

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

**Volume 5  
Corporate Performance  
and Capacity**

**REVIEW OF  
PREVIOUS  
EVALUATIONS**

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Table 1: Overview of the Evaluation Reports

**List of Acronyms**

ARA	Romanian Association of Supply Management
BIS	Business Information Services
BSM	Buyer Seller Meeting
CAPNET/BIS	Capacity Building and Networking for Business Information Services
COMREG	Software for Company Registers
COMTRADE	UN's Commodity Trade Statistics Database
DTCC	Division of Technical Cooperation Coordination
DTIS	Diagnostic Trade Information Study
EDB	Export Development Board
EU	European Union
HRD	Human Resource Development
ICPS	International Competitiveness Programme for SMEs
IF	Integrated Framework
IMF	International Monetary Fund
IPSM	International Purchasing and Supply Management
ISO	International Organisation for Standardisation
IT	Information Technology
ITC	International Trade Centre
JITAP	Joint Integrated Technical Assistance Program for Selected Least Developed and Other African Countries
LDCs	Least Developed Countries
MAS	Market Analysis Section
MTS	Multilateral Trading System
PA	Preparatory Assistance
PNA	Product Network Approach
PROCIP	Programme for Competitiveness Improvement
PRSP	Poverty Reduction Strategy Paper
RFTC	Romanian Foreign Trade Centre
SECO	State Secretariat for Economic Affairs (Switzerland)
Sida	Swedish International Development Cooperation Agency
SME	Small or Medium-sized Enterprise
TIS	Trade Information Services
TPOs	Trade Promotion Organisation
TradeMap	ITC's on-line database on trade flows in goods and services and tariff measures
TRAINS	Tariff Analysis and Information System
TRTA	Trade Related Technical Assistance
TSI	Trade Support Institution
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USD	United States Dollar
WIN	World Tr@de Net
WTO	World Trade Organization

# 1 Review of Previous Evaluations

International Trade Centre (ITC) programmes are routinely subject to internal evaluations by independent experts. The most significant of these that have been carried out over the last five years are reviewed in the sections that follow:

## *Programme Evaluations:*

- Review of World Trade Net Evaluation (2001);
- South-South Trade Promotion Programme Evaluation (October 2002);
- CARPET/BIS Programme Evaluation, i.e. Capacity Building and Networking (CARPET) for Business Information Services, (September 2003);
- Programme for Competitiveness Improvement of Small or Medium-sized Enterprises (SMEs) (October 2003);
- Evaluation of ITC Programme ‘Strategic and Operational Market Research’ (January 2004);
- Evaluation of the International Purchasing and Supply Management (June 2002).

## *Evaluation of Country Level Projects:*

- Capacity Building in Vietnam’s Export Development (May 2002);
- ITC Country Programme Evaluation: Sri Lanka (Sept 1999 - March 2000);
- Romania – Evaluation of ITC Activities (1990-2000).

## *Other Evaluations:*

- Evaluation of the Joint Integrated Technical Assistance Program (JITAP);
- Evaluation of the Integrated Framework.

A Management Response to these evaluations is customarily prepared. The reviews that follow are straightforward summaries of the original evaluation reports, and do not infer concurrence or otherwise on our part to the findings. The individual evaluations are used elsewhere in the evaluation including in the product studies.

## 1.1 Programme Evaluations

### Review of World Trade Net Evaluation (2001)

#### ***Background***

The World Trade Net (WTN) was launched in July 1999 by the ITC as a successor to the programme “Follow-up to the Uruguay Round”. The programme was to run for three years to June 2002. Its objective was to assist capacity building in developing and transition economies to address the business implications of the World Trade Organization (WTO) agreements. The formative evaluation, carried out between May and October

2001, was to take stock of the achievements and to provide guidance for the next phase of the programme.

Rideau Strategy Consultants Ltd., Ottawa, Canada, carried out the evaluation. Major recommendations were shared with the “Consultative Committee for the Global Trust Fund” and were reviewed and discussed with the network representatives of thirty WTN countries, during a workshop in April 2002.

The WTN is one of four programmes in “Window 2” of the ITC Global Trust Fund. Pledges to the Global Trust Fund for the period 1999 to 2002 totalled USD 18.4 million. The amount dedicated to Window 2 was USD 7.7 million, of which USD 2.4 was earmarked for the WTN.

### ***Evaluation Review***

The evaluation asked whether the WTN has achieved its objectives – in particular whether the WTN improved member country capacity, provided good value for money, and was sustainable in the future. The evaluators concluded that:

“the WTN was based on a strong rationale, and had been implemented well. Its flexible and robust networks involved a wide variety of non-state stakeholders. It had proved an excellent tool to achieve its objectives at low cost”.

They went on to state that the WTN provides good value in helping the target countries to respond strategically to changes in the world trading system. However, the network concept is not risk free, and it may require significant on-going investment to animate particular country networks.

According to the evaluators, the main weakness of the programme was that its resources were not commensurate with its objectives. Given sufficient resources, the areas in which the evaluator concluded the WTN needed to concentrate in its next phase were:

- Maintaining the existing network, and extending it to new members. If expenditure was not increased in the next phase of the programme, it was recommended that the WTN should retrench to a smaller number of member countries. At a higher level of funding, it would be possible to animate the less active members, and to bring new members (such as Russia and China) into the network. To ensure this, it was suggested that country-specific network implementation plans and budgets be developed as part of ITC’s proposal for Phase 2 funding.
- Building strong on-going relationships with an appropriate anchor organization in each member country. Finding appropriate anchor organizations in some prospective member countries was not always easy. What was needed was an apex organization in the private sector, with an active interest in trade promotion and with sufficient resources to enable it to form a sustainable partnership with the ITC/WTN. In some cases, finding and developing such a relationship requires more time and investment than the normal “kick-off” meeting process allows for.
- Encouraging member country’s ownership of the electronic network, through single-window national trade portals (web sites). The WTN has operated an electronic network organized around a website that is accessed through the general ITC website

[plus another dedicated site mainly for the use of WTN country facilitators]. The evaluator suggested that this was not thinking big enough, and that in many member countries there exists an opportunity to establish a national trade portal – a website that would provide single-window access for companies, not just to the WTN but also to other programs in support of trade promotion in that country. They suggested that the ITC/WTN has the experience and the capability to take the lead in promoting and helping establish such portals, but did not have the budget needed.

- The evaluation team reviewed the performance of the WTN compared with the recommendations made by the evaluation of the predecessor programme and, in general, found good performance and positive results.
- The WTN model allows for variety from one country to another, so to some extent, group differences can be accommodated in individual country programmes. However, the WTN had not yet addressed these different groups' needs explicitly. Member countries are still treated in a standard way.
- ITC provided good technical support to the WTN, including website training and backup, training packages, and consultation and advice. Occasional comments from a country network facilitator were received reflecting uncertainty concerning which ITC staff person to address a request to. The possibility of having a liaison officer who would deal with such requests was raised.
- The WTN newsletter, case studies, and contributions to discussions on the website, all served to stimulate debate. More could be done with more resources, but with its funding levels, ITC had contributed to analysis and debate among the networks as much as one could reasonably expect.
- ITC emphasized the importance of leadership of the national network by the business sector. By and large it had been successful. However business sector leadership was sometimes individual and sometimes institutional. ITC had not been entirely successful in engaging business sector apex institutions as anchor partners in the WTN.
- According to the evaluator, each member country would probably benefit from having only one trade-related private-sector-led national network and website, with the widest possible participation. They also suggested that other ITC, United Nations Conference on Trade and Development (UNCTAD) and WTO initiatives should, at a minimum, have links to and from the site, and make use of the single site for disseminating information. This had not yet happened. The ITC/WTN involved certain individuals from these organizations, and others in the WTN activities on an ad hoc basis. There had been good individual cooperative arrangements, but the level of joint action between the WTN and other programmes with overlapping interests needed to be improved. However the burden for that should not rest entirely with the WTN. It is a very useful network, and other organizations and programmes should share the responsibility to make it a cooperative tool.
- The evaluation of the Uruguay Round Follow-up recommended that the WTN provide information on paper as well as electronically to ensure efficient support is maintained to those members with limited computer capacities. Although this recommendation becomes less relevant each year as the Internet becomes ubiquitous, it still has some force among some countries. Unfortunately some things that are important to the WTN, such as interactive discussions, cannot be efficiently done via paper and

mail. At the existing level of WTN resources no solution seemed apparent. The WTN could consider absorbing some Internet costs for member networks, or alternately the WTN might explore the possibilities for cooperation with other development programs, and with apex business sector organizations, to share the costs of a national trade website. At the same time ITC should explore the possible relationships between its e-trade strategy and technical support to the WTN.

### ***Answers to Specific Evaluation Questions***

The terms of reference specified that the study should answer the following specific questions:

**Figure 1: Questionnaire with Answers**

Question	Answer
<i>Program design and concept:</i>	
Had the WTN successfully responded to the recommendations accepted by ITC from the evaluation of the Uruguay Round Follow-Up?	On the whole, yes.
Was the design of the WTN relevant and likely to be an effective response to the problems addressed?	The rationale is excellent.
Was the relationship between the objectives, outputs, activities and inputs, clear, logical and commensurate with the time and resources available?	The resources are inadequate.
Were the counterparts/beneficiaries adequately involved in the program, including setting objectives and deciding on the modus operandi?	The kick-off meetings and the country action plans provided an opportunity for the counterparts/beneficiaries to be involved in objectives and design. However more on-going attention to their input on setting objectives was desirable.
<i>Implementation:</i>	
What has been the quality, timeliness and adequacy of the expertise provided? How well are the programs outputs being used by the national network members?	The quality, timeliness of the expertise provided has been excellent. However, facilitators and members have sometimes not taken sufficient initiative themselves to benefit fully.
Are there reasonable expectations that the programme will have the planned impacts and will be cost-effective?	The WTN is clearly cost-effective. However its funding is inadequate to achieve all its ambitions.
Are there good work plans that show that lessons have been learned during the programme and adjustments made?	Work plans have been of good quality and the work programme has been energetically implemented.
Have there been appropriate interactions between this programme and related programmes, including JITAP, the programme on Capacity Building and Networking for Business Information Services, and the programme for Competitiveness Improvement of SMEs?	Despite increasing cooperation and communications, WTN was considered to be operating more autonomously than was ideal, partly because of the constraints on staff time and budget.
Have interactions between ITC and the network members worked well, and have members interacted appropriately among themselves? Has the	Cooperation with the WTO has been excellent. Cooperation with other international institutions and professional associations has been limited. In-



Question	Answer
WTN cooperated with other international institutions engaging in related work? Was the best use made of appropriate partner organizations?	Interactions between the ITC and network members, and among network members themselves, have worked well, with minor caveats, as described above. The relationship between the WTN and national anchor organizations requires more thought.
Have headquarters coordinating, monitoring and support mechanisms worked well?	Headquarters coordinating, monitoring and support mechanisms have worked well.
<i>Results to Date:</i>	
Is the programme making the expected progress towards its objectives? Have significant results already been achieved? If so, do the results appear sustainable? Have there been multiplier effects?	The WTN has made excellent progress towards its objectives, and significant results have been achieved. Multiplier effects have depended mainly on the ability of the anchor organization to be a conduit to the business community. Sustainability depends on organizational and resources factors discussed above.
In particular, has there been improvement in the interaction between the business and the government sectors with regards to active exchange of information?	There has been improvement in the interaction between the business and government sectors with regards to active exchange of information and this improvement is commensurate with the WTN resources spent. However the scope for further improvement is very large.
<i>Lessons Learned and the Continuation of the WTN:</i>	
On the basis of the first two year's experience, what should be the orientation of the programme during its final year, and in any later phases? Should the programme be continued?	The programme should be continued and expanded. The orientation for the future is indicated by the findings/recommendations listed above.

The evaluation concluded that the WTN had given value for money and justified substantially increased investment in the next phase.

## South-South Trade Promotion Programme Evaluation (October 2002)

### *Programme Description*

The ITC's Programme for South-South Trade Promotion (SSTP) was initiated in 1999, but it drew on extensive past related experience. It is located in the Division of Technical Cooperation Coordination (DTCC), and has ten staff members (2002). Annual funding (2002) was USD 1,6 million. The programme document sets out four main objectives:

- To create data sets on trading opportunities among developing countries in a regional perspective;
- To introduce methodologies and customised tools for South-South trade development;
- To generate new trade flows and trade related business arrangements among developing countries;
- To institute specific strategies and programme for the expansion of South-South trade.

