

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

**Volume 4  
Product Studies**

**PRODUCT  
AND MARKET  
DEVELOPMENT**

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**List of Acronyms**

AFLAI	Federation of Leather and Allied Industries
CAPNET/BIS	Capacity Building and Networking for Business Information Services
CBI	Centre for the Promotion of Imports from Developing Countries (the Netherlands)
COMTRADE	Commodity Trade Database
DPMD	Department of Product and Market Development
DTCC	Department of Technical Co-operation Co-ordination
DTSS	Department of Trade Support Services
EPRP	Economic Led Poverty Reduction Programme
GATS	General Agreement on Trade in Services
ICO	International Coffee Organisation
ITC	International Trade Centre
JITAP	Joint Integrated Technical Assistance Programme
MAS	Market Analysis Section
MDS	Market Development Section
MIA	Meet in Africa
MNS	Market News Service
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
SAARC	South Asian Association for Regional Co-operation
SECO	State Secretariat for Economic Affairs (Switzerland)
SMEs	Small and Medium-sized Enterprises
SSA	Sub-Saharan Africa
TA	Technical Assistance
TIRC	Trade Information Reference Centre
TIS	Trade Information Section
TPO	Trade Promotion Organisation
TRAINS	Trade Analysis and Information Systems
TSI	Trade Support Institution
TSS	Trade in Services Section
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation
WITS	World Integrated Trade Solutions
WTO	World Trade Organisation

# 1 Product and Market Development

This report examines and evaluates the ITC products related to Product and Market Development. The Department of Product and Market Development (DPMD) delivers all these products, being one of the two technical divisions of the International Trade Centre (ITC). DPMD comprises the four sections with corresponding competences as presented in Table 1.1 below.

**Table 1.1 Department of Product and Market Development Sections and Competences**

Sections of ITC's DPMD division	Corresponding competences
Market Analysis Section (MAS)	Market analysis and strategic market research
Trade Information Section (TIS)	Trade information management
Market Development Section (MDS)	Product development by sector
Trade in Services Section (TSS)	Trade in Services

## 2 Market Analysis Section

### 2.1 Description and Background

ITC's strategic and operational market research programme, which is administered by the MAS, is described in the 2003-2005 Business Plan as described in Box 1.

**Box 1. Business Plan of the Market Analysis Section**

"The programme supports ITC corporate goals relating to effective national and sector strategies, improved trade support services, and the increased competitiveness of the Small and Medium-sized Enterprises (SMEs) sector --- it also provides a key input into ITC's own needs assessment and programme design activities. The strategic research component supports priority setting by trade strategists and managers of Trade Support Institutions (TSIs). Its service platforms are three portals and databases – **Country Map**, **Trade Map**, and **Market Access Map**. The operational research component provides enterprise managers with market information and decision-support assistance. Its service platform is **Product Map**."

The underlying rationale of MAS is that for developing countries to effectively participate in the world economy they need access to comprehensive trade flow information, market intelligence, and market access data. This is even more necessary now that so many are participating in the World Trade Organisation (WTO) system, the benefits of which will only flow to those that can capitalise on the market opening opportunities it supports. The implicit justification for MAS is that the class of information it makes available is not otherwise available to trade strategists and business groups in these countries.

MAS was established in 1999, by combining a number of pre-existing trade and market research functions. When it was first established, MAS had a staffing level of 20 people,

including the Market News Service (MNS). Currently (August 2004), MAS has a Geneva based complement of 27. The services of seven non-Geneva based consultants are also engaged through retainer contracts. Just over half of the Geneva based staff are employed on a contract or non-regular budget basis. In terms of staffing, MAS is the largest section in the DPMD.

## 2.2 Products and Modes of Delivery

### Product Profile

MAS produces a range of analytical and market intelligence products as follows.

#### *TradeMap*

TradeMap is considered the ‘flagship’ product of the Section. It comprises an online database of global merchandise trade flows, trade statistics (to the six digit Harmonized System level), export and import profiles, and market access barriers, covering over 5,300 products in 200 countries. It is based on the Commodity Trade database (COMTRADE) - compiled by the UN Statistics Division -, and is available only on a subscription basis. The number of national partners has grown from one in 2000 to 37 in 2004. A unique feature of TradeMap is the presentation of trade data for over 60-70 countries that do not report national trade statistics to COMTRADE.

TradeMap generates the largest share of MAS revenues, and MAS in turn generates the largest share of ITC operational revenues. MAS revenues are deployed in a revolving fund, which is drawn on to support the hiring of contract staff. Currently there are four major donors –Centre for the Promotion of Imports from Developing Countries, the Netherlands (CBI), State Secretariat for Economic Affairs, Switzerland (SECO), United States Agency for International Development (USAID), and the World Bank.

#### **Box 2. TradeMaps’s Two Principle Sections**

##### ***Product Approach:***

Allows the user to identify elements such as the structure and size of world markets; levels of product trade between countries; and fast and slow growing export markets. Some features are also common to Product Map (in the Product Champions section) - e.g. priority products for trade promotion, countries competing in specific markets, *etc.* One key feature, which is not in Product Map, is the list of market access conditions in specific product and country markets such as tariffs or licensing requirements.

##### ***Country Approach:***

Permits an assessment of national trade performance (e.g. leading exports, growth rates, market share, under and over-achievers, etc.). Bilateral trade patterns by product sectors can also be generated, with formulae for generating indicative trade potential in different product areas. It is also possible to generate trade flows between individual countries and a large list of specific regional or economic groupings, many of which are novel combinations, e.g. Greater China, Asia, Developed Market Economies, etc., as well as the standard trade and economic groupings, e.g. EU, Organisation of Petroleum Exporting Countries (OPEC), South Asian Association for Regional Co-operation (SAARC), Economic Community of West African States, etc.

#### ***Product Map***

This is a web-based information portal divided into 72 product clusters. It incorporates ITC’s MNS, the Market Briefs service, and the Inquiry and Reply Service. Like TradeMap,

5,300 products (HS six digit) traded by over 180 countries are referenced on the Product Map website, which receives about 6,000 visits per month. Product Map is accessible on subscription through a password protected website, which allows the dissemination of access to third party users.

In contrast to TradeMap, Product Map is pitched as an ‘Operational Research’ tool, and is targeted at a more business-oriented audience than TradeMap.

**Box 3. Product Map’s Three Principal Sections**

*Market Positioning Tools* – what markets to target

- Trade Data: Lists the top importing and exporting countries for the 72 products;
- Product Performance Index: A sector benchmarking tool, used for example to see how one country’s food exporters compare against others;
- Product Champions: Examines how specific product lines are performing within each of the 72 sectors, e.g. are t-shirt sales growing at a faster rate than shirts, or identifying products that are under- and overachieving.

*Market Intelligence Tools* – characteristics of those markets:

Provides a range of qualitative information for the selected markets, e.g. Market Studies, links to industry specific web sites, MNS, and Trade Inquiries. The latter is an online inquiry reply service to complement the information on the product portal. ITC may charge for this, depending on the complexity of the inquiry.

*Networking Tools* – how to establish relationships within those markets.

These are tools to identify potential business partners and entice potential clients. The Storefronts facility allows subscribers to create their own web page, on a website dedicated to international trade and managed by MAS. This is aimed at businesses with limited resources or technical know-how. The Business Contacts facility provides on line links to companies, online directories, online market places, support organisations, etc.

***Country Map***

The Country Market Analysis Profiles, or Country Maps, are freely available on the ITC website for around 185 countries and territories. Each profile provides a series of tools (e.g. a Trade Performance Index and a Trade Simulation model) and trade statistics (using COMTRADE data) to facilitate strategic market research; simulate the impact of trade barriers and agreements, and benchmark national trade performance. It also includes a link to Trade Information Sources, TSIs, and current ITC projects for the country concerned.

***Market Access Map***

This is available currently only as a CD ROM (for USD 5,000), with about 70 sold to date (the majority of sales have been through the World Trade Network programme). Partners include all users of TradeMap and World Tr@de Net. There are plans to roll it out on the Web in 2005. It comprises a database of the major instruments of protection (tariffs, quotas, anti-dumping duties, etc.) at the detailed product level for approximately 200 countries.

### ***Personal Computer Trade Analysis System***

Personal Computer Trade Analysis System is a CD ROM published annually by ITC and the UN Statistics Division providing five-year time series and trend analyses on international trade flows (currently available for 1998-2003). It is often used to supplement TradeMap with more historical time series information.

### ***Investment Map***

This is a new tool still under development, in partnership with United Nations Conference on Trade and Development (UNCTAD).

### ***Single Client Studies***

MAS also provides a consultancy service for commissioned studies for a range of countries and a range of topics (clients have included Deutsche Bank, the Organisation for Economic Co-operation and Development (OECD), WTO and the Republic of South Africa).

### ***Market News Service***

MNS has over 200 subscribers and a readership in the thousands. MNS is included with subscriptions to Product Map.

### ***Market Briefs***

This service is also included with all subscriptions to Product Map.

### ***Capacity Building***

Capacity building forms an important part of MAS activities and various capacity building programmes have been developed with TSI partners in a range of countries. Close to 70 capacity-building workshops on MAS tools and services, designed and delivered with local national partners were conducted in 2004, covering over 30 developing countries and LDCs.

**Box 4. Characteristics of the Deliverables of the Market Analysis Sections**

***Classification of MAS Deliverables:***

*Tools:*

- Country Map
- TradeMap
- Product Map
- Market Access Map
- CD-ROM based Trade Analysis System

*Information Sources:*

- MNS
- Market Briefs

*Advisory:*

- Coaching and back-up in the use of MAS tools

*Training Services:*

- Capacity Building

***Channels of Delivery:***

*Global:*

- Seminars
- Workshops
- Website

*Regional/Country:*

- Seminars
- Workshops
- Website

***Geographic Focus:***

- Global

***Beneficiaries and Users:***

- Trade Promotion Organisations (TPO)/TSIs
- Government Ministries
- Export Enterprises
- Business Organisations
- International Agencies

## 2.3 Evaluation Methodology

Given the range of products and tools generated within MAS, it was not feasible to review each to the same level of detail. Because of its core function within MAS, the Evaluation focused on TradeMap and the closely related product, Product Map. To this end, a questionnaire was designed (attached as Annex 2.2), which was disseminated to the full TradeMap/Product Map subscription list. The findings are reviewed below.

The review also included:

- External Evaluation Report completed on MAS in January 2004, and the Management Response;
- Interviews with a significant range of users of MAS products through our field visits (10) and at ITC conferences;
- Interviews with key partner institutions, i.e. USAID, UNCTAD, WTO, SECO and CBI;
- Examining other comparable trade databases;
- Examining details of web usage of MAS products;
- Investigating MAS programme/project details (summarised in the Annex 2.1); and conducting detailed interviews with MAS staff.

### **TradeMap and Product Map Subscription Profile**

The subscription/usage profile of TradeMap and Product Map (as of August 2004) is as follows:

- 37 countries have national TradeMap licenses with dissemination rights to third parties (all, with the exception of Canada and the United Arab Emirates, are developing countries);
- 15 countries have single or restricted use subscriptions (five of which are developed countries);
- 18 developing countries have access (until October 2005) through an arrangement financed by USAID.

There are a total of 70 countries with TradeMap access, 63 of which have developing status (including a number of ‘advanced’ developing countries such as Mexico, Malaysia and Thailand). Subscriptions commenced in 2001 and renewals are pending in a number of cases.

Of this group of 70, another 44 also have access to Product Map also (including the 18 USAID funded licenses). Finally, there are three other countries (Argentina, Costa Rica and Egypt) with Product Map access only<sup>1</sup>.

**Table 2.1 Nominal Subscription Costs for TradeMap and Product Map (USD)**

Country category	TradeMap		Full Product Map		Trade and Product Map	
	Single Use	Multiple Use	Single Use	Multiple Use	Single	Multiple
LDC's	1,500	18,000	750	3,000	2,000	20,000
Developing	3,000	36,000	1,500	6,000	4,000	40,000
Developed	6,000	20,000	6,000	12,000	8,000	25,000

These were the standard pricing options at the end of 2003 – there are a number of variations on these. The higher priced Developing country options, as compared to the Developed countries, are linked to the availability of project or donor funding for first year subscription and training, for these options for these countries - as well as for LDCs.

With regard to the listed pricing options, it should be noted that the greater number of subscriptions and renewals are funded through donor channels, either under specific ITC project headings or externally. Of the 37 national TradeMap subscribers, 14 are self-financed<sup>2</sup>.

### E-Mail Survey of the Subscriber Base

To ascertain and verify the impact these tools are having within the subscriber community, the Evaluation designed and administered an e-mail survey with the following principal lines of inquiry:

- Preparedness on the part of the user to renew their subscription (as an indication of ‘willingness to pay’, i.e. of the real demand value of the product);
- The existence of any multiplier effects arising from the dissemination of the product to the beneficiary community;
- The nature of the applications the tools are used for; and
- The identification of any tangible trade opportunities arising from the application of these tools.

This survey was administered to 60 of the 70 distinct subscribers profiled above, covering all current subscribers, other than the ten USAID partners for which training had not

<sup>1</sup> These details are as *per* information supplied by ITC in July 2004. This is not a fixed profile and is constantly being updated.

<sup>2</sup> Canada, Chile, Indonesia, Jamaica, Malaysia, Mexico, Oman, Philippines, Slovenia, South Africa, United Arab Emirates, Uruguay and Venezuela.

commenced or for which contact details were unavailable. A total of 29 valid responses were received, representing a response rate of close to 50%.

Overall, the responses received were virtually unanimous in their endorsement of the ITC product. The key responses are summarised in Table 2.2 below, while the full results are contained in Annex 2.3.

**Table 2.2 Summary Results of Subscriber E-mail Survey**

Category/Question	Response	
Trade Map:		
Do You share TradeMap with External Users?	60% Yes	40% No
Do You charge External Users?	25% Yes	75% No
Frequency of External Use	74% Frequent	26% Infrequent
Composition of External Users	43% TSIs; 29% Enterprises; 14% Universities; 14% Government Agencies	
Do You share TradeMap research with enterprises	87% Yes	
Planned Renewal?	100% Yes	
Ease of Use?	92% Simple or very simple; 8% difficult.	
Compared to other products	75% superior; 15% similar; 0% inferior.	
ITC Training	38% Very Effective; 50% adequate to good; 12% no training.	
ITC Follow Up Support	96% Good to Very Good; 4% Inadequate	
Internet Access	67% No Problem; 33% Occasionally difficult	
English Language Version only	20% problematic; 80% no problem.	
Need for TradeMap	69% quite a lot; 31% to a moderate extent	
Generating Trade Opportunities?	48% Yes	52% No
Product Map:		
Planned Renewal?	83% Yes	17% No
Compared to TradeMap	17% More useful; 29% less useful; 54% about the same.	
Compared to TradeMap	83% More business oriented, 17% less business oriented.	

While there has to be an element of ‘self-serving’ bias in these responses (the majority of respondents are with national TPOs/TSIs that have an obvious interest in maintaining and developing relationships with ITC), they still constitute fairly convincing user endorsements of the ITC tools. The Evaluation would note in particular the ease of use and the strong endorsement *vis-à-vis* other competing products.

