The Future of Multilateralism

FEATURE
Breaking the cycle of poverty in Guatemala

SPECIAL REPORT
How international organizations build back better

ITC IN ACTION
The First Flush in Nepal
According to the World Economic Forum, by 2023, the G7 group of industrialized nations is estimated to represent only one-quarter of global GDP, with global growth and trade emerging from developing countries.

How should the multilateral system adapt to emergent actors, interests and ideas?

Multilateralism has continuously evolved to adapt to changes on the international scene. Over the past 100 years, the founding principles of collective endeavour between countries have inspired action at an international level, including the establishment of the United Nations 75 years ago.

Today’s problems transcend borders like never before. One only has to look at climate change, migration and indeed, pandemics. Artificial intelligence, the digital revolution and going green to compete will throw up new opportunities – but the increasing economic inequalities will give rise to new challenges.

Responses to these concerns are not within the power of governments to deliver alone. Others must rise to the occasion: the private sector, multinationals, international organizations, non-governmental organizations and think tanks need to become an integral part of multilateral processes.

The Sustainable Development Goals, for instance, are the result of a ‘new’ form of multilateralism, an UN-led process that involves its 193 member states and global civil society.

The United Nations is needed today more than ever before. But it knows that it has to evolve. As part of its 75th anniversary, the UN ran a global public survey, asking over 1 million people how they see the UN and the future. The majority welcomed the institution and would like to see it become more innovative and inclusive (see Fast Facts p8).

The contributions in this issue open a discussion on how a revitalized multilateralism could benefit micro, small and medium-sized enterprises (MSMEs) in the long run, as they are the backbone – and the future – of the world’s economy. MSMEs can take advantage of opportunities to enter global value chains and increase value addition within an effective multilateral trading system. However, they face particular hardships in the light of COVID-19, climate change and the rise of digitalization.

We have brought into the conversation the Director-General of the UN office in Geneva, the Vice President of Switzerland and the Deputy Director of the World Trade Organization. We collected the views of representative from the African Development Bank, the Brookings Institution and academia. And we gave the word to entrepreneurs from Guatemala, Kenya and Nepal.

There is hope, and there is a way, they say.

Join our discussion. We count on your cooperation.
ITC Employment

ITC is recruiting qualified professionals within different areas of expertise. If you would like to contribute your skills to increasing export competitiveness for developing economies, and are motivated to work in an international environment that promotes diversity, please check our jobs website, which is updated weekly:

www.intracen.org/about/jobs

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News Brief

New tool monitors trade-related SDGs

A new online tool that allows users to track progress toward the trade-related Sustainable Development Goals (SDGs) was launched by Geneva trade hub institutions on 20 October 2020. The International Trade Centre (ITC), the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) unveiled the SDG Trade Monitor to mark World Statistics Day.

The tool allows users to conduct customized analyses of the trade-related SDG indicators, understand the relationship between trade and development in the SDG agenda, and assess the state of play in achieving pertinent SDG targets.

‘We all agree that trade is one of the most crucial means of implementing the SDGs,’ ITC Executive Director Pamela Coke-Hamilton said. ‘The monitor will provide a knowledge-sharing platform on which we can brainstorm the measurements we use, and promote the case for Good Trade in the development agenda from a statistical standpoint.’

UNCTAD Deputy Secretary-General Isabelle Durant said the monitor would provide the most up-to-date figures, while WTO Deputy Director-General Yonov Frederick Agah said it was an example of the value proposition of the Geneva trade hub.

The 17 SDGs provide a blueprint for global peace, prosperity and partnership. They lie at the heart of the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015.

Guide to increasing women in public procurement launched

Public procurement accounts for almost 40% of GDP in many countries, yet women-owned businesses make up only 1% of procurement markets worldwide, according to a new ITC guidebook for policymakers.

The guidebook, Making Public Procurement Work for Women, shows how policymakers, procurement officers and governments can broaden their supplier base and include more women in direct and indirect sourcing. It goes through options such as minimum targets in preferential policies, subcontracting plans and focused initiatives to build capacity.

‘Governments act as both buyers and advocates to increase women’s participation in public procurement,’ said ITC Executive Director Pamela Coke-Hamilton. ‘They can lead from the front, showing why investing in women-owned businesses through procurement makes good business sense.’
New support for Zimbabwe farmers

A programme to boost the production and export capacity of at least 600 smallholder farmers in Zimbabwe has been launched by ITC and the United Kingdom.

The United Kingdom Trade Partnership (UKTP) programme will help farmers suffering from COVID-19 trade disruptions and unlock economic partnership agreements with the United Kingdom and the European Union.

Among the programme’s priorities is Zimbabwe’s horticultural sector, which could create much-needed new jobs and boost valuable exports.

Tom Hill, Director of the Foreign, Commonwealth and Development Office of the United Kingdom and Dr. Sekai Nzenza, Zimbabwe’s Minister of Public Service Labour and Social Welfare, participated in the launch with ITC Executive Director Pamela Coke-Hamilton.

Myanmar tourism project wins award

The world’s largest global network of tourism professionals has recognized ITC’s work to develop sustainable tourism in Myanmar by awarding it the 2020 Skål International Sustainable Tourism Award for community and government projects.

ITC’s Inclusive Tourism project works with traditional communities in Myanmar to improve and integrate their tourism offer and ensure secure and decent employment. The Netherlands government funds the project under its Netherlands Trust Fund Phase IV (NTF IV) scheme.

Starting in Kayah state, ITC has rolled out the project and its methodology to several regions in Myanmar since 2013.

The Skål International Sustainable Tourism Awards enhance the visibility of and grant recognition to entities in the travel and tourism industry.

Now in its nineteenth edition, the competition received 44 entries from 23 countries for nine categories. The jury comprised internationally recognized experts who independently evaluated each entry based on leadership criteria in sustainability.

Trade intelligence platform now in Arabic

The Global Trade Helpdesk, a free online platform that helps maximize trade opportunities for SMEs in global markets, is now available in Arabic.

The Qatar Development Bank (QDB) supported the Arabic-language iteration of the platform, which is jointly run by ITC, the WTO and UNCTAD.

ITC Executive Director Pamela Coke-Hamilton said the platform would help SMEs weather the COVID-19 storm.

‘SMEs are the foundation of the global economy, and ensuring an inclusive recovery depends on our ability to help them effectively engage in the global marketplace,’ she said.

QDB chief executive officer Abdulaziz Bin Nassar Al-Khalifa said: ‘We are pleased to announce this unique partnership and provide entrepreneurs with a new tool that adds value to the long list of tools and services provided by QDB through its various programmes, departments, and affiliate institutions.’

The platform allows users to explore import values, export potential, tariffs, market access conditions, export and import procedures, intellectual property rights protection, connect with trade finance providers and find potential business partners.

With Arabic, the Global Trade Helpdesk is now available in five official United Nations’ languages, including English, French, Spanish and Russian.
What is...

**Multilateralism?**

Multilateralism is the process of organizing relations between groups of three or more states. Generally considered to comprise certain qualitative elements or principles that shape the character of the arrangement or institution. Those principles are an indivisibility of interests among participants, a commitment to diffuse reciprocity, and a system of dispute settlement intended to enforce a particular mode of behaviour.