Programme methodology involves the following key steps/activities:

- Trade Flow Analysis: The trade flow of a group of countries is studied to identify prospective tradable products;
- Product Selection Workshop: To identify priority products and sectors; it is attended by representatives of Trade Promotion Organisations (TPOs) of the selected countries.
- Supply and Demand Surveys: To confirm market requirements and the existence of trade opportunities; surveys are disseminated to the target business groups.
- Buyer/Seller Meetings: To match potential business partners and provide a platform for making deals. Importers and exporters are invited (at their own expense) and are helped by trade specialists.
- Follow-Up: To the Buyer Seller Meetings.

From 1999 to 2002, a sample of activities included:

- Thirteen Trade Flow Analyses/58 Supply Demand Surveys covering the pharmaceutical, textiles, and agro-food sectors/6 Buyers Sellers Meetings/Internet based support for various events, e.g. the 2002 Africa-Asia Business Forum/3 proposals for intra-regional and inter-regional trade expansion, etc.

*Evaluator Observations include:*

- While certain qualitative aspects to the South-South programme such as raising the consciousness of the regions trade potential appear to have been realised, there is no evidence of any impact on actual trade flows. The evaluator's view is that given the small scale and financing levels of SSTP, proving this would be very difficult, and would require a specially designed study.
- Provisions for follow up action were weak – not because programme officials were unaware of their importance, but because of insufficient financial and personnel resources. In view of the fact that Buyer/Seller meetings are the beginning rather than the end of the process (of generating trade), this is a serious shortcoming. The issue of mistrust between the public and private sectors in developing countries was also raised, as a constraint to effective follow-up.
- Also, the programme is lacking an organised performance management system with clear indicators that could be used to measure progress towards the achievement of objectives.
- The sampling response from business participants in the SSTP was, in the evaluators view, inadequate, and they relied on the (generally positive) response elicited from those participating at various ITC events (e.g. a Nairobi Buyer Seller Meeting (BSM) on international aid agency procurement.)

In terms of the four programme objectives, the following observations were made:

- The ‘trade flow analysis’ and ‘supply demand studies’ that are standard tools of the SSTP programme have generated good information on intra-regional trading opportunities, but have been limited in their coverage.
- The programme has succeeded in introducing customized methodologies and tools to develop South-South trade.
- Not enough information or analysis exists to say whether Objective 3 has been realised. The extent to which BSMs have generated new trade flows among developing countries has not been measured.
- Efforts to institute specific strategies and programmes for the expansion of South-South trade were seen as inadequate. Many interlocutors within the international system of agencies were vague about the SSTP methodology and programme activities.

### ***Major Recommendations and Conclusions***

The overall conclusion was that ITC’s South-South Trade Promotion methodology is unique, effective, and deserving of much larger support from the international community. The assessment was made more difficult however due to the lack of any quantitative or qualitative indicators of achievement.

Specific findings were:

- The methodology should be more firmly grounded in and more sensitive to relevant research and analysis being done in other parts of the United Nations (UN) system. The programme should also focus more on linking SMEs in to trans-national corporations active in the region.
- Not enough is being done to draw in businesses that are not already active in international trade.
- The transport and logistical difficulties in the South region that impairs the creation of business communities are highlighted, with recommendations that more be done to motivate the responsible national and international authorities to work toward improving the situation.
- The inter-regional aspect of SSTP is seen as a generally weak area, and it is recommended that future Buyer Seller meetings include participants from other regions.
- The flow of information, both to the general public, and to partner organisations, is seen as inadequate and in need of improvement.

Given the overriding concern of building local capacity, not enough has been done on the SSTP programme relations with partner Trade Support Institutions (TSIs). Many are under resourced, and more needs to be done to build their competence and engage with them on a continuing basis.

Inadequate follow-up to the BSMs is seen as the weakest link in the SSTP methodology. The solution is not to be found in more money and staff, but in the creation of local mechanisms to take on continuing work.

The absence of any systematic performance management system with clear indicators to measure progress towards objectives is seen as an important factor in deterring effective follow-up. The difficulties in terms of the reluctance of businesspeople to report on their achievements need to be overcome.

The possibility of franchising the SSTP tool kit to selected partners was also suggested.

### **CAPNET/BIS Programme Evaluation (September 2003)**

The Capacity-building and Networking for Business Information Services programme was launched in September 2000 for a three-year period. The budget, initially anticipated to be USD 3 million, was ultimately established at USD 1.5 million. The programme terminated in May 2003. The lead donor was Switzerland, accompanied by France and Sweden. A final evaluation of the programme was completed in September 2003.

The project document for CAPNET/BIS included three objectives:

- **Capacity Building:** to build up a BIS capacity within the Global Trade Point Network administered by UNCTAD and other partner organisations;
- **Information on Market Access:** to improve the availability of information on the Multilateral Trading System (MTS) and access conditions of world markets;
- **Network development:** to facilitate the sharing of information and know-how between BISs, based on the knowledge base management concept and to promote selected products and services through the use of new information and communications technologies.

CAPNET/BIS was introduced as a successor to the programme “Trade Information and Market Intelligence Support to Business Information Services”, which was implemented from 1996 to 1998 within the Global Framework of UNCTAD’s Special Programme on Trade Efficiency. An interim (1998) evaluation of that programme concluded that ITC should continue to support the trade information function of the Trade Point through a new and adapted project.

### ***Programme Results***

The principal programme results/achievements were the following:

- **Guidebook publication and dissemination:** Three publications were produced and disseminated; a survey of best practices in TSIs; a guidebook on measuring performance of TSIs; and a report on possible approaches to selling information services. The publications were made available free of charge. The evaluator noted that while this component probably had the widest impact within the CAPNET/BIS programme, it was also the most difficult to evaluate (due to its broad geographical distribution and durability)
- **Information technology tools and software for managing trade information services,** ie. COMREG (a software package, developed by ITC, for managing Company Registers), a manual on software application for library and documentation management,

and Trade Information Management Toolkits on CD ROM's. The Toolkit was widely disseminated to TSIs and is generally used within training programmes delivered by ITC. The evaluator noted certain constraints to the dissemination of trade related IT (Information Technology) applications, including the diversity of support platforms and capabilities in target countries.

- Advisory Missions. These were undertaken to eighteen countries (including nine Least Developed Countries (LDCs)). Evaluator comments included the relative high costs of this activity, and the difficulty in organising follow-up action due to lack of time and funds.
- Training, consisting of a combination of on-site and Geneva-based training, awareness workshops and seminars on information management. The evaluator referred to difficulties in assessing results of training activities, especially in the absence of organised follow-up, the need for co-operation with host institutions to manage costs (and the cost savings that can follow), and the attention that needs to be paid to the selection of participants.
- Information on Market Access: This covered the creation of a database and Web index on information sources dealing with market access conditions, with online access through ITC's website.
- Network Development: This included support to the World Trade Point Federation for designing an operating plan, developing its Web site and network operations and launching income-generating activities. It also covered assistance in designing Web sites and organising data interchange in regional centres, and the launch of a new initiative (PROMOTE iT) to support the export development of IT services through a common portal and promotional activities. 40 countries participated in that service, and 18 of them participated in an international exhibition in Paris "Semaine Européenne des Technologies de l'Information" or European Week of Information Technologies in 2001, 2002, and 2003. Evaluator comments related to the problems of information networks in developing countries, such as the unequal level of network members, or technological handicaps.

In terms of the overall programme evaluation, the following strengths and weaknesses were noted:

#### *Strengths*

- A large number of diversified activities related to capacity building were completed with a view to reinforcing Trade Information Services (guidebooks and software tools, advisory missions, etc.)
- A comprehensive 'inter-complementary' approach was followed;
- Widespread geographical coverage,
- Large range of beneficiaries (TPOs, Trade Points, Chambers of Commerce, etc.),
- Positive feedback,
- Links with other projects/programmes (e.g. JITAP, South-South Trade Promotion Programme),

- Delivery and cost-effectiveness – despite a 50% reduction in the originally anticipated budget.

#### *Weaknesses*

- Low identity of beneficiaries with the programme,
- Budgetary reductions,
- Lack of revision process,
- Over diversification leading to fragmented activities with insufficient focus and lack of critical mass, resulting in a weakened impact,
- Evaluation constraints – most of the programme activities are difficult to measure/evaluate in terms of quantifiable results or impact (apart from the number of training events or participants per training event),
- Lack of clear-cut specificity of the programme in terms of the overall activities of the ITC Trade Information Section (TIS), overlapping between the two,
- The questionable emphasis on support to Trade Points, in light of the progressive withdrawal of UNCTAD from the Trade Point support programme, inter alia. However, a large number of Trade Points are hosted by TSIs whose trade information services benefited substantially from the programme,
- Insufficient capitalisation, and consequently sustainability (e.g. by publishing the findings of seminars),
- Follow-up uncertainty.

#### *Specific Evaluation Issues*

Relevance: The programme's three objectives as noted above were broadly in line with the priority concerns expressed in the prior evaluation of the previously implemented Trade Information and Market Intelligence Support to BIS programme. The priority given to trade information in general can be questioned however in light of the halving of the funds made available.

Effectiveness: The degree to which the programme achieved its objectives is difficult to measure solely according to the success indicators featured in the project document, as these did not apply in several cases. Whether these indicators were adequately defined from the start is questionable. Concerning Objective 1, related outputs were identified as appropriate methods and tools made available to at least 100 BISs participating in the Global Trade Points Network, and BIS managers fully trained in the management of trade information. This objective was achieved, although the 'fully trained' aspect may well be questioned in the absence of a clear definition of what is understood by a full training.

As regards Objectives 2 and 3, these were only partly achieved due to the budget cut-backs.

Efficiency: A satisfactory degree of efficiency was achieved. Some outputs exceeded the originally anticipated objectives, and all activities originally scheduled (related to Objective

1) were duly implemented. Cost efficient delivery was also achieved, through savings, co-financing with other ITC projects, and rescheduling.

Sustainability: This was identified as the main stumbling block. The likelihood of the positive results continuing once international assistance has been terminated is difficult to evaluate. While some activities (guide books, COM REG software) undoubtedly contribute to the capacity of counterpart organisations to continue independently, this is not necessarily the case for others.

Uncertainty remains concerning: follow-up requested by some countries; the budgetary capacity of ITC's TIS section to maintain or upgrade existing tools; and the lasting effect of seminars or workshops held on a one time/short period basis.

### **Programme for Competitiveness Improvement of SMEs (October 2003)**

#### ***Background***

The underlying rationale of the Programme for Competitiveness Improvement (PROCIP) was to provide support to SMEs in developing countries as they adjust to more competitive and open trading conditions.

PROCIP had two primary objectives:

- To enhance the capacity of national TSIs and Trade Associations to enable SMEs to enhance their competitiveness in a global market.
- To promote regional, inter-regional and international networks as a means to reinforce institutional capacity and know-how.

The International Competitiveness Programme for SMEs (ICPS) programme preceded PROCIP and initiated several of the concepts and methodologies – the Product Network Approach (PNA), benchmarking, the Trade Secrets guides – which became a major premise of the PROCIP programme. ICPS was evaluated in 1998 and that Evaluation proposed several elements for a future programme: assured funding over a three year period of USD 3.6 million (which was not achieved); building activities, such as training and research, around the tools that were being developed; establishing synergies between and among various programme activities; and a greater emphasis on inter-country horizontal networking. These ideas influenced the design of PROCIP, however, according to the evaluator, many were not pursued with the consistency required in view of funding shortfalls.

The evaluation was largely a desk review interspersed by visits to four countries. A questionnaire was addressed to about 40 partner institutions in over 25 countries and responses were received from about 15 countries.

PROCIP – and previously ICPS – initiated a new trend in technical co-operation through its product network approach. The PNA is not the traditional project model, where financial and technical resources are applied in a given location for a strictly time-bound

period. The PNA can be sustained only through an active network of local partners, with whom there is regular interaction (JITAP is engaged in disseminating PROCIP tools). According to the evaluator, funding constraints and a lack of predictability in the flow of funds has muted PROCIP's potential impact.

