

Strengthening the Competitiveness of SMEs in International Value Chains

Resource Efficient and Circular Production Processes

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Project: GTEX/ MENATEX
Donor: SECO and SIDA
Sector: Clothing
Countries: Egypt, Jordan, Morocco, Tunisia
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Project: T4SD Hubs
Donor: SIDA
Sector: Multiple
Countries: Ghana, Kenya, Peru, Viet Nam
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Project: MARKUP
Donor: EU
Sector: Tea and coffee
Countries: Burundi, Kenya, Tanzania, Uganda
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Project: eTex
Donor: BMZ
Sector: Clothing
Country: Ethiopia



OVERVIEW

The International Trade Centre (ITC), the joint agency of the World Trade Organization and the United Nations, supports small and medium-sized enterprises (SMES) to implement resource efficient and circular production processes through a customized coaching programme developed by the ITC Trade for Sustainable Development (T4SD) Programme.

With this approach ITC aims at increasing the competitiveness of SMEs in international value chains through reduced consumption of resources used in production processes and enhanced productivity.

Building upon best practices ITC works along international value chains to strengthen SME competitiveness. In this way collaboration and an active dialogue between value chain actors – including both international companies and local suppliers – is facilitated to jointly implement resource efficient and circular production processes.

The approach is implemented in a number of ITC projects as indicated in the world map above.

BENEFITS FOR SMEs

ITC enables SMEs to implement resource efficient and circular production processes through a customized coaching programme leading to:



Increased international competitiveness of value chain actors through reduced production costs and increased productivity;



Ensuring business continuity and stable transactions in international value chains;



Reduced adverse effects on the environment;



New business opportunities through the development of new products and services;



Access to (green) finance opportunities.

THE COACHING PROGRAMME

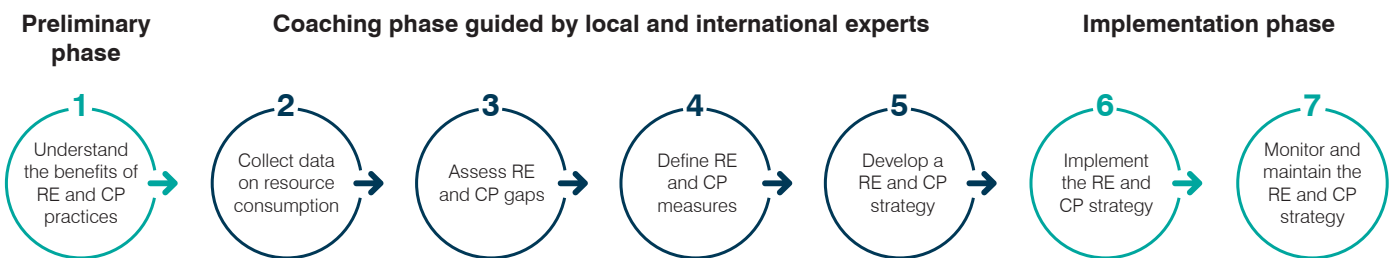
The customized coaching programme is based on the analyses of buyer requirements and performance of local SMEs in each target country and sector in terms of resource efficient and circular production processes. According to the results of these analyses, efficiency benchmarks regarding waste production, energy and water consumption are set at the SME level specific to each target country and sector.

At the start of the coaching programme the performance of the selected SMEs is compared against the set benchmarks by locally hired experts. Based on the gaps identified, the experts advise the SMEs on the identification of measures to enhance the resource efficient and circular production practices. The shortlisted measures are assessed from a

financial perspective and compared through a cost-benefit analysis. Using these results, a resource efficiency strategy and related communication plan are developed. To ensure the implementation of the strategy, the SMEs receive further guidance on accessing (green) finance, technology and expertise.

Parallely, the selected SMEs are enrolled in the online learning course “Resource Efficient and Circular Production Processes” hosted on the ITC SME Trade Academy. An ITC certificate can be obtained upon completion.

The coaching programme is implemented according to the following schedule:



Note: RE and CP: Resource efficient and circular production

The coaching programme is complemented by two in-depth workshops on common pressing issues of the selected SMEs to implement resource efficient and circular production practices. The workshop topics are jointly identified with the suppliers and their international buyers.

SMEs also benefit from training and guidance on access to (green) finance to ensure the implementation of those identified measures for which external financing is needed.

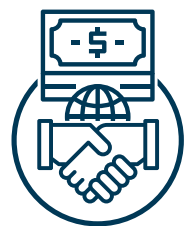
ENGAGEMENT OF INTERNATIONAL BUYERS AND FINANCIERS

International buyers including brands and intermediaries should take an active role in the implementation of the programme in the targeted countries and sectors through the identification of their suppliers and the participation in the sensitization workshop, in one to two of the customized coaching sessions as well as in the closing workshop. ITC also encourages buyers to engage with their suppliers in the implementation of the identified resource efficient and circular production measures.

Benefits for international buyers include improved environmental sustainability of their supply chain, collaboration and an active dialogue with their suppliers

beyond existing commercial ties, as well as drawing from lessons learnt for a potential replication of the project with further suppliers and in other sourcing countries.

Financiers including commercial and development banks as well as traditional and impact investors are invited to take part in the project early on in order to inform participating SMEs about existing (green) finance offerings and to consider bankable projects resulting from the project. In this way, financiers are accessing a wide portfolio of interesting projects to potentially access their (green) products.



Contact: Ann-Kathrin Zotz (zotz@intracen.org)
Annegret Brauss (abrauss@intracen.org)
Street address: ITC, 54-56, rue de Montbrillant, 1202 Geneva, Switzerland
Facebook: @ITCsustainability
Twitter: @ITC_sustainable
LinkedIn: <https://www.linkedin.com/in/itcsustainability>