Source: Britannica Encyclopaedia

Thanks to multilateralism, trade liberalizing measures spurred growth in trade and GDP

Economic growth further enabled reducing trade barriers

**Tariffs** on manufactured goods among developed countries had fallen

Economic growth further enabled reducing trade barriers

Perceptions of the UN

*Over 1 million people* from around the world say:

- **87%** global cooperation is vital to deal with today’s challenges
- **6 in 10** the UN has made the world a better place
- **74%** see the UN as “essential” in tackling future challenges

**UN needs to change and innovate**

to be more inclusive of the diversity of actors in the 21st century and to become more transparent, accountable and effective

**Looking to the future**, climate crisis is an overwhelming concern


See more results from the #UN75 survey
Multilateralism over time

1815
Vienna Congress
Restored balance of power. Initiated ‘Concert of Europe’ and prepared the ground for major international congresses in second half of 19th century.

1884 – 1885
Berlin Conference

1899 – 1907
Hague Peace Conferences

1907
Vienna Congress

1919
League of Nations
First intergovernmental organization to foster world peace and cooperation among member states. Failed in the late 1930s with United States never becoming a member.

1920
League of Nations

1945
United Nations (UN)
Established as a successor to League of Nations. Operates through 5 organs. It is the largest and most influential institution of global governance.

1961
Organisation for Economic Co-operation and Development (OECD)

1963
Organisation of African Unity (OAU)
Replaced by the African Union in 2002.

1964
Organisation for Economic Co-operation and Development (OECD)

1964
Group of 77 (G77)
Established by 77 countries by first UNCTAD session to promote collective economic interests, joint capacity at UN and facilitate South-South trade. Now has 135 members.

1967
Association of Southeast Asian Nations (ASEAN)

1970
General Agreement on Tariffs and Trade (GATT)
Signed by 23 countries at that time, a legal agreement to boost economic recovery after WWII through set of multilateral agreements eliminating or reducing quotes, tariffs, subsidies.

1991
Southern Common Market (MERCOSUR)

1994
World Trade Organization (WTO)
With 164 member states, largest economic international organization worldwide.

1999
Group of Twenty (G20)
International forum of world’s largest economies. Not being a legislative body, its agreements are non-binding but exert major influence on global governance.

Source: https://globalchallenges.ch/issue/7/multilateralism-is-in-crisis-or-is-it/

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It seems to have been fate when back in 2014 Ana Sophia Reyes and her partner Juan Augusto visited the touristic area of Lake Atitlán in Guatemala’s southwestern highlands.

Local artisans swarmed across the area trying to sell their handmade goods of Mayan tradition. Nothing unusual.

‘But what was shocking to us was they kept reducing the price for their high-quality rugs so that we would finally agree to buy. This was not about making a decent living anymore. This was about pure survival.’

After talking to the artisans about the time and money they invested in producing the rugs, and weighing up costs such as transport, the couple thought:

$25 for a living room rug does not make any sense.

Minority communities of Mayan descent in the remote regions of Guatemala often are forced to choose between preserving their traditions and making a decent living.

Their work and talent are not valued enough in the local market.

‘So many are born into a poor economic situation’, explains Ana Sophia. How do you break out and create jobs that pay?

Transform, sell, and live well…

Ana Sophia Reyes has always had an entrepreneurial spirit. An industrial engineer by profession, the Guatemalan executive wondered:

‘How do you seize strengths and address weaknesses? I like to look for tools that can help businesses overcome challenges.’

With Juan Augusto working in the business of high-quality rugs and knowing its potential for high-end markets, it was only a matter of time before Ana Sophia and Juan Augusto founded their own company, Achiote.

How can we break the vicious cycle of poverty?
Ana Sophia Reyes knows how: connecting traditional artisans in Guatemala with customers in Europe. This solution reflects how important it is to know your marketplace so women in minority communities can receive a fair salary.
Achiote Guatemalan Goods promotes the rich Mayan talent and tradition of hand weaving – and at the same time improves the living conditions of weavers from indigenous communities, especially women.

‘We are convinced women are the agents of change in our society.’

Ana Sophia explains that in traditional weaving at Momostenango, women are in charge of spinning the yarn and dyeing. As this is part of their household duties, they are not paid.

‘We recognize and remunerate the value that each person adds to the production. We don’t only pay the women in the community; we also give them the skills to become successful in business.’

Achiote has connected over 50 artisans, including 35 women, from seven communities in rural areas such as Totonicapán, Momostenango, Tactic, San Juan Comalapa, San Cristóbal Cucho, San Antonio Palopó and San Pedro Sacatepéquez. These communities all have different skills that Achiote integrates into its process of transforming natural goods into commercially viable products.

‘We add value to the products, so they become durable and functional, for example transforming the wool so that it never loses its shape. Then we try to find wholesale markets that pay an adequate price for such quality products.’

But finding the right market is not an easy task.

‘Of course, the best way to look for markets outside of Guatemala is through a website. And after nine months, we finally managed to integrate payment solutions on the site. But then – we didn’t sell one single rug!’

Achiote reoriented itself and started producing bags, selling in batches.

‘When the International Trade Centre launched a project for women doing e-commerce in Central America, I was happy to learn how to improve our trading techniques and to sell more products successfully. The European Market has always attracted us – and we wanted to reach that market.’
Certificates of origin: A great marketing tool

To sell successfully overseas, make use of commercial agreements

The company was able to obtain a certificate of origin to benefit from the European Union-Central America Association Agreement to sell to European customers at a 0% tariff rate. Especially for business-to-business transactions, the certificate of origin is a key requirement for placing orders.

‘For an importer it makes such a difference to not pay tariffs – not only that: you can also avoid tedious customs processes. It takes some perseverance to receive a certificate for each product line, but if you want to reach as many clients as possible, e-commerce partnership agreements are a life saver.’

Mastering e-commerce

Through the e-commerce project funded by the European Union, Ana Sophia learned how to stay true to Achiote’s brand voice and make the most of e-commerce tools – from search engine optimization, communicating an inspiring and human story, to improving picture quality and seizing the power of social media.

‘And most importantly, we learned about online marketplaces where we can have our own little shops.’

The project has helped Achiote develop an international e-commerce presence with a transactional website, an eBay store, an Etsy store, and being now one of the best international sellers at Faire, an online wholesale marketplace.

‘However, the last six months have been tough because many of our potential clients in Europe backed off. In February, just before the lockdown, we participated in the AMBIENTE fair in Frankfurt, our first in Europe. We established many connections, but customers have only reconnected with us since August.’

Keeping on top of things

After AMBIENTE, customers cancelled many of the orders promised during the fair.

‘The challenge was to keep selling products while the public changed its priorities. How do you move past a crushed market?’

Ana Sophia and Juan Augusto put on their innovative hats and asked themselves: what are people looking for now? Goods which make you more comfortable at home but are not too expensive.

That is why they started diversifying, from producing safe cloth facemasks to blankets, scented candles and organizational pieces – to create a sense of order in a life of chaos.

Within three months, Achiote launched five new product lines to expand their presence on e-commerce platforms across as many categories as possible.

‘Times are challenging but you learn about yourself.’

Just as for other small businesses around the world, the economic consequences of the pandemic were not easy on Achiote’s producers. Connecting the artisans to governmental aid programmes was not enough.

The company stocked raw materials to keep paying the artisans. Achiote’s core existence derives from being socially responsible – which, as Ana Sophia believes, should be the guiding principle for all businesses around the world.