PROCIP's objectives were to be achieved through generic tools adapted to suit country circumstances; through the training of 400-500 persons in TSIs and SMEs; and through the consolidation and expansion of networking arrangements. The concept of partnerships between PROCIP and country level institutions was a central feature of the entire programme, e.g. in the development of various tools such as benchmarking, guides, etc. The concept of an interactive process of consultation, utilising the various channels of electronic communication, was also a prominent feature.

The most innovative aspects of PROCIP have been the PNA and the building of partnerships. The PNA would not have been feasible a decade ago, prior to the development of electronic communications. PROCIP used communications technology not just for project administration, but for technical and substantive interaction. PROCIP moved away from the ICPS focus on benchmarking, and was primarily concerned with the production and customisation of the Trade Secrets series of guides. It also tried to strengthen networking arrangements.

PROCIP developed working partnerships with a little over 100 TSIs in over 70 countries. Individual PROCIP partners were only engaged in one or two tools and not over the whole range. More needed to be done in developing these partnerships and enabling countries to reach out to more of the tools developed. The majority of partners were private sector organisations, such as Chambers of Commerce and Product Associations.

Although funding of USD 3.15 million was originally envisaged, less than half that materialised. Nevertheless, the achievements were impressive, and it was judged to be cost-effective. Managerial overheads were kept to a minimum and the intelligent use of electronic technology reduced transactions costs. It received intensive support from the Business Advisory Division and also relied on a group of outside consultants. There was extensive in-house co-operation in developing PROCIP tools. PROCIP was also engaged with other ITC projects and programmes, which allowed it to reach out to countries which otherwise might not have been reached. For example, JITAP was instrumental in developing at least two of the PROCIP tools in eight countries in Africa. There was also some collaboration with other international organisations, especially with International Organisation for Standardisation, ISO, World Intellectual Property Organization and United Nations Industrial Development Organization.

In terms of impacts, the following were noted:

- TSIs in many countries were enabled to build their technical capacities, and were offered new insights into ways in which they can organise activities to benefit their membership. They were introduced to the culture of benchmarking, and made more alert to the potential for networking.



- A new and cost effective partnership model for capacity building between ITC, and TSIs and SMEs has been developed.
- Vertical and horizontal networks of collaboration have developed, although more needs to be done to consolidate them. In many countries, informal local networks have emerged to address issues linked to PROCIP tools.
- PROCIP has enabled ITC to search out a non-traditional clientele of TSIs.
- A new model of technical co-operation has been shaped, using electronic technology.

However, some issues were raised by the evaluator. It was the more technically advanced countries that largely benefited from the programme. The PNA, which includes extensive resource sharing, appears to be largely relevant to the more advanced countries. A major problem also seemed to be the inadequate dissemination of products and tools, with many countries missing out on the tools developed. Dissemination and building partnerships for that purpose requires substantial resources, especially in staff time, to be regularly in touch with national partners. There was also a failure to build synergies between the different tools developed, and to promote the complementarities between them (e.g. between the E-Commerce Guide and Fitness Checker). Contacts were also largely with TSIs in the capital cities and with the more technically advanced SMEs, while activities did not trickle down sufficiently to the regions and provinces.

It was also pointed out that the programme document, in terms of its objectives, success indicators and outputs, was far too general to be assessed in any measurable way. Success indicators lacked any precision. The evaluator however concluded that the results of technical co-operation, particularly through innovative methodologies such as PNA, are qualitative in nature and cannot necessarily be quantified.

Other points raised by the evaluator included the following:

- The PNA involves extensive interaction with the partners in product development and adaptation. This is unusual in TC arrangements. It also expects a considerable amount of cost sharing by the local partner, although this is difficult to achieve.
- There has been extensive vertical networking between ITC and local partners (video conferencing etc.), but these will not survive ITC's disengagement from the process.
- The other important dimension is that of horizontal networks, which brings together the local partners in various groups. In an ideal world, this is the type of networking that would be the out come of PROCIP and which can be sustainable in the long run, without ITC's intermediation. There were some instances of this, e.g. in Central America, in the Central Asian Republics, and in the former Yugoslavia.
- PNA is a highly labour intensive exercise, and demands of ITC a continuing engagement with partner agencies. PROCIP has not always been able to deliver the necessary level of staff resources.

## ***Findings and Recommendations***

### *Key Findings*

- PROCIP has been an important mechanism for capacity building in TSI's and through which ITC has reached out to over 100 TSIs.
- The product network approach has been an important innovation in technical co-operation and is probably unique within the UN system. It has certainly pioneered cost effective systems of Trade Related Technical Assistance (TRTA) and has utilised electronic communications to optimal effect.
- The PNA has been most productive in reaching out to the more advanced and technically sophisticated developing countries, and they have benefited most from PROCIP.
- LDCs have lagged behind in exploiting PROCIP – largely due to institutional and personnel shortcomings of TSIs, and to difficulties in accessing PROCIP websites.
- Vertical networking arrangements, between ITC and country partners, have been satisfactory, with continuing contact maintained. There is a select group of countries which has been actively engaged in PROCIP processes.
- PROCIP has stimulated a modest degree of horizontal networking across countries, particularly in the automotive components sector.

## **Evaluation of ITC Programme 'Strategic and Operational Market Research' (January 2004)**

### ***Background***

The Strategic and Operational Research Programme is the programme focus of the Market Analysis Section (MAS) of the Division of Product and Market Development. This evaluation was initiated as part of ITC's regular programme cycle.

### ***Market Analysis Section***

The MAS was established in 1999, by combining a number of pre-existing Trade and Market Research functions. MAS have grown from an initial establishment of 25 people to 38 at the end of 2003. This represents around 16% of total staff of 240. Some two thirds of MAS staff are contracted employees where continuation of contract depends on donor contributions and sales of trade information services. Total budget for 2003 was USD 2.4 million.

The core services provided by MAS include database analytic support tools, capacity building services, client studies, market news services, inquiry/reply service and market briefs. These services have been integrated into web based systems.

In addition to traditional ITC clients in TSIs, an expanding client base is being reached, including other international agencies and academic and government policy analysts.

MAS produces the following four databases:

- Country Map. Country Map utilises COMTRADE (UN Commodity Trade Statistics Database) data to derive indicators of competitiveness, reveal comparative advantage, product champions, and export performance. Some 184 countries are now covered. Access to Country Map is free of charge.
- Trade Map. Trade Map is an online database on global trade flows and market access barriers. It covers over 5,000 products and 200 countries. It is sold on a country basis, and the price varies depending on level of use and stage of development of the country. The number of partners has grown from 1 in 2000 to 37 in 2003.
- Market Access Map. Market Access Map builds on UNCTAD's Tariff Analysis and Information System database, and provides country-specific market access information. At present 165 countries are covered. Country specific versions are sold on CD ROM for USD 5,000 with total sales of around 70.
- Product Map. Product Map integrates a range of traditional ITC products (e.g. Market News Service and Market Briefs) and makes them accessible on a website. It is sold by subscription – revenue from sales in 2003 was USD 6,500

Other MAS activities are: Inquiry/Reply Service; Single Client Studies (about six per year); Capacity Building.

### ***Relevance of Programmes Objectives***

The evolution of MAS has occurred in a context of emerging capacity to make large quantities of information available to users through web based systems. Other agencies have also cooperated in allowing ITC take the lead in providing user interface to their basic data. Donors have also been generally supportive.

The four databases contain a number of overlapping components and have a similar community of users. All, except the Market Access Map, rest on COMTRADE raw data. All are web based and users overlap so that e.g. Product Map is often included in a Trade Map partnership agreement. The existence of four different products at this point in the evolution of MAS is largely an outcome of the allocation of work responsibilities and funding considerations over the years. Consideration is being given to mesh the four products into one so that users can enter at one point and find their way to the information and analytical tools they need.

Identifying agents to work through to achieve corporate goals is a continuing dilemma for ITC. Traditionally ITC worked through multiplier organisations in particular TPOs, and later TSIs. Increasingly however, web based systems have the potential to make ITC less dependent on such multiplier organisations. Three of the products – Country Map, TradeMap, and Market Access Map – are designed to support priority-setting by trade strategists and managers of TSIs. Product Map is an operational research component designed to provide business intelligence support to business managers. These products relate to all 5 of the ITC corporate goals as outlined in the 2002 Corporate Plan, but particularly, in the evaluators view, to goal 1, assisting enterprises in developing and transition economies enter the world trading system.

### ***Quality of Outputs***

The quality of MAS outputs was assessed based on such factors as *willingness to pay* and *opinions of users*. Trade Map generates most revenue, whereas Country Map is provided free of charge, and therefore has no market indicators (other than website visits). Product Map generates relatively small subscription revenue, possibly reflecting the fact that it is not difficult to access free of charge (e.g. if included as part of a Trade Map agreement). Market Briefs do not appear to be strongly supported by direct purchases, but Client Studies are.

Capacity to generate revenue was seen by the evaluator as only a limited indicator of quality. ITC clients are not commercial clients, and these are long standing products traditionally available free of charge.

The MAS service range drew high praise from peers in the World Bank, International Monetary Fund (IMF), WTO, and UNCTAD, e.g. in supporting country missions.

ITC's Market Access map and UNCTAD's Tariff Analysis and Information System have become cooperative efforts, strongly supported by the WTO Secretariat. The WTO has proposed (in 2003) that the three agencies create a common market/access/trade database, which would be hosted and managed by ITC. TradeMap's partners in applications are mainly TSIs. Likewise Product Map and the other traditional ITC products involve collaboration with TSI partners.

The acceptance and use of MAS products by these agencies is seen by the reviewer as highly relevant to the achievement of ITC goals, particularly goal #1 'facilitating the integration of developing and transition economies into the international trading system'. Taken together, MAS products are exercises in transparency, and the reviewer sees increased transparency as a fundamental requirement for such integration.

MAS capacity building appears to be 'flourishing', with TradeMap serving as a good entry point to partners in 37 countries.

#### *Effectiveness, outcomes, impact and sustainability*

Effectiveness: The reviewer concludes that MAS is highly effective based on its conversion of inputs (8 permanent plus 30 contract staff) into outputs (4 data bases and consultancy services).

Outcomes: Outcomes are simply listed (TradeMap partnerships, recognition of MAS achievement by WTO and UNCTAD, etc), with no further comment.

Impacts: The reviewer cites the difficulty of assessing impacts 'in terms of ITC goals', because these goals are broad and subject to many other forces. However, impacts are still seen as positive, based on the following evidence;

- The password enabled distribution of TradeMap in certain countries;
- The contribution of Market Access Maps to enhancing transparency regarding international trade rules;

- The multiplier role of key users such as Ministries of Finance and Trade.

Sustainability: Sustainability is inferred from considerations such as existing gaps in the provision of such databases, and the flexibility of ITC management.

Sustainability is threatened by:

- Competition from other providers: MAS services are based on COMTRADE data – but it is becoming more widely accessible, and the cooperator/competitor boundaries between MAS and COMTRADE are open to redrawing. Also, there is private sector competition in the form of Global Trade Information Services in the United States, which can provide more detailed and more current data through its World Trade Atlas. The capacity of the WTO to make available data on market access has also been expanded. There are a number of competing international trade databases that could offer alternatives to MAS.
- The continued scope to charge fees for these services, including the question as to whether these should be public goods freely available. The UN and COMTRADE appear to be entertaining the view that trade data is a public good – if so, this could have implications for their views about MAS selling on the data.
- Management challenges, e.g. career structure, dependence on a few key people, and the contingencies of operating in the UN system.

A key determinant of sustainability and impact (with respect to ITC goals) is seen as the choice of partnership agency, with the need identified to go beyond traditional clients in TSIs to include international agencies and central government ministries.

### ***Recommendations***

- Make TradeMap data more current and more disaggregated;
- Continue integration of MAS so users can access them through Product Map;
- Choose TradeMap partners with care and enforce distribution obligations;
- Proceed with consolidating all databases into one;
- Reformed approach to client studies.