The 100% renewal commitment is also noteworthy, in particular as an indicator of willingness to pay on the part of users. A build-up of renewals that had been pending had been practically eliminated at the time of writing of this report.

Whether access is open or restricted to these products will materially influence the value derived. China provides a very good example of optimising its use, with access provided through all affiliated national and regional offices. On the other hand, countries such as Malaysia operate a restrictive access policy. This issue highlights, as is the case with other ITC interventions, the dependence of ITC on the effectiveness and commitment of the local partner TSI.

In addition to what is shown in the above Table, subscribers were also surveyed as to the purposes for which they use TradeMap and Product Map (Question B.2 in the Questionnaire – see Annex 2.2). The following five options were presented:

- Formulation of national or sectoral export strategy;
- Supporting internal policy research analysis;
- Identifying export markets you plan to target under trade promotion activities;
- Meeting the information needs of exporter enterprises; and
- Researching or planning trade missions.

All five options received broadly equivalent high ratings, including the specifically business oriented option – ‘Meeting the information needs of exporter enterprises’, which was at, or close to, the top of most respondents lists.

### **Interviews of Partner Institutions**

The following organisations were also interviewed/surveyed specifically with regard to their use and rating of TradeMap and Product Map:

- CBI
- SECO
- WTO
- UNCTAD
- USAID
- Upwards of two dozens TSIs and partner institutions.

TradeMap and Product Map received very high approval ratings across this interview group, and, at least among the TSIs, were being deployed in the service of national and sector export strategies. However, there were some TSI locations where there was a low awareness not just of TradeMap, but also of the wider range of MAS products.

### **Website Usage**

The Evaluation also requested details of website usage from ITC. This was only available for Country Map and the USAID funded TradeMap profile, as follows:

### **Country Map Usage**

Visits to Country Map increased from approximately 2,500 monthly in 2002 to 8,000 in 2003 (the latest year for which data was available). While the majority of visitors were from the EU and the USA, there were over 2,000 visits monthly from developing countries (these are predominantly ‘advanced’ developing countries, i.e. India, Mexico, Thailand, Brazil, Turkey, Peru, China, and Argentina). ITC maintains a comprehensive index of website visits, which can be analysed by duration, country visit, and the feature accessed or downloaded. The Country Map tool has been used and cited in the World Economic Forum and in the formulation of national export strategies, e.g. in Vietnam, Mongolia, and the United Arab Emirates.

### **TradeMap**

Since its launch in April 2003, visits have increased from approximately 300 to almost 1,300 monthly (June 2004), with 44 countries (including the USA) recorded. The highest numbers of non-US visits recorded (in June 2004) were from Morocco and India. ITC reports monthly to USAID on site usage.

ITC routinely samples participants in its workshops for feedback. Those provided as examples to the consultant by ITC (for a USAID workshop with six countries) indicated high levels of satisfaction with workshop content and delivery.

## 2.4 Evaluation Findings

### Relevance

Rating 3 out of 4

The MAS range of trade intelligence tools is a valued asset to developing country trade analysts and TSIs, especially at this time as they are striving to capitalise on WTO membership and international trading opportunities. The January 2004 evaluation of MAS rated the most worthwhile contribution of TradeMap and the other MAS tools as being: the increased transparency they shed on international trade flows and market access barriers. It is alleged this will benefit the entry of enterprises in developing economies into the world trading system. According to that evaluation, this contribution (corresponding to Goal 1 of the ITC Business Plan 2003-05) is a more accurate gauge of the relevance of these tools than some of the others cited by ITC, such as:

- Supporting the design of national trade development strategies;
- The strengthening of key trade support services;
- Improving export performance in critical sectors; and
- Fostering international competitiveness within the business community.

The Evaluation would only partially agree with that conclusion. It was largely based on the high regard for MAS products within the academic and international think tank community, for whom the ‘public good’ benefit to increased transparency in trade flows is highly valued. However, the results of the Evaluation’s survey support the conclusion that the broadest interest in MAS tools such as TradeMap is for the type of national or ‘self serving’ end such as those listed above. On that general basis, the Evaluation would rate the relevance of the TradeMap tool relatively highly and the rating provided reflects this. The rating reduction (from 4 to 3) reflects the relative ‘underperformance’ of Product Map, which has not proved as relevant to its intended market segment, the end user/enterprise sector.

### Efficiency

Rating 3 out of 4

The Efficiency rating is based on testimonials from MAS users as to the professionalism and quality of the training provided, and an efficient rate of transformation of inputs into a broad range of outputs. The rating reflects overlaps within the MAS product range and with other ITC Sections, in particular MDS and TIS.

#### *Inputs/ outputs*

The January 2004 evaluation concluded that MAS was highly efficient based on its conversion of inputs (MAS staff, ITC support services, management *etc.*) into outputs (four data bases plus consultancy services). This is seen as a ‘remarkable’ achievement and is favourable compared to organisations such as the WTO secretariat.

The Evaluation would agree that the range of MAS outputs is impressive, and compares well to the output of other ITC Sections. However, it is still very difficult to judge whether or not the current MAS staff complement of 30 is ‘too few’ or ‘too many’, relative to what they produce, and the somewhat unique nature of what they produce. Maintenance, regeneration, updating of this product suite, plus the training of users obviously calls for a significant staff outlay. But on the other hand, the basic product designs have already been laid down, and most staff effort would be directed to updating and streamlining.

MAS does, however, operate with a high proportion (around half) of contracted staff. This is an efficient way of proceeding, particularly in view of the fact that at some point the basic research and design phase for the suite of tools will be complete; and the product circulation may be approaching saturation point. With its use of contract staff, MAS does not have a high fixed cost structure and thus more flexibility to adjust inputs to outputs going forward.

#### *Overlap with Market Development Section and Trade Information Section*

There is an issue with respect to overlapping product/sector coverage with MDS and TIS, although this has been recognised by ITC and steps have been taken to address it. It arose in particular with Product Map and the duplication of coverage of certain product sectors between it and MDS. Internal agreements have now been reached that, as new MDS product portals are developed, e.g. Leatherline, and Textiles & Clothing, the lead responsibility for specialist coverage of these sectors will be handled by MDS, while TIS acts as the primary point of contact for generic product related enquiries. MAS will assist with information related to trade flows, performance indicators or market access data.

The division of responsibilities between MAS and TIS has also been restructured, with responsibility for Product Map transferred to TIS. In this process, Product Maps’ positioning will be refocused as a generic Trade Information portal integrating the TIS database of annotated trade references, while customised versions of Product Map would be developed for partner institutions only.

#### *Product Overlap*

There is also a degree of duplication and overlap within the MAS suite of products, a point that was noted by the previous evaluation. ITC acknowledges this, but argues that a range of factors (e.g. different target groups, different programming languages and servers, expertise and access policies) militates against consolidation, at least for the present. ITC proposes a review of the whole issue of consolidation again, within three years, which in view of the new products being developed and the contracts/partner arrangements recently launched, may not be unreasonable. However, from an outside perspective, the requirement for so many interrelated products is very unclear and seems unnecessary and confusing. One consideration that may have some bearing on ITC’s ‘preference’ for a range of products is the funding pressure that ITC faces yearly. A suite of products may present more funding options, although ITC refutes this suggestion.

### **Effectiveness**

Rating 3.5 out of 4

Many of the intended outputs of the MAS programme, e.g. disseminating a better understanding of international trade and market access barriers among trade strategists; facilitating the design of more effective export strategies, and setting of trade priorities are being achieved. As described below in more detail, the flagship product TradeMap is also a superior product to its main competitors, particularly in terms of the needs of end users.

#### *Competing Products*

One way of gauging TradeMap's effectiveness is to compare its outputs to that of its major competitors. The January 2004 evaluation made the point that since MAS is dependent for its data feed on the United Nations Department of Statistics (UNDS) and the COMTRADE, it also suffers from the same limitations, i.e. data that is at least one year old and is disaggregated only to the 6-digit level. The latter deficit, however, is a function of developing countries' data reporting systems and is common to everybody. The greater (10 digit) detail available through TradeMap's main competitor, the World Trade Atlas (by Global Trade Information Services) reflects the restricted country coverage of that tool, which excludes most developing countries.

The last evaluation also raised the possibility of a more competitive relationship developing with COMTRADE, as it seeks to generate more revenue from its database. On the other hand, in the context of the tripartite agreement with the WTO and UNCTAD that ITC host a joint trade/tariff database, it would appear most unlikely that the co-operative relationship that has existed for many years between United Nations Department of Statistics and ITC would be seriously put at risk.

The Evaluation examined the two databases that are seen as posing the greatest competitive risk to MAS. One of these comprises the products (e.g. World Trade Atlas) developed by US based Global Trade Information Services. In the context of ITC's mandate and goals, however, these products have three quite serious limitations.

- First and foremost, coverage of many developing countries is lacking. Country coverage (exports and imports) is limited to those countries that generate complete and timely trade statistics. They are 62 in all, which excludes many developing countries. For example, only three African countries are covered – Algeria, Morocco and South Africa, although nine Latin American countries are covered. One of TradeMap's real 'value added' features is the construction of export and import profiles for the 60-70 countries that do not report national trade statistics to COMTRADE, on the basis of partner country data or mirror statistics.
- Second and most significantly, these products provide no coverage of market access or tariff conditions.
- Thirdly, they do not support the range of simulations, scenarios, etc. that are provided under TradeMap and Product Map.

The products are also more expensive. While there are various pricing formulae that vary with the option selected, the standard complete single country package costs USD 1,500, which is repeated with each country selected. This sum is also fixed for each renewal. In addition, only single user access is provided at this price and the option of universal access - the key to leveraging the products benefits - is not allowed.

The products' main advantage is their historical coverage, with time series available dating back to the mid 1990s.

The other most commonly cited alternative is the World Integrated Trade Solutions (WITS), a data consultation and extraction software developed by the World Bank, in collaboration with UNCTAD. WITS provide access to the major trade and tariff data compilations maintained by the UN Statistical Division (COMTRADE), UNCTAD's Trade Analysis and Information Systems (TRAINS) and the WTO (the Integrated Data Base and the Consolidated Tariff Schedule). The WITS software is freely available, as is access for selected international organisations and Member State governments (or their designated focal points) to the underlying databases. Private sector access is restricted, e.g. excluded for the WTO, but available for a fee to TRAINS and COMTRADE. In comparison to TradeMap and Product Map, the major drawbacks would appear to be:

- Restrictions on dissemination to third parties, especially within the private, non-governmental sector; and
- A much more limited range of simulations and manipulation of the underlying data.

However, WITS does provide a similar range of coverage of developing countries' trade and tariff profiles and it is a project undergoing further development. It also supports a longer historical time series. For public sector users it does offer an alternative to TradeMap, albeit, as things currently stand, with a much more limited simulation package.

## **Impact**

Rating: 2.5 out of 4

Judging the impact of MAS tools is difficult because the goals – improving the knowledge of international trade trends and market access by enterprises in developing countries - are broad and influenced by multiple other factors. The best evidence the Evaluation has is the responses received to the survey, on the basis of which the intended impacts are being realised (see the five options outlined under Question B2). However, hard evidence in this area is scarce, and the Evaluation has to acknowledge that these responses have been provided by representatives of TPOs and TSIs who have a vested interest in providing high ratings. The more limited take-up by private sector enterprises of Product Map, which was designed specifically for the enterprise sector, curtails the level of impact.

Achieving the intended impact is crucially dependent on the wide dissemination by the subscriber TSIs of the tools within their countries - in countries where TradeMap is widely distributed, e.g. South Africa. Impacts are more likely on the basis of the exposure generated than in countries where access is restricted, e.g. Malaysia, Philippines, and In-

onesia. The Evaluation's survey evidence suggests that in approximately 60% of cases the tools are widely distributed, which is good, but could be better.

### **Sustainability**

Rating 3 out of 4

The best indicator the Evaluation has of sustainability is the rate of renewal by MAS subscribers. When this survey question was posed to subscribers, it received a 100% response, the maximum one might expect. On the other hand, at the time of this evaluation (summer 2004), there had been a sizable backlog of renewals pending. However, most of these have been subsequently cleared (albeit, in a number of cases through donor financed subventions), which is evidence of sustainability.

All subscribers are also trained in the application and use of MAS tools. The training is being delivered in a way that allows trainee institutions to continue with the application of these tools in a self-sufficient way, with ITC providing back-up on the occasions this is required.

The decision by USAID to fund and disseminate the MAS product among an additional range of countries also supports sustainability.

## 2.5 Conclusions and Recommendations

### Conclusions

From a technical standpoint, TradeMap and Product Map can arguably claim to be the leaders in their field. The leading comparable products all are inferior - in the Evaluation's view - in the context of ITC's goals and mandate. The limitations identified for TradeMap and Product Map are not 'mission critical' and do not impair their value to trade intelligence and trade strategy formulation.

These tools are delivering on the goals laid out in the ITC Business Plan, in terms of inputs to export strategies and identifying strategic and market opportunities.

The tools are highly valued among a substantial number of developing country TSIs, although there are a number of locations where awareness is lacking.

### Recommendations

These products have become vital revenue generators for ITC. However, there is a finite pool of prospective subscribers in the TSI/partner agency field, which in all likelihood will be fully drawn upon within two or three years. After that time revenues will decline to renewal levels only. In view of the quality of the product, the Evaluation believes that ITC should consider promoting this product to a different market, i.e. universities, policy centres, research institutes, *etc.* This is a very large potential market and revenue maximising pricing options could be selected.

Although the suggestion is not new, the Evaluation also believes that a case can be made for some consolidation of MAS products. MAS disagrees - citing factors such as differential levels of detail and features in the various products - the targeting of different user groups and different programming languages. The Evaluation acknowledges these points and recognises that the current product differentiation may have some advantages in a donor driven funding environment. The nuances that MAS refer to are not always apparent to outside observers or users. Additionally, the Evaluation still believes that there may be longer-term marketing arguments in favour of consolidation.

The overlap between MAS and other sections, in particular MDS and TIS, needs to be addressed in an ongoing manner. The recent transfers of responsibility for Product Map to TIS, and of specialist responsibility for designated sectors (i.e. Leather and Textiles) to MDS are steps in the right direction and need to be sustained.

MAS should develop, in collaboration with its subscriber base, a feedback process to indicate the real extent to which the intended impacts are in fact being realised.

## 3 Trade Information Section

### 3.1 Description and Background

The TIS programme/function is described in the Business Plan 2003-2005 as follows:

**Box 5. Business Plan for the Trade Information Section**

‘The TIS programme will concentrate on capacity building and networking activities, the selection and evaluation of relevant trade information sources, and the provision of advice to partner organisations ---; at the technical level, priority will be given to content management and skills development, with emphasis on promoting dynamic, web-based information delivery services ---; Support to regional networks will aim at developing data and experience interchange among less advanced organisations ----.

To support this capacity building and network development effort, the programme will continue to undertake applied research and to produce technical documents, source directories, and training materials for wide distribution. Computer-based tools will be developed in cooperation with other UN organisations ---

The ITC Trade Information Reference Centre’s information resources will be expanded, and its cyberspace will be further developed by offering access to additional online services. The experience will be shared with partner organisations. Comparative analyses of websites distributing trade information --- will be performed, and guidelines developed on launching or improving internet-based dissemination systems.