‘In the end, we are all in this together, no matter what we do. We understand that wherever we move and whatever we do, we make an impact. And we strongly believe in this.’
1+2. Weaving is a Mayan tradition in Guatemala.
3. Ana Sophia (right) explaining the last finishing touches for Achiote organizational products
4. Achiote has its workshop in Guatemala City while sourcing from artisans across numerous Guatemalan regions in the highlands
5. Combining tradition with innovation
6. Storage facilities before sending off to European markets
7+8. Scented soy candles and organizational pieces are part of Achiote's new product line
9. Achiote Guatemalan Rugs is where it all started
10. Achiote now has several online presences for e-shopping, for example at shopachiote.com
11. Ana Sophia proudly shows her Certificate of Origin for her handwoven bags which is crucial when selling to European buyers
The future of multilateralism

TATIANA VALOVAYA, United Nations Under-Secretary-General, Director-General of the United Nations Office at Geneva

How international organizations are vital to building back better

World leaders came together 75 years ago and created the United Nations and its related organizations to prevent the breakdown of global cooperation and the resulting chaos and carnage from happening again.

Extraordinary achievements have been made since then: Living standards, measured by indicators such as life expectancy, infant mortality and literacy, have all improved. Landmark decisions on environmental protection and human rights, comprehensive trade agreements as well as important health advancements have been achieved. The multilateral system has underpinned much of that success as it laid the basis for joint agreements and cooperation.

21st century challenges put the multilateral system to a critical test

Despite these achievements, the number of challenges has also multiplied over the past decades. At the start of this year, UN Secretary-General António Guterres warned against a modern-day version of the four horsemen. Geopolitical tensions, the climate crisis, global mistrust and the dark side of technology are the looming global threats which endanger 21st century progress. They are nurtured by entrenched poverty and inequalities within and among many countries, a result of the unequal global distribution of economic benefits.

The COVID-19 pandemic has added to these pre-existing threats, with the world’s poorest and most vulnerable affected the most. In the economic sphere, the disruption caused by the pandemic has taken the greatest toll on small and medium enterprises due to their lower resilience and insufficient financial support.

The past months have been a powerful reminder of the magnitude of risks if we allow climate, economic and social crises to deepen over time. The wake-up call for renewed and improved collective action could not be clearer.

Our UN75 dialogues show: Most people believe in cooperation and want a reinvigorated multilateralism

Despite the dark picture I am painting, there is reason to be optimistic: Indeed, the current crisis can unite us and ultimately strengthen multilateralism. Our challenges are urgent and complex, and they endanger the global commons – but they can be resolved.

Our worldwide dialogue this year organized as part of the UN75 initiative shows that there is global support for a reinvigorated multilateralism. The vast majority of respondents see the value of cooperation
to solve the challenges ahead – from global health, to climate change and conflicts. An important priority for them is to rethink the economy, to build a more inclusive version of it and to rebalance the relationship between economic growth, environment and public priorities.

Building on this global support, it is time to reconceptualize our tools. I foresee at least three changes required in our multilateral system.

First, a new form of inclusivity. International decision-making needs to include the voices of not only governments, but also of local and regional actors, civil society, the business community, academia and others who are often overlooked, young people and women being the prime example.

Second, more networked problem-solving instead of unilateral approaches. The most serious challenges ahead of us are transnational in nature. The mechanisms for global governance need to function in a way that brings different actors and communities together to nurture and inspire each other as well as to create sustainable solutions.

Third, multilateralism must become more effective. The international system, including the workings of the United Nations, needs to be closer to all interested stakeholders, to allow for inclusivity, innovation and partnerships. New digital solutions can help us in meeting this requirement.

However, we, the United Nations and its related institutions, cannot lead the reform of the multilateral system by ourselves. We need the political will, determination and funding of Member States – but also of other, new actors – to keep our promise to future generations.

I firmly believe that there is a clear rationale for global cooperation. Taking the example of small and medium enterprises: without support for them, 90% of the worldwide firms and around 70% of total employment are at risk with devastating trickle-down effects on other sectors. Many small and medium enterprises are in the forefront of innovations which are key to our vision of a more equal, prosperous and sustainable planet. The United Nations is actively advocating for decent jobs and inclusive growth, a worldwide green deal and sustainable economic activities. However, it is only through the joint efforts and networked expertise of political, business and community leaders that we can be successful.

International Geneva: A city that shows the UN’s relevance, best equipped to foster the change we need

If we look at the requirements for a new multilateralism, we see that International Geneva is well equipped to lead by example and is already doing so. Our host city is a knowledge hub of international activity and includes diverse voices in the fields of trade, economics, decent work, development, humanitarian action, human rights, health and climate, among others. The Palais des Nations is a pulsating conference centre that hosts over 12,000 meetings per year, of which many address critical issues related to economics, trade, and small and medium enterprises. International organizations such as the International Trade Centre with its crucial role for small businesses, the International Labour Organization, World Trade Organization, or the UN Conference on Trade and Development are well equipped to support the Sustainable Development Agenda. All of us can harness Geneva and its unique environment to forge new synergies and put the concerns of those in need on the international agenda. Now is the time when joint action counts.

2. The Palais des Nations is the location of choice for Member States, NGOs, businesses, and many other stakeholders to discuss issues such as trade, human rights, peace or sustainable development
Sustainable development and trade: The importance of multilateralism

GUY PARMELIN, Vice President of Switzerland, Federal Council of Switzerland

This year we are all celebrating both the 75th anniversary of the UN and the 25th anniversary of the World Trade Organization (WTO). The Charter of the United Nations was signed 1945 at the San Francisco Conference. Delegates from 50 states drafted it with the aim of maintaining peace, guaranteeing international security and promoting the development of friendly relations among nations.

It is important to emphasize that the principles on which the UN Charter is based coincide with Swiss values enshrined in the Federal Constitution. Switzerland has distinguished itself in particular in the promotion of international humanitarian law and human rights, as well as in fostering peace and sustainable development. Switzerland is also appreciated for its good offices and its role as mediator in difficult negotiations. As a member of the UN, we contribute to the resolution of global challenges, which is in the interest of both the Swiss people and the world population.

Multilateralism offers legitimacy to find global solutions

The progress made in several fields and the management of various crises over the last 75 years have shown us that there is no alternative to multilateral cooperation and that none of the great challenges of our time can be addressed by a single state or group of countries. Multilateralism offers unique legitimacy and unparalleled expertise. We must therefore learn from past experiences and further strengthen our capacity to negotiate, decide and act. At the time of the 75th anniversary of the United Nations, the response to the COVID-19 pandemic demonstrates once again the need to act together, to think and innovate to find global solutions satisfactory to all.

The many international organizations present in Geneva are at the forefront of the response to this crisis, in the fields of health, human rights, humanitarian action and trade, among others.

Settle trade disputes through the rule of law

Twenty-five years ago, 128 countries joined forces to create the World Trade Organization. Beyond this multilateral success story, the birth of the WTO was also a victory for international law, because its agreements and dispute settlement mechanism have made it possible to settle hundreds of trade disputes through the rule of law. The predictability and transparency provided by this system had a greatly positive impact on the international
micro, small and medium-sized enterprises in developing countries, helping them to connect to the global economy. Its goal is to generate employment opportunities and promote a more diversified and sustainable economy through trade and investment. The support that this organization provides to many small and medium enterprises in fragile economies is crucial in the context of the COVID-19 pandemic.