## **Evaluation of the International Purchasing and Supply Management (June 2002)**

### ***Background***

The primary role of the International Purchasing and Supply Management (IPSM) Section, which falls within the Division of Trade Support Services, is to assist SMEs and related sectors in developing countries in the management of their import and international purchasing functions. The effective management of the import function is rightly seen as an essential component in a business or sector's overall trade competitiveness. The specific objectives for IPSM, as set out in the Medium Term Plan for 1999-2001, were:

- Development of Generic Products: Compendium of Public Procurement Systems, Diagnostic Tools, Modular Learning System, Handbook for IPSM Consultants, IPSM Bulletin, and IPSM Information Tool Kit;
- SMEs –Oriented Assistance at National Level: National IPSM training programmes, consultancy support for SMEs and improved training capacities for SMEs;
- Assistance in Public Procurement at the National Level: using the relevant generic products;
- Institutional Support to Purchasing Associations: supporting the establishment of national associations, promote networking among associations.

### ***Findings***

Within the review period, the IPSM implemented 41 projects, covering 46 countries, with a total budget of USD 13.2 million. This was against a backdrop of steadily reducing overall Technical Co-operation expenditures by ITC in that period. IPSM's share of ITC's Technical Cooperation expenditures averaged between 9-10% during that period. Activities included the establishment and assistance to procurement associations in developing countries. Over the period IPSM activities became increasingly regionally focused, due to a combination of limited human resources and the use of generic products for training (e.g. Modular Learning Service), which can be used effectively on a regional basis.

In general, the evaluators concluded that IPSM's programmes had followed the evolving needs of developing countries. This included an emphasis on developing purchasing associations to promote the multiplier effect of training and capacity building, and the rationalisation of public procurement practices. The projects that were analysed all seemed to be relevant and designed to meet the needs of the beneficiary, with meaningful involvement of the local partners. However, the evaluator had some reservations with regard to the some of the following points;

- Delay in mobilising project finance;
- Delay in implementing projects (often related to lack of capacity of local partners);
- Poor management of the project at local level;
- Project components not being fully integrated at the design stage;
- Lack of clarity regarding the institutional arrangements that will monitor the certification process at the completion of training.
- No effective monitoring and reporting system whereby key performance indicators could be identified at project commencement and evaluated at completion.

IPSM's sectors of technical co-operation services (Support of SMEs, Public Procurement, and Institutional Support for professional organisations) appeared to be completely in line with the needs of developing countries.

In terms of learning tools, there had been an evolution from the numerous guides and handbooks to an integrated modular system. The Modular Learning Service in particular, which is considered to be the section's key product for the future, required a major investment in both time and cost, and will probably replace some other learning supports

(e.g. guides). All products are of a consistently good quality, although those that are frequently used are not updated regularly, and they are not always well known in the countries where they could be most useful.

In terms of IPSM's management and its relationship within the ITC the evaluator had some critical findings. They cited a lack of team spirit within IPSM and a high level of staff turnover, as well as inadequate management information systems. These shortcomings were acknowledged by management with corrective action pledged to be taken. There were also few projects involving IPSM with other divisions/sections of ITC, and where there were, there appeared to be no clear agreement on implementation. The co-ordination and co-operation between IPSM and other ITC sections was seen as lacking. Except for those who had the opportunity to work with IPSM, most other sections within ITC were unaware of its activities, in particular its involvement at the level of SME development. It was also felt that IPSM management did not dedicate sufficient time to engaging with other institutions to identify project opportunities of mutual involvement.

### ***Key Recommendations***

#### *Within ITC:*

- ITC should adopt new and innovative approaches to mobilise resources. It should consider other sources of project financing including sponsorship, notably for small projects.
- ITC should identify global marketing actions which highlight the specific activities of ITC.
- There should be more movement of personnel between the different sections of ITC to promote understanding and to reinforce mutual co-operation.
- ITC should develop additional projects involving the co-operation of two or more sections.

#### *At IPSM level:*

- ITC's competitive advantage through IPSM should be strategically developed before other institutions start to erode this position. IPSM should develop specific strategies to maximise co-operation with other agencies on integrated regional projects.
- In terms of funding, IPSM should actively involve beneficiary countries in mobilising project finances, and consider corporate sponsorship as a means of financing small projects.
- In terms of project design, projects should be sufficiently analysed and assessed prior to implementation to ensure successful outcomes, and project design should encourage networking of local associations.
- Training materials should be modified to accommodate the different levels of development in beneficiary countries, and training materials need to be translated into more languages.
- A concentrated effort on team building within IPSM and marketing of its services, both within IPSM and externally, is required.

## 1.2 Evaluation of Country Level Projects

### Capacity Building in Vietnam's Export Development (May 2002)

#### *Background*

The project for Preparatory Assistance (PA) to Vietnam in trade development was launched in Dec 2000 following agreements between the Government of Vietnam and the donors (Switzerland, SECO, and United Nations Development Programme, UNDP), with ITC and Vietnam Trade Promotion Agency (Vietrade) as the implementation agencies. The project had an external funding budget of USD 0.7 million of which USD 0.6 million was funded by Switzerland. Implementation began in Jan 2001 and ended in mid August 2002.

The project objectives were:

- Creation of awareness in government, TSIs and business enterprises of the concepts and issues of trade promotion in a market economy
- Further needs assessments of government, TSIs and business enterprises
- Further assessment of capacity of core institutions to implement a full-scale project
- Capacity development of Vietrade to undertake national execution of the full scale project

The preparatory assistance project was aimed as a prelude to a full-scale technical assistance project subject to the achievement of the following six outputs (indicators of success) in the preparatory exercise:

- A blueprint for an effective trade promotion network
- Broad export potential survey, with export marketing plans for seafood and footwear
- Assessment of the overseas trade representation network in Vietnam embassies and its linkages to the network in Vietnam
- Assessment of training and capacity development needs and an initial Human Resource Development (HRD) plan
- Training events for capacity building in trade promotion
- Project document for potential full-scale project

Subject to the attainment of these outputs, a full-scale technical assistance project was envisaged for a three-year period with a funding of USD 1.5-2 million.

The PA had a quarterly reporting and review system, and also had a 16 member Project Consultative Committee composed by different stakeholders. Regular progress reporting enabled the project to have high visibility despite its short duration.



**Results**

Overall the evaluation reports that the PA had been effective in implementing activities and producing agreed outputs in respect to four of the six indicators, and 10 among 14 sub criteria had been achieved. The completed outputs were:

- A trade network blueprint endorsed by the Min of Trade
- Identified high export potential products and services
- Comprehensive export marketing plans for seafood and footwear
- Recommendations for further technical assistance in seafood and footwear under a full-scale project
- Training of over 100 persons in initial activities

The incomplete areas were:

- Recommendations for follow up of the blueprint
- Selection of export potential products to be included in a full-scale project
- Blueprint for a more effective overseas trade network and strengthening it in a full-scale project
- Greater detail in training needs at various levels of government, TSIs and enterprises
- Project document

The evaluation concluded that:

- The PA has produced most of the expected results at the government level and contributed to a better understanding of the concepts of trade development in a market economy and developed a common language among stakeholders, especially at Vietrade.
- The PA was oriented towards the TSIs and has created a positive interest in receiving training and capacity development, among participants. However, a poor system of collecting feedback at the activity level precluded the assessment of results at the enterprise level, though more than 500 persons underwent training in the PA activities, half from the private sector.
- Government departments had not completed several follow up actions recommended in course of the PA. Some recommendations addressed far reaching organizational changes and could take considerable time
- Some outputs for the PA were also considered premature at the stage of the evaluation, and therefore could not be decisively termed as incomplete.

The evaluation was also required to issue recommendations and conclusions as to the following:

Opportunity and desirability of a full-scale project. The evaluation also looked at the existence of a conducive policy environment for trade promotion, the explicit demand for the project by government and export community, and the fit with overall donor support/overlaps with other projects, while making recommendations for a full scale Technical Assistance project.

Its observations were:

- Vietnam had a highly conducive policy environment for exports, but some levels (TSIs) needed strengthening, which could be addressed by the full scale project
- Overall, there has been a positive response and interest among various stakeholders, and expectations existed from a full-scale project.
- There was limited support for TSIs from other donor projects, even though it was identified that there was a need for greater effort below the level of the Ministry of Trade.
- There was good donor coordination in Vietnam.

Based on these additional criteria and the satisfactory outputs from the PA, the evaluation recommended a full-scale project as justified.

Assessment of Network and Trade Support Institutions. An institutional analysis of key institutions that were to be involved in the full-scale project was made using an ITC tool, the TSI Index.

Vietnam has an array of TSIs under five categories:

- Government ministries
- Government national trade support institutions
- Local government funded TSIs
- Non government TSIs
- Product associations

However the national trade network was still embryonic and required proper multi-layers Trade Support Network. The full-scale project's principal role would be to strengthen this network to make it function effectively as a well-coordinated network.

The evaluation also made recommendations on some specific issues in project preparation for the full-scale project:

- Selection criteria for products for export development
- Selection of functions- functional support services
- Selection of institutions
- Human resource development
- Bridge financing
- Participatory process among stakeholders

**ITC Country Programme Evaluation: Sri Lanka (Sept 1999- March 2000)****Background**

This was an evaluation of ITC's activities in Sri Lanka spanning over 30 years, from the 1970s until 1999, when the evaluation took place. The purpose was to make an assessment of ITC impact in the country, with respect to relevance, effectiveness and sustainability. Specifically, the evaluation was to review ITC impact on Sri Lanka's policy and strategy framework for trade, contributions to capacity building in trade promotion, and influence on trade support institutions and enterprises.

The evaluation involved several stages, beginning with interviews of ITC staff, followed by desk reviews and study of project documents relating to Sri Lanka, and finally field visits to interview beneficiaries.

The evaluation assessed the following activities:

- Four national projects between 1971 and 1997, implemented with a donor contribution of USD 6.4 million, almost equally funded by Sweden and UNDP.
- Seven regional and inter regional projects between 1978 and 1998, in which Sri Lanka was a participating country, with a funding of USD 1.3 million.
- One recent global project- Follow up to the Uruguay Round, carried out 1995-1999 in which there were activities in Sri Lanka, among 70 countries, and a total budget of USD 3.5 million. More global projects were not considered due to the difficulty of tracing impact of these widespread activities.
- General services provided by ITC to Sri Lankan organisations and enterprises, including Market News Service, publications such as Forum, website, market briefs and trade enquiry services, bulletins and reports in ITC functional services- export finance, quality control, etc.

The evaluation did not attempt to assess ITC's impact on import operations, as Sri Lanka had not participated in any such project.

The evaluation divided the thirty-year period into three phases:

- 1970-1983, in which Sri Lanka was experiencing a transition from a socialist import-substitution regime to a market-determined export-oriented one. This phase saw the establishment of a national institutional structure for export development and efforts in export diversification from traditional commodities- tea, rubber and coconut. ITC assistance focused on developing capacities in the government organisations. This phase also saw the development of a unique relationship with ITC under the influence of Mr. Victor Santiapillai, Executive Director at ITC (Sri Lankan origin) who later resigned to become Chairman of the Export Development Board in Sri Lanka.
- 1984-1997, in which ITC pursued a different, enterprise-oriented strategy, following a disappointment within ITC over the institution-building approach worldwide. Sri Lanka also experienced tough internal political situations including ethnic riots and insurgency. Sri Lanka's exports had also diversified away from traditional commodities, led by apparel.

- 1997-1999, during which there was no direct ITC activity in the form of new projects, the existing national projects were in the tail end, and ITC provided general services- bulletins, publications and seminars. However, during this period, several bilateral donors (United States Agency for International Development, Swedish International Development Cooperation Agency (Sida), Deutsche Gesellschaft für Technische Zusammenarbeit GmbH) were involved in major export development efforts in Sri Lanka. Sri Lanka was posting good economic growth, liberalising its market and was building a reputation as a foreign investment friendly country (though the ethnic conflict detracted investment flows).

Accordingly, the evaluation sought to answer four principal questions:

- What was the impact and importance of ITC in the institution building and HRD during 1970-1983?
- How effective was the hands-on enterprise approach during 1984-1997?
- What is ITC current impact in form of general services and global projects, given the overall decline in the budget?
- How can ITC play a strategic role in Sri Lanka's current export development, given financial resources?

### ***ITC activities during 1970 - 1983***

ITC activities began with a three-year TA Sida funded project in 1972-1974, to support the government in carrying out an export development policy to address balance of payment deficits, and to increase employment opportunities. The project included TA in export services- market studies, functional services (packaging, export finance, trade fairs, trade information, etc.) and focused on traditional products (tea, rubber, coconut) and non-traditional products (handicraft, ceramics, textiles, gems). An Export Promotion Secretariat was created within the Prime Minister's office to implement the project.

