2019 Annual Evaluation Synthesis Report

ITC Independent Evaluation Unit

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Acronyms

Note: unless otherwise specified, all reference to dollars ($) are to United States dollars.

AESR	Annual Evaluation Synthesis Report
AfT	Aid for Trade
AfTIAS	Aid for Trade Initiative for Arab States
BPO	Business Process Outsourcing
CTAP	Certified Trade Advisers Programme
DaO	Delivering as One
DFID	Department for International Development (United Kingdom)
DWCP	Decent Work Country Programme
EIF	Enhanced Integrated Framework
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GIZ	German Society for International Cooperation
IEU	Independent Evaluation Unit
ILO	International Labour Organization
IT	Information Technology
ITA	Institute of Food Technology [Senegal]
ITES	Information Technology Enabled Service
MENA	Middle East and North Africa
MSME	Micro, Small and Medium-sized Enterprise
NCFT	Nepal College of Fashion Technology
NGO	Non-Governmental Organization
NPIA	Nepal Pashmina Industries Association
OECD-DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
PACMS	Project for the Improvement of the Mango Sector Competitiveness in Senegal
PCR	Project Completion Report
PETS	Pashmina Enhancement and Trade Support
SDG	Sustainable Development Goal
SITA	Supporting Indian Trade and Investment for Africa
SME	Small and Medium-sized Enterprise
SPS	Sanitary and Phytosanitary Measures
TFP	Trade Facilitation Programme
TISI	Trade and Investment Support Institution
TRTA	Trade Related Technical Assistance
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNIDO	United Nations Industrial Development Organization
ZGJP	Zambia Green Jobs Programme

Executive Summary

i.   **Purpose –** This is the seventh edition of the Annual Evaluation Synthesis Report (AESR). Its objective is to convey the critical learning points generated through evaluations (independent, funder-led, and self-evaluations) and Project Completion Reports (PCRs) undertaken during the previous year. In doing so, the AESR distils the emerging findings and their potential implications, and includes recommendations to senior management. The final chapter provides an overview of the status of the implementation of the evaluation recommendations (including those of previous AESRs) and an update on most recent management responses.

ii.   **Qualifying the Evaluations reviewed –** The evaluations cover various types of projects, with diverse – and at times volatile – local contexts and roles for ITC's support: The synthesized learning in the 2019 AESR is based on 10 recently completed project or programme evaluations (within the period April 2018 to May 2019) as well as nine PCRs (of projects ending in 2018). Of the 10 evaluations, five were funder-led evaluations, three were independent evaluations carried out by the Independent Evaluation Unit (IEU), and two were self-evaluations undertaken by the project managers. Three of the evaluations were conducted midterm, five were final, and two were related to on-going programmes. Considering the funder-led evaluations, they were of programmes, or in the context of broader initiatives, in which ITC was one among several implementing agencies, and the evaluations did not focus on ITC's work specifically. In terms of timing, the AESR includes projects or programmes that were initiated as early as 2002, and as recent as 2016, with only four out of 10 that were designed after 2015, when the programmatic approach was introduced in ITC. All this implies that the evaluations used in this meta-analysis are very heterogeneous, with different types of evaluation perspectives, not to mention differences in the styles and the perspectives of the individual evaluators conducting the evaluations.

iii.   **Feedback to previous AESR recommendations –** By its nature, evaluation assesses the performance of projects that were designed in the past. Therefore, it is worth to keep in mind that the findings presented in this AESR might not fully reflect the current situation regarding ITC's current performance. This is in particular the case for midterm evaluations recommendations, which enactment should be completed during the second half of project implementation. Moreover, the management responses to the previous AESRs' recommendations seem to indicate that some were somehow operationalized through key strategic decisions, the analysis of which falls outside of the scope of the AESR. This is suggesting that ITC management works to anticipate and tackle the issues identified in previous AESR recommendations. If this trend is confirmed, it is possible that some of the issues identified in this 2019 AESR might have been already addressed.