We are convinced of the important role of trade in the response to the many global challenges, be it the current pandemic, climate change, the decrease in biodiversity, the imperative to achieve sustainable development objectives, or the implications of digital transformation and the future of work. In the coming years, we believe that trade will play an increasing role in achieving sustainable development and poverty reduction. We also need to consider new initiatives on climate change, at the WTO and beyond, to support the implementation of the Paris Agreement.

Trade platforms to exchange strategic ideas

To support states and international organizations in their actions, Geneva offers cooperation platforms that promote exchanges and synergies between them, but also with actors from the academic world, civil society and the private sector. For example, this year saw the creation of a trade platform within the Graduate Institute, which enables trade policy actors to exchange, develop, test and disseminate strategic ideas, based on concrete experiences in the field. Better serving the populations concerned will help strengthen the multilateral system but also the confidence of citizens in it.

1. Guy Parmelin, Vice President, Federal Council of Switzerland
2. View of Geneva with Jet d’Eau
3. Place des Nations, Geneva
Before 2020, the closest our species came to a truly shared experience was the landing of the first human being on the moon. That changed, and in a horribly negative way with COVID-19. In early April, more than half of the global population was under some sort of lockdown. People everywhere feared for the health of their loved ones and worried about their own economic prospects.

The pandemic has already claimed close to 1.5 million lives. Promising vaccine trials give strong hope that there is light at the end of the tunnel, but there has been a lot of loss, a lot of damage – and the storm has not yet passed.

In economic terms, COVID-19 has provoked the worst drop in economic output since the Second World War. The International Labour Organization estimates that the equivalent of 495 million full time jobs – or about 17.3% of the global total – were lost between the end of 2019 and the second quarter of 2020. Only about half of these losses are on track to be made up by the end of this year. Years of progress on hunger and poverty reduction have already been reversed, and the pandemic threatens to widen social and economic inequalities of every kind.

Women in particular have borne the brunt of this crisis, both in the labour market and at home. Education has been disrupted for billions of children. Small businesses, which have less cushion than their larger counterparts to absorb economic shocks, have also been hit especially hard. Global merchandise trade is not expected to fully recover in the near term. Many businesses in the services sector are struggling to survive.

Not all the news is negative, however.

Medical treatment has gotten far better. And as of this writing, global trade has fared better than many expected. Extraordinary fiscal and monetary support have limited the blow to aggregate demand. Several of the export controls on food and medical supplies introduced early in the pandemic have been unwound. Global value chains have shown resilience. While the pandemic exposed some of the fragilities that come with economic interdependence, it has also revealed considerable strengths: global trade in personal protective equipment more than doubled in the 12 months leading up to May 2020, illustrating how global markets and integrated supply chains are helping meet urgent demand.

Keeping international markets open is indispensable both for an effective pandemic response and, in the longer run, for a strong, sustainable and job-rich recovery. In the future, more trade, not less, will be necessary to bring medical supplies – including vaccines – to where they are needed, and to assure food security in the face of a changing climate.

Our goal must be, as the disaster risk reduction community’s now-widely-used slogan puts it, to build back better. The theme repeatedly contained in the interventions by many of the G20 Leaders during their 21-22 November meeting was their determination not
to be caught unprepared for future pandemics, which scientists predict will recur, and to meet the challenge of climate change. The trading system can do its part. To be effective, the WTO, which has for the last 25 years administered that system, needs to be updated and undergo fundamental reform.

For the pandemic, the WTO needs to do more.

Medicines and medical equipment should be duty-free. Export restrictions placed on personal protective equipment and other medical supplies should be subject to clear agreed international rules. Full transparency should be assured by the Members and the WTO Secretariat.

To meet the challenge of climate change, environmental goods and services should become duty-free, and the multilateral trading system should include new measures to deal with carbon reduction. In addition, the rules must be designed to deliver on other clear environmental priorities, to promote the circular economy, to reduce plastics pollution and to consider how best to approach fossil fuel subsidies.

The oceans should not only be freed of plastics pollution, they should be safe for fish. An ambitious agreement to curb harmful fisheries subsidies, now under negotiation at the WTO, is needed.

Greater socioeconomic inclusion is also an imperative.

Here too there is a role for the WTO, even though domestic policies will be critical. Micro, small and medium-sized enterprises (MSMEs) that account for the vast majority of jobs are disproportionately harmed by fragmentation in international economic rules, since they have less resources to navigate overlapping regulations. They would also be disproportionately benefitted by common multilateral rules. The work of organizations like the International Trade Centre is a necessary complement to efforts within the WTO to equip MSMEs to seize global market opportunities.

None of this can be achieved without forward-looking engagement by WTO Members on systemic reform. The WTO must be a forum where trade agreements are negotiated and updated, and where disputes can be adjudicated in a manner deemed legitimate by all Members.

The future of multilateralism must begin now.
Small businesses key to economic growth in Africa

MOONO MUPOTOLA, Director, Regional Development and Regional Integration, African Development Bank

The COVID-19 pandemic has had an adverse economic impact on Africa, with sub-Saharan Africa experiencing its first recession in 25 years. The continent’s gross domestic product (GDP) is expected to decline from about 3% in 2019 to -2% to -5% in 2020, with the region’s major sources of revenue declining. To give a few concrete examples, commodity exports and remittances declined by 17% and over 23% respectively, and the tourism sector has lost up to $120 billion in revenue.

The partial or complete lockdowns in most African countries imposed a huge economic shock on the private sector, especially for those on the fringes of the formal economy. Micro, small and medium-sized enterprises (MSMEs), took a heavy toll. If not effectively addressed, this does not bode well for the continent’s recovery prospects, as MSMEs are the engine of Africa’s job growth. Although many African countries borrowed from the African Development Bank (AfDB) for economic stimulus packages to cushion the effects of the pandemic, the support for MSMEs has been limited.

The current crisis, also required the Bank to reconfigure its MSME support systems to address the pandemic’s economic consequences. This included, for the first time, leveraging the Bank’s Regional Operations Envelope to bolster national budgets and supplement policy-based allocations from the Bank. These operations all had very strong MSME-support components to mitigate the impact on these enterprises.

With MSMEs constituting 80% of Africa’s enterprises, multilateral financing institutions, such as the AfDB, need to support these small businesses to trade. Enhanced Bank support to MSMEs is particularly important now that the African Continental Free Trade Area (AfCFTA) is in force and will be creating tremendous economic opportunities. Creating a larger market that goes beyond national borders will increase product demand, ensuring full capacity utilization of these MSMEs, and ultimately result in expanded MSME investments in the continent.

More importantly, MSMEs as part of a supply chain are better placed to benefit from partnerships with potential foreign investors, seeking to expand or launch their business on the continent. MSMEs would benefit from improved management practices, technology transfers, capital infusion and greater market penetration locally, regionally and globally. Through its support interventions, which address the above, the Bank is enabling MSMEs to leverage both the AfCFTA and Africa’s fastest growing consumer markets, as well as integrate into regional and global value chains.