A second phase of the ITC project was undertaken in 1974, following a conclusion that while export development is a long-term process and results cannot be guaranteed immediately, the project had contributed to strengthening export promotion institutions, and had achieved product diversification.

During this period, Sri Lanka was gradually shifting to a more open market economy with export as an engine of growth. In 1997, the new government (liberal-conservative) pursued economic reforms- privatisation, removal of price controls, reduction of Quantitative Restrictions in trade, and promotion of Foreign Direct Investment, export incentives and special economic zones. A multi-ministerial Export Development Council (chaired by the President) was formed to take charge of national export policies and programmes, and the Export Promotion Secretariat also graduated from being a section in the Prime Minister's office to a full-fledged Export Development Board (EDB). An Exporters Forum was set up through which business regularly met with officials to address growth constraints, and the Central Bank established an Export Cell to deal with export financing.

A third phase of ITC project was approved for 1977-1999, with a more specific objective of expanding and diversifying the export base, focussing on tea, textiles and jewellery, and strengthening functional services for exports. Also, the project supported the institutional overhaul of the national export structure through exposure missions to model export processing zones in East Asia and Ireland. ITC project assisted in setting up the Export Credit Insurance Corp, the Greater Colombo Economic Commission.

Evaluation of the third phase concluded that the phase had been instrumental in the government's institutional change process besides direct increases in exports in several sub-sectors, such as tea and garments.

A fourth phase of the Sida/ITC project was approved for 1979-1983. ITC's Executive Director resigned and took over as the first Chairman and Chief Executive Officer of the EDB, which was to be responsible for project execution. This was also to be in close co-operation with a USD 0.9 million UNDP project relating to trade development, with significant activity overlap and with EDB as the implementing partner.

In all, entire project, through four phases, had a budget of USD 3.1 million, and has been one of the largest country projects of ITC worldwide.

### ***ITC impact***

Terminal evaluations of the project reiterated the earlier conclusions on impact: that the project had contributed significantly to institution building, export diversification through value-added exports in commodities, development of new export products such as apparel and gems, and facilitating trade-linked foreign investment policy.

Several factors were identified to make ITC an effective agent of change in Sri Lanka:

- The role and influence of ITC's Executive Director on the government of Sri Lanka
- Conducive environment for change following the defeat of the socialist party
- ITC's unique positioning as a development agency in export development
- Sustained donor support from Sida and UNDP giving ITC the opportunity to provide a considerable range of services, and attaining critical mass level.

However, under the overall success, the intervention of ITC in the jewellery sector attracted criticism- ITC did not have sufficient in-house experience in the sector, and could not influence policy changes – Foreign Direct Investment remained lack lustre due to restrictions on gold import and weak intellectual property rights, which were important to investors.

### ***ITC activities 1984 - 1997***

No Sida financing was made in this second stage, and ITC activities were funded by UNDP.

*1985-1987*

UNDP support began with the project on 'Export Development of Non-traditional Products' undertaken 1985-1987 with a USD 0.5 million budget. The main objectives were to strengthen foreign currency reserves, and reduce export dependence on price-volatile products by adding new export products. The project focused on horticulture, floriculture, marine products and garments, all considered employment creating.

Under an enterprise-oriented approach, the project provided full range of upstream (design, product up grading) and downstream (marketing and promotion) services to selected enterprises in each sector to enable them become sustainable and successful exporters and become role models. Direct increase in exports was to be used as a measure of success.

*1987-1992*

This phase, having the same objectives as the first phase, deepened the enterprise approach with a contribution of USD 1.2 million. However, it specified targets for expansion in exports in constant dollar terms (from 20% to 100%)-- trade volume excluding marine products over the pre-project levels. Some product groups were altered and marine products were dropped. Institutional support was continued to the EDB and other TSIs.

Evaluation of the second phase in 1992 concluded the project to be a success, overall. ITC had handled the project well and had used good consultants, and export targets had been surpassed in horticulture and garments, but were below target for floriculture, herbal teas, and aquarium fish. Employment in these sectors had risen from 100,000 to 400,000 but mostly in garments.

The evaluation praised the enterprise approach, but observed that the institutional objectives had not been achieved. It criticised the EDB for not being sufficiently focused on its core activities and taking up financing of ventures, for not inducting high calibre people and for slow decision making that did not allow the project to be implemented as fully as aimed.

*1993-1997*

UNDP funded a USD 0.8 million project titled 'Export development for the decade of exports' focusing on the same earlier objectives and targeting a 10% growth in non-traditional exports.

The project also emphasised awareness among business community on profitability of exports, and took up eight new sectors- fruits and vegetables, garments, rubber goods, sports footwear, ceramics, essential oils, spices, technical consultancy services and hand-looms. While the enterprise approach continued, no support was earmarked for EDB until it was restructured.

***Regional projects***

Sri Lanka was a partnering country in the following regional projects:

*Enterprise level export product and marketing in Asia (1988-1991)*

This was a USD 1.5 million UNDP project in 6 countries, involving training of 24 SMEs in furniture, leather goods and printing. While participants benefited from incremental exports and better capacities to deal with exports, the multiplier effects were not convincing and had marginal impact. While endorsing the enterprise-focused approach, several improvements were suggested: more focus on dissemination, strategic selection of products and sectors with outsourcing trends in developed countries, and targeting TSIs and industry associations instead of enterprises.

*Development of export-oriented joint ventures in Asia (1987-1990)*

This was a USD 1.5 million UNDP project in five countries. The project would act as an information broker to assist in creation of joint ventures for exports. 45 ventures were targeted but only 15 materialised. The selection of Sri Lanka, given its political unrest was questioned by the consultant and claimed as a key reason for poor results.

*Technical consultancy and engineering contracting services (1989)*

Preparatory assistance did not materialise into a project for lack of funding.

*Export development for enterprises exporting rubber products (1986-1996)*

The intervention was an inter-regional project, USD 1.1 million, funded by Canada and Netherlands to assist enterprises in three countries to enhance exports and export capability. Two Sri Lankan companies participated, of which one was already a world leader. The company criticised ITC assistance as being too costly, and adding little to the company knowledge. The second company recorded huge export growth, but did not ascribe it to ITC actions, except for direct market entry assistance in France. The spread effect was negligible, and the benefits hardly justified the inputs. The project was considered a learning experience for ITC in the enterprise-oriented approach.

*SME development in Asia Pacific (1993-1998)*

This was a UNDP regional project, USD 1.4 million for developing exports capacities of a rapidly expanding base of SMEs in seven countries. 500 enterprises were selected, of which 30 were Sri Lankan. The project was based on a model of linking SMEs to enterprises in developed countries, and also to strengthen backward linkages with rural communities. Two Sri Lankan case studies-coconut and cashew resulted from the project, and the view was that inputs for a joint venture did not exist in Sri Lanka. Funding did not follow due to resistance from EDB and apprehensions that the project would disclose trade secrets of Sri Lankan enterprises to other competitors.

*Product Market development of high value added coir products (1994)*

An inter regional project, USD 0.3 million funded by the Common Fund for Commodities, aimed at a dozen countries, focus India and Sri Lanka, parallel to a Food and Agricultural Organization project in the same sector. ITC studied market potential in Japan, USA and Europe, and provided product development and export assistance. Four Sri Lankan companies were beneficiaries. Participants found market information useful but product assistance unsatisfactory due to skills of consultants. Limited impact on coir exports was expected.

The deterioration in the economy, principally due to ethnic conflicts was noted as a significant factor in Sri Lanka that thwarted project initiatives. The effectiveness of export institutions reduced gradually, and more attention has been given to investment promotion in Sri Lanka in recent years.

EDB had lost its initial reputation as a competent organisation and was sinking with over bureaucratisation.

Overall, ITC impact in this period was the continuing institutional development and the firm establishment of a national framework for export development, besides promoting export awareness at the enterprise level.

ITC was using Sri Lanka as a regional base for projects, and several local people from the EDB were used as project staff in other countries.

Product selection for export development seems to have followed a fragmented, ad hoc approach and product-oriented activities were rather a trial and error process. Lessons learnt and new opportunities identified were not incorporated fully in subsequent projects.

Export diversification was most successful in garments, largely due to assured quota markets in the 1980s. No other product groups enjoyed sustained export growth.

Overall, ITC inputs have been considered to be of high quality, and ITC has good capacity to deliver professional services. However, ITC, while being efficient in supply of inputs, has not been very effective in strategizing export products, and there were many failed efforts, large inputs in marginal sectors with no lessons learnt. In an enterprise approach, ITC became too involved directly with enterprises.

### ***ITC activities after 1997***

#### *Uruguay Round Follow up*

A Business guide and four national workshops were held in Sri Lanka. Significantly, none addressed textiles and clothing, the principal export. The seminars were considered useful and well conducted.

#### *World Trade net*

Sri Lanka is part of the Net, but limited use and knowledge are reported.

#### *Market News Service*

There are only 3 subscribers in Sri Lanka, mainly EDB, which uses it in its paid bulletin Expo News, with 260 paid subscribers.

#### *Enquiry Service*

Not marketed but 2000 enquiries per annum worldwide, less than 40 from Sri Lanka.



*Functional Services*

Export Quality Management bulletin to 13 organisations.

**Overall conclusions**

An increasingly marginal role of ITC is observed in Sri Lanka. It is considered that high initial impacts were marginalised by a micro-approach.

*ITC success in fulfilling development objectives can be summarised as follows:*

- Effective trade infrastructure: high contribution
- Awareness in business community of exports: high
- Assisting enterprises: good contribution with limited resources
- Diversification: some good successes, some failures and wasted resources in dying industries
- Enhancing export growth: large resources to marginal exporters- low effectiveness
- Enhancing employment: focus on labour-intensive exports
- Balance of Payments: indeterminate

*Lessons learnt:*

- ITC is a unique professional body in export development
- An efficient supplier of services
- Poor in strategizing
- Discrepancy between overall objectives and ITC project activities
- Limited financial resources- marginal player
- Regional projects not successful

**Romania – Evaluation of ITC Activities 1990-2000*****Purpose***

- Critical assessment of relevance, efficiency and effectiveness of ITC's technical assistance presence in Romania, and its impact on the institutions concerned, and on the foreign trade environment.
- Draw lessons on general issues such as effects of continuing technical assistance.

***Criteria for Evaluation***

- Assessing the impact of ITC regional/national projects as well as ITC's generic tools.
- Assessing ITC's operations in Romania in relation to ITC's five current core themes/main goals, which are
- Facilitating integration into the multilateral trading system.
- Designing and implementing trade development strategies.
- Reinforcing public and private trade support institutions.

- Improving sectoral export performance.
- Fostering international competitiveness within the business community.

### ***ITC's activities in Romania since 1990***

- Three major national projects of technical assistance completed (two in export development and one in purchasing management) and one new national export development project started.
- Several smaller one-event projects (seminar on WTO, regional training on procurement).
- Financing: The completed national projects have been financed by bilateral funds – two by Switzerland and one by France. Over 90% of total expenditure of USD 1.4 million, came from bilateral donors – Switzerland USD 1 million and France USD 286,000. UNDP has funded the small events and also contributed to two larger projects (USD 128,000). The new national project is also funded by Switzerland (USD 800,000) and by contribution from UNDP.

### ***Impact of ITC's Activities in Romania***

ITC's relative importance:

- ITC's presence in Romania in financial terms is very small (about USD 0.2 million per year) vis-à-vis merchandise exports of USD 8 billion per year.
- ITC's activities are dwarfed by a large number of donor assisted projects and programmes (World Bank, European Union, and bilateral donors such as USA and The Netherlands) in business and trade development.
- At best ITC could have played a catalytic role in parallel to other forces.

### ***Impact on policy formulation***

ITC is the main technical assistance agency working with the government bodies in trade development (most others work with the private sector), and therefore impacts positively on creating a more conducive environment. Therefore, even though this is not ITC's mandate, it is credited with a certain impact on Romania's policy formulation, especially by translating the practical issues in trade (private sector point of view) to the government system.

### ***Impact on strategy formulation***

- No direct influence of ITC's activities on strategy formulation could be identified during the evaluation.
- Romania's participation in the Executive Forum on Export Strategy was ineffective as the participants were not key officials.

