Export Strategy
Building an Export Culture

A Presentation to: The World Bank Group
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- How? ITC’s Methodology
- Scope of ITC’s ES Programme
- Scope for WB-ITC Cooperation
Why Export Strategy?

Achieving export impact for good requires:

• connecting export development programmes and national development strategies

• aligning export development priorities within and across public and private sector and civil society institutions

• strengthening coherence among different TRTA/A4T initiatives

• developing and implementing smart action programmes which convert national supply potential into export transactions
The Paris Declaration

- Strengthening partner countries’ national development strategies and associated operational programs. [Partner countries] exercise leadership in developing and implementing their national development strategies through broad consultative processes.

WTO Aid for Trade 2009

- Country-owned development is the cornerstone of aid effectiveness. To make ownership a reality, partner countries need to take the lead in designing and implementing their development strategies; and donors need to support these strategies and align their aid with partner country priorities.

ITC Strategic Plan 2010-2013

- Sound export strategies are the basis for effective trade-development programmes and for the coherent positioning of TRTA.
Demand vs Field–Level Activities for ES in 2009

Countries assisted in National/Sectoral/Regional Strategies
- Cameroon: 3 SES
- Chad: Sector Value Chain diagnosis
- Dominica: NES, NEC
- Ecuador: NES Business Development
- Fiji: SES
- Grenada: SES, NEC
- Jamaica: NES, NEC, Post-design Capacity Building
- Liberia: EDNA, 4 SES & Gender
- Romania: Second NES
- Samoa: SES
- Sierra Leone: NES Capacity Building
- Solomon Islands: SES
- Tunisia: 2 SES
- Zambia: SES
- COMESA: RES
- UEMOA: RES

Countries requesting assistance in National Export Strategy
- Afghanistan: NES
- Barbados: NES
- Burkina Faso: NES
- Central African Republic: NES
- Cote d’Ivoire: NES
- Fiji: NES
- Guyana: SES / NES
- Gulf Cooperation Council: RES
- Haiti: NES
- Jordan: NES - EnACT
- Kenya: NES
- Malawi: NES
- Mongolia: NES
- Palestine: NES
- Romania: NES
- Rwanda: NES
- Sierra Leone: NES
- Yemen: NES
Fundamental Requirements for Export Strategy

• **Process**: PPP approach, based on broad consultation amongst policy makers, institutions and the business sector;

• **Scope**: market-led approach requiring intelligence, sector knowledge and expertise in trade services (logistics and supply chain management, trade finance, quality management, export packaging, trade promotion, etc.)

• **Focus**: establishing market-led, needs-based priorities that are rooted in sound analyses and that take into account the constraints and opportunities of all players along value chains.

• **Sustainability**: building capacities within the trade support network to make export strategy an ongoing process.
Why Export Strategy?

How? ITC’s Methodology

Scope of ITC’s ES Programme

Scope for WB-ITC Cooperation
ITC’s Approach: What is its essence?

• Homegrown, with strong national ownership.
• Scope – competitiveness driven and development oriented.
• Focus on the practical implications for policy makers, TSIs and enterprises.
• Equal attention to process and methodology.
ITC’s Approach to Export Strategy…

- Country-owned
- Inclusive and consultative
- Capacity-building oriented
- Builds on, and integrates national plans
- Comprehensive in Scope
- Sets needs-based, market-led priorities
- Specific and measurable
4 Phases of Export Strategy Design and Management

**Pre-Engagement Phase**
- Formal request for technical assistance in design and management of an export strategy received at ITC.
- Scope of the partnership defined.
- Public and private sector focal point organizations appointed.
- Formal agreement signed between ITC and partner country (MOU).

**Inception Phase**
- Governance structures formed:
  - Appointment of Navigator.
  - Core Team formed.
  - Establishment or reinforcement of National Export Council.
  - Preliminary audits conducted.
  - Coaching of Navigator and Core Team on the process and methodology.
  - National Strategy Team formed.
  - Strategy promotion and Communication plan established.
  - Baseline data collected and detailed analyses conducted.
  - Scope of the strategy defined.
  - Criteria for sectoral and cross-sectoral functional priorities set.
  - Priority sectors and cross-sectoral functions identified.
  - "Response Paper" produced.
  - Staging of first stakeholder symposium.