Financing small businesses is a priority

The African Development Bank has a long and successful history in providing support to the private sector, and MSMEs in particular. The Bank’s interventions foster a suitable business and operational environment; promote further entrepreneurial development through technical assistance and business development services; and provide trade finance through innovative financing instruments. All of these make specific provision for marginalized groups, such as for women and youth.

The Bank’s trade finance programme, for instance, has made great strides since 2013.
and so far supported more than $7 billion of trade. It has facilitated more than 1,900 trade transactions for a cumulative trade value of around $4.9 billion, involving 113 financial institutions in at least 32 African countries.

Using a transaction size of $1 million or less as a proxy for MSME transactions, 60% of all supported transactions are attributable to MSMEs. In addition, the programme supported intra-African trade accounting for approximately $1 billion of total trade with sectors such as agriculture, forestry and fishery as well as manufacturing, respectively accounting for 22% and 25% of total value of trade supported.

Under the Africa Trade Fund, which focuses on trade-related technical assistance, nearly two-thirds of the entire Fund operations of around $7 million, have been dedicated to MSMEs in more than 10 countries. The Fund’s support also extends to the informal sector, including honey value-chain development projects in Guinea, Rwanda and Zambia, and meat in Rwanda. These projects focus on product development and markets, as well as strengthening skills and business linkages for MSMEs.

Additionally, the Bank administers the Fund for Private Sector Assistance promoting innovative projects that support small businesses. In Ghana, for example, where over 85% of enterprises are MSMEs contributing about 70% of the country’s GDP, the Ghana Business Linkages Project focused specifically on skills development as well as improving production technologies and linkages. By the project’s end in 2018, over 1,700 MSMEs were registered on the African Partner Pool Platform – an innovative database of credible local suppliers; with 15 large companies already using the tool to source goods and services; over 104 trained MSMEs; and MSMEs winning 67 tenders in the country.

Looking forward
The Bank has a huge role to play in Africa’s trade and in the development of MSMEs. As the continent’s premier development institution, and in pursuit of its MSME development agenda, the Bank is working on an ecosystem that brings together the different fragments of support under various programmes to strengthen the coordination and synergies within the Bank.

At the same time, the Bank is considering its revised Private Sector Development strategy for 2021-25, which proposes a value chain-based approach for developing the private sector, including MSMEs. These strategic documents, which take into full account the pandemic’s impact, will also look at future challenges.
Can multilateralism evolve?

HOMI KHARAS, Senior Fellow, and SEBASTIAN STRAUSS, Senior Research Analyst and Coordinator for Strategic Engagements, Global Economy and Development, Brookings Institution

Over the last 75 years, multilateralism has been a powerful driver and pillar of global integration, peace, and prosperity. However, recent disaffection with globalization and with existing forms of global governance threatens the foundations of the rules-based multilateral order.

Growing political discontent with multilateralism, most notably in the United States, is associated with the failure of the post-Bretton Woods system to stem the tide of slow growth, rising inequality, migration, social fragmentation, and job insecurity associated with skill-biased technological change, offshoring and financialization.

In addition to its failure to deliver shared prosperity, the ever-widening scope of globalization also undermined democracy by reducing nations’ sovereign policy autonomy, inhibiting often desirable policy diversity and experimentation in the process. As Dani Rodrik has argued, there is a trilemma preventing the simultaneous achievement of deep globalization, national sovereignty, and democracy. Far too often, small and medium-sized nations—particularly in the Global South—have been forced to choose between gaining access to global markets and keeping policy space for the pursuit of their national development strategies.

Global challenges predate COVID-19

The COVID-19 catastrophe has piled on by exposing key vulnerabilities in today’s hyper-globalized mode of production as well as important gaps in the global governance architecture. The current configuration of economic globalization was designed to maximize short-term efficiency, minimize transaction costs, and reap the benefits of scale, at the expense of robustness and security.

In return, politicians promised that the rising tide would lift all boats. But while global GDP has risen quite rapidly over the past decades—with China and, to a lesser degree India, achieving particularly rapid growth—globalization has resulted in widening inequalities within most countries and exposed nations to unquantifiable levels of systemic fragility. Not surprisingly, COVID-19 and the resulting economic downturn are only aggravating existing social cleavages within and across countries.

But while COVID-19 has poured jet fuel on deep and hard-set fault lines, even before its emergence the world was already fast approaching irreversible thresholds and tipping points on several global challenges, most notably in the realms of climate change.
and artificial intelligence. The window of opportunity to address some of these problems is closing; the COVID-19 catastrophe only adds greater urgency to the need for a multilateralism that can deal with the immense dangers that lie ahead.

Cooperation is a necessary means rather than an end

The greatest obstacles to achieving greater cooperation stem from a profound loss of direction about why to cooperate in the first place. All too often treated as an end in itself, multilateralism must be reimagined as a means to empowering people and enhancing social prosperity. While in practice this may entail a “thinner” globalization, a scaled back but inclusive and sustainable multilateralism is preferable to no multilateralism at all. A case must be made for a truly global and inclusive multilateralism being not only worth having, but also of the utmost necessity.

For the past two decades, calls have grown louder to reform the current multilateral system to reflect changes in the economic, demographic and geopolitical weight of advanced and developing economies. Political rigidities in multilateral organizations such as the International Monetary Fund, the World Bank, the UN, and the World Trade Organization have prevented adequate reform from being achieved.

Disillusionment with multilateralism has led to consideration of various alternatives, such as the replacement of multilateral agreements by bilateral deals or of multilateral rules by rules for likeminded or geographically proximate countries. Alas, none of these alternatives can substitute for true multilateralism, since a world facing inherently global challenges requires globally concerted action.

Time for inclusive and sustainable multilateralism

To safeguard its benefits and ensure it works in the service of all nations and people, a multilateral compromise fit for the 21st century ought to prioritize the wellbeing of the worst-off, build much more robustness into the global system, and accommodate legitimate demands for policy autonomy, while ensuring the prevention of beggar-thy-neighbor policies, the provision of global public goods and the management of the global commons.

A negotiated understanding of where to position international institutions within the globalization trilemma should shape the parameters of this new compromise. Legitimizing global governance entails improving the representativeness of global rulemaking processes, enhancing the inclusion of marginalized voices and bolstering responsiveness and accountability mechanisms. While inclusion and equity are valuable features in and of themselves, they also serve the purpose of making systems more legitimate and therefore more sustainable.

Now is the time to think boldly about a global governance that reflects the lessons learned from past decades as well as the lessons of the current crisis. Multilateralism needs to address its discontents and evolve to be fit for purpose in an era of renewed great power competition and a decoupling of economic prosperity from social prosperity.

It is all the more urgent to look ahead as the threats from climate change are growing and as new technologies, while offering immense promise, also carry grave dangers. These realities necessitate ambitious international cooperation to address inherently global problems. The challenge is to find a set of general principles to guide and constrain global rule-making that all nations can agree on. Either way, inaction is not an option — nature abhors a vacuum.

This article is adapted from a T20 policy brief titled “The Future of Multilateralism: Responsible Globalization that Empowers Citizens and Leaves No One Behind”, co-authored with Dennis Snower.
Making headway

GERALD DALY, Resident Coordinator, United Nations in Bhutan

United Nations is ‘Delivering as One’ to promote sustainable development in Bhutan

As this unpredictable year comes to an end, we are still braving a pandemic that has been incredibly challenging for us all. The most vulnerable sections of society, the poor, women and children in particular, have been the most affected and the crisis has created an economic impact that will only increase income inequalities around the world.