*Impact on Institutional Development*

- Romanian Foreign Trade Centre (RFTC) has been the main beneficiary of ITC's assistance, where ITC has played a crucial role in its creation (conceptual framework) as well as functioning. The major outcomes have been setting up of trade information services; training of RFTC staff publications such as the Business Guide and Trade Secrets; and direct enterprise oriented work through RFTC. *ITC provides to a certain degree a quality stamp on RFTC.*
- In the absence of any other external support, ITC's involvement continues to be crucial for RFTC, as on one hand it is yet to establish itself as a credible and accessible service organisation for the business community, and on the other hand it needs to have a positive influence on the government policy on business and trade development.
- Romanian Association of Supply Management (ARA) owes its existence to ITC's activities. ITC provided the impetus by creating a pool of 24 trained trainers in purchase management. Of these, 16 trainers are still active, and ARA has been able to increase its membership and has trained some 400 participants under several courses, including UNCTAD's Train for Trade project in Romania.
- With external support ARA has been able to set up an office with some training facilities. However, the organisation is still sustained through voluntary unpaid work of a few committed individuals. Its long term sustainability will depend upon its ability to keep itself going till it reaches critical mass.
- Romanian Chambers of Commerce: ITC's activities have had a very marginal, if any, impact in capacity building of the Chambers, as there has been no direct engagement except that two of the Chambers (Bucharest and Brasov) were the counterparts of one of the projects and still maintain a linkage with ARA for capacity building.

*Impact at the Enterprise Level*

ITC's work has focused on export development in garments and textiles, and wooden furniture sub-sectors, which are indeed the most important in Romania's export profile. The major inputs are two sector studies undertaken by ITC, providing assessment of the conditions in the industry, and making detailed recommendations for development. However, no direct support has been delivered at the enterprise level, as the project undertook no further activities besides disseminating the reports.

Even the selection of the sub-sectors, though logical, was not based on any analysis by ITC. In retrospect, it is felt that an analysis of Romania's competitive advantages in other high growth industrial sectors, such as software, IT etc. could have been more useful, in helping Romania to diversify into higher value and technology embedded products and services, rather than continuing with low value added products like garments, where Romania faces stiff competition from low income countries such as Vietnam, China and Bangladesh.

***ITC's Effectiveness****Stakeholders' perspective*

- ITC has been engaged in Romania since the initiation of market reforms, and has been able to maintain its presence despite increased reliance on bilateral funding.
- ITC enjoys high goodwill and is highly regarded among stakeholders in Romania as an efficient organisation in delivery of trade related assistance, in spite of starting on a somewhat shaky note with serious problems in the initial projects. *Turning a poor-performing project into a successful cooperation was a remarkable achievement.*
- ITC's strengths, as listed by stakeholders, are:
  - Professionally sound organisation with down to earth approach
  - Committed staff and strong continuity
  - Non-bureaucratic set-up with quick decision-making
  - Flexible approach – accommodative of stakeholders' interests and concerns
  - Business oriented and practical in approach
  - Portfolio of generic services, considered reasonably cost effective, add significant value to ITC's support, over and above the national and regional projects.

*Relationship with donors*

ITC has developed and maintained good working relationship with UNDP, which has been very helpful for fundraising with other agencies; Swiss government, the single largest donor; and other donor agencies in Romania.

*Public sector orientation*

- ITC's export development assistance in Romania has been mostly centred around public sector organisations, which is in a way sub-optimal (as direct engagement with private sector could have been more productive) but also well positioned, given that ITC is the only external agency to have a long term relationship with the government in facilitating public sector reform at a technical level.
- ITC is also credited with a positive contribution in facilitating public and private sector dialogue, through joint seminars etc.

*Romania in the context of ITC's new core objectives/themes*

ITC has been able to effectively re-orient its activities in Romania in line with ITC's new objectives and themes, managing a combination of the traditional ITC activities (reinforcing trade support institutions, building enterprise competitiveness) and those introduced in the recent past (trade strategies, integration into the multilateral trading system).

***Lessons Learnt***

Overall, ITC's activities in Romania in the 1990s have been assessed as quite positive, appreciated by stakeholders and funding partners. While ITC has done well in assisting Romania to integrate into the multilateral trade system and also in building enterprise com-

petitiveness, it has demonstrated unique competence in institution building and human resource development.

The evaluators recommend that ITC's track record in Romania should be leveraged to

- Promote better governance in trade.
- Support rationalisation of trade promotion and trade information.
- Support RFTC in becoming an effective business service institution.
- Strengthen ARA for sustainability.
- Identify and promote future export industries.
- Promote use of ITC's generic services in Romania, while also strongly pursuing the national and regional projects.

Internally, ITC should

- Adopt a two pronged approach – focused national projects for visibility and credibility among institutions; and generic services for greater value addition to local capacity building.
- Pursue active fund raising, combined with sensitivity to donor expectations (value for money, excellence in performance and regular feedback (including informal).
- Build on its strength as a professional organisation, ensure continuity in staff, and reward success to encourage professionalism and professional commitment.
- Implement a uniform computerised reporting system, where all ITC activities in a specific country (national, regional and global projects as well generic services) would be covered, to enable improved coordination and information sharing. While ITC's institutional memory in Romania is excellent, it is primarily due to diligent efforts of one officer who has been involved with the country for the entire period.
- Enhance export strategy competence through linkages with specialized organisations such as the World Bank, WTO and external consultants. ITC lacks an analytical macro approach, and focuses on activities which may have only a marginal impact. However, the new focus on export strategies is a step in the right direction.

### 1.3 Other Evaluations

In addition to internal evaluations of ITC projects, country programmes and horizontal programmes, there have been two important external evaluations of the co-ordinated technical assistance programmes conducted in co-operation with other international organisations. These evaluations of the JITAP and the Integrated Framework (IF) for Trade Related Technical Assistance to the Least Developed Countries are reviewed below. It is important to note that the separate role and contribution of the ITC is not assessed in these evaluations. At the same time it is evident that ITC has a relatively larger role in the management of JITAP than it does in the implementation of the Integrated Framework.

The following summary comments serve only to establish a baseline for analysis in the country studies in this evaluation. Countries involved in the JITAP and the Integrated Framework will be evaluated in this evaluation and the detailed evaluations of the JITAP and IF will be compared with the results of our evaluation.

#### **Evaluation of the Joint Integrated Technical Assistance Program**

##### ***Background***

The Joint Integrated Technical Assistance Program, which was proposed at the meeting of African Trade Ministers in Tunis in October 1994, was a response to these new developments. The JITAP was launched in 1998 as a joint activity of the WTO, UNCTAD and the ITC and the ITC was made the Fund Administrator to manage the Common Trust Fund.

A mid-term evaluation was undertaken for JITAP in August-September 2000. The evaluation confirmed that the programme was building capacity in the partner countries for participating actively in the evolving multilateral trading system. It recommended that the programme be consolidated during the period 2001-2002, and subsequently extended to a new group of countries.

A summarised evaluation was undertaken between February and May 2002 by a team of two international evaluators and a national external evaluator in each participating country. The evaluation also examined the MTS-related capacity in two non-participating countries as benchmarking cases, to assess the progress made towards the objectives of the programme. This evaluation raised some issues about the focus of JITAP activities and suggested some changes in JITAP's orientation.

Among the findings of the JITAP evaluation were:

- “JITAP has made an important contribution in the newly-emerging area of TRTA, in the context of the new MTS. It is viewed as a model for possible replication elsewhere and by others. JITAP is probably the most high-profile technical assistance programme in the world.
- JITAP has been an important instrument in familiarising and developing capacities on MTS issues in the eight countries in which it has been implemented. It has made a dif-

ference in these countries, when compared with the experience of those countries which have not participated in JITAP.

- JITAP has enabled MTS issues to be discussed not only within government, but also with the private sector and civil society. Many outreach programmes stimulated by JITAP, have enabled a broader participation, although more remains to be done.
- JITAP made an important contribution in enabling many of its participating countries to play an articulate role in multilateral trade negotiations, especially in Doha. JITAP can therefore be viewed as an important instrument in building a multilateral trading system.
- The joint and integrated approach to trade issues has raised the credibility and the profile of the three substantive multilateral trade organisations and has also contributed to developing a more holistic and comprehensive view of trade issues in participating countries. The MTS has been made more user-friendly through JITAP. The uniqueness of JITAP is the result of the three agencies working together.
- Building JITAP in the manner of a tripod, addressing three broad issue areas - negotiating capacities, enabling application of agreed rules and creating opportunities for export expansion - contributes to a holistic view at the country level. For optimal achievement, activities need to be implemented symmetrically in all three areas. This has not happened and therefore the holistic approach is adversely affected, to some extent.
- While the cluster approach can be justified as an experiment, it has also contributed to extensive fragmentation and the loss of a holistic perspective at the field level. The challenge is to develop an approach which is more integrated and cohesive.
- An important outcome of JITAP has been the effective blending of national and inter-country (sub-regional) arrangements to implement programme activities. Although not specifically intended, the potential for expanding inter-country and sub-regional scales of activities in TRTA has now been recognised. A future JITAP could build on this experience.
- The linkage between trade and poverty issues was not an explicit feature of JITAP. Many elements of JITAP (inter-institutional committees, export-sector strategies) are conducive to exploring the linkage between trade and poverty. These need to be more intensively explored in a future phase.
- JITAP has successfully contributed to the development of human resource capacities and the cadres of personnel it has trained now constitute an important resource in these countries. This has been one of the key areas in which JITAP has made a significant difference.
- JITAP has stimulated a training culture on MTS issues. In several countries, local institutions have been stimulated to expand their training activities as a result. JITAP can expand its role through appropriate connections with local institutions.”

While the JITAP evaluation cited many positive aspects and achievements of the program, the key findings raised some important issues, as is indicated by the following excerpts from the report:

- “The human resource development strategies and methodologies adopted by JITAP need to be reviewed, so that more effective systems can be put in place...”
- “Creating expanded export opportunities is one of the three “legs” of the JITAP tripod. In low-income countries, the major constraint to export expansion lies in the supply-side. However, JITAP’s focus has been largely on market access and marketing issues. There needs to be greater attention given to supply-side issues. Current methodologies to assist in the development of export-sector strategies require review...”
- “Technical inputs in the form of international and national consultants and resultant technical outcomes have not been assessed and this is largely due to the lack of mechanism for this purpose. Consequently, the improvement of substantive processes and content of programming have lagged behind...”
- “It is difficult to make a judgement on the cost-effectiveness of JITAP operations. Meaningful financial statistics are not always available. It is estimated that about 40% of resources have been allocated to international and national consultants and equipment. Management, overhead and operating costs are spread across many activities and clusters, so that no precise estimate is feasible... Greater attention needs to be paid to the issue of cost-effectiveness.”
- “JITAP has not been implemented as effectively as it should have been, partly due to financial constraints...and partly due to management problems, both in Geneva and at the country level.<sup>1</sup>”

In particular it is worth noting the observations related to financial management issues:

- In JITAP, financial management has been a responsibility shared in varying ways and degrees by the three agencies, the eight national partners (principally through the national focal points), the UNDP offices in all countries and the 13 donor governments. Besides being cumbersome (leading to high transaction costs), this process has made financial transparency difficult. It has made evaluation, in terms of cost-effectiveness, very difficult. In future it is essential that this process be changed.

There are six issues that need to be distinguished:

- *Delays in donor funds* - Donors have made financial management and project implementation difficult by being slow in honouring their pledges. This has made it difficult to adhere to initial timetables and disillusioned stakeholders about JITAP’s contribution. It has also condensed JITAP’s effective implementation period (from four years to closer to two years according to our calculations). The problems are well-illustrated by nearly USD 2 million being left to spend in the project’s last eight months. It was this which led the evaluation team to recommend in March 2002 that the completion date be extended by six months, i.e. to the end of 2002.
- *Disbursements* - There have been delays in disbursements. As mentioned above, one problem is the need for activities to be authorised in Geneva. Even small amounts have to be approved from there. In the recipient countries, the National Steering Committee could have been more involved in resource allocation and overall financial management of JITAP activities. Greater information and transparency could enable

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<sup>1</sup> L. De Silva & Ann Weston (2002), *Report of the Summative Evaluation of the Joint Integrated Technical Assistance Programme (JITAP) [ITC/UNCTAD/WTO]*.



more authority to be delegated to the field, with control being exercised through appropriate reporting systems.