The TIS incorporates the Trade Information Reference Centre (TIRC), i.e. the library, which employs nine of the overall TIS staff of 15, as of August 2004.

The ITC views the provision of trade information as one of its core services, the aim of which is to provide expertise that is not readily available from other sources - that is unique to ITC - that makes extensive use of networking. That is innovative in terms of bridging the trade information gap (ITC Priority Setting Review 1995).

## 3.2 Deliverables and Mode of Delivery

### Trade Information Section Managed Deliverables

The deliverables and programmes managed directly by TIS fall into two broad categories: Capacity Building Support Services and Trade Information Management Services.

#### *Capacity Building*

This service area is focused on strengthening the capacity of TSIs to manage the trade information function. TIS delivers capacity building support by means of advisory missions, training events and technical advice. This support is sometimes provided in the context of more broadly based national or regional projects that have significant trade information components, such as the setting up of computerised trade information systems, website development, or the training of local experts.

A major such activity of TIS in recent years has been the Capacity Building and Networking for Business Information Services (CAPNET/BIS) programme, which commenced in 1996. This activity ran continuously, in two phases, until it was terminated in 2003. CAPNET/BIS focused on strengthening the Business Information Services capacity within the UNCTAD's Trade Points network - many of these Trade Points reside within national TPOs and TSIs. This programme explicitly encapsulated ITC's capacity building objectives in the area of trade information management, and has dominated TIS activities in recent years. The principal programme outputs were as follows:

#### **Box 6. Principal Trade Support Institution Programme Outputs**

- Guidebooks: Guidebooks covering best practices for Trade Information Services were prepared and widely disseminated;
- IT Tools: A range of tools were prepared and disseminated, such as the COMREG (Company Register) software, which was developed by ITC for managing company registers;
- Advisory Missions: Advisory missions were undertaken in eighteen countries, many involving the implementation of COMREG software and related training;
- Training: A series of regional training workshops and Geneva training seminars covering main issues of information management (e.g. assessing user needs) were delivered;
- Network Development: This encompassed support to the World Trade Point Federation and assistance to various regional information networks.

The second largest tranche of capacity building activities in recent years was the programme for '*Market Intelligence follow-up to improve the Market Information Systems of selected TPOs*'. This involved ITC/TIS providing follow-up training and advisory assistance to TSIs in 13 countries that participated in the Market Intelligence Seminar Programme ran by CBI in the Netherlands.

#### *Trade Information Management*

This service area is concerned with the development of standards and tools in the trade information management area. The collection of materials and sources help to bridge information gaps in developing countries.

One of the main recent deliverables in this area has been the *Business Information Review Methodology*, which has been delivered/applied in an estimated 15 countries since 1995. This is an information management tool intended to help TPOs/TISs analyse the information needs of their clientele. It is often deployed as a needs assessment tool, in the earlier stages of projects.

### ***Trade Information Section Deliverables Managed by Other ITC Sections***

TIS is also involved in the design and delivery of a large number of projects that are accredited to/managed by other ITC departments, in particular the Department of Technical Co-operation Co-ordination (DTCC). This ‘backstopping’ role comprises a significant part of TIS’ overall activities. To take one example, the Business Information Review methodology, which was developed by TIS in 1996 as a tool for the assessment of SME information needs, is always delivered as part of a wider national or regional project. This has been the case with recently launched trade development programmes in the Central Asian Republics and in South-East Asia, which have had substantial TIS design and implementation involvement. However, ITC’s internal project management procedures cannot generate a resource allocation summary that shows the distribution of effort between ‘own’ projects and all others. The overall contribution of TIS to ITC activities can, as a result, be overlooked.

#### **Box 7. Projects and Programmes Managed by Other Sections but with a Significant Trade Information Section Involvement**

##### *Interregional*

- The South-South trade promotion programmes (e.g. LatinPharma) which are managed by DTCC;
- The Leather-line programme, which is managed by MDS.

##### *National*

Predominantly DTCC managed programmes, such as under the Integrated Framework programme, as well as many national projects with a significant trade information component. Two large recent projects relating to the national trade information networks in Algeria and Mauritania have had significant TIS involvement.

TIS also plays an important internal role in servicing the information requirements of other ITC units. For example, the information links contained in a number of ITC websites managed by other Sections - Leatherline, TPONet and Packaging - were supplied by TIS. This internal role has been somewhat diminished in recent years, as other Sections exercise more autonomy in the areas of information management and dissemination. Product specialists within ITC also use the library, though the pattern and intensity of use varies between individuals.

### **3.3 ITC's Trade Information Section and Internal Information Management**

Nearly all ITC divisions and sections have their own particular trade information responsibilities. Whereas TIS has the nominal responsibility for co-ordinating these activities, in practice this does not always happen, and since the late 1990s elements of the trade information management function have been shared with other ITC sections. At that time, management reviews and restructuring resulted in the transfer of certain TIS responsibilities, i.e. the Inquiry/Reply Service, Market Briefs, and PC TAS. No clear rationale for this move was provided by ITC, but its effect has been to diminish the independence and leadership of TIS in this area. In the past year this shift has been partially reversed, with the transfer of Product Map and the Inquiry/Reply Service to TIS.

A related issue is the interaction/division of labour between TIS and other operational ITC sections and whether or not the specific information management expertise of TIS is being incorporated in the creation of new products or tools, e.g. with regard to copyright issues, product marketing or pricing, product design, etc. Past evaluators have asserted that this is not happening; however, ITC have refuted this, in particular in respect of online information and CD ROMs. Insofar as publications are concerned, they make the point that these are covered under the guidelines laid down by the Publications Subcommittee.

**Box 8. Characteristics of Trade Information Section's Deliverables**

***Classification of TIS Deliverables***

*Tools*

- Tool Kits for Information Management
- Trade Documentation and Information Sources
- CD ROMs
- Information Processing Tools, i.e. Classification Schemes (e.g. ITC Thesaurus) and specialized software applications (e.g. COMREG);
- Business Information Review methodology (needs assessment tool)

*Information Sources*

- On-Line Access to Bibliographical Databases

*Advisory*

- Advisory Missions

*Training Services*

- Training workshops for managers of business information units;
- Awareness seminars

*Networks*

- On-line Contact Listings (e.g. Importers Associations, Leatherline, TPONet etc.).
- Support to World Trade Point Federation network

***Channel of Delivery***

*Global*

- Seminars
- Workshops
- Training Packs
- Guidebooks
- CD ROMs

*Regional and country*

- Seminars
- Workshops
- Training Packs and Consultation

***Geographic Focus***

- Global

***Beneficiaries***

- TSIs
- Trade Points

### **3.4 Evaluation Methodology**

The Evaluation carried out a series of interviews with TIS staff and reviewed relevant programme documentation. All programme documentation, as contained in the ITC project portal was downloaded and reviewed with TIS staff. TIS staff was provided with copies of the various draft reports, to which they replied in detail and their responses (modified as appropriate by the Evaluation) were incorporated in all later versions.

The Evaluation also, in the course of its field research in ten countries, specifically reviewed the use by partner institutions of TIS services and materials, and their perceptions of this service. The Evaluation separately met and interviewed the following: (i) executive staff at the Netherlands CBI, (ii) officials at the Agency for International Business and Co-operation (EVD) - Netherlands' leading TPO, and (iii) officials from a range of other developing and developed country TPOs/TSIs - including Enterprise Ireland, the Australian Trade Commission, the Jordan Exporters Association, and the China Council for the Promotion of International Trade.

TIS has been the subject of two major past evaluations that of the CAPNET/BIS programme in 2003 and of ITC's Trade Information Programme in 1999. Both of these evaluations were closely examined and relevant findings reviewed with ITC staff.

### 3.5 Evaluation Findings

#### Relevance

Rating 2.5 out of 4

Skill in managing and sourcing trade information is a relevant part of the operational make up of TSIs in developing countries. Capacity building in this area is the focus of TIS, which is an acknowledged centre of excellence on this issue. However, there are other multiple sources of such expertise both within ITC itself, within which the trade information function has become diffused, and externally, not least through the Internet.

The greatly increased availability of information and resources through the Internet is forcing a reappraisal of the relationship between TIS and its principal target group of TPOs and TSIs. This development is reflected in increased autonomy among TSIs in the information management area – the ultimate aim of capacity building support – and therefore challenges TIS to redefine its role and relationship with these organisations. ITC contends that the Internet driven expansion in information sources calls for even greater information management skills within TSIs and a continuing, perhaps even bigger role, for TIS.

While technological developments may threaten ITC's leadership in the field, ITC retains a very strong brand name and is still seen by many, as the expert and pioneer on trade information management, particularly in a developing country context. Its Thesaurus of International Trade Terms is still the *de facto* standard used worldwide, and its TIRC has been the model on which national centres are based. These are significant inbuilt advantages that ITC retains to lever its future positioning of TIS and to justify an on-going, distinctive presence in the trade information management area.

#### Efficiency

Rating 3 out of 4

TIS is staffed by well-trained and highly competent library and information specialists, who manage to maintain and keep up to date a very comprehensive collection of trade-related materials, publications and sources, both in electronic and printed form.

The relatively high staffing ratio of TIRC relative to TIS overall (i.e. nine out of 15) does pose some questions, particularly in view of the relatively low library usage levels (external and internal), and the relatively low overall programme delivery load of TIS.

The CAPNET/BIS programme represents the single largest TIS deliverable for some years. The recent evaluation of that programme concluded that it was delivered in a highly efficient manner, with some outputs (i.e. training activities) exceeding the original targets that had been set. These efficiencies were achieved against a backdrop at the time of programme budget cuts.

The 1999 evaluation of the ITC Trade Information Programme was critical of ITC/TIS' low-level use of the on-line medium for information dissemination. Since that evaluation

was completed, however, ITC/TIS has made advances in that area, with the placing of many catalogues on-line and the launching of an e-shop.

### **Effectiveness**

Rating: 2.5 out of 4

TIS and ITC generally, make available a very large body of trade related information and outputs for free or at heavily discounted prices to LDCs and developing countries.

The effectiveness of one of TIS' core deliverables, i.e. training and advisory activities, depends to a significant degree on factors that are external to their control, such as the people who have been trained remaining within the partner institution. Since TIS cannot guarantee the partner institutions' commitment to maintaining the intended level of service, this can impair the sustained effectiveness of TIS interventions.

TIS training activities are typically of short-term duration. For example, under the TPO Market Intelligence programme, TIS staff spent an average of five days on site in each of the countries covered. While the workshops were well received, a gradual fall off in the effectiveness of the training and advisory activities resulted from the lack of follow-up. This shortcoming has diminished the effectiveness of TIS capacity building at a number of locations. Train the trainer options are also subject to a fall off in follow through. While the Evaluation acknowledges the expense constraint in sustaining an on-site presence, other possible cost effective options, such as distance learning or the franchising of training programmes to private providers, do not seem to have been pursued by ITC within this area to any significant degree.

With regard to TIS' principal activity of the last number of years, i.e. CAPNET/BIS, it was deemed by a recent evaluation to have been largely effective in terms of its basic objectives, that of building up Business Information Services capacity within the Global Trade Point network.

With regard to TIS' second principal activity, the TPO Market Intelligence Programme, the quality of outputs (e.g. websites, library cataloguing systems) varied by location. The training was largely delivered by external consultants and basically comprised one-week training events and advisory inputs in the designated countries. While the donor agency (CBI) was highly complimentary to the quality of the ITC/TIS training delivered, it too identified the short-term intervention as a weakness of the programme design.

As regards the TIRC, ITC/TIS provides a range of services for other units within the organisation that are not clearly accounted for. This includes responding to inquiries through the formal inquiry/reply service - the library dealt with an estimated 2,400 inquiries in 2003 - and developing the information sources component of other ITC products, e.g. for Leatherline, TPO Net, and certain MDS product portals, e.g. Textiles, Artisan products. There is, however, no clear and explicit policy in terms of using TIRC in this role; for example, the Information Sources element of Product MAP was developed in-

dependently of TIRC. This lack of clarity in terms of TIRC's role *vis-à-vis* other units may be impairing its effectiveness as an internal organisational resource.

### **Impact**

Rating: 2.0 out of 4

TIS activity is directed almost exclusively at intermediary organisations such as TPOs, and while there is some evidence of impacts in terms of more effective trade information management within partner organisations, there is little evidence of impacts in terms of an improved export or trade performance within the wider national communities. The focus of the two larger TIS programmes, CAPNET/BIS and TPO Market Intelligence, has been capacity building, and these were largely successful in their aims. The predominant output of other TIS programmes has been publication/guidebook/CD Rom updates, for distribution to various partner agencies. The funding involved in these programmes and activities has been quite small, and the impact these publications have had within the recipient institutions is indeterminate. However, the Evaluation suspects minimal and transient.

More generally, ITC maintains one of the world's most comprehensive collections of trade information, yet much of the target audience is not aware of this resource or its full extent. While the website and the Forum magazine are contributing to raising levels of awareness, the marketing and promotion of ITC trade information as a whole, as well as by individual Sections, is fragmented.

The website and the information that can be retrieved from it has improved in recent years, but it is still far from perfect. For example, web accessible information is still almost always placed on 'proprietary' pages on the ITC website, which forces the user to 'wade through a hierarchical maze of web pages to find and select what they need'. A complete re-design of the website – driven by demand (user needs) and not supply - is still needed.

### **Sustainability**

Rating: 2 out of 4

The evidence of the Evaluation's field research and desk reviews did not identify significant evidence of sustainability, e.g. in terms of frequency of use, clear preference over alternative sources, or integration into the trade information programmes of user organisations. The evidence is mixed, with some partner institutions frequent users and others much less so. Factors influencing this include low market awareness, failure to follow through on initial training seminars and budgetary constraints. The Evaluation would agree with the findings of the CAPNET/BIS programme evaluation, which identified sustainability as a problem; referring to the budgetary constraints on TIS for follow up, and to the debatable lasting or capacity building effect of seminars that are held on a one time basis.

## 3.6 Conclusions and Recommendations

### Conclusions

In recent years, the trade information function within ITC has become diffused, with the different sections within the organisation exercising increased autonomy in this area. As a consequence, the central co-ordinating role of the TIS has been diminished.

Capacity building within TPOs and TSIs in the trade information area is a primary function of TIS. The sustainability of that support has been compromised by a pattern of short-term training interventions and sporadic follow-on by ITC. This appears to be, for a combination of reasons, especially programme budget limitations and programme design.

ITC/TIS retain key strengths in the trade information/capacity building area, and further retain a strong reputation among developing countries in this regard.

The ITC library (TIRC) is a physically separate unit within TIS and is not being used to maximum effect. The walk-in traffic is minimal, which, in view of the rich on-site resources, is a sub-optimal use of that resource.

### Recommendations

Trade information is a core function of ITC, and responsibility for its management and provision should rest with a strong, co-ordinating unit. The recent administrative moves involving TIS should be re-directed at attaining that end.

ITC should re-evaluate the effectiveness and sustainability of its short-term interventions in the trade information area, with a view to developing more sustainable forms of intervention than are presently the norm.

The reputation and position of strength as a provider of trade information services that ITC still enjoys within the international trade development community should be strengthened, and ITC/TIS should consolidate itself as the catalyser for trade information co-operation among the existing network of TSIs.

