitation, especially related to Kenya’s position during development of the EA Customs Union protocol. Export market development: facilitating consolidation and expansion of existing markets. Introducing new (especially value added) products in existing markets Introducing/ opening up new markets to Kenyan exporters. Diversifying the export basket by introducing value added products in existing markets, which is mainly achieved through promoting joint ventures between Kenyan producers and foreign importers
- Provision of trade information through electronic sources
- Profession: foreign trade Information
- Training of the interpretation (by clause) of international/ bilateral agreement on trade which might significant impact the export. Finding export market where the members can export their products directly
- Provision of cold storage, insulated transportation, and go-down facilities Provision of specialized extension services, including training on marketing and production requirements Provision of market intelligence information for export and local market, and identification of markets on behalf of farmers Advising farmers on production and marketing trends Advisory services on organic farming, to enable products to enter markets of developed countries without fear of rejection due to detection of chemicals
- Organizing trade missions (outward/ inward and trade fairs/ exhibitions), Endorsing “COMESA” certificate of origin for exporters to COMESA countries, Lobbying for a conducive trading environment
- Burkina: Trade information and support for market search
- Trade analytic of agro sector and industry sector; 2. New technology for increasing of competitiveness; 3. Search for the new markets and logistic optimising.
- Awareness of rules for exporting services. 2.Procuring additional Financial supports for manufacturers to upgrade investments in face of increased competition. 3.Meeting the Quality Standards required for successful exporting
- Production of value added products, Rehabilitation of some production units in the value chain, e.g. for textile sector (cotton ginning & weaving) so as to meet market entry requirements under AGOA facility
- Coverage of WTO agreements and their implications to business, Use of reference centre (library by students on MTS issues)
- Burkina: Trade information Burkina: Support in prospecting for markets
- Environmental sustainability Technical relation among developing countries

#### What are areas in Trade Related Technical competences where demand will grow in the future?

32 respondents registered (100.00 % from 32 )

Export strategy		7 21.88%
Multilateral trading system (MTS), knowledge and business implications		9 28.13%
Enterprise management and competitiveness		3 9.38%
Product and market development by sector		6 18.75%
Market analysis and strategic market research		9 28.13%
Public – private partnership and networking		1 3.13%
Trade in services		5 15.63%
Trade information management		6 18.75%
E-competence		5 15.63%
Trade finance		2 6.25%
Standards and quality management (including trade barriers and phytosanitary measures: TBT and		10 31.25%

SPS)

Supply chain management (including public procurement)		3 9.38%
Export packaging		7 21.88%
Legal aspects		2 6.25%
Institutional infrastructure strengthening (organisational development) of TSI		8 25.00%
Other (please specify below)		18 56.25%

**Specify**

18 respondents registered (56.25 % from 32 )

- Data base on international standards (packaging materials, specifications)
- Lobbying and advocacy on impact of policies/ regulations to businesses and required corrective measures Negotiating for international and regional trade agreements that are beneficial to businesses
- Non-payment insurance covers for public buyers. The facility covers non-payment of business transactions involving government owned or controlled corporate bodies, e.g. Telkom, Kenya Railways, Kenya Airports Authority, etc. It excludes government ministries. Insurance guarantees on provision of working finance for export and import transactions, physical damage and/ or loss due to war, terrorism and physical terrorism. · NB: a survey of this nature was last carried out in 1968) Promotion of joint ventures between Kenyan producers and foreign companies, aimed mostly at technology transfers and promotion of Kenyan brands in traditional markets (especially for coffee & tea)
- Impact assessments of WTO, EU-ACP preferential trade, COMESA and EAC agreements to kenyan businesses in all sectors (manufacturing, agriculture, tourism and other service sub-sectors. Export market development: facilitating consolidation and expansion of existing traditional markets. Introduction of new markets for value added products. Opening up traditional existing markets that are protected by tariff escalation on value added products, e.g. EU and America. Introducing new markets to Kenyan exporters. Promoting joint ventures between Kenyan producers and foreign importers, to enable technology transfer and promotion of Kenyan brands in foreign markets. Non-payment insurance covers for public buyers. The facility covers non-payment of business transactions involving government owned or controlled corporate bodies, e.g. Telkom, Kenya Railways, Kenya Airports Authority, etc. It excludes government ministries. Insurance guarantees on provision of working finance for export and import transactions, physical damage and/ or loss due to war, terrorism and physical terrorism. Promotion of value added products in export markets, and development of such products.
- Production: Sustainability Export: Insurance and Hedging demand from members
- Information gathering skills Training of the interpretation (by clause) of international/ bilateral agreement on trade which might significant impact the export. Training services on quality control of food products in 3 phrases: production, processing and preservation
- Form of operation and business cooperation in future. Business globalization, way of doing international business. International Business Requirement. Advance Business Management & Education
- Provision of cold storage, insulated transportation, and go-down facilities Provision of specialized extension services, including training on marketing and production requirements Provision of market intelligence information for export and local market, and identification of markets on behalf of farmers Advising farmers on production and marketing trends Advisory services on organic farming, to enable products to enter markets of developed countries without fear of rejection due to detection of chemicals
- Organizing trade missions (outward/ inward and trade fairs/ exhibitions), Endorsing “COMESA” certificate of origin for exporters to COMESA countries, Lobbying for a conducive trading environment
- Burkina : trade information and market link
- Providing a trade analytic; 2. Creation a logistic data base.
- Trade Information – as companies become more interested in and active in exporting.