- *Financial transparency* - The difficulties in obtaining information for the evaluation on basic financial data, suggests there is a need for measures to facilitate financial transparency. According to ITC, a new accounting system is being introduced which should make it easier to track spending by cluster, country and agency. This should be extended to include information on national versus international consultants and travel versus time and material costs. Additional changes are required to avoid some of the problems which have been reported in ITC, such as the difficulty in tracking inflows of funding from particular donors. Financial and administrative rules need to be reviewed, to facilitate the work of an innovative programme such as JITAP.
- *Financial planning* - It does not appear that there has been much use of financial planning in the course of JITAP. In other words, there has been no review of expenditures on a frequent basis to determine what has been cost-effective, where there have been problems and how resources might be reallocated. Without access to financial data as outlined above, national JITAP managers (i.e. the national steering committees) are certainly not able to do this type of financial planning.
- *Financing staff time* - One issue raised by the three agencies is that they are not being adequately compensated under JITAP for their services. It would be useful to know how much more funding they need. They each receive a significant amount – both for overall management (through Cluster 1), as overheads and as 'operating costs' for specific activities under other clusters. Exactly how much is spent on agency staff time as opposed to travel and materials and why, is not clear; nor does it appear that there is any system in place for such decisions to be taken in a way that is transparent and accountable to recipient countries as much as to the agencies and donors. The perception in some recipient countries is that more resources should have reached the beneficiary countries.
- *Cost-effectiveness* - This is a major issue in all JITAP operations. Financial information that is available is not appropriately disaggregated to make even tentative judgements. What can be stated is that management, overheads and 'operating' costs, which are spread across all clusters, probably are on the high side. Whenever questions are raised, it is claimed that management also includes technical functions and that management costs cannot be attributed solely to administrative types of activities. Since the Mid Term Evaluation, management costs as a share of total resources expended have probably increased, as there were resource constraints and activities planned could not be implemented. There is one clear example of cost-effectiveness, against which the overall programme can be judged. This is the experience in Kenya, where for half the level of expenditures incurred in other countries, more has been achieved. There has to be greater attention to this aspect of JITAP.

## **Evaluation of the Integrated Framework (2003)**

### ***Background***

The genesis of the Integrated Framework was a decision at the Singapore WTO Ministerial in 1996 to launch a high level meeting at the WTO involving the WTO, UNCTAD and the ITC and various donor and beneficiary countries on the role of LDCs in the trading system. In response to the complexity of LDCs' trade-related problems, and the challenges of implementing the Uruguay Round Agreements the Integrated Framework was inaugurated in October 1997 at the WTO High Level Meeting on Integrated Initiatives for Least-Developed Countries' Trade Development by six multilateral institutions namely, the IMF, ITC, UNCTAD, UNDP, World Bank and the WTO. The concept that was espoused was that these organisations, each with their distinct competence, could complement each other to deliver greater development dividends to LDCs in supporting their participation in the multilateral trading system. The Heads of Agency met in July 2000 to review the IF process and recommended several initiatives to enhance its effectiveness. As a result the IF was "revamped".

The IF has two overall objectives: 1) to "mainstream" (integrated) trade into the national development plans such as the Poverty Reduction Strategy Papers (PRSPs) of least-developed countries; and 2) to assist in the co-ordinated delivery of trade-related technical assistance in response to needs identified by the LDCs. The IF is built on the principles of country ownership and partnership. Other key elements for the revamped IF are:

- Improved governance structure with the establishment of the Integrated Framework Steering Committee and the expanded IF Working Group for better coordination amongst donors, beneficiary LDCs and the agencies;
- The establishment of the IF Trust Fund, which finances mainstreaming work, led by the World Bank but also follow-up activities from the studies; and,
- Improved coordination of the delivery of trade-related technical assistance amongst bilateral and multilateral donors within a coherent policy framework.

The revamped IF was initially implemented on a pilot basis in Cambodia, Madagascar and Mauritania. In light of the lessons learned from the three initial pilots, the pilot scheme is now being extended to the second wave of 11 LDCs. In addition, implementation of follow-up activities to the IF Round Table Meetings held under the "old IF" is on-going (in Bangladesh, Gambia, Haiti, Tanzania, and Uganda). The criteria for assessing the pilot candidates are as follows: (i) demonstration of strong commitment by the government to integrate trade into its national development strategy such as its PRSP; (ii) the preparatory stage of a development plan such as the PRSP; (iii) the preparatory stage of upcoming meetings of the World Bank Consultative Group or UNDP Round Table; and (iv) conducive operational country environment (e.g. level of infrastructure, resource base of the World Bank/IMF and UNDP country offices, donor response, and the pace of domestic reform).

The implementation of the Integrated Framework follows three broad stages.

First, there are preparatory activities -- these would typically include:

- An official request from the country to participate in the IF process;
- A technical review of the request;
- The establishment of the National IF steering committee; and
- To the extent possible, the identification of a Lead donor.

Second, once the request has been approved, the process moves on to its diagnostic phase, resulting in the elaboration of what is called a Diagnostic Trade Integration Study. Finally, follow-up activities start with the translation of diagnostic phase's findings into the elaboration and validation of an action plan, which serves as basis for trade-related technical assistance delivery.

The IF has received support from both the trade and development communities, including at the Third UN Conference on LDCs and the G-8 Summit in 2001. At the Doha Ministerial Conference held in November 2001, WTO Ministers endorsed the IF as a viable model for LDCs' trade development (paragraph 43 of the Doha Ministerial Declaration). On 15 July 2003, the Heads of the six IF agencies and their representatives issued a joint communiqué that underscored the commitment of agencies to the IF model. The joint communication also noted that the support for the IF is also reflected in the form of increased contributions to the IF Trust Fund, which amounted to USD 19.3 million as of 3 July, 2003.

### ***Evaluation of the Integrated Framework (2003)***

The evaluation that was conducted of the Integrated Framework by Capra Associates and TFOC Canada was conducted on the "revamped" Integrated Framework.

*"The Fundamental Evaluation Issues were: (1) The extent to which increased trade can be reasonably expected to contribute to poverty reduction in LDCs; (2) which conditions must exist to ensure that increased trade will benefit the poor; and (3) the IF's achievement of expected results of mainstreaming trade into development, i.e. the issues relating to the Doha Development Agenda."*

*"The Specific Evaluation Issues were: (1) The level of awareness of the IF among stakeholders; (2) the stakeholders' understanding of IF objectives; (3) the stakeholders' expectations from IF; (4) the stakeholders' motivation and level of preparation to cooperate; (5) the implementation of IF in terms of success factors and barriers; (6) the governance of IF in terms of the adequacy of the IF management structure; and (7) learning from IF, in terms of recommendations."*

The Final Summary of the Evaluation of the IF, which was prepared in November 2003, contains a number of recommendations for future implementation which are not included in the longer Final Report prepared for the Cancun WTO ministerial in September 2003.

With respect to the *Fundamental Evaluation Issues*, the Evaluators concluded that the basic IF approach was sound, in that increased trade should increase poverty reduction, but that more needs to be done to identify export products that will contribute to poverty reduction and to encourage the mainstreaming of trade in national development strategies.

The Summary report of the IF evaluation includes grouped recommendations in the following areas:

- Scope of the IF especially with respect to supply-side constraints;
- Country selection and the transparency of the process;
- LDC participation and ownership;
- Consultant selection;
- Management, Monitoring and Evaluation;
- Capacity Development;
- Communication; and
- Governance.

The key findings and recommendations from the IF evaluation included:

- The scope of IF in particular with reference to addressing supply-side constraints;
- More transparent country selection;
- Fostering a greater degree of LDC participation and ownership during all stages of the planning and implementation processes, including strengthening of the role of the IF Focal point;
- Greater use of local consultants and an emphasis on mentoring and coaching in the case of international consultants;
- A commitment to results-based planning, management, monitoring and evaluation, including for the early integrated planning for Diagnostic Trade Information Study, Action Plan Matrices, Donor solicitation and PRSPs or other development planning;
- Competency-based capacity development;
- Enhancement of communication;
- Streamlining of the IF Working Group; and
- Strengthening of the IF Secretariat.

## 1.4 Summary of Findings

Table 1: Overview of the Evaluation Reports

Name of the Evaluation	When it was Carried Out	Total Cost of the Programme Evaluated	Summary of Main Findings/Summary of Management Response
<b>Programme Evaluations</b>			
<b>World Tr@de Net Evaluation</b>	<p>The WTN was launched in July 1999 by the ITC as a successor to the programme “Follow-up to the Uruguay Round”. The programme was to run for three years to June 2002. The formative evaluation, carried out between May and October 2001, was to take stock of the achievements and to provide guidance for the next phase of the programme. Rideau Strategy Consultants Ltd., Ottawa, Canada, carried out the evaluation.</p>	<p>The WTN is one of four programmes in “Window 2” of the ITC Global Trust Fund. Pledges to the Global Trust Fund for the period 1999 to 2002 totalled USD 18.4 million. The amount dedicated to Window 2 was USD 7.7 million, of which USD 2.4 was earmarked for the WTN.</p>	<p>The evaluation asked whether the WTN has achieved its objectives – in particular whether the WTN improved member country capacity, provided good value for money, and was sustainable in the future. The evaluators concluded that:</p> <p><i>“the WTN was based on a strong rationale, and had been implemented well. Its flexible and robust networks involved a wide variety of non-state stakeholders. It had proved an excellent tool to achieve its objectives at low cost”.</i></p> <p>They went on to state that the WTN provides good value in helping the target countries to respond strategically to changes in the world trading system. However, the network concept is not risk free, and it may require significant on-going investment to animate particular country networks.</p> <p>According to the evaluators, the main weakness of the programme was that its resources were not commensurate with its objectives.</p>
<b>South-South Trade Promotion Programme Evaluation</b>	<p>October 2002.</p>	<p>The ITC’s Programme for South-South Trade Promotion was initiated in 1999, but it drew on extensive past related experience. It is located in the DTCC, and has ten staff members (2002). Annual funding (2002) was USD 1,623,272.</p>	<p>The overall conclusion was that ITC’s South South Trade Promotion methodology is unique, effective, and deserving of much larger support from the international community. The assessment was made more difficult however due to the lack of any quantitative or qualitative indicators of achievement.</p> <p><i>Specific findings were:</i></p> <ul style="list-style-type: none"> <li>• The methodology should be more firmly grounded in and more sensitive to relevant research and analysis being done in other parts of the UN system. The programme should also focus more</li> </ul>

Name of the Evaluation	When it was Carried Out	Total Cost of the Programme Evaluated	Summary of Main Findings/Summary of Management Response
<b>CAPNET/BIS Programme Evaluation</b>	A final evaluation of the programme was completed in September 2003.	The Capacity-building and Networking for Business Information Services programme was launched in September 2000 for a three-year period. The budget, initially anticipated to be USD 3 million, was ultimately established at USD 1.5 million. The programme terminated in May 2003. The lead donor was Switzerland, accompanied by France and Sweden.	<p>on linking SMEs in to trans-national corporations active in the region.</p> <ul style="list-style-type: none"> <li>• Not enough is being done to draw in businesses that are not already active in international trade.</li> <li>• The transport and logistical difficulties in the South region that impairs the creation of business communities are highlighted, with recommendations that more be done to motivate the responsible national and international authorities to work toward improving the situation.</li> <li>• The inter-regional aspect of SSTP is seen as a generally weak area, and it is recommended that future Buyer Seller meetings include participants from other regions.</li> </ul> <p>The flow of information, both to the general public, and to partner organisations, is seen as inadequate and in need of improvement.</p> <hr/> <p>In terms of the overall programme evaluation, the following strengths and weaknesses were noted:</p> <p><i>Strengths</i></p> <ul style="list-style-type: none"> <li>• A large number of diversified activities related to capacity building were completed with a view to reinforcing Trade Information Services (guidebooks and software tools, advisory missions, etc.);</li> <li>• A comprehensive ‘intercomplementary’ approach was followed;</li> <li>• Widespread geographical coverage;</li> <li>• Large range of beneficiaries (IPOs, Trade Points, Chambers of Commerce, etc.);</li> <li>• Positive feedback;</li> <li>• Links with other projects/programmes (e.g. JITAP, South South Trade Promotion Programme);</li> <li>• Delivery and cost-effectiveness – despite a 50% reduction in the originally anticipated budget.</li> </ul> <p><i>Weaknesses</i></p>