Given the scale of this global COVID-19 challenge, our world may need to go beyond simple categories of either optimism or pessimism. United Nations Bhutan is responding to the immediate needs of the people; the needs of the most vulnerable, while strengthening economic resilience and building long-term human capital so that we find new ways to ‘build back better’.

Building back better

In 2008, Bhutan adopted the ‘Delivering as One’ approach to improve collective performance, efficiency, accountability and results. This new approach strengthened the UN’s role at the heart of the multilateral system. Since then, the UN in Bhutan has delivered collaborative results through specialized resident UN agencies and in close coordination with other development partners in the country.

The Royal Government of Bhutan has embarked on developing the Economic Roadmap for the 21st Century to guide its development plans and programmes for a “High Income Gross National Happiness Society by 2030.” The Government invited the Development Partners Group, which I lead together with the UN Country Team, to craft this Roadmap, which includes the economic, social, environmental, and governance aspects of the Sustainable Development Goals.

Moreover, through the UN Framework for the Socio-Economic Response to COVID-19, the UN Country Team has been actively supporting the government. As trade, private-sector development and supporting micro, small and medium-sized enterprises are critical factors in this response, private-sector empowerment is at the core of our support to Bhutan.

ITC strengthens business

Exports in Bhutan are highly concentrated, with about 80% consisting of only 10 commodities, destined for the Indian market. The country also faces distinct constraints
as a landlocked developing country, challenges that need to be addressed for Bhutan to graduate from least developed country status.

As part of the UN Country Team, the International Trade Centre (ITC) remains an active contributor towards Bhutan’s economic and trade growth. The UN agency is a long-term partner of the country, providing trade-related assistance, institutional strengthening, export competitiveness and trade facilitation.

Since 2018, with financial support from the European Union (EU), ITC has been implementing the EU-Bhutan Trade Support project. It brings the private sector and policymakers together to formulating and implementing trade policies and strengthening companies’ competitiveness. With this project, the UN, through ITC, supports the government’s commitment to developing trade and investment for sustainable economic growth and poverty reduction.

So far, the project has trained almost 400 farmers in organic production and post-harvest practices as well as stimulating increased exports of Bhutanese handicrafts to eight export markets in Europe.

During the pandemic, ITC supported farmers, small enterprises and exporters in the horticulture and handicraft sectors with quality control, marketing and production through a series of online training modules. The training enables suppliers to find international niche markets for their products, even during the recovery phase. The sessions focused on developing food security and hygiene measures in line with COVID-19 and Codex Alimentarius, so that small businesses can access new buyers in new markets. Women business owners for textile handicrafts established around 170 new contacts and received new orders from a range of international buyers. Through virtual coaching and mentoring sessions, the artisans can complete their orders despite challenging times.

Other successful examples of the project’s work are the Bhutan Trade Information Portal and the Agriculture Market Information System (AMIS), developed in collaboration with the Ministry of Agriculture and Forests. Businesses can see the latest global regulations and market access requirements for international trade on the Trade Information Portal e-platform. The platform also serves as information repository for local or foreign entrepreneurs and investors seeking partnerships with Bhutan. Further to this, AMIS gives access to real-time price information for Bhutanese farmers’ agricultural commodities, enabling them to get better prices and prosper.

Dealing with the aftermath of COVID-19 will require a strategic approach to attract sustainable investment. To encourage trade and investment in the long-term, ITC has prepared investment profiles and trained more than 200 public and private-sector representatives on international trade, policy regulations and investment promotion. Working with public and private sectors, in partnership with the Ministry of Economic Affairs and the Bhutan Chamber of Commerce and Industry, ITC integrates the voice of the private sector in policymaking and addresses critical aspects for business growth after COVID-19.

**Working together brings success**

Other UN Agencies in Bhutan, including the Food and Agriculture Organization (FAO) and the World Food Programme work alongside ITC on food safety and agricultural data. Partnerships such as these are vital for better development results.

All these efforts move us in the right direction, promoting partnership, collaboration and inclusion. Bhutan is making significant headway in its economic development, however, we have to keep the momentum through stronger coordination between the UN, its agencies and our partners. We have to work together to innovate and encourage transformative development.

I consider it a privilege to be serving Bhutan at a time when we need to join hands with those who need our help the most.

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1. Gerald Daly, UN Resident Coordinator, Bhutan
2. Textiles from Bhutan are gaining international recognition
3. Inauguration ceremony of the Bhutan Trade Information Portal
Nigeria is the biggest and most attractive off-grid opportunity in Africa, and one of the best locations in the world for minigrids and solar home systems. The International Trade Forum talked with Prof. Temilade Sesan about small businesses, women in agriculture and the role multilateral institutions can play in promoting clean energy across the country.

What is Nigeria’s market potential for clean energy?

Nigeria’s market potential for clean energy is vast. The national electricity grid, mostly fossil-based, only serves 57% of the country’s population, leaving a huge supply gap. Longstanding subsidies on grid electricity are being removed while capital grants and low-interest loans are being provided for clean energy investments, making the latter increasingly competitive.

There is a real opportunity to build a new culture of dependence on clean energy technologies, especially among the 70% of rural dwellers nationwide not connected to any form of electricity. This is already happening on a small scale – for example, solar lanterns are replacing kerosene lamps in rural and urban areas alike with a new generation of robust technologies and intensive marketing to the last mile. Adopting a similar approach to integrating larger-scale, green technologies could boost their acceptance among users.

In a recent article, you said investing in clean energy is an exciting opportunity to nurture micro, small and medium-sized businesses within the sector. Why and how is this possible?

In a country where the official unemployment rate stands at 27%, many Nigerians have learned to generate jobs for themselves. For the most part, however, the dearth of power supply increases the cost of doing business and erodes profits for fledgling entrepreneurs.

Consistent Energy, a local clean energy company, shows the possibilities with its attempt to address this problem directly. The company runs a scheme which provides barbershops with solar home systems and then allows the proprietors to pay in instalments equivalent to the sums they would otherwise spend buying petrol for their generators.

Entrepreneurs at every level, from those who hawk cold drinks in city traffic to ‘cold room’ operators – the ubiquitous neighbourhood shops that
sell perishable food items out of portable freezers – could benefit from clean energy services with options for payment that are tailored to their operational realities.

**How do women, particularly living in rural areas, benefit from this investment?**

Prescribed gender roles often mean that women and men experience energy interventions differently. Even where households are connected to electricity, women benefit the most when they can use the energy in the spaces where they work. In addition to being largely responsible for domestic work, women often run cottage businesses out of their homes, and access to even low-end technologies such as portable solar lanterns makes a big difference to their working conditions, especially after dark.

Moreover, women do most of the small-scale agro processing in rural areas, and investments in clean energy sometimes help them to mechanize labour-intense tasks. However, identifying the types of investment and delivery mechanisms that would be most suited to the needs and capacities of rural women is critical.

**In your view, what more needs to be done to seize the market's full potential?**

There is a need to expand the strategy for clean energy provision beyond minigrids. A new federal government initiative that will provide low-interest loans to businesses to facilitate the installation of five million solar home systems in off-grid rural communities is a step in the right direction. To further drive demand for these systems, the government could partner with the private sector to provide consumer financing alongside the support it is giving to businesses.