- Production of value added products, Rehabilitation of some production units in the value chain, e.g. for textile sector (cotton ginning & weaving) so as to meet market entry requirements under AGOA facility
- Impact assessments of WTO, EU-ACP preferential trade, COMESA and EAC agreements to Kenyan businesses in all sectors (manufacturing, agriculture, tourism and other service sub-sectors, Project reviews/ evaluations by donors, Use of MTS reference centre
- Burkina: trade information and market link
- Burkina: Trade information Burkina: Partnership funds
- Translation service
- Technology (appropriate & proven), Training- Marketing

#### Advocacy activities of TSI:

31 respondents registered (96.88 % from 32 )

Yes		29 93.55%
No		2 6.45%

#### The number of national networks you are affiliated with:

29 respondents registered (90.63 % from 32 )

0		9 31.03%
1		6 20.69%
2		8 27.59%
3		1 3.45%
more than 3		5 17.24%

#### The number of international networks you are affiliated with:

29 respondents registered (90.63 % from 32 )

0		5 17.24%
1		9 31.03%
2		6 20.69%
3		3 10.34%
more than 3		6 20.69%

#### What are the strengths and needs/weaknesses of your agency in its role as an intermediary?

0 respondents registered (0.00 % from 32 )

##### Strengths:

28 respondents registered (87.50 % from 32 )

- International standard, well equipped laboratories for testing and development of packaging Data base on international standards Networking with national and international bodies
- Having a national position in trade promotion Having a line-up of young, enthusiastic, dynamic & educated staff Having necessary functions for implementing intermediary services related to trade promotion
- Strong backing from all national business associations in Kenya Strong backing from donors, especially DFID, during the formation period, and strong indications of future support by notable donors in Kenya
- Operates under EPC umbrella, which is the central body on promotion of Kenyan exports. CBIK has good IT infrastructure and is able to access a lot of information online. EPC has won goodwill from donors, who support its programs, including those under CBIK.
- EPC is well recognized as the national organization on export promotion: coordination organization of export activities, search for and opening of new markets, advisory service to government on actions to

be taken to improve export competitiveness, export trade information, etc. This makes the organization the national reference point for GoK, existing and upcoming exporters, potential importers of Kenyan products, foreign trade organizations, multilateral trade organizations like ITC, UNCTAD and WTO. EPC is a GoK funded organization, and therefore has higher chances of acquiring enough funds for export development activities, in comparison to other trade promotion organizations whose export promotion activities are often constrained by lack of sufficient funding. All its planned export activities are always implemented. EPC has a pool of well qualified staff. The board of directors has equal (50%) representation from both the public and private sector. EPC has a well established Centre for Business Information (CBIK), which is focused on searching for and disseminating relevant export information to exporters.