The challenge posed by the empowerment of TSIs through the Internet needs to be adapted to by ITC/TIS, and the appropriate niche within this new environment clearly identified.

The library and its resources are potentially a strong marketing resource of ITC, and how to open it up to broader and more active use should be examined.

The internal contribution of TIS to the activities of other sections, in particular those of DTCC, needs to be more explicitly accounted for in ITC's project reporting and resource accounting systems.

## 4 Market Development Section

### 4.1 Description and Background

The MDS is the primary repository of sector specific expertise in the ITC. Its stated objective is to ‘provide expertise in product sectors that are important to exporting SMEs in developing countries’. It is a relatively large section in terms of personnel, with a current staff complement of 17.

The rationale and focus of the Market Development Section are described in the 2003-2005 Business Plan.

#### Box 9. Market Development Section Business Plan

‘--- constraints to improved export performance are not simply market-related (i.e. border-out constraints) --- constraints also exist on the supply side (border-in constraints). Constraints are sector level and specific to the individual trader or exporter --- ITC’s Market Development Section is expressly designed to address these constraints.

The programme is most concerned with improving export performance in sectors of critical importance and opportunity to developing countries --- but it also concentrates on --- advancing the integration of enterprises into the MTS, implementing sector level development strategies, fostering the competitiveness of the business community, and strengthening key trade support services.

--- the overall approach will involve triggering a relevant supply response (by creating greater awareness and understanding of market opportunities)-- the organisation of South-South, sector specific buyer-seller meetings will feature prominently, and activities will also be implemented under the Export-led Poverty Reduction Programme.’

The MDS work programme is broadly structured as follows:

- **Sector Strategy:** Under this heading, the MDS aims to develop and maintain position papers for key sectors on export issues and opportunities three to five years out;
- **Networking:** Under this heading, the MDS develops and maintains a global network of contacts in key organisations and enterprises;
- **Publications and Websites:** The MDS develops and disseminates publications and technical papers, and maintains websites that provide value-added knowledge to exporters in developing countries;
- **Tools:** The MDS uses tools developed elsewhere within ITC when implementing projects. Some are adapted to the specific necessities of product sectors.

## 4.2 Sector Coverage

MDS technical expertise is currently organised into the following sector groupings:

**Table 4.1 Market Development Section Sector Coverage and Allocation of Effort**

Pro-Active Assistance	Reactive Assistance	MDS Project Values 2001-04, USD
<b>Agro Based Products</b>		
Fresh horticultural products, floricultural products, and Fruit Juices	Fresh tropical & off season fruit and vegetables	9,501
Processed fruits & vegetables/Organic Products	Fish & fishery products Bee products	791,398
Spices & herbs/essential oils/medicinal plants/cashew nuts	Jute & hard fibres/copra	505,929
Coffee	Cocoa/Tea	704,264
<b>Manufactured Products</b>		
Leather & leather products/hides & skins	Leather footwear	2,048,232
Garments/silk	Textiles/natural fibres and yarns	406,537
Wood & wood products	Rubber	243,883
Creative Industries: Artisanal products and visual arts (artistic crafts, painting, photography, sculpture)	Music/multi-media	346,935

Source: ITC Project Portal<sup>3</sup>

The above project values exclude MDS inputs into projects that are accounted for under other sections, particularly Department of Trade Support Services (DTSS), DTCC, the South-South and the Economic Led Poverty Reduction Programmes (EPRP). Such activities comprise a very significant component of MDS' overall activities. Unfortunately, ITC's internal project management systems cannot generate a resource allocation summary that shows the distribution of effort between 'own' projects and all others.

MDS staffing conforms to the above sector classification, which varies from that on the ITC MDS website, which has portals for the following 12 sector classifications: Natural Rubber, Jute, Fruit and Vegetables, Information Technology and Engineering, Textiles & Clothing, Oilseed Products, Spices & Herbs, Creative Industries, Wood Products, Leather, Coffee, and Organic Products.

<sup>3</sup> These project values are valid as of September 2004.

Beginning approximately six months ago, the MDS website is now in the process of undergoing a major revamp. There is a new Textiles & Clothing website and there are plans to follow this with others - starting with Creative Industries.

The allocation of staff effort and sector coverage has changed somewhat over the past 10 years. A logical starting point is the year 1995, when ITC as a whole was restructured and the 1995 policy paper 'Selection of Priority Products for ITC' was developed. The policy paper set out to provide a quantitative and qualitative basis to the selection of products for priority coverage. In view of finite ITC resources, its approach and findings remain relevant today. It identified three different types of product related expertise, as follows:

- Expertise in product-related general trade information;
- Marketing expertise for broad product clusters; and,
- In-depth product-specific marketing expertise.

This paper argued that the first category corresponded to ITC's core service of trade information, for which no product-specific priority setting was required, whereas the third type of expertise generally comes from outside experts. The second level of expertise encompasses a solid knowledge of international trade and marketing for a broad group or cluster of products characterised by similarities in the way they are produced or marketed. ITC's technical reputation, it was argued, rested on this type of expertise. Based on that logic, the report proposed a total of 15 market development officers providing coverage for 22 product sectors.

The 22 priority product sectors were selected based on qualitative criteria, e.g. relevance to needs of developing countries, as outlined in the 1995 paper 'ITC at the Crossroads', and on quantitative analysis of export trends in developing countries. The current sector profile incorporates 17 of the original 22 products - those dropped from the list were: Plastic Products, Rice, Sugar, Livestock and Animal products, and Animal Feeds. Engineering has been de-emphasised (based on low levels of activity in that sector), while the individual who had been handling IT has been transferred to DTSS to accommodate the creation there of a new E-Trade unit.

In addition to the selection/de-selection of particular sectors, sector coverage is also re-positioned through the occasional re-designation of sectors from proactive to reactive and *vice versa*.

### 4.3 Deliverables and Mode of Delivery

#### Market Development Section Project Review 2001-2004

According to the ITC project portal, there were a total of 57 projects administered by MDS in the period 2001– 2004. Of these, 27 are operational.

A breakdown of the projects by sector focus follows:

#### *Leather*

There were a total of nine in the leather sector, with six of these falling under the umbrella of the flagship Meeting in Africa and Leatherline initiatives. One of the remaining three is a notional entry with zero funding (RAF/47/66), while the other two relate to the leather industry in Bangladesh. For the larger of these two (totalling USD 270,430 over 2002/2004), the ITC was the executing agency for the project, which was funded by United Nations Development Programme (UNDP), under the Integrated Framework Programme. The project, in association with the Dhaka Chamber of Commerce, delivered workshops to over 100 Bangladeshi entrepreneurs. Training sessions and overseas study tours for selected participants were also undertaken. The second Bangladeshi project involved the formulation of a technical co-operation programme for the export development of leather products through the establishment of a Bangladeshi Leather Service Centre. According to the ITC, this activity has led to the design of a technical co-operation intervention budgeted at EUR 1.5 million and the possibility of financing from the Government of Italy. Project cost was USD 60,509 in 2004, funded under GTF Window 1.

Meet in Africa (MIA) is the main axis of ITC co-operation in Africa for the leather sector. Its principal donor is the CBI of the Netherlands. It involves an integrated set of activities; biennial all-Africa exhibitions of leather products, buyers-sellers meetings, support to the African Federation of Leather and Allied Industries (AFLAI), and seminars, workshops and expert meetings. The first meeting occurred in 1998 and the fourth was in October 2004 in Addis Ababa. The AFLAI was created at the initiative of ITC and is at present the only entity representing the whole African leather sector. MIA is designed within the context of the Integrated Leather Sector Development Programme for Africa (RAF/47/72), whose main objective is to assist the African leather sector achieve sustainable growth, expanded trade and increased employment. This programme was evaluated in August 2004.

Since September 2003, ITC/MDS has also hosted the Leatherline website, which is linked to the MIA initiative. The website is also funded by CBI. Since its launch, the website has recorded a notable increase in visits, from an average of 400 in its first few months, to over 12,000 currently (July 2004). Membership is free.

#### *Coffee*

There were five projects that related to coffee, two of which related to the production of a new Coffee Guide (USD 224,134 in 2002/03), and development/promotion of a Coffee Guide website with Q&A service (USD 78,232 in 2003/04). Both projects were funded

by Denmark. A third project (USD 26,545, 2003) covered the translation of the Coffee Guide into Spanish and was funded by a private Belgian company.

The remaining two projects, both funded by Switzerland, were in Ethiopia. The largest (USD 208,832 in 2004) is a new project, aimed at improving quality standards and marketing potential of Ethiopian coffee. The other is a second phase of an earlier project, providing support to the establishment of a certification and marketing body for organic coffee from Ethiopia.

### ***Cocoa***

There were two cocoa-related projects. The largest (USD 78,886 in 2001) was the finalisation and dissemination of a new Cocoa Guide, an update of the 1987 version, in English, French and Spanish. This was funded by Denmark. The other was a relatively small (USD 28,629), a GTF Window 1 project dealing with the promotion of cocoa consumption in Russia.

### ***Textiles and clothing***

There were a total of six textiles and clothing projects, the largest (USD 99,115 in 2002/03) is a GTF W1 funded project, whose objectives are to raise awareness of the business implications of the ATC phase out in 2005, and to help in the formulation of a competitive response (action plans *etc.*). The project was delivered in five countries - Cambodia, Nepal, Malawi, Mozambique and Lesotho. The second largest project (USD 90,266 in 2003/04) is very similar and is also GTF W1 funded and delivered in four countries - Kenya, Madagascar, Cuba and El Salvador. Implementation of the action plans prepared was generally left to the partner national institutions. The next largest (USD 88,584 in 2003/04) is also a GTF W1, and is a planned business guide on e-applications in the Textile & Clothing sector in major markets. The fourth largest (USD 79,646 in 2004) is the development of a database and the delivery of training on effective sourcing and supply management in the sector. The databases are being developed in co-operation with Association of South East Asian Nations (ASEAN) and SAARC, but can be replicated globally. The final two projects are relatively small (USD 27,277 and USD 21,669, respectively) GTF WI projects. They comprise the development of a Textile & Clothing web portal and the application of the ITC benchmarking tool, Competitive Fitness Performance Benchmarking (FiT) to the SME sector of the Indian garment industry.

### ***Creative Industries***

There are nine projects that fall under this sector heading, although most are relatively small. The largest (USD 86,285 – 2002/04) is a GTF W1 pilot project supporting trade and export workshops - jointly with the World Intellectual Property Organisation (WIPO) and UNESCO - for crafts and visual arts in Cuba and Senegal. The second largest (USD 83,186 – 2004) is a GTF W1 funded feasibility review of new channels of distribution for visual arts. The third largest project (USD 67,754 – 2002/03) is GTF W1 funded, and is an assessment of the artisan sector's trade potential in the eight Union Economique et Monétaire Ouest Africaine member states. Implementation of the strategies outlined would require additional donor resources.

The remaining six range in value from USD 5,552 to USD 32,743, and all but one (the exception being the ILO) are GTF W1 funded. They comprise position papers, panel presentations (e.g. at UNCTAD XI), a marketing guide, and small pilot/consultancy studies in Africa and Latin America, respectively.

### ***Timber and Wood Products***

The largest project (USD 110,619 in 2002/04) under this heading is a review/publication on the international wooden furniture market, which was funded, and will be jointly issued, by the International Tropical Timber Organisation. This organisation also funded (USD 32,910 in 2002/03) a review/publication of the status of further processing of tropical timber in developing countries. The second largest project (USD 62,243 in 2001/02) was a GTF W1 funded report on constraints/opportunities to the export of further processed wood products from developing countries. There was a UNDP funded (USD 28,362 in 2001) overseas training/study tour programme for representatives of the Indian wood-based handicrafts sector and finally, a small (USD 9,749 in 2002) FAO funded analysis/report on the marketing of plantation timber products.

#### 4.4 Other Substantial Projects

Export development of Organic Products from eight Sub-Saharan African (SSA) countries (USD 791,398 in 2001 to 2003) was funded by Denmark. This project had as its aim the development of a sustainable export business in organic products, involving capacity building in certification, export marketing, and market research. Key elements included: (i) a supply survey/needs assessment on organic beekeeping in Kenya, Tanzania and Zambia; (ii) a study of selected markets; (iii) an export development and regional co-operation mission to Malawi, Tanzania, and Zambia to help co-ordinate export development and marketing activities for herbs, spices, essential oils and honey; and (iv) participation and inputs to the Organic Roundtable in Zambia in 2003.

Co-operative Programme on quality assurance of spices (USD 358,037 in 2001 to 2004), funded by Switzerland. This project aimed to assist spice producers in 11 developing countries and was carried out in collaboration with the American and European Spice Associations. It largely comprised workshops and field and technical advisory visits. The project outcome in one of the 11 countries (Vietnam) is reviewed below.

Trade expansion in cashew nuts (USD 84,485 in 2001 to 2003), was funded under GTF W1. This funded the organisation of a regional conference in Africa to increase networking among exporters of cashew nuts and create awareness of market opportunities. It was the first of its kind organised in Africa.

ITC's strategy for trade and the environment (USD 78,761 in 2003 to 2004) was also funded under GTF W1. A brainstorming session with international experts was undertaken and a position paper on ITC's possible future role in this area was prepared.

With the exception of special project headings, i.e. revolving fund and associate expert funding, the remaining projects range in value from USD 1,110 to USD 36,101. They cover activities such as EC Trade Related Technical Assistance in Pakistan, workshops on the export of cashew nuts, research on the export opportunities for essential oils (Cambodia) and coconut waste material (Comoros), and a market survey on organic fresh fruit and vegetables.

**Box 10. Other Substantial Projects**

***Types of Deliverables***

*Tools:*

- The Competitive Fitness Performance Benchmarking in Clothing and Textiles; a software based benchmarking tool for SMEs in the garment sector;
- The Strategy for Export Performance process, for the clothing sector, a structured thinking process to develop a clothing sector strategy;
- Materials (fabric and trim) sourcing training material;
- Internet auction/E trading prototypes (i.e. Coffee Cup of Excellence model).
- Value Chain methodology (in association with DTSS).

*Information Sources:*

- Numerous Publications (e.g. Coffee Guide; joint ITC/WIPO Guide on Marketing Crafts and Visual Arts; Tropical Timber Products; Cocoa – a guide to Trade Practices; Effective Private-Public Partnership in the Information Technology Sector; Silk Review 2001; World Markets for Organic Fruits and Vegetables; and many more – 25 listed since 2000);
- Sector Position Papers
- MDS website, information by sector.
- MNSs (on Fruit Juices only).

*Advisory:*

- Seminars on border in and border out issues, e.g. quality assurance, sector competitiveness strategies;
- Presentations at industry/trade events.

*Networking:*

- Leatherline website;
- Coffee web site with Q&A facility (under construction);
- New Textiles & Clothing website.