Clean energy provision should be seen as just one component of a broader development plan, especially in rural areas. For example, launching a complementary programme to support larger-scale agro processing facilities would catalyse local economies and boost overall productivity, which would in turn increase the effective demand for clean energy in those areas.

**What is the role of multilateral institutions in accelerating off-grid energy?**

There have been several interventions by multilateral institutions in the area of clean energy, some of the more notable ones being the UN Development Programme’s Access to Renewable Energy and a $500 million investment by the World Bank and the African Development Bank to support capital subsidies for mini-grid development.

One area in which more support is needed locally is financial and technical assistance (including for R&D) to strengthen local manufacturing and distribution of clean energy technologies. Multilaterals could also help to promote institutional and governance reforms at the national level that would facilitate the equitable distribution of clean energy access.

**How do you see Nigeria’s future on the market for green energy?**

Nigeria has a long way to go in developing its market for green energy: according to the World Bank, renewable energy penetration in the country stands at 82%, but most of that is from biomass used for cooking on inefficient stoves. However, with the right national-level policies, much can be achieved.

The renewable energy target set by the Rural Electrification Strategy and Implementation Plan (10% of rural electricity generation by 2025) is very promising, as is the Federal Ministry of Environment’s commitment to meeting its Nationally Determined Contributions under the Paris agreement (the Green Bonds recently launched to finance sustainable infrastructure projects is an example). Combined with strategic support from international actors, the clean energy sector stands a real chance of becoming a game-changer for the Nigerian economy.

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1. Food store owner at Havenhill’s mini-grid
2. Havenhill Synergy Kigbe Solar Mini-Grid
3. Commercial user of Havenhill electricity
How tea cooperatives in Nepal survived the country’s lockdown during their most important harvest of the year

In Nepal, the first tea harvest of the year—the First Flush—takes place in April. International buyers eagerly await this time of year because of the leaves’ fresh and fruity flavours.

But as we know, 2020 took another turn. ‘In my 25 years in the tea business, I have never seen the industry hit as hard,’ says Suresh Vaidya, talking about the effects of the COVID-19 pandemic. Vaidya is the owner of Guranshe and Mai Tea, the world’s highest tea estate at 3,500–7,200 metres.

Milan Kumari Khatri of Sakhejung Tea, the only woman to own a tea business in Nepal, agrees: ‘I never had to face such a crisis in my entire career. The market is closed, payments to farmers are pending and we have logistical problems. In addition, the timing could not have been worse: the crisis occurred just before Asar masanta (15 June) in the fiscal year when we need to pay taxes, interests, our farmers and organic certification.’

Due to the crisis, the tea industry in Nepal has been facing unprecedented challenges in terms of cash flow, transport and sampling.

As workers had to stay at home Vaidya did not have a labour force. ‘Not all of our garden leaves could be plucked on time and we often lost the best of them,’ he says.

Transport restrictions meant that tea could not be taken to the capital—and the cost of sending tea samples to international buyers as well as delivery times more than doubled. Nepalese tea was stuck in the region of Ilam, a blow made all the harder by the fact that competitors such as India were still exporting successfully. With zero cash flow, tea producers and farmers were at risk of missing the sale of the First Flush.

To add to their problems, as time ran out, they had less and less bargaining power with potential buyers.

Take Arya Tara, for example. It is one of the smallest tea factories in the industry, located in Shree Antu Ilam. It has been a painful year for manager Rai. ‘We don’t sell to India and we don’t have an alternative market. Being a farmer and an entrepreneur, I suffer twice as much with no cash on hand in the picking season.’

Besides cash shortage, companies face tremendous transportation problems as farmers live in the remote highlands, with no proper roadways for easy access. ‘Even in the normal days, transportation was a problem. You see how difficult it is now to collect green leaves,’ concludes Rai.
1. Women carrying green tea leaves in bamboo baskets
2. Women plucking tea leaves, Mai Tea Garden
3. Hand sorting of teas, Mai Tea Garden
4. Saran Rai from Arya Tara, in his factory
5. Tea Tasting with John Taylor, Manager HIMCOOP
6. Milan Kumari Khatri brewing tea from her own garden, Sakhejung
7. Dinesh Rai, Tea Maker at Himalayan Shangri-La Tea Producers
Cash flow or transportation are not the only issues

Alongside these hardships, the producers have been facing challenges with sampling. Tea cannot be sold without sampling. And the costs of sending samples to Europe has risen sharply.

Seventeen tea cooperatives in the Ilam region of Nepal received continuous support during the country’s lockdown. The International Trade Centre (ITC) ensured their business continuity by sending their tea samples to potential buyers in Europe. Almost a dozen of sample boxes have been sent to international buyers like Schroeder and Hamann, Haison & Leon, Teegeschwender or Basu in China, Czechia, Germany or the United States.

This intervention generated over €425,000 of business for the farmers since March of this year.

“This has saved us,” says Vaidya. “Otherwise I would have lost all hope to survive this year. Going forward, we definitely would appreciate support in managing our transportation costs.”

Kamal Mainali, Director of Himalayan Shangrila points out that, “while 2020 was more of a survival year in terms of business, we did not expect any profit. With the support of ITC however, HIMCOOP producers made good sales. We were able to pay our farmers having received a good price for our leaves.”

One for many

Through its Trade for Sustainable Development Programme, and with the support of the Ilam Chamber of Commerce and Industry and its local counterpart the Himalayan Tea Producers Cooperative Ltd. (HIMCOOP), ITC used the local weekly milk delivery from the province to Kathmandu, to transport tea samples from Ilam to the capital.

“I thought COVID-19 will be our downfall as we only survive on tea exports,” adds John Taylor, HIMCOOP marketing manager. “We don’t have a local market for the quality we export. ITC has not only helped our producers to survive on the international market but maintain a decent profit. Our international presence has been even stronger than in previous years.”

The Himalayan Tea Producers Cooperative is responsible for more than 20 tea factories – so Taylor felt the pressure.

“We worked from home but how is this effective when working on a product where you have to be physically present? With no vehicle movements allowed, we walked eight to 10km a day to work on samples.”

From picking up samples to commuting, from the scarcity of resources to finding alternatives while fighting problems with internet connection, transportation and packaging: Taylor’s dedication and the support of his producers were the backbone of HIMCOOP’s successful performance. ‘We had to take initiative,’ says the manager.

ITC was able to support HIMCOOP in its crucial shipping of samples to international buyers using DHL, the only international carrier operating at the time.

‘DHL is expensive. We would not have been able to afford it,” says the owner of Guranse and Mai Tea. ‘Despite the late sampling and the lower price, we did not lose this year’s sales nor any of our buyers. We can pay our farmers and employees, which is crucial.’

Sending out samples during the pandemic showed Nepal’s consistent performance in the international market. And most importantly, the farmers were able to keep their motivation to hold on – despite facing the hardest times in their professional existence.

With the financial support by USAID, the ITC Trade for Sustainable Development Programme is able to support tea cooperatives to connect with international buyers.
Saving the day: Quality Champions in Kenya

How an agro-producer strikes international business deals

If you ask June Gathoni today how her business is going, she will beam with confidence. But not long ago, she would have reacted differently. One of her company’s consignments to Korea was returned and the prospects for her company, Urban Fresh Ventures, did not appear very promising.