- In-time information Right selection of partners Professional level of MEPO and partners
- Highly qualified staff Association has all the necessary equipment to provide services without the assistance of other companies Good cooperation with different national governmental and nongovernmental institutions and different enterprises, because their representatives are members of AMA
- A reservoir of experience and expertise in diverse fields Internationally acclaimed state-of-the-art office infrastructure for conferences, board meetings and business consultations Quality service provider Professional approach for evolving quick solutions to economic and industrial issues Strong global connectivities
- Being a premier trade promotion body of the Government of India, it is in a position to assist the trade and industry in their export promotion efforts
- Good extension network for technology transfer Good links with export support organisations Progressive farmer/NGO networks Good IT networking
- Experience on the industry and domestic market Good relationship with the governmental authorities
- Experience on seafood production Relationships Each member is an experienced exporter – in comparison with other Association
- Knowledge: Technical information Information on international prices and global production
- Experience on food production
- Having a large number of members operating in the large industries Having strong support from Government
- Large Coverage Large Membership Strong Representation & Experienced Good Image
- HCDA has been able to establish a firm presence in Kenya in promoting production of horticultural products by offering of demand driven services like training and other extension services, insulated transportation, cooling facilities near the airport. Experienced pool of staff who offer extension services, who are stationed in horticultural growing areas (18 branches in the country).
- Unified information network in Moldova Professional level of staff Level of international cooperation (agreement for cooperation in 35 countries with 71 CCIs, collaboration with UNDP,TACIS, World Bank, EBRG, CES, and so on)
- Burkina: 0 years of experience Burkina: tools available Burkina: network of partnership
  - Human Capacity and Institutional capacity to carry out TRTA.
- KNCCI is well established with country wide branches, Has in the past organized successful events like the Kenya Business Week, has been supported by donors dealing with international trade issues (ITC, UNCTAD), and has signed memorandums of understanding with various foreign chambers of commerce, Has got an experienced pool of trade officers who understand members' trade requirements
- Analytical Research Providing; Experience on providing consultations; Experience on providing trainings; Good working relationships with the Government.
- KAM's committee on trade promotion is focused and has established specialized sub-committees on WTO, EAC/ COMESA and AGOA. The committee comprises of committed board members, while the sub-committees are chaired by sector specialists from amongst members; KAM's organo-gram is structured into specialized departments on Business Information Services, PR/ public relations, Sectors development, Fiscal affairs, Social/ legal/ regulatory issues, Trade Promotion. This ensures focus on issues relevant to efficient manufacturing in Kenya; KAM is well respected by its members and the Government and has well established channels of communication and consultation with the Government and other public sector bodies.

- Amalco has built up internal capacity on knowledge of WTO agreements, and to monitor developments in MTS
- 30 years of experience Available tools Partnership network of which ITC
- Includes all economic operators Privileged relationship with the private sector, Involvement in the economic life of the country
- Willingness to build a strong House for the Enterprise
- Information in real time due to the use of IT

**Weaknesses/Needs:**

26 respondents registered (81.25 % from 32 )

- Lack of resources for reaching out to the small exporters
- In flexibility Experienced & skilled staff Lack of budget & human resources
- Newly established and has not yet gained enough experience in its area of focus Inadequate funding for staff set up and for programs like research
- Lack of sufficient funding since CBIK users expect free service from EPC, as it is funded by the exchequer. Inadequate staff capacity to offer specific market information tailored to individual exporters.
- Reliance on government funding for financing its operational and programme budget could jeopardize its export promotion activities when the government is financially constrained. Competition from other trade promotion organizations (KAM, KNCCI, FPEAK, KFC) in organizing trade promotion activities. EPC is not a membership organization and its export promotion programmes and activities sometimes are not being needs driven.
- Lack of information on specific markets Lack of flexibility in working with big partners
- The need in experience exchange with international specialists The need to involve AMA in some of the international projects
- On-line international price information Regular market promotion events Data base on quality standards, import regulations of major markets
- Finance Ability Trade related technical and business skills/ competency Gathering information
- VASEP Staff need to be trained Limited budget
- Foreign trade capacity to provide for SME directors London Exchange for hedging
- International relationship Market information Financial ability Transaction skills
- Limited HR competence/skills Limited facilities Newly established institution
- Expertise in depth
- Insufficient funding for extension services
- Needs: Technical capacity Needs: Improvement of business cooperation in the framework of the international project (initiation and implementation)
- Burkina: Politics are not convinced, thus limiting funds to ONAC
- Lack of financing.
- Weak financial position since some members do not pay their annual fees on time. This implies that KNCCI could sometimes be unable to offer required export promotion services to its members, Most members are medium and small scale traders who sometimes lack financial capacity to honour membership subscriptions
- Finance instability; Fluctuation of manpower; Weakness of technical skills.
- Lobbying and advocacy are sometimes not pro-active and are determined by the immediate needs of members. Some members are sometimes pre-occupied with their short-term individual interests on regional and international trade to the detriment of the majority and long-term solutions for the country; A constrained secretariat and financial resources, which limits capacity on lobbying, advocacy on export promotion issues and offers of business development services.
- Being a private consultancy company, Amalco is limited in its outreach to the public and private companies (the end users of MTS), Amalco has inadequate staff capacity to offer required consultancy services on MTS; it cannot hire professionals on full-time basis

- Policy makers commitment is very low, thus weak resources to the mission of trade development support
- Not enough staff trained in international trade
- Very young information
- Human and financial resources