***Channels of Delivery***

*Global:*

- Seminars
- Workshops
- Website
- Publications and Papers
- Questions and Answers Linkage
- Training Packs and Consultation Kits

*Regional and Country*

- Seminars
- Workshops
- Website
- Questions and Answers Linkage
- Publication and Papers

***Geographic Focus***

- Global

***Beneficiaries***

Beneficiaries typically are industry or sector associations, and groupings of enterprises

## 4.5 Evaluation Methodology

In carrying out this evaluation, the Evaluation carried out a series of interviews with MDS staff and sector specialists, and reviewed all relevant programme documentation. All programme documentation, as contained in the ITC project portal (covering 57 projects) was downloaded and reviewed with relevant MDS staff. MDS staff members were provided with copies of the various draft reports, to which they replied in detail, and their responses were incorporated in all later versions. An inclusive briefing meeting was held at which all MDS staff members were given the opportunity to respond specifically to the comments relating to their area of responsibility.

In the course of the field research in 10 countries the Evaluation specifically reviewed the use by partner institutions of MDS services and materials and their perceptions of this service. Particular focus was paid to the use of MDS support in the framing of export strategies.

A number of donor agencies and partner institutions relating to MDS were interviewed. These were:

- The Common Fund for Commodities;
- CBI (Netherlands); and
- International Coffee Organisation (ICO).

## 4.6 Evaluation Findings

### Relevance

Rating: 3 out of 4

#### *General*

The sector specialisation of MDS is concentrated in the traditional agricultural, resource based, and labour intensive sectors that have dominated the trade profile of developing countries for decades. The rationale for this is based on the fact that even for the more advanced developing countries (e.g. in South East Asia and Latin America) that have attained a degree of trade diversification over the past decade, traditional sectors remain a major component of their economies. This is so particularly in the poorer and less developed regions. This basic economic fact dictates that expertise and support be made available from international sources such as the ITC.

Justification for a section that is built around sector specialists rests, to a large degree, on the demand from clients and from beneficiaries for in-depth and specialised sector knowledge that is not generally available either within these countries or elsewhere. The strength of the argument will clearly vary from sector to sector and from country to country. In addition to client-based demand, however, ITC, in choosing a sector focus, should also have a strategic longer-term perspective as to what would best serve the development prospects of its client base.

Nevertheless, there remains the generic requirement that ITC has across the full spectrum of its programmes for some sector expertise - in particular under South-South initiatives under Joint Integrated Technical Assistance Programme (JITAP), EPRP and Export Strategies. The difficulty lies in deciding where that expertise should be focused and concentrated.

As currently constituted, the MDS sector specialisation has a degree of rigidity in terms of staff specialisation. This specialisation should be continuously and explicitly more strategic and demand driven, which seems not to be the case currently. The role of DTCC, as the 'marketing' arm of the organisation is crucial and closer collaboration with MDS on this question may be required.

The sector specialisation selected should also take into account the availability of expertise outside ITC, in international sector association, academia, etc. that could be drawn upon as required. This might have the side benefit of extending ITC's external profile.

#### *Sector Specific*

No blanket conclusion can be arrived at in terms of the appropriateness of overall MDS sector coverage. Here the Evaluation looks at two, Leather and Coffee. Within MDS, these sectors represent the largest and third largest levels respectively of project expenditures.

### *Leather*

Until 30 years ago, Europeans dominated the leather and footwear industries worldwide. There has since been a major shift of manufacturing capacity to developing countries, particularly in Asia and South America. This has been driven by improved markets access to Europe and America and by a non-competitive Western cost structure. Within this changing global context, and given the continent's strong resource base, expansion and development opportunities for African suppliers have presented themselves. However, these have so far not been capitalised on to any significant degree. On those grounds therefore, the ITC initiatives in the leather sector would appear to be highly relevant, and MIA is a well-designed initiative that aims to capitalise on the opportunities arising.

### *Coffee*

The MDS produced publication, the Coffee Guide, is generally acclaimed as the leading industry reference. It is supported by the ICO and financed by Denmark. It is also ITC's most demanded publication. Part of its rationale stems from the success of the previous publication, the Coffee Exporters Guide, which was published in 1992 and was very well received, with over 10,000 copies being distributed. The Guide has been a useful reference point for the many seminars and consultations organised by ITC in coffee producing countries over the years.

While accepting the quality and demand for this publication, it might be asked whether the rationale that it be produced by ITC - although ITC does derive very positive publicity from it - is a compelling one. Could other bodies, with some ITC involvement - produce it given that in its production a wide range of other specialist associations and experts are involved? ITC's focus on it has naturally been influenced by the demand and interest that the guide has generated, and by the strong relationships with a number of international organisations that have arisen in the course of producing the guide - the value of which should not be discounted.

MDS' second major activity in coffee has been the Gourmet Coffee Project: This project is based on the recognition that in an oversupplied global coffee market, with ever increasing new suppliers and declining prices, adding value is crucial. Coffee is a commodity of crucial economic importance in more than 60 developing countries, and at least 14 countries are dependent on coffee for over 10% of their export earnings. Some, for example Ethiopia, Burundi and Uganda depend on coffee for more than 50% of their export earnings.

Adding value therefore is essential. In 1997 the Gourmet Coffee Project was launched by the ITC, in association with the ICO and the Common Fund for Commodities (CFC); the latter financed 72% of project costs of USD 1.4 million. The objective was to increase the earnings of selected coffee producing countries - i.e. Brazil, Burundi, Ethiopia, Papua New Guinea and Uganda - through stimulating the production of better quality or gourmet coffee and effective marketing. Lessons learned were made available for all coffee producing countries through the ICO. The results were mixed however, as summarised later below.

So what is the basis of ITC's coverage of the coffee sector? Most obviously it is a leading commodity export sector for developing countries - it is also one where funding sources exist - and is therefore one in which there is a demand for support from ITC's client universe. Nevertheless, questions also have to be asked. Worldwide, the coffee sector is intensely competitive and oversupplied. Additionally, the entrenched advantage of some countries like Brazil and some others in Central America militates against no more than a handful of others like Vietnam making a breakthrough. Can ITC's support and expertise prevail in such a difficult market environment? While there may not be a general answer to this question, it is one that should be rigorously considered on a case-by-case basis prior to future interventions. Coffee is also a sector with a large global knowledge base, which exists outside of ITC, and which provides a possible alternative option for channeling expertise to developing countries.

### **Efficiency**

Rating: 3 out of 4

#### *General*

On the basis of its 'own project' activities, the efficiency of this section, in terms of outputs relative to (staff) inputs, can be questioned. There are some commodity groupings, e.g. jute, fruits and vegetables, where there would appear to be infrequent and only sporadic outputs. Even in the more prolific categories, e.g. textiles, a common output appears to be sector position papers and updates thereof. The overall efficiency rating therefore reflects the variations in individual sectors, and the fact that project values (2001 to 2004) have ranged from over USD 2 million for Leather to USD 9,000 for Fruits and horticultural based products.

The overall efficiency measure, however, must also reflect the fact that individuals from this section are frequently involved in other 'multi-tasked' ITC initiatives, e.g. SSTP, EPRP and Executive Forum's export strategies. For example, under JITAP 2, Kenya has completed a national export strategy consisting of ten sectors – including fisheries, horticulture, textiles, tea, and coffee – all of which drew on MDS resources and staff. Kenya now has a clear roadmap and strategy for using trade/exports as an engine of growth. This has been possible largely because of the work under JITAP and the contribution from MDS. There is also extensive collaboration with DTSS both in the development of tools and in the delivery of DTSS programmes. For example, MDS is developing textiles benchmarking and training materials (e.g. on sourcing of fabrics) with DTSS, and is an important contributor to the Business for Development and Business Information Services (BIS) regional workshops.

Clearly, the backstopping and collaborating role is very important for MDS. The Evaluation is not in a position to say whether for some sectors within MDS, this role in fact exceeds the 'own project' role. But it critically affects any efficiency calculations.

Referring again to the MDS website, it has an unfinished and uneven quality, not corresponding with the allocation of product specialisations among senior staff. For four of the 12 product groupings, the site has no material and is 'in preparation'. For at least one

other (Fruit juices) the information presented is minimal. As already noted, the website is now in the process of undergoing a major revamp, with two new portals on Textiles & Clothing and on Creative Industries.

Insofar as other partnering agencies are concerned, e.g. ICO and CBI, the efficiency of ITC/MDS in delivering on projects is rated very highly.

### **Effectiveness**

Rating: 2.5 out of 4

#### *General*

The effectiveness of MDS is almost entirely a function of its effectiveness within the given sector groupings. Certain sectors, e.g. Leather, Spices, Artisan Products and Textiles, have been effective in terms of generating outputs such as Quality Assurance for export products, training in supply management processes and support in marketing, for end users. In other sectors however, the outputs have been far fewer.

#### *Sector Specific*

Leather: MIA: This project has recently been evaluated and the interviews carried out for the evaluation showed generally positive results, as expressed by many participants. The participants also demonstrated several success stories, including partnership developments and trans-national and trans-African business and technical assistance programmes. Many trans-African contacts were developed through MIA for the first time.

Following the Casablanca MIA (2000), it was reported that participating companies received confirmed orders of USD 1.5 million. However, this was against a backdrop of an overall decline in business in the period 2000 to 2003. The economic progress of the African leather sector is genuine, but it is impossible to know how much can be attributed to MIA events. According to the Evaluator, while the impact on intra-African trade has been positive, the impact on the rest of the world has been minimal, due in part to the small number of non African (European) buyers attending. Nevertheless, the trend between 1998 (Cape Town) and 2002 (Tunis) was positive, with visitor numbers and exhibitors doubling.

Accomplishments/benefits listed included the following:

- MIA has improved entrepreneurs' quality assurance and marketing competences, and has generated new Technical Assistance (TA) projects.
- The number of South-South transactions has increased, as has the quality of the South-South trading infrastructure.
- Being located in Africa, the MIA brought African suppliers/entrepreneurs to centre stage.
- MIA has been a useful tool for managing price lists and sales samples.
- It has resulted in increased information about African products and capabilities, a reduction in intermediaries, and easier and fairer market access.

- According to the CBI, a major benefit has been the awareness generated within Africa itself of what is available within the region.

Thus, at least on the basis of this evaluation, the MIA does appear to be generating tangible, end user benefits, precisely the type of impact that so much TA of a capacity building nature aspires to, but fails to demonstrate. In the Evaluation's view, the major flaw noted was the doubt raised over the capability of AFLAI to assume full responsibility for MAI as the original programme envisaged. However, according to ITC, organisational and management changes recently agreed at the 2004 MIA in Addis Ababa might be about to change that. It is planned that AFLAI will have primary responsibility for the next MIA, with ITC reverting to the role of providing assistance and advice.

The value of MIA is also in part demonstrated by the revenues generated through participation at the fair- African participants pay USD 200 per head to attend. These revenues have increased from approximately USD 60,000 in 1998 to USD 205,000 in 2002. This money is assigned to a special revolving fund that is used for the subsequent MIA events. Also, industry associations from Italy and France have become involved with ITC in the event, e.g. sponsoring travel by African suppliers to fairs in Europe, sponsoring surveys and providing logistical support.

Spices: Project INT/61/77A: The aim of this project (funded by SECO) was to assist producers and exporters in 11 countries in improving product quality. The Evaluation surveyed one of these countries, Vietnam, where the project was seen as very relevant, insofar as increasing spice exports accorded with national priorities and quality improvements were required. Working with the American Spice Trade Association and the European Spice Association, well-attended seminars were delivered in Hanoi and Ho Chi Minh City, and individual expert visits were undertaken to selected producers. The project resulted in the establishment of a Vietnamese Pepper Association. This was probably a contributing factor in the appreciable improvement in the quality of Vietnamese spice production (with prices increasing by as much as 50% per tonne); and in Vietnam doubling its exports of spices from 2001 to 2004, surpassing India as the world's largest spice exporter. The partner TSI, the Vietnam Institute of Trade, has acknowledged the value of ITC's support and has submitted a request for follow up assistance.

## **Impact**

Rating: 3 out of 4

### *General*

MDS has a more pronounced end user/enterprise focus than many other ITC Sections. Tangible impacts have flowed from a number of projects, including the Gourmet Coffee Project (e.g. internet based auctions), Spice exporting initiatives in Vietnam and India, and in Leather. Export strategies in a number of countries have also been formulated in part with MDS inputs.

The impact of MDS can only be considered on a project-by-project basis. For that reason, the Evaluation presents below a sample of projects in which MDS played a major role.

What is clear from a review of these is that this is a section where generalised conclusions are hard to come by. The normative MDS intervention appears to be TA with the design and implementation of a specific sector-based strategy. There have been many instances of success, and many of no success. Usually this occurs in the context of a new national export strategy, and MDS inputs have been central to this process in countries such as Kenya or Tanzania. Possessing this sector capability is an absolute requirement for ITC's expansion into the area of export strategy advice and formulation, which is a priority strategic focus for ITC going forward.

*Sector Specific*

Coffee. The Gourmet Coffee Project report cites the following as its most notable successes:

- The creation and electronic auctioning of exemplary coffees from Brazil;
- The launch of Burundi Ngoma with single origin status in many US retail stores;
- Experimental production of Uganda robusta coffee;

And, its most notable shortfall:

- Inability to capitalise on the enormous potential for robusta coffees.

The ICO rates this project as one of their most successful ever, and sees the Cup of Excellence Internet auction as showing the way in terms of the future marketing of premium coffees and as something that could be replicated. On the other hand, the benefits to participants were skewed, with Brazil benefiting the most from it, in large part due to its advanced industry infrastructure. According to the Common Fund for Commodities, it is debatable whether the project can deliver for the African participants (three out of five), whose industry and marketing infrastructure is insufficiently developed to capitalise on it. In terms of its overall impacts, it would be difficult to argue that the Gourmet Coffee Project was an unqualified success. Unfortunately, during the lifetime of the project (1997-2000) coffee prices in general also declined, as did the price premium for quality coffee.

With regard to the Coffee Guide, this has proved to be a very well received product and feedback from ICO membership and others has been very positive. This is also the MDS publication with the highest print run (8,500 in English, over 4,500 in Spanish and 2,500 in French – although there are 10 years between new editions). It was also ITC's most demanded publication in 2003. Although the list price is USD 70, approximately 90% copies are distributed free of charge. The text will form the basis for development of ITC's Coffee website with a Q&A service scheduled to open in early 2005.

Spices. IND/95/06: This was an EPRP project initiated by the Spices Board of India, in association with ITC; to empower rural communities by assisting small-scale producers to penetrate the premium export market for organic spices. This project has proved highly successful, with tangible increases in outputs, exports, and incomes for the participating producers. A key component in the positive results was the choice of partner agency,

whose own capabilities have also been enhanced. Stakeholders were extremely appreciative of the quality of ITC technical assistance inputs.

**Organic Products.** INT/24/83A: This multi-country project was aimed at building up a sustainable export business in organic products, entailing capacity building in certification, export marketing, and so forth. A supply survey/needs assessment on organic beekeeping was carried out in Kenya, Tanzania and Zambia, followed by a small study of selected western markets. While the linkage between organic production and income enhancement is very strong, the relevance of the products selected (for Kenya) was debatable. This is in view of the products' marginal potential to export contribution, as compared with such other items as coffee, tea, horticulture, etc.

**Artisan Products.** IND/95/001: The aim of this project was to increase exports of wood based handicrafts from India on a sustainable basis. While the project accorded closely with national priorities and delivered a complement of training and technical inputs, the tangible impacts have been limited - individual cases of artisan skills upgrading. No sustainable increase in exports has been achieved.