**Design Phase**
- Formation of specialized sectoral and cross-sectoral strategy teams.
- Coaching in ITC’s Strategy Design and Management methodology.
- Capacity-building in value-chain diagnostics.
- Elaboration of detailed strategies for priority sectors.
- Elaboration of detailed strategies for priority cross-sectoral functions.
- Development of detailed plans of action for sectoral and cross-sectoral strategies.
- Consolidation of sectoral and cross-sectoral strategies into a coherent National Export Strategy document, including consolidated plan of action.
- Staging of second stakeholder symposium.

**Implementation Management Phase**
- NES Secretariat and NEC council formed.
- Operationalization of National Export Council.
- Coaching in ITC’s Export Strategy Coordination and Management methodology.
- Implementation Management Framework developed.
- Implementation Management scorecards including impact measures and monitoring criteria produced.
- Resource mobilization symposium.

Initiation of implementation, monitoring and evaluation.

ITC Facilitation and Capacity-Building

Estimated 12-month timeframe

ITC Facilitation and Capacity-Building
Paradigm 1
Inclusive public-private consultation

**Policy Support Network**
- Ministry of Industry and Trade
- Ministry of Foreign Affairs
- Ministry of Finance
- Ministry of National Planning
- Ministry of Agriculture
- Ministry of Education
- Ministry of Transport
- Ministry of Public Works
- Ministry of Education & Technology
- Ministry of Municipal Affairs
- Ministry of Social Development
- Ministry of Labour
- Intellectual Property Organization
- Customs Authority
- Ports Authority
- Economic Zones Authority
- Telecommunications Authority
- Central Bank

**Trade Services Network**
- Trade Promotion Organization
- Investment Promotion Agency
- Industrial Development Agency
- Enterprise Development Agency
- Chambers of Commerce
- Trade/Sector Associations
- National Standards Bureau
- Statistics Department
- Development Banks
- Credit Corporation
- Employment and Development Fund
- Centre for Agricultural Research
- Science and Technology Research
- Ports Corporation
- Free Zones Corporation
- Vocational & Training Corporations
- Business Information Centers
- Information Technology Center

**Business Services Network**
- Association of Commercial Banks
- Association of Insurance Providers
- Association of Freight Forwarders
- Association of Transport Providers
- Association of Packaging Suppliers
- Association of Consultancy Providers

**Civil Society Network**
- Academia
- Labour Unions
- Employers’ Unions
- Women’s Organizations
- Environmental Groups
- Consumer Protection Groups
- NGOs
- Media
Formalizing the Partnership

- Establishment of National Export Council, or equivalent structure, that has legal recognition and authority to manage the design and implementation of the strategy.

- Based on ITC’s model legal framework.
Paradigm 2

Comprehensive scope:

• supply-side capacities
• quality of business environment
• market entry
• developmental impact
Paradigm 3

Market-led value chain driven priority setting

Value

Pesticide Supplier
Fertilizer Supplier
Grower
Seed Supplier

National Component of the Value Chain

Packaging Materials Supplier
Machinery Supplier
Technology / Know-How Supplier

International Transporter

Main Market # 1
Re-Packer
Importer / Distributor
Retailer
Consumer
Disposal / Recycler

Main Market # 2
Importer / Retailer
Consumer
Disposal / Recycler

Main Market # 3
Importer / Wholesaler
Industrial Consumer
Disposal / Recycler
## Mapping the value chain