However, June does not give up easily. She understood well the challenges for an aspiring fresh fruit and vegetable exporter from Kenya.

Compliance is key

Although June and many other agro-exporters from East Africa possess tremendous export potential, their lack of expertise and knowledge of regulations, market requirements and quality standards often get in the way of accessing international markets. Not being able to access credible sources of information is another impediment to reaching international buyers.

To overcome these challenges, June applied to the Quality Champions coaching programme on food safety and quality at the Kenyan Bureau of Standards.

‘The Quality Champions have been fantastic. They went all out to help me put things in place. I can now clearly see all the mistakes we had made in meeting our clients’ demands. Now we know that following the clients’ specifications is the right thing to do,’ says June Gathoni.

Quality Champions are technical experts from the public and private sectors in Burundi, Kenya, Rwanda, Tanzania and Uganda trained by the International Trade Centre (ITC), through the European Union – East African Community Market Access Upgrade Programme (MARKUP). Specialists on quality improvement in the region are key to strengthening the capacity of agribusinesses to build international credibility. Naomi Kitur and Joyce Mokamba, Quality Champions, helped June improve her data collection capacity during nine months of coaching. Reliable data ensures the availability of relevant information to make informed decisions. Together with Urban Fresh Ventures, the Champions designed a set of standard operating procedures to ensure the company’s systematic compliance with international regulations and standards.

From recommendations on improving quality processes and hands-on support on data collection to designing and implementing standardized operation processes, Quality Champions work with companies to provide long-lasting solutions.

Thanks to these efforts, June Gathoni negotiated and signed deals with buyers in Russia for over 46 tons of avocados and succeeded in shipping samples to Kuwait.

Looking ahead

The exporter is determined to make the most of her newly acquired skills. As part of her business expansion plans, June is getting ready to rent out and maintain her own pack house.

Around 90 companies in Kenya, Rwanda, Tanzania and Uganda have applied for the Quality Champions project – and it will continue, despite COVID-19, through regular online meetings.

For more on ITC’s MARKUP project, visit: https://www.intracen.org/projects/Market-Access-Upgrade-Programme/
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Resources on trade and export development for exporters, trade support institutions and policymakers

Free download at: www.intracen.org/publications

LINKING VOLUNTARY STANDARDS TO SUSTAINABLE DEVELOPMENT GOALS
With the 2030 Agenda for Sustainable Development, the United Nations has called on the private sector to contribute more to achieving the sustainable Development Goals (SDGs).
This report helps decision makers in the public and private sectors to understand where voluntary sustainability standards are best placed to contribute. It maps the linkages between these standards and each SDG goal, including its specific targets.

BUILDING BRIDGES TO NEW E-COMMERCE MARKETS
Advanced economies have developed highly competitive and innovative e-commerce services, making it simple for small enterprises to set up online stores, transport their goods and receive payments. Although entrepreneurs in developing countries can sell online by accessing these services, most are blocked from doing so because of their origin.
This paper shows these enterprises how to set up international business structures so they can use such services. They would also gain more control over their distribution arrangements, better account and pay for duties and taxes, achieve higher margins and operate as if local in the target market.

DESIGNING FOR IMPACT: SOUTH-SOUTH TRADE AND INVESTMENT
The growth of South-South trade and investment has attracted donors and governments as a pathway to sustainable economic development.
This report finds that South-South projects must be flexible and encourage adaptation of easily replicable solutions and technologies, while bridging information and perception gaps in the Global South. The report provides insights drawn from interviews with International Trade Centre staff and case studies. It serves as a guide to design and implement effective South-South trade and investment programmes, with a focus on knowledge exchange and technology transfer, based on a sustainable and inclusive approach.

MAKING PUBLIC PROCUREMENT WORK FOR WOMEN
Women-owned businesses account for only 1% of public procurement.
This report provides policymakers, statistical offices and procurement officers with tools for reform. It advises on how to design a roadmap, implement preferential policies and other measures, and monitor progress, drawing on case studies for best practices.
AFRICAN MARKET TRENDS IN TECHNOLOGY SERVICES: COUNTRY PROFILES

Few studies examine information technology and business process management in Africa. This report, based on research and interviews, analyses the tech sectors of 11 African countries and examines enabling factors such as information and communication technology infrastructure, government incentives and the regulatory environment. One key finding is that trade and retail, financial services, healthcare and agriculture offer the most opportunities for tech firms.

This publication shares insights that will guide companies interested in offering information technology and business process outsourcing services in Africa. The report is also valuable for stakeholders, including tech hubs and start-ups, investors and government organizations.

THE STATE OF SUSTAINABLE MARKETS 2020

Sustainability standards continue their growth across the world. This fifth global report provides insights into certified agriculture and forestry, and shapes decisions of policymakers, producers and businesses working to address systemic labour and environmental challenges through certified sustainable production. The key to continued growth is to boost demand in new markets: emerging economies and producing countries.

The International Trade Centre has teamed up once again with the Research Institute of Organic Agriculture and the International Institute for Sustainable Development to provide data for 14 major sustainability standards for bananas, cocoa, coffee, cotton, oil palm, soybeans, sugarcane, tea and forestry products.

PROMOTING SME COMPETITIVENESS IN THE PHILIPPINES

Increasing the competitiveness of small firms in the Philippines is vital to build resilience to shocks while promoting sustainable and inclusive growth.

Companies that were more competitive before the COVID-19 crisis were less affected by it, according to ITC’s SME Competitiveness Survey. Firms with a greater capacity to change – because of their skills, innovation and financial management – were more likely to adopt resilient or agile responses. Finally, those with better connections to their business ecosystem were better able to access the information and support they needed to survive the crisis.

PROMOTING SME COMPETITIVENESS IN BENIN

Boosting the competitiveness of small and medium-sized enterprises is crucial to transform Benin into a resilient and sustainable economy.

Limited access to finance, low rates of quality certification and shortfalls in infrastructure prevent small firms from thriving in Benin, according to ITC’s SME Competitiveness Survey. While COVID-19 put one in five respondents at risk of closure, companies that take steps to reduce their environmental impact are better positioned to handle the pandemic’s economic effects, making the case for a sustainable response to the crisis.

WOMEN ENTREPRENEURS: AN ACTION PLAN TO ‘BUILD BACK BETTER’

COVID-19 is reshaping global value chains and policy landscapes. In this brief, leaders from government, business and women’s economic empowerment networks identify key trends and potential scenarios for women in trade.

The brief presents nine actions that governments, corporations and the global community can take to ensure that ‘building back better’ unlocks women’s entrepreneurship and results in more equal and sustainable societies. These actions include strategies to boost women’s participation in corporate and government procurement markets, devise financing and business support options that match the needs of small women-led firms, and provide targeted training to promote resilience and competitiveness.
Agenda

Upcoming events for 2021*

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<tr>
<td>25 – 29 January</td>
<td>Davos Dialogues</td>
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<td>8 March</td>
<td>International Women's Day</td>
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<td>7 – 8 April</td>
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<td>25 – 30 April</td>
<td>15th Session of UN Conference on Trade and Development, Barbados</td>
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<td>17 – 20 May</td>
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<td>18 – 21 May</td>
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<td>6 – 9 September</td>
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*subject to cancellation or postponement due to COVID-19.

Join the International Trade Centre at these major trade development events. For updates, see www.intracen.org/events
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