**Textiles.** RAF/W4/58A: This project was designed to assist the garment industries of four countries to understand the challenges of the 2005 quota phase out, and to prepare an action plan for implementation. In Kenya, seminars were held and a study, outlining future opportunities and constraints, was prepared for the Kenya Apparel Manufacturers Association. The project was seen as highly relevant, given the importance of the textile industry in Kenya, and ITC inputs were very well received. While a road map for the industry has resulted, any impacts are again indeterminate and entirely a function of future implementation by the national authorities.

In summary, the success or otherwise of MDS interventions is very project and sector specific - much more so in the Evaluation's view than in other sections. Mainly, in one way or another, are contributions to export strategy initiatives, the success of which are often entirely dependent on the capacity and commitment of the partner TSI. Careful evaluation of this factor, and of the appropriateness of the sector focus within the countries in question, would tend to increase the ratio of successful outcomes.

### **Sustainability**

Rating: 2.5 out of 4

As is the case with other evaluation criteria, the sustainability of MDS interventions will vary with the sector in question, the commitment and resourcing of the partner institutions, and above all, the follow-through in terms of implementation of export strategies. The evidence, as reviewed above, is mixed in this regard, with a number of successful examples of implementation and continuity, and other less successful examples.

## 4.7 Conclusions and Recommendations

### Conclusions

The rationale for the current sector focus within MDS is not totally clear. While client demand is certainly a factor, and an important one, as transmitted through ITC exposure in the field, the sector focus is also influenced, at least in part, by the backgrounds and experience of the existing personnel - which may not always coincide with the real needs/requirements of many beneficiaries.

There is some lack of clarity regarding the precise division of responsibilities between MDS and other units of ITC that also provide sector/product coverage, specifically with MAS and with DTCC. ITC has acknowledged this and has recently taken steps to address it. The first area of overlap concerns some of the products covered under the MAS tool Product Map. MDS personnel also cover some of these products -e.g. footwear, textiles or tea -, and as a result responsibilities have become blurred. In the case of Textiles and Clothing ITC has responded with the creation of the new Textiles & Clothing website, and the removal of Textiles from Product Map altogether. ITC has also now moved responsibility for Product Map to the TIRC, with the idea of handling all product or sector related inquiries of a general nature at that level, reserving the MDS response for more detailed inquiries. Finally, personnel assigned to DTCC frequently take the lead on sector strategies in the context of country-level JITAP programmes, while two key sectors for developing countries, IT and Services, fall outside the remit of MDS.

For many of the publications produced, there is a large amount of sector and product material available from various organisations and various websites, some of which may offer essentially equivalent information (and of a similar quality). To the degree that the MDS/ITC material is distinctive (e.g. in terms of its focus on trade issues), is of clearly superior quality and is more accessible (e.g. through the ITC website or on the basis of cost), the case for MDS continuing to produce such material will clearly stand.

Independently of the projects/events that MDS leads on and that are accredited to it under the project portal, MDS provides a crucial 'backstopping' role to other ITC programmes - in terms of project support, seminars, strategy advice, etc. This is true in particular, but not restricted to, the South-South Trade Promotion Programme and the Export-led Poverty Reduction Programme. While other ITC sections also perform such 'un-accredited' tasks, none do so to the extent that MDS does. In the absence of the proposed new resource accounting system (designated A0P2), this contribution by MDS is at risk of being overlooked or at the very least, not being fully valued.

### Recommendations

ITC needs to accelerate the introduction of the proposed new accounting measures to provide an accurate and balanced appraisal of the distribution of effort and outputs across different sections. With regards to the South-South and EPRP programmes, the distinctive contribution of the MDS to these should in particular be noted.

MDS should re-evaluate the particular mix of sectors it presently provides pro-active coverage for. Given the realities of limited ITC resources and its mandate for global coverage, a more deliberate and targeted approach to sector selection may be merited. The Evaluation suggests a three-fold approach.

First, a revisiting (with DTCC) of the original sector prioritisation process, with a requirement that coverage of each specific sector be justified on grounds of real trade development and export growth potential.

Second, a focus on those areas with real growth potential not well served by other international organisations. The Evaluation accepts the point made by ITC that unlike a number of such organisations, their sector coverage has a more pro-active and practical emphasis extending beyond simple research. Nevertheless, for some of the commodities covered, there is a large body of international expertise that ITC may be able to lever in a way that releases its resources to focus on areas less well served. A policy of ‘contracting out’ particular sector coverage to these other organisations could be considered.

Third, greater flexibility on the part of MDS staff would seem to be required. The present system, whereby certain individuals become specialists in one area by hosting that area over long periods of time is hard to justify within the context of resource and staffing constraints. As noted earlier, ITC has accepted the need for more moves in that direction, and new staff vacancy postings are reflecting this.

Sector capability is and should remain a key competence of ITC, but leadership in this area needs to be clarified, with the most obvious location being that of MDS. ITC does make the point that liaison between these different units is working well.

MDS should, however, review its publication portfolio in light of the availability of equivalent material elsewhere, with the respective authors required to clearly demonstrate the comparative advantage these publications have over those available from other sources.

MDS produces a large number of sector and market specific publications, which are generally available at no charge, either in hard copy or downloadable from the ITC website. The research and production cycle of these publications appears to be determined by demand factors, such as requests for reprints, etc. Those that are in high demand (e.g. the Coffee Guide) are updated and renewed, whereas others are dropped. The revenue earning potential of these publications may not be optimised, and ITC should re-examine the distribution channels being used - e.g. are they handed out free at events or are they subscriber-based? It should also re-examine the different pricing options.

## 5 Trade in Services Section

### 5.1 Description and Background

The ITC established a Trade in Services Unit in 1996, which focused initially on the development of tools. In 2000 it began the formulation of its TA and outreach programme, and in June 2004 it was upgraded to a Section level, which currently (August 2004) operates with five staff members. The Section's primary focus is on Business to Business (B2B) services, although selected Business to Consumer (B2C) services, in particular Tourism, have been increasingly emphasised since 2003.

#### Programme Objectives

The Box below contains a summary of the TSS objectives, as outlined in the ITC Business Plan 2003-2005.

#### **Box 11. Trade in Services Section Business Plan**

- Increasing awareness of the importance of services to export performance;
- Enhancing public and private sector capabilities to support increases in service sector exports.
- 'Securing the engagement of strategy makers and business associations to generate increased interest in services --- prioritising the full understanding of the commercial implications of the General Agreement on Trade in Services (GATS) --- supporting national information and capacity development initiatives through the preparation and dissemination of a range of tools and publications --- enhancing the ITC services homepage. Field level support will encompass advisory and training missions, with the latter focusing on training of trainers and the structuring of awareness building and competency development within the private sector. Emphasis will be on professional services sub-sectors and business to business (B2B) commercial opportunities along the South-South axis ---- increased attention will be directed to the development of tourism as a service export'.

The TSS programme design is premised on the view that there is a low level of awareness of the trade potential of services within the majority of developing countries, and that service export providers have historically not had an influential role in the formulation of export policies and strategies. According to ITC, service providers are not accustomed to approaching the government for help, and service industry associations are typically diverse and fragmented. ITC has also identified the merits of drawing in individual associations of service providers, which, while they might not currently have an explicit export focus, would have an interest in any initiatives that might help them to retain and add to their membership base.

## 5.1 Deliverables and Mode of Delivery

The Basic TA Module: TSS services are organised and delivered on the basis of a six-phase TA programme, which is aimed at governments, trade and industry associations, and potential exporters of services. Coverage is restricted to certain B2B services - examples mentioned by ITC include information technology, business outsourcing, accountancy, construction and engineering services. The programme is regional in scope - covering three or more countries - and involves the following six phases:

### **Box 12. The Six Phases of Trade in Services Section Technical Assistance**

- An assessment of the services sector in each country, carried out/managed by an international consultant, usually retaining local consultants. The main output are national services sector capacity studies;
- Identification and survey of service industry associations, and establishment of service sector ‘champions’;
- Development of web portals to connect the countries to the existing networking website ([www.servicexport.com](http://www.servicexport.com));
- Delivery of train the trainer workshops and training modules and materials;
- Organisation of regional networking meetings for the service industry associations from the participating countries to forge partnerships and alliances;
- Provision of technical information to governments on promoting and supporting service sector exports, participating in multilateral trade agreements, and capturing trade statistics.

Each of these phases is independent of each other and can be delivered individually or in various groupings. Once a country completes the six phases, it joins a newly created International Services Network (ServiceExportNet). The latter was set up in December 2003, and intends to meet annually to discuss progress in promoting trade in services, share best practices, and identify future TA needs.

### **Trade in Services Section Project Profile**

The clearest understanding of TSS deliverables can be obtained by reviewing the projects assigned to TSS and delivered by the same since 2001 - this is the earliest date for which project information is available through the ITC project portal.

It is important to note, as is the case with other DPMD sections that this project list is not a complete summary of the Section’s deliverables, as it omits projects/assignments carried out under the aegis of another ITC department. For example, TSS is often involved in broad Export Strategy initiatives co-ordinated under the Office of the Executive Director, or under the DTCC. Unfortunately, ITC’s recording structure is such that it is not possible to obtain any accurate breakdown of the full allocation of effort by section across the organisation.

Nevertheless, the ‘own project’ file does account for the majority of TSS effort, and provides an accurate description of its content and focus.

### 5.3 Project Review 2001-2004

A review of the ITC Project Portal shows a total of 17 projects/activities, 12 of which were open, as of 23 September 2004. TSS projects fall into the following major sub-groupings:

#### **Capacity Building**

This category accounts for the majority of programmes/activities using ITC developed training modules, with the following common elements:

- Service Sector Capacity Studies;
- Train the Trainer workshops (usually with representatives of industry associations);
- Assistance in setting up web portals for networking;
- Regional buyer-seller networking events.

Allowing for the overlap between activities and programmes, those with a distinct emphasis on Capacity Building account for seven of the 17 programmes and 60% of the funding total of USD 1,182,019. Another programme, which focuses on capacity building among women entrepreneurs, accounts for another 10% of total funding. It is a two-day pilot training programme for women entrepreneurs and it has been delivered in Mozambique, Nigeria and Mauritius. There are two large and relatively recent bilateral funded projects, funded by the Netherlands and Norway, covering three countries each (Botswana, Namibia and Zambia; and Cameroon, Morocco and Tunisia). There is also a small OECD funded project (USD 18,000), but the remaining programmes are funded from GTF Window 1.

The country focus has been on SSA (11 countries) and the Balkans/SE Europe - seven countries, with a focus on the three accession states (Bulgaria, Romania, and Croatia). Two Arab countries (Morocco and Tunisia) have also been covered, plus individual countries from other regions (e.g. Nepal).

According to ITC, achievements/outputs under these programmes include the following:

- Continuation of training by beneficiary associations within these countries;
- Inclusion of services in national export strategies;
- Launching of new trade promotion activities targeting service sectors;
- Establishment of regional bodies of services exporters;
- Adoption of ITC training modules by educational institutes;
- Development of modular train the trainer packages; and
- Launching of service sector oriented web and networking portals.

**Promoting increased General Agreement on Trade in Services participation:**

A second category of assistance is the provision of training for government officials from developing countries to participate effectively in the GATS negotiations process. The largest single donor is Canada (USD 85,748), supplemented by a smaller (USD 18,142) GTF Window 1 programme, which together account for 9% of the funding total. These have elements in common with the Capacity Building programmes (e.g. Service Sector Capacity studies), but are different in that they involve training seminars in Geneva with a focus on the specifics of the GATS process (and meetings with WTO representatives). The country focus has been on Latin America and the Caribbean (eight countries), with one Arab and one SSA country.

**Tourism Export Strategy Template**

In 2003 the TSS commenced coverage of Tourism as a distinct service export and secured funding for a GTF Window 1 project (USD 119,845, 10% of the funding total) to develop a Tourism Strategy template. The template is broken into five separate phases (building awareness, co-ordinating stakeholders, developing a strategy, promotion of partnership and clustering, and monitoring strategy implementation) in a similar manner to the six-phase Services TA module. The first version of the template is complete and was launched for testing in St. Lucia and Ecuador.

**Networking Support**

There are a number of smaller projects that are best classified under this heading. One is the convening of service sector representatives and resource people from 12 countries (globally dispersed) in a pilot project to share experiences and to sign up to an international support network – ‘ServiceExportNet’. This project was funded for USD 63,673 under GTF Window 1. Another is the hosting of a networking event (August 2003) among service industry associations, the Association of Professional Societies in East Africa, from three SSA countries (Kenya, Tanzania, and Uganda). The objective was to facilitate intra-regional partnerships and raise awareness of service export possibilities. This was also funded under GTF Window 1 for USD 39,840.

**Miscellaneous:**

There are a number of smaller projects including an EU funded project for Pakistan and four small GTF Window 1 projects totalling USD 35,460.

**Box 13. Characteristics of Trade in Services Section Deliverables**

***Classification of TSS Deliverables***

*Tools:*

- 6 Phase Services TA Module
- Service Sector Capacity Studies
- CD Based Tourism Strategy Template

*Information Sources:*

- Guide to Selling Consulting Services in the EU
- Service Industry Association Lists for TPOs
- Miscellaneous papers – e.g. Using Trade in Services Statistics, Approaches to Services Trade Promotion, a Template for establishment of a Services Coalition.

*Advisory:*

- GATS Private Sector Advisory Services
- Training
- Train the Trainer Materials and Modules
- Delivery of Training Workshops
- Women Entrepreneurs Training Modules
- GATS Training Seminars

*Networking:*

- ServiceExportNet
- Annual Geneva meetings for ServiceExportNet members
- Regional networking meetings of Service Industry Associations

***Channels of Delivery***

*Global:*

- Service ExportNet
- Publications and Papers
- Training Seminars
- TSS Website

*Regional/Country:*

- Training Seminars
- Country Capacity Studies
- Services and Tourism Strategy Modules

***Geographic Focus***

- TSS delivers its services globally, although in the area of Capacity Building there has been a focus on sub-Sahara Africa and the Balkans/SE Europe. The membership of ServiceExportNet is globally dispersed.

***Beneficiaries***

- Beneficiaries are predominantly intermediaries, i.e. TPOs, government officials with responsibility for trade matters, and industry associations. End-users, i.e. service providers, are however also involved in training and advisory sessions.

## 5.4 Evaluation

In doing this evaluation, the Evaluation carried out a series of interviews with TSS staff and reviewed the relevant programme documentation. All programme documentation, as contained in the ITC project portal, was downloaded and reviewed with TSS staff. TSS staff was provided with copies of the various draft reports, to which they replied in detail and their responses were incorporated in all later versions.

The Evaluation also, in the course of its field research in 10 countries, specifically reviewed the use of TSS services and materials by partner institutions, and their perceptions of this service. Four countries in particular were focused on – Tunisia, St. Lucia, Tanzania and Kenya. The Evaluation also separately met and interviewed executive staff at the WTO's Trade in Services Division, and officials from a range of developed and developing country TPOs/TSIs.

Unlike most other ITC Sections, no previous ITC evaluations have been undertaken for TSS programmes, and thus this research resource was unavailable.