<table>
<thead>
<tr>
<th>VALUE CHAIN LINKS</th>
<th>Approximate Onward Selling Price $US/kg fillets</th>
<th>Approximate Cost $US/kg fillets</th>
<th>Value Retained</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPERMARKET</td>
<td>$23.00 / kg fillet</td>
<td>$15.00</td>
<td>$8</td>
<td>Highest value addition</td>
</tr>
<tr>
<td>IMPORTER, of which Handling and repackaging Exporter</td>
<td>$15.00 / kg fillet</td>
<td>$10.00 = $0.50 + $9.50</td>
<td>$5</td>
<td>High value addition</td>
</tr>
<tr>
<td>Transporter</td>
<td></td>
<td>$1.50</td>
<td>$1.50</td>
<td>Leakage (non-national carrier)</td>
</tr>
<tr>
<td>Freight forwarder</td>
<td></td>
<td>$0.50</td>
<td>$0.50</td>
<td>Value addition</td>
</tr>
<tr>
<td>EXPORTER, of which Cost of fillet Freight forwarding Transport (cold chain)</td>
<td>$9.50 / kg fillet</td>
<td>$7.50 = $5.50 + $1.50</td>
<td>$2.00</td>
<td>Significant value addition</td>
</tr>
<tr>
<td>PROCESSOR (filleting, chilling and bulk packing)</td>
<td>$5.50 / kg fillet</td>
<td>$4.55 / kg fillet = $4.25 for whole fish (2.25 kg of whole fish at $1.70 / kg required to produce 1 kg of fillet i.e. 60% wastage) + $0.20 processing cost / kg fillet + $0.10 packing material / kg fillet</td>
<td>$0.95</td>
<td>Value addition Opportunity for value creation from wastage</td>
</tr>
<tr>
<td>Packing material supplier (foreign)</td>
<td>$0.10 / kg fillet</td>
<td></td>
<td>Leakage</td>
<td></td>
</tr>
<tr>
<td>BUYING AGENT</td>
<td>$1.70 / kg whole fish chilled</td>
<td>$1.40 / kg whole fish = $1.30 / kg whole fish + $0.10 ice / kg whole fish</td>
<td>$0.30</td>
<td>Value addition</td>
</tr>
<tr>
<td>Ice supplier</td>
<td>$0.10 / kg whole fish</td>
<td>$0.10</td>
<td>$0.10</td>
<td>Value addition</td>
</tr>
<tr>
<td>ARTISANAL FISHERMAN</td>
<td>$1.30 / kg whole fish landed</td>
<td>$1.10 / kg whole fish landed = boat and tackle amortization</td>
<td>$0.20</td>
<td>Value addition</td>
</tr>
<tr>
<td>Boat supplier (local)</td>
<td></td>
<td></td>
<td>Value addition</td>
<td></td>
</tr>
<tr>
<td>Tackle supplier (imported)</td>
<td></td>
<td></td>
<td>Leakage</td>
<td></td>
</tr>
</tbody>
</table>
Value Chain Analysis

Assess the Value Options:

- Improving efficiency.
- Minimizing leakages.
- Adding value.
- Creating value.
- Distributing value.
Volumes, Productivity & Quality Improved:
- 75 tonnes monthly production
- 20,000 well trained farmers (planting techniques, chemical application, pre & post harvest, sort & grade, bag as well as market/buyer requirements), 60% women
- Well established training & research institutions (high quality seeds available and GAP principles) and adequate extension officers in key counties
- Farmer implements & inputs more accessible: blacksmith centres, local fertilizer manufacturing capacity, better insecticides

Improved Supply Cold Chain Capacity Farm to Market:
- Improved roads: Village to farms & district to towns
- Farmers have easier access to mechanized support (tractors/trucks)

Affordable & Alternative Financing Available:
- Farmer's Bank and strengthening of Credit Union
- All players in the value chain

Better Market Information:
- Prices and market information to be communicated faster and to all stakeholders

Improved Infrastructure:
- Co-op cold storage facilities

More training services available:
- Basic business skills, costing and pricing, negotiating skills

Improved Marketing Focus:
- Branded products, segmented markets and appropriate marketing strategies developed

Institutional Linkages Strengthened and Knowledge Transferred:
- Creation of Liberian Farmer's Union, which in turn links to the Export Promotion Council and the National Export Council
- Key Ministries (Agriculture, Commerce, Gender, Public Works), University, Standards and Research Institute
- High schools to incorporate agriculture studies into curriculum (compulsory) and more scholarships available for tertiary agricultural studies

Improved Infrastructure:
- Technology upgrading, improved processing, warehouses built
- More women in managerial positions
- Local bagging and packaging capacity increased to supply the sector
- Investment policy reviewed to aid the sector

Sensitized Sector:
- Encourage adoption of new ideas and practices: Increase economic participation of women
Bringing It Together - Paradigm 4

Design and implementation management framework
## Implementation

<table>
<thead>
<tr>
<th>O</th>
<th>M</th>
<th>T</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informed agricultural sector in relation to SPS and TBT issues</td>
<td>Number of firms who acknowledge receiving information booklet</td>
<td>Policy document produced by task team in 3 months time</td>
<td>Task group formed</td>
</tr>
<tr>
<td></td>
<td>Number of seminars conducted</td>
<td>Trade information products and services designed by end of 6 months</td>
<td>Exporter information needs survey undertaken</td>
</tr>
<tr>
<td></td>
<td>Number of hits on e-portal</td>
<td>E-portal operational in 6 months</td>
<td>Web based information service designed</td>
</tr>
<tr>
<td></td>
<td>Number of exporter visits by trained officers</td>
<td>10 officers trained in 6 months</td>
<td>Specific training of trade information officers</td>
</tr>
</tbody>
</table>
A National Export Strategy is the aggregate of sector-level strategies and cross-sectoral strategies:

- trade information
- trade finance
- export quality assurance
- export competency development
- export packaging
- trade promotion and branding
- trade facilitation
- etc.