Name of the Evaluation	When it was Carried Out	Total Cost of the Programme Evaluated	Summary of Main Findings/Summary of Management Response
Programme for Competitiveness Improvement of SMEs	October 2003	<i>Total cost of the programme evaluated was ....</i>	<ul style="list-style-type: none"> <li>• Low identity of beneficiaries with the programme;</li> <li>• Budgetary reductions;</li> <li>• Lack of revision process;</li> <li>• Over diversification leading to fragmented activities with insufficient focus and lack of critical mass, resulting in a weakened impact;</li> <li>• Evaluation constraints – most of the programme activities are difficult to measure/evaluate in terms of quantifiable results or impact (apart from the number of training events or participants per training event);</li> <li>• Lack of clear cut specificity of the programme in terms of the overall activities of the ITC’s TIS, overlapping between the two;</li> <li>• The questionable emphasis on support to Trade Points, in light of the progressive withdrawal of UNCTAD from the Trade Points support programme, inter alia. However, a large number of Trade Points are hosted by TSIs whose trade information services benefited substantially from the programme;</li> <li>• Insufficient capitalisation, and consequently sustainability (e.g. by publishing the findings of seminars);</li> <li>• Follow-up uncertainty.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• PROCIP has been an important mechanism for capacity building in TSI’s and through which ITC has reached out to over 100 TSIs;</li> <li>• The product network approach has been an important innovation in technical co-operation and is probably unique within the UN system. It has certainly pioneered cost effective systems of TRTA and has utilised electronic communications to optimal effect;</li> <li>• The PNA has been most productive in reaching out to the more advanced and technically sophisticated developing countries, and they have benefited most from PROCIP;</li> <li>• LDCs have lagged behind in exploiting PROCIP – largely due to institutional and personnel shortcomings of TSIs, and to difficul-</li> </ul>

Name of the Evaluation	When it was Carried Out	Total Cost of the Programme Evaluated	Summary of Main Findings/Summary of Management Response
<p><b>Evaluation of ITC Programme ‘Strategic and Operational Market Research’</b></p>	<p>January 2004</p>	<p>The Strategic and Operational Research Programme is the programme focus of the Market Analysis Section of the Division of Product and Market Development. This evaluation was initiated as part of ITC’s regular programme cycle. The MAS was established in 1999, by combining a number of pre-existing Trade and Market Research functions. MAS has grown from an initial establishment of 25 people to 38 at the end of 2003. Total budget for 2003 was USD 2.4 million.</p>	<p>ties in accessing PROCIP websites;</p> <ul style="list-style-type: none"> <li>• Vertical networking arrangements, between ITC and country partners, have been satisfactory, with continuing contact maintained. There is a select group of countries which has been actively engaged in PROCIP processes;</li> <li>• PROCIP has stimulated a modest degree of horizontal networking across countries, particularly in the automotive components sector.</li> </ul> <p><i>Relevance of Programmes Objectives</i></p> <p>The four databases contain a number of overlapping components and have a similar community of users. All except the Market Access Map rest on COMTRADE raw data. All are web based and users overlap so that e.g. Product Map is often included in a Trade Map partnership agreement. The existence of four different products at this point in the evolution of MAS is largely an outcome of the allocation of work responsibilities and funding considerations over the years. Consideration is being given to mesh the four products into one so that users can enter at one point and find their way to the information and analytical tools they need.</p> <p>Identifying agents to work through to achieve corporate goals is a continuing dilemma for ITC. Traditionally ITC worked through multiplier organisations in particular TPOs, and later TSIs. Increasingly however, web based systems have the potential to make ITC less dependent on such multiplier organisations. Three of the products – Country Map, TradeMap, and Market Access Map – are designed to support priority-setting by trade strategists and managers of TSIs. Product Map is an operational research component designed to provide business intelligence support to business managers. These products relate to all 5 of the ITC corporate goals as outlined in the 2002 Corporate Plan, but particularly, in the evaluators view, to goal 1, assisting enterprises in developing and transition economies enter the world trading system.</p> <p><i>Effectiveness, outcomes, impact and sustainability</i></p>



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<b>Evaluation of the International Purchasing and Supply Management</b>	June 2002	Within the review period, the IPSM implemented 41 projects, covering 46 countries, with a total budget of USD 13.2 million.	<p><i>Effectiveness:</i> The reviewer concludes that MAS is highly effective based on its conversion of inputs (8 permanent plus 30 contract staff) into outputs (4 data bases and consultancy services).</p> <p><i>Outcomes:</i> Outcomes are simply listed (TradeMap partnerships, recognition of MAS achievement by WTO and UNCTAD, etc), with no further comment.</p> <p><i>Impacts:</i> The reviewer cites the difficulty of assessing impacts ‘in terms of ITC goals’, because these goals are broad and subject to many other forces. However, impacts are still seen as positive, based on the following evidence:</p> <ul style="list-style-type: none"> <li>• The password enabled distribution of TradeMap in certain countries;</li> <li>• The contribution of Market Access Maps to enhancing transparency regarding international trade rules;</li> <li>• The multiplier role of key users such Ministries of Finance and Trade.</li> </ul> <p><i>Sustainability:</i> Sustainability is inferred from considerations such as existing gaps in the provision of such databases, and the flexibility of ITC management.</p> <p>In general, the evaluators concluded that IPSM’s programmes had followed the evolving needs of developing countries. This included an emphasis on developing purchasing associations to promote the multiplier effect of training and capacity building, and the rationalisation of public procurement practices. The projects that were analysed all seemed to be relevant and designed to meet the needs of the beneficiary, with meaningful involvement of the local partners. However, the evaluator had some reservations with regard to the some of the following points:</p> <ul style="list-style-type: none"> <li>• Delay in mobilising project finance;</li> <li>• Delay in implementing projects (often related to lack of capacity of local partners);</li> <li>• Poor management of the project at local level;</li> </ul>

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<ul style="list-style-type: none"> <li>• Project components not being fully integrated at the design stage;</li> <li>• Lack of clarity regarding the institutional arrangements that will monitor the certification process at the completion of training.</li> <li>• No effective monitoring and reporting system whereby key performance indicators could be identified at project commencement and evaluated at completion.</li> </ul> <p>IPSM’s sectors of technical co-operation services (Support of SMEs, Public Procurement, and Institutional Support for professional organisations) appeared to be completely in line with the needs of developing countries.</p> <p>In terms of learning tools, there had been an evolution from the numerous guides and handbooks to an integrated modular system. The Modular Learning Service in particular, which is considered to be the section’s key product for the future, required a major investment in both time and cost, and will probably replace some other learning supports (e.g. guides). All products are of a consistently good quality, although those that are frequently used are not updated regularly, and they are not always well known in the countries where they could be most useful.</p>			
<b>Evaluation of Country Level Projects</b>			
<b>Capacity Building in Vietnam’s Export Development</b>	May 2002	The project for preparatory assistance to Vietnam in trade development was launched following agreement between the government of Vietnam and donors Switzerland (SECO) and UNDP in Dec 2000, with ITC and Vietnam Trade Promotion Agency (Vietrade) as the	Overall the evaluation reports that the PA had been effective in implementing activities and producing agreed outputs in respect to four of the six indicators, and 10 among 14 sub criteria had been achieved. The completed outputs were: <ul style="list-style-type: none"> <li>• A trade network blueprint endorsed by the Min of Trade;</li> <li>• Identified high export potential products and services;</li> <li>• Comprehensive export marketing plans for seafood and footwear;</li> <li>• Recommendations for further technical assistance in seafood and footwear under a full-scale project;</li> <li>• Training of over 100 persons in initial activities.</li> </ul> The incomplete areas were:

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		<p>implementation agencies. The project had an external funding budget of USD 0.7 million of which USD 0.6 million was funded by Switzerland. Implementation began in Jan 2001 and ended in mid August 2002.</p>	<ul style="list-style-type: none"> <li>● Recommendations for follow up of the blueprint;</li> <li>● Selection of export potential products to be included in a full-scale project;</li> <li>● Blueprint for a more effective overseas trade network and strengthening it in a full-scale project;</li> <li>● Greater detail in training needs at various levels of government, TSIs and enterprises;</li> <li>● Project document.</li> </ul>
<p><b>ITC Country Programme Evaluation: Sri Lanka</b></p>	<p>Sept 1999- March 2000</p>	<p>The evaluation assessed the following activities:</p> <ul style="list-style-type: none"> <li>● Four national projects between 1971 and 1997, implemented with a donor contribution of USD 6.4 million, almost equally funded by Sweden and UNDP</li> <li>● Seven regional and inter regional projects between 1978 and 1998, in which Sri Lanka was a participating country, with a funding of USD 1.3 million</li> <li>● One recent global project- Follow up to the Uruguay</li> </ul>	<p>Overall conclusions: An increasingly marginal role of ITC is observed in Sri Lanka. It is considered that high initial impacts were marginalised by a micro-approach.</p> <p><i>ITC success in fulfilling development objectives can be summarised as follows:</i></p> <ul style="list-style-type: none"> <li>● Effective trade infrastructure: high contribution;</li> <li>● Awareness in business community of exports: high;</li> <li>● Assisting enterprises: good contribution with limited resources;</li> <li>● Diversification: some good successes, some failures and wasted resources in dying industries;</li> <li>● Enhancing export growth: large resources to marginal exporters- low effectiveness;</li> <li>● Enhancing employment: focus on labour-intensive exports;</li> <li>● Balance of Payments: indeterminate.</li> </ul> <p><i>Lessons learnt:</i></p> <ul style="list-style-type: none"> <li>● ITC is a unique professional body in export development;</li> <li>● An efficient supplier of services;</li> <li>● Poor in strategizing;</li> <li>● Discrepancy between overall objectives and ITC project activities;</li> <li>● Limited financial resources- marginal player;</li> </ul>

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		<p>Round, carried out 1995-1999 in which there were activities in Sri Lanka, among 70 countries, and a total budget of USD 3.5 million. More global projects were not considered due to the difficulty of tracing impact of these widespread activities.</p> <p>General services provided by ITC to Sri Lankan organisations and enterprises, including Market News Service, publications such as Forum, website, market briefs and trade enquiry services, bulletins and reports in ITC functional services-export finance, quality control, etc.</p>	<ul style="list-style-type: none"> <li>Regional projects not successful.</li> </ul>
<b>Romania – Evaluation of ITC Activities</b>	1990-2000	Financing: The completed national projects have been financed by bilateral funds – two by Switzerland and one by	Overall, ITC's activities in Romania in the 1990s have been assessed as quite positive, appreciated by stakeholders and funding partners. While ITC has done well in assisting Romania to integrate into the multilateral trade system and also in building enterprise competitiveness, it has demonstrated unique competence in institution building and human resource de-

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		<p>France. Over 90% of total expenditure of USD 1.4 million, came from bilateral donors – Switzerland USD 1 million and France USD 286,000. UNDP has funded the small events and also contributed to two larger projects (USD 128,000). The new national project is also funded by Switzerland (USD 800,000) and by contribution from UNDP.</p>	<p>velopment.</p>
<b>Other Evaluations</b>			
<b>Evaluation of the Joint Integrated Technical Assistance Program (JITAP)</b>	<p>August-September 2000. February and May 2002.</p>		<p>A <u>mid-term evaluation</u> was undertaken for JITAP in August-September 2000. The evaluation confirmed that the programme was building capacity in the partner countries for participating actively in the evolving multilateral trading system. It recommended that the programme be consolidated during the period 2001-2002, and subsequently extended to a new group of countries.</p> <p>A <u>summarised evaluation</u> was undertaken between February and May 2002 by a team of two international evaluators and a national external evaluator in each participating country. The evaluation also examined the MTS-related capacity in two non-participating countries as benchmarking cases, to assess the progress made towards the objectives of the programme. This evaluation raised some issues about the focus of JITAP activities and suggested some</p>

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<b>Evaluation of the Integrated Framework</b>	April to November 2003	More than USD 9 million pledged with USD 7.5 million remaining to be disbursed.	changes in JITAP's orientation.  With respect to the <i>Fundamental Evaluation Issues</i> , the Evaluators concluded that the basic IF approach was sound, in that increased trade should increase poverty reduction, but that more needs to be done to identify export products that will contribute to poverty reduction; to encourage the mainstreaming of trade in national development strategies and to introduce results based management, monitoring and evaluation.