### Relevance

Rating: 3.5 out of 4

#### *General*

The high rating reflects the importance attached to the role and potential of services in the development of successful trade strategies by developing countries, and to the huge interest among developing countries in receiving TA in this area. There does appear to be a compelling case for the maintenance and reinforcement of a strong ITC capability in services. As the examples of India in IT, certain Caribbean islands in financial services, and tourism generally indicate, services have a potentially crucial role to play in accelerating the economic development of developing countries. Compelling considerations in favour include the following:

- The transforming innovations in information technologies and transportation present historic opportunities for developing countries to overcome longstanding location and resource disadvantages in their trade development.
- The extension of the WTO's coverage in services is providing a structure within which these objectives can be pursued.
- Many new service sectors offer economic advancement opportunities to women that are far superior to those of many traditional sectors. This complements the goals of gender equality set out in the Millennium Agenda (Millennium Development Goal 3).
- Service sector associations are more diffuse and less well developed than in other industries – hence the opportunities for ITC to fill this gap.

### ***Project Level***

There was unanimous support among the countries sampled for the provision of TA in the services area. The development of service exports is seen as a vital plank in each country's future export strategy. The project proposal received full support from CEPDEX (the Tunisian TPO), as it was considered to be highly relevant, and fell within Tunisia's strategy for the development of the service sector and its export potential. In Saint Lucia, the collapse of the banana trade - which traditionally accounted for over half of export earnings - has made export diversification a national imperative, while Services is a large sector in Tanzania's and Kenya's export basket; and is a priority sector for their national export strategies.

### **Efficiency**

Rating: 3 out of 4

#### ***General***

TSS operations appear to be organised and delivered in an efficient manner – at least on the basis of the scale of the programmes delivered and the small staff numbers involved. The question might even be asked as to whether this section is understaffed relative to others within the ITC?

This 'imbalance' in the coverage of services is also true of many national TPO or export support organisations. In part, it reflects the underdeveloped analytical and statistical base - as compared to manufactured goods and commodities - that services support personnel have to work with. But it also itself reflects a general under-developed awareness of the potential of services that pervades traditional trade support organisations.

There is also only limited overlap between what the ITC and other international organisations are doing in this area, with the possible exception of the projects to promote fuller participation in the GATS. Even there, however, the relationship is potentially more complementary than competitive. The WTO has a Trade in Services Division, whose focus is to brief and provide support to member countries in covering developments of interest at the GATS. This unit, however, has a staff of only 12 and could be considered under resourced. In most countries, client ministries do not represent services and it becomes more difficult to develop a coherent view, certainly, when compared to agricultural or industrial interests. In addition, there is the whole issue of the lack of trade statistics. It is therefore a valuable endeavour to develop capabilities among developing countries in this field.

Outside of the specialist organisations (e.g. the International Telecommunications Union or the World Health Organisation (WHO), which do work with specialist ministries), multilateral agencies are not generally active in this area. The World Bank comes closest, but its emphasis is on mobilising government infrastructure investments, or trade policy – not in capacity building. According to the WTO, their 'open flank' is the business opportunities scenario, which is where real scope exists for development by the ITC. However, the WTO does have a slight concern with regard to the possibility of outside consultants

overstepping or misrepresenting GATS to government officials participating in ITC training seminars – lacking case law; GATS is more open to misinterpretation.

There was some evidence of overlap, however, with some of the regional organisations surveyed. For example, in the Caribbean, organisations such as the Organisation of Eastern Caribbean States, and the Organisation of American States provide GATS trade negotiating training. In most cases, the distinction appears to lie in the personnel participating as distinct from the content, with ITC catering to representatives of Ministries of Commerce or Industry, and others hosting representatives of Ministries of Foreign Affairs.

In the area of tourism, there has been endorsement by the World Tourism Organisation of ITC initiatives in that area, and joint meetings have been held to co-ordinate activities and review ways of working together. WTO with UNCTAD operate a ST-EP initiative (linking Sustainable Tourism with Eliminating Poverty), which ITC has been invited to sit in on. Collaboration is being considered on a case-by-case basis.

### ***Project Level***

Generally, across all three locations surveyed, the ITC drew high praise for the professionalism and efficiency of their workshops. In all cases, inputs and resources were delivered in accordance with agreed time lines with only minor deviations.

In Tunisia, most outputs anticipated in the original programme document were delivered, including attendance levels of enterprises and public organisations (70 in all), train-the-trainer modules, and a service sector capacity study - although very few people seemed to be informed about its content and results. Outputs that did not result included: Export success stories; services associations delivering export training workshops in their own country; tools to capture trade in services statistics; tools to establish a network for women entrepreneurs; and tools to establish an umbrella services sector coalition.

In Saint Lucia, the ITC workshops were presented professionally and efficiently. The subsequent follow-up, however, has not been sufficient to ensure that what was committed to at the workshops would be followed through. As a consequence, while service components have been incorporated into the draft national export strategy - although later than anticipated -, there has been little or no movement on the tourism component.

In East Africa, the workshops drew high praise and there has been subsequent momentum in terms of a number of the original objectives.

### **Effectiveness**

Rating: 2.5 out of 4

### ***General***

TSS has been reasonably effective in delivering on programme outputs, i.e. in terms of the provision of training to services and exporter associations, production of guidebooks and strategy templates. According to ITC, the basic six-phase TA programme has now been delivered in a total of 14 countries, i.e. Kenya, Ghana, Romania, Morocco, Botswana,

Tanzania, Uganda, Croatia, Cameroon, Zambia, Nigeria, Bulgaria, Tunisia and Namibia. Partial delivery has been provided to another 10 countries, i.e. Jordan, St. Lucia, Peru, Trinidad & Tobago, Venezuela, Senegal, Panama, Paraguay, Jamaica and Barbados.

Association and exporter training only (phase 4) has been provided to the following countries: Cyprus, Sri Lanka, Cuba, Egypt, Vietnam, Malaysia, Philippines, Colombia, Macedonia, Bosnia-Herzegovina, Albania, Moldova, and Serbia and Montenegro.

In addition, ServiceExportNet was launched in Geneva in December 2003 with a membership comprised of 12 developing countries and Canada. The 12 countries are: Bulgaria, Romania, Croatia, Cyprus, Ghana, Kenya, Mozambique, Nigeria, Tanzania, Uganda, Malaysia and Mauritius. The December meeting is the first ever International Services Expert meeting hosted by ITC and is planned to be an annual event. The membership has subsequently expanded to 19 countries. A range of achievements are cited, such as the following:

- Inclusion of services in national export strategies for the first time;
- Extension of export incentives to cover services;
- Service export promotional initiatives, e.g. trade missions, etc.

The network membership is predominantly comprised of national TPOs (e.g. the Export Board of Zambia, the Bulgarian Trade Promotion Agency, IPEX of Mozambique, etc.), with smaller representations from national Ministries of Commerce, Chambers of Commerce, Services Exporters Associations and Consultants.

A closely related initiative is Servicexport.com, an ITC hosted Internet portal dedicated to service exporters around the world - currently there are 11 active country sites (10 developing countries – Botswana, Cameroon, Morocco, Namibia, Tunisia, Uganda, Zambia, Bulgaria, Croatia and Romania – and Canada). In addition to listings of recent ITC events and support tools, it offers a gateway to national sites with listings of service associations and companies. The national sites, however, are relatively undeveloped, with fairly basic offerings (i.e. contact details only).

### ***Project Level***

It is at the level of project effectiveness that most questions arise. For example, the Tunisia project was supposed to be completed in March 2004, yet according to CEPEX it is still pending, as activities that had been planned have not taken place. Neither were the activities extensive enough (according to CEPEX), and they did not ensure a sustainable transfer of knowledge. The purpose of the train-the-trainer element was to build capacity to ensure continuity in service provision to SMEs. Those trained were perceived by CEPEX not to have the relevant competence and experience to train SMEs. The selection of local consultants and private service providers would have been more appropriate.

In general terms, there was a consensus that the project achieved its planned goals in terms of raising awareness. In relation to the development of export services, however, the planned specific results have not been achieved and are not likely to be achieved in the future, unless inter-regional activities are carried out. CEPEX does not have a mecha-

nism for feedback on activities carried out for enterprises, nor was it able to document the effectiveness of project activities for end users.

The general view was that the awareness raising and train-the-trainer sessions were too short and were relatively basic activities, which could be provided by a large number of organisations and private service providers other than ITC. There was only limited awareness of the service sector study and reference was made to a similar study carried out in 1998-99 by Tunisian and French consultants. A regional “buyer-seller” networking meeting still needs to be organised in order to foster partnerships among the SMEs from Morocco, Tunisia and Cameroon. This meeting has not been held and CEPEX has not been informed of the reasons why. CEPEX has sent enquiries to the ITC regarding the follow up project activities, but claims that it did not receive any clarification as to the status of the project or its development.

ITC takes the position that it is premature for CEPEX to question the outcome, and that results cannot be captured until CEPEX has undertaken the research required for its participation in the ServiceExportNet meeting scheduled for December 2004.

In Saint Lucia, the ITC intervention has been broadly effective in terms of its influence in the formulation of a new export strategy. Although the finalisation of that strategy has taken longer than ITC anticipated, nine of the 10 sector strategy papers have been completed, and implementation is now ‘firmly’ anticipated. It has also already received the endorsement of the National Economic Council. Notably, six of the 10 sectors covered are in services.

The tourism component of this strategy has stalled, however, with no momentum following the workshop in April. Problems identified include the failure to procure funding for the hiring of a co-ordinator to move the process along - an element which is seen as fundamental to the success of the national strategy. Also, there has been only limited involvement of the key industry player, the St. Lucia Hotels and Tourism Association, whose membership is dominated by multinational corporations that have only a token interest in the process. In addition, another key potential stakeholder, the Ministry of Tourism, has been focusing on the development of its own tourism policy, which, while it does acknowledge the potential value and complementarities of the ITC Tourism template, is primarily focused on leveraging funding for future projects from the EU. Nevertheless, this stakeholder is receptive to working with the ITC model and can/should be drawn into the process.

In East Africa, the ITC project was designed to foster in-country and cross border partnerships among services sectors by adapting the Buyer-Seller format of the South-South Trade promotion model to the Services sector. 10 service clusters were identified within the three countries and a workshop was held in Kenya. Sector capacity studies were developed and training delivered. According to the ITC, over 500 companies received export preparedness training and new regional bodies of services exporters emerged in the three countries. The ITC training modules were also adapted and included in many educational institutes’ curricula. While a number of stakeholders contacted (Kenya based busi-

ness associations) claimed not to recall anything substantive about either programme, a check of ITC records indicated that they had not attended the event.

In 2003, more than 60 companies attended the networking meetings in Arusha in Tanzania. Nine partnerships were reported and greater awareness generated about the strategic importance of bundling service offerings for greater export success. Thereafter a buyer-seller meeting was held in Nairobi, with emphasis on forming partnerships and networks among service associations. However, all event costs were borne by ITC, including the travel costs of participant associations. Tanzania is also now setting up a Service Export Association as an apex body to set up a system of classification of all services and to capture/measure all service activities.

### **Impact**

Rating: 2.5 out of 4

The primary categories of impact that have arisen from the TSS interventions have been:

- Raised levels of awareness of the importance of services;
- Creation of formal networking mechanisms and an actual increase in networking activities;
- Training of individuals in key support institutions, leaving a legacy of local expertise; and
- More widespread coverage of Services in national export strategies.

Projected impacts that have only partially materialised or not at all include:

- Tangible increases in service exports;
- Ongoing delivery of the training module by multiplier/partner organisations; and
- Full implementation of the services component of national strategies.

### **Sustainability**

Rating: 2.5 out of 4

The service associations that have been established and trained with the support of TSS provide a framework to sustain the initiatives that have been introduced. Similarly, the inclusion of an explicit service component within national export strategies supports the continued focus on this area.

The growing and widespread recognition of the importance of services as an export option, bolstered by the progressive adoption of GATS by developing countries, will ensure a receptive environment for the further development and diffusion of TSS services.

## 5.5 Conclusions and Recommendations

### Conclusions

Through the TSS, the ITC is helping to address one of the most critical challenges/opportunities faced by developing countries in their trade development. The ITC is operating in an area of the ‘market’ that is only sporadically served by other international organisations.

- The ITC is doing this with a relatively small staff complement.
- The ITC ‘Services Package’ is very well received and welcomed by beneficiary organisations and the demand for this service exceeds existing supply capacity.
- The package is well conceived, with a focus on awareness raising and networking that are effective themes within the services sector.
- The ITC service package is delivered in a highly professional and efficient manner.

Major achievements include: the establishment and consolidation (through web-based membership) of international and regional networking partnerships; the inclusion and prioritisation of services in a number of national export strategies; and concrete new ideas within individual countries for service sector initiatives.

The major weakness appears to be a failure to follow through on the initial seminar/training sessions, and the dilution of the programmes’ intended ‘multiplier’ effect. While the networking aspect of the programme appears to have taken root, the training component is not being carried through by the organisations on the ground. While the Evaluation cannot be definitive on the reasons for this, it may be related to the brevity of the original training package/module, inadequate incentivisation of the local trainers, and the lack of close ITC supervision. ITC has acknowledged this as an issue and is addressing it in two ways: (i) by increasing the involvement of training institutes that could provide the modules through their own curricula, and (ii) by using the annual ServiceExportNet meeting to brainstorm possible solutions.

Another possible weakness is the ratio of programme funding to concrete deliverables. The major deliverable for most programmes is the organisation of a regional networking event, with the standard TA tool kit (which incorporates many of the smaller types of deliverables listed above), in association with regionally based service providers and associations. Since this deliverable is highly replicable in different locations (and in that sense is a highly efficient format), it is a little surprising that it consumes often quite generous programme budgets.

### Recommendations

One concern the Evaluation has is the relatively narrow pool of outside consultants that are being sourced. The deliverables generated by these consultants, specifically the sector capacity studies, have a ‘boilerplate’ quality, and in the Evaluation’s view, could be significantly enhanced. They are constructed within the framework of GATS offer and request

formats, which strikes the Evaluation as an orientation that is too narrow in the context of a process that is geared to formulating innovative and strategic initiatives and ideas for this sector. There is a large body of accumulated knowledge and research in this area - particularly with the focus on GATS -, which by drawing on, the Evaluation feels, would offer the opportunity to produce more original and more challenging material.

The time may also have come when TSS needs to develop a deeper level of specific sector expertise, if not in-house, then in partnership with specialist services association. TSS needs to consider whether its current focus on awareness raising is too limited for the achievement of tangible sustainable impacts going forward.

The TSS should also reconsider its position *vis-à-vis* those service sectors that are of growing importance to many developing countries but are excluded from TSS coverage. This point is accepted by ITC.

**Annexes**

Annex 2.1 Market Analysis Section Current Project List

Annex 2.2 Survey Form

Annex 2.3 Survey Results

Annex 3.1 Trade Information Section Project Review 2001-2004

Annex 5.1 Trade in Services Section, Programme Summary

## Market Analysis Section

### Annex 2.1 Market Analysis Section Current Project List

INT/R2/01A: Revolving Fund for trade flow analysis and market research (USD 3,254,257, 2001-04, Multiple Donors – USAID, CBI, SECO and the World Bank, and surplus Section revenues). This fund was created to support development and dissemination of ITC's suite of market analysis tools and services, i.e. TradeMap, Product Map, Market Access Map and Personal Computer Trade Analysis System, as well as the delivery of training and capacity building events worldwide. It also funds a range of single client studies.