Implications for clients (enterprises, institutions, policy-makers, buyers and investors).
The Principal Output

An endorsed, coherent, comprehensive and prioritised National Export Strategy document complete with plan of action and implementation management framework.

Core Outputs

- Governance structures established
- Completed analyses of the country’s exports, imports and investment performance, main markets and competitors over the past five years.
- Defined scope and principal strategic objectives of the NES, and priority sectors and cross-sectoral functions identified.
- Elaborated detailed sectoral and cross-sectoral strategies complete with corresponding plan of action and implementation framework.
- Endorsement of the NES by key stakeholders and the national government.
- A public private dialogue platform focusing on export development and competitiveness established (or reinforced) and operationalized.
- Implementation management initiated
The Short and Medium Term Outcomes

Short-Term

• An architecture that focuses national efforts on priorities for export development and competitiveness.
• Improved public and private dialogue for favoring the development of a national export culture.
• Trade mainstreamed into national planning and policies.
• Improved ability of the country to receive and utilise Aid for Trade.

Medium-Term

• An improved policy framework to support the development and competitiveness of the export sector.
• An increased capacity of trade support institutions to provide relevant and accessible trade support services.
• A strengthened capacity of the country to formulate and manage export development strategies that are relevant and realistic.
Why Export Strategy?

How? ITC’s Methodology

Scope of ITC’s ES Programme

Scope for WB-ITC Cooperation
ES – Serving ITC’s Mandate through...

• National export strategy – our ‘star product’

• Sector strategy

• Gender-sensitive export strategy

• Export development needs assessment

• Formal public-private dialogue platform

• Capacity-building workshops at national/regional levels

• Specialised thematic consultations on strategic approaches to export development and competitiveness.
NES - Some Facts and Figures

• ITC does not design or write a country’s National Export Strategy; rather, it builds capacity in the country on its established methodology and advises on the process to be followed.

• Engages approximately 200 key stakeholders in a consultative process.

• Builds on and complements existing country-level planning frameworks.

• Average of 9-12 months to complete.

• Average of 5-6 field missions undertaken by experts and consultants during the course of a NES design initiative.

• National or sector strategies facilitated by ITC in about 45 countries

• Approximate co-financing requirements to the tune of USD350,000 per national export strategy.
Lessons Learned

• The fundamental principles are sound. Any attempt to relax these principles results in less satisfactory outputs and outcomes.

• Whilst rigorous analyses and modelling remain crucial, beneficiaries are more interested in the practical implications of what could be tangibly done.

• It is essential that technical assistance continue after the strategy is finalised and endorsed, through the implementation process. In fact, implementation, and its management, should be built into the process.
Our Strategy

Engage and respond: more depth of support – before, during and after

- More rigorous pre-engagement preparations
- Greater level of support during design phase – timeliness and responsiveness
- Introduce post-engagement support through capacity-building in implementation management and assistance in impact measurement

Stay at the leading-edge: continuously refining the methodology

- Update the strategy support tools and introduce new modules through in-house and external collaboration
- More depth in the resulting export strategies

Further penetrate the market

- Increase number of completed national export strategies facilitated by ITC
- Assist potential beneficiaries to identify and secure funding for design and implementation

Implementation to the forefront

- Build strong implementation partnerships to achieve sizeable impact.
Why Export Strategy?

How? ITC’s Methodology

Scope of ITC’s ES Programme

Scope for WB-ITC Cooperation
Possible Areas of WB-ITC Cooperation

1. Pre-Engagement Phase
   - Awareness-Creation
   - Co-financing

2. Inception Phase
   - Strengthening the analytical framework

3. Design Phase
   - Participation and substantive contribution

4. Implementation Management Phase
   - Implementation
THANK YOU!