INT/47/49A: MNS for cut flowers, tropical ornamental plants, pharmaceutical materials, fruit and vegetables, and spices (USD 671,319 2001-04, CBI). This supports the development of market intelligence (prices, industry news etc.) covering a number of products for the Product Map application.

INT/85/01A: MNS for pharmaceutical raw materials and essential drugs, (USD 593,802, WHO). Dissemination of monthly reports on materials used in the production of essential drugs, directly through Product Map, and through WHO regional offices.

BRA/99/031A: Enhancing the competitiveness of Brazilian companies through export and investment promotion (USD 236,182, UNDP). This is a new version of Brazil TradeNet, incorporating TradeMap Brazil and Product Map.

INT/W3/43A: Programme Development Activities: Enhancing ITC market analysis tools by adding tariff line data (USD 139,800, GTF Window 1).

RLA/43/01A: Bio Trade facilitation programme. Study on opportunities in the US market for natural ingredients for dietary and cosmetic supplements from Latin America.

INT/07/06A: Associate Expert for MAS (USD 198,980, 2002-04, France). Production of market access studies for a number of Francophone African countries.

## Annex 2.2 Survey Form

### **Joint Evaluation of the International Trade Centre**

Greetings: I am contacting you in connection with an evaluation and organisational review of the International Trade Centre in Geneva, which is currently underway. This review is funded by Danida, the Danish Ministry of Foreign Affairs, and its purpose is to assess how well ITC is fulfilling its objectives in the area of trade development assistance, and to make recommendations for the future. This is the first ever comprehensive evaluation of the ITC. As part of this evaluation, we are surveying a sample of users of ITC's TradeMap and ProductMap tools, to establish the demand for and effectiveness of these products. Completion of this short questionnaire will aid us in this task and we request your assistance in completing it. The information recorded in the questionnaire will be confidential and only the aggregate statistical results will be presented.

The evaluation is being undertaken by a consortium of international consultants led by DMI Associates of France.

We thank you for your co-operation

Yours Sincerely

Alan Fitzgibbon  
ITC Evaluation Team  
Integra Economic Development Consultants Ltd.  
Dublin, Ireland

### ***Section A. Your Organisation***

A.1. Name of Organisation

### ***Section B. How Do You Use TradeMap***

B.1. Staff Usage:

How many staff use TradeMap on a regular (daily or weekly) basis?

- 1-2
- 3-5
- 5+

B.2. For what do you use Trade Map:

Can you please rank (from 1 to 5, with 1 being least important and 5 most important) the following possible uses of TradeMap

Formulation of national or sectoral export strategy	1	2	3	4	5
Supporting internal policy research or analysis	1	2	3	4	5
Identifying export markets you plan to target under trade promotion activities	1	2	3	4	5
Meeting the information needs of exporter enterprises	1	2	3	4	5
Researching or planning trade missions	1	2	3	4	5

B.3.1. External Users:

Your organisation holds the TradeMap franchise for your country. How many users external to your organisation have you licensed to use TradeMap?

- None
- 1-10
- 11-100
- 101-1000
- 1000 +

B.3.2. External Users:

Do you charge external users for accessing TradeMap?

- Yes
- No
- 

B.3.3. External Users:

How frequently would these external users access TradeMap?

- Very frequent
- Quite frequent
- Infrequent
- 

B.3.4. External Users:

Which of the following types of organisation would (to your knowledge) be the most active user?

- Industry/Trade Associations or Chambers of Commerce
- Exporting Enterprises
- Universities or Research Institutes
- Government Agencies or Departments

B.4. Sharing of Information:

When you formulate marketing or export strategy with business enterprises and business organisations, do you make reference to and share with them Trade Map research?

- Yes
- No

B.5. TradeMap Renewal:

Do you plan to renew your annual subscription to TradeMap?

- Yes
- No

B.6. Ease of Use:

How easy or difficult is it to use TradeMap?

- Very difficult
- Quite difficult
- Relatively simple
- Very simple

B.7. TradeMap Compared to Other Similar Products:

How would you compare Trade Map to other trade databases in terms of its ease of use, its range of coverage, and its usefulness?

- Very superior
- Superior
- Generally similar
- Inferior
- Not aware of other similar products

B.8. Effectiveness of ITC Training:

How effective would you rate the training you received from ITC for using TradeMap?

- Very effective
- Adequate to good
- Not effective
- Received no training

B.9. ITC Follow Up Support:

How effective is ITC's follow up support?

- Very good
- Good
- Inadequate

B.10. Internet Access:

Trade Map is an Internet-based tool. How well does this mode of delivery function in your country and for your organisation? Is on-line access availability an issue for you?

- There are no access problems
- Access can be occasionally difficult (e.g. too slow)
- Access is generally difficult

B.11. English Language Version (for non-English speakers only):

Is the fact that TradeMap is available only in English a problem for your staff or for your licensed users?

- Yes
- No

B.12. Your Need for TradeMap:

If TradeMap were not available, how would your capacity and/or effectiveness to service your clients be diminished?

- Very much
- Quite a lot
- To a moderate extent
- Not at all

B.13. Trade/Export Opportunities:

Have there been any specific trade development and/or market opportunities that have arisen for you as a result of using TradeMap?

- Yes
- No

### ***Section C. Commentary***

C.1. Commentary

Can you describe in your own words how access to TradeMap has improved the performance of your own organisation?

C.2. Commentary

Can you describe in your own words how access to TradeMap has improved the trade/export performance of the businesses you work with?

### ***Section D. User Survey: ProductMap***

D.1. Are you a ProductMap Subscriber?

- Yes
- No

D.2. If you are:

Do you intend to renew your subscription to ProductMap?

- Yes

- No

D.3.1. Compared to TradeMap:

Compared to TradeMap, do you consider ProductMap to be:

- More useful
- Less Useful
- About the same

D.3.2. Compared to TradeMap:

Compared to TradeMap, do you consider ProductMap to be:

- More business-oriented
- Less business-oriented

D.4. ProductMap Components:

ProductMap has three distinct components. Can you rank them in terms of their usefulness to you (from 1 to 3, with 1 being least useful and 3 being most useful).

Market Positioning Tools	1	2	3
Market Intelligence Tools	1	2	3
Networking Tools	1	2	3

Thank you!

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**Annex 2.3 Survey Results**

**Name of Organisation**

25 responders registered (89.29 % from 28)

**Staff Usage:**

27 responders registered (96.43 % from 28)

1-2		8	29.63%
3-5		8	29.63%
5+		11	40.74%

**For what do you use Trade Map:**

26 responders registered (92.86 % from 28 )

Formulation of national or sectoral export strategy Avg: **3.87**

1		1	3.85%
2		1	3.85%
3		6	23.08%
4		7	26.92%
5		8	30.77%

Supporting internal policy research or analysis Avg: **3.33**

1		3	11.54%
2		3	11.54%
3		1	3.85%
4		12	46.15%
5		2	7.69%

Identifying export markets you plan to target under trade promotion activities Avg: **4.09**

1		3	11.54%
2		0	0.00%
3		2	7.69%
4		5	19.23%
5		13	50.00%

Meeting the information needs of exporter enterprises Avg: **3.87**

1		2	7.69%
2		3	11.54%
3		2	7.69%
4		5	19.23%
5		11	42.31%

Researching or planning trade missions		Avg: <b>3.46</b>
1		5 19.23%
2		2 7.69%
3		2 7.69%
4		7 26.92%
5		8 30.77%

**External Users:**

25 responders registered (89.29 % from 28)

None		10 40.00%
1-10		5 20.00%
11-100		6 24.00%
101-1000		4 16.00%
1000 +		0 0.00%

**External Users:**

20 responders registered (71.43 % from 28)

Yes		5 25.00%
No		15 75.00%

**External Users:**

19 responders registered (67.86 % from 28)

Very frequent		3 15.79%
Quite frequent		11 57.89%
Infrequent		5 26.32%

**External Users:**

21 responders registered (75.00 % from 28)

Industry/Trade Associations or Chambers of Commerce		9 42.86%
Exporting Enterprises		6 28.57%
Universities or Research Institutes		3 14.29%
Government Agencies or Departments		3 14.29%

**Sharing of Information:**

23 responders registered (82.14 % from 28)

Yes		20 86.96%
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No		3	13.04%
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**TradeMap Renewal:**

24 responders registered (85.71 % from 28)

Yes		24	100.00%
No		0	0.00%

**Ease of Use:**

27 responders registered (96.43 % from 28)

Very difficult		0	0.00%
Quite difficult		2	7.41%
Relatively simple		14	51.85%
Very simple		11	40.74%

**TradeMap Compared to Other Similar Products:**

27 responders registered (96.43 % from 28)

Very superior		3	11.11%
Superior		17	62.96%
Generally similar		4	14.81%
Inferior		0	0.00%
Not aware of other similar products		3	11.11%

**Effectiveness of ITC Training:**

26 responders registered (92.86 % from 28)

Very effective		10	38.46%
Adequate to good		13	50.00%
Not effective		0	0.00%
Received no training		3	11.54%

**ITC Follow Up Support:**

25 responders registered (89.29 % from 28)

Very good		7	28.00%
Good		17	68.00%
Inadequate		1	4.00%

**Internet Access:**

27 responders registered (96.43 % from 28)

There are no access problems		18	66.67%
Access can be occasionally difficult (e.g. too slow)		9	33.33%
Access is generally difficult		0	0.00%

**English Language Version (for non-English speakers only):**

24 responders registered (85.71 % from 28)

Yes		5	20.83%
No		19	79.17%

**Your Need for TradeMap:**

26 responders registered (92.86 % from 28)

Very much		3	11.54%
Quite a lot		15	57.69%
To a moderate extent		8	30.77%
Not at all		0	0.00%

**Trade/Export Opportunities:**

21 responders registered (75.00 % from 28)

Yes		10	47.62%
No		11	52.38%

**Are you a ProductMap Subscriber?**

25 responders registered (89.29 % from 28)

Yes		19	76.00%
No		6	24.00%

**If you are:**

23 responders registered (82.14 % from 28)

Yes		19	82.61%
No		4	17.39%

**Compared to TradeMap:**

24 responders registered (85.71 % from 28)

More useful		4	16.67%
Less Useful		7	29.17%
About the same		13	54.17%

**Compared to TradeMap:**

23 responders registered (82.14 % from 28)

More business-oriented		19	82.61%
Less business-oriented		4	17.39%

**ProductMap Components:**

24 responders registered (85.71 % from 28)

Market Positioning Tools		Avg: <b>2.42</b>	
1		2	8.33%
2		10	41.67%
3		12	50.00%
Market Intelligence Tools		Avg: <b>2.29</b>	
1		4	16.67%
2		9	37.50%
3		11	45.83%
Networking Tools		Avg: <b>1.96</b>	
1		7	29.17%
2		11	45.83%
3		6	25.00%

### **Annex 3.1 Trade Information Section Project List 2001-2004**

There are 18 TIS projects listed under the ITC project portal for the period 2002-2004, of which six are currently open (excluding the TIS revolving fund 'project'). The following summarises the open projects:

1. INT/47/73A: Market Intelligence follow up to improve the market information of selected TPOs, covering 13 countries (USD 312,597, funded by CBI). This project involved follow-up support by ITC in strengthening the capacity of TPOs that had participated in CBI's Market Intelligence Seminar Programme to manage and deliver trade information.
2. INT/W/06A: CAPNET/BIS (USD 1,144,471, GTF W2). This project, which was completed in 2003, was TIS' largest single project in recent years. It involved strengthening the capacity of BIS within UNCTAD's Trade Points network. Principal donor was Switzerland, with smaller contributions from Sweden and France.
3. INT/W3/41A: New publication on emerging markets – 'Keys to online trade information', (USD 68,913, GTF W1). This covered the preparation of a publication and CD ROM covering information sources on 20 emerging markets (e.g. India and Sri Lanka) for distribution to TSI partner organisations.
4. INT/W3/62A PDA: How to operate a trade information service – Guidebook (USD 53,629, GTF W1). This is still in production, using consultants.
5. INT/W3/95A PDA: Revision of the Business Information Review (BIR) Methodology (USD 51,744, GTF W1). ITC developed the original BIR methodology in 1996, a tool for the assessment of users' information needs, particularly SMEs, and the capacity of trade information services to meet those needs. This project covers the updating of the tool to ensure it continues to be relevant for information managers of TSIs.
6. INT/W3/96A PDA: Integrated Trade Information Management Kit (USD 65,580, GTF W1). This covers the drawing together into an integrated package of a range of training materials and guidebooks produced by the TIS in recent years.

### **Annex 5.1 Trade in Services Section Current Project List**

1. INT/47/78A: Capacity Building among SMEs, TSIs and Governments to promote exports of Services from selected African countries (Botswana, Namibia and Zambia): USD 274,907 2003/2004, funded by the Netherlands;
2. INT/50/45A: Capacity Building among SMEs, TSIs and Governments to promote exports of Services from selected francophone African countries (Cameroon, Morocco and Tunisia): USD 121,399, 2003/2004, funded by Norway.
3. INT/20/93A: Increased participation by developing nations in the GATS, USD 85,748, 2003/2004, funded by Canada.
4. INT/W5/18A, Expert meetings, to promote fuller participation by developing nations in the GATS, USD 18,142.
5. RAF/57/01A: Training Workshop for TSIs and SMEs in seven transition economies, USD 18,220, 2004, funded by and produced in co-operation with the OECD.
6. PAK/75/17EA: EC Trade related TA in Pakistan, USD 36,025, 2004, funded by the EU.

#### *Global Trust Fund, Window 1:*

1. INT/W3/15A: Programme Development Activity (PDA), Completion of a Tourism Export Strategy template, USD 119,845, 2003/2004. To be completed for eight countries (including St. Lucia).
2. INT/W4/20A: Pilot project to promote export of Services among women entrepreneurs in Mozambique, Mauritania and Nepal. USD 109,116, 2002/2004.
3. INT/W3/79A: PDA: Test training modules – Bulgaria, Romania and Croatia. USD 109,007, 2002/2004.
4. INT/W4/23A: Formulation programme and country/region specific activities: programme to promote Service sector exports in SSA - Ghana, Kenya, Nigeria, Tanzania and Uganda - USD 98,697, 2001/2004. This was co-ordinated under the overall JI-TAP framework.
5. INT/W5/13A: Expert meetings of Service sector representatives USD 63,673, 2003/2004. Convening of the 12 countries that had joined ServiceExportNet.
6. INT/W3/63A: PDA – training material development. USD 51,940, 2001/02. A modular train the trainer package was developed.

7. INT/W3/94A: USD 39,840, 2003/2004. 'Bridges beyond Borders', a regional networking meeting among service industry associations from Kenya, Tanzania and Uganda. This project was designed to build on earlier ITC work in East Africa (including INT/W4/23A) by fine-tuning buyers sellers meetings to develop a best practice model for the Services sector. A 2-day networking co-hosted by the Association of Professional Societies in East Africa was held in Nairobi in August 2003.

In addition, four small GTF W1 projects, totalling USD 35,460, 2002/04.

Project Total Value: USD 1,182,019, which is approximately divided between bilateral funding (USD 536,299) at 45%, and Windows 1 (USD 645,720), at 55%.