iv.   **Evaluating Complexity –** Complexity is the main theme of this year's AESR. The complexity of Agenda 2030 is challenging the evaluation community as never before. Development interventions will have to be evaluated within a transformative global agenda, which integrates the economic, social and environmental pillars of development within 17 interdependent Sustainable Development Goals (SDGs). This has prompted the Organization of Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) to launch the adaption of the current five key evaluation criteria for programme evaluations.[1]

v.   In terms of assessing impact, all development agencies, including ITC, are increasingly expected to demonstrate their contribution to the SDGs. Therefore, the key question is to identify the enabling conditions which ensure that complexity is managed in such a way that impact or longer-term results - as rooted in the SDGs - can occur. This question is driven by the very practical need to be able to say something more definitive about the impact or longer-term change consequences of interventions.

vi.   Complexity is here to remain. This is also linked to the on-going reform of the UN Development System. The context of ITC interventions goes far beyond the limits of the former. ITC is acting within an ecosystem as an actor that cannot do everything, everywhere, but interacts and influences its partners and their environment by developing effective synergies with them.

vii.   **Approach in Analysis –** This year's AESR is building on these on-going innovative developments. It looks at the issue of impact/long-term change and the related issue of *management of complexity*

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[1] The OECD-DAC is currently working on the adaption of the evaluation criteria to the challenges of the 2030 Agenda.

and within that, impact measurement and attribution. It conducts the analysis by using the proposed new OECD-DAC criterion of achieving effective "synergies", which is understood as a key programme performance criterion for addressing complexity challenges. [2]

viii.   The analysis builds on the messages provided by the evaluations examined in this AESR.[3] The results summaries highlight the features in terms of project control over the complexity dimensions: policy coherence, partnership building, and coordination, and as they affect relevance, efficiency, effectiveness, sustainability, and finally impact. As with past AESRs cross-cutting dimensions are also addressed, with human rights and gender equality, youth mainstreaming (inclusion more generally) and innovation being the recurrent themes.

ix.   **Relevance –** Evaluations indicate that to maintain the relevance of a complex intervention, stakeholders must, on an on-going basis, commit to, and agree upon, objectives and the ways of achieving them. Coherence must not only be in relation to local partners but also and increasingly in line with other development aid agencies, in particular those of the UN Development System, as expressed through ITC's corporate objectives for interventions. When faced with multiple pressures and unbalanced influences, interventions can result in insufficient policy design and alignment. There are cases of project components, or specific projects within a multi-project programme, which are not sufficiently coming to grips with the complexity of situations. Evaluations demonstrate that when the basis for agreement is set at the design stage, strong partnerships and network building, enabled through coordinated efforts, can follow accordingly. In 2018 evaluations, the TISIs where relevant, remained crucial to success especially with respect to partnership and coordination.

x.   **Effectiveness –** The projects evaluated show a satisfactory level of effectiveness. This is no small accomplishment given the challenging and complex environments of many of the projects (Syria, Nepal, Middle East post-Arab Spring). In doing so, the projects illustrate the pressures of complexity and with that, the importance of policy cohesion, partnership building and operational coordination that work synergistically toward the achievement of results. Importantly and notably in the Sri Lanka case, project effectiveness took place in the context of remarkable policy-cohesion where the broader enabling environment was working synergistically within in a comprehensive export strategy, which in turn enabled buy-in at both the highest level and with the private sector.

xi.   **Efficiency –** Implementation efficiency is a product of clarity of objective, strong and functioning partnerships and support networks. Coordinated efforts need to work synergistically in the management of complex relations and systems towards results and efficiency. This can be compromised by self-generated complexity leading to inability to coordinate towards objectives. Some projects were faced with the efficiency task of managing multiple policy variables. In this context, building partnership and creating ownership on the local level seems to significantly influence the efficiency of the intervention and the majority of projects were generally deemed to be well and efficiently managed, despite many disruptors of coordination.

xii.   **Impact / Long-term Change –** While impact assessment and related performance planning and measurement remain elusive for now, the evaluations did display growing focus and emphasis on the conditions in the broader enabling environment. Although this is certainly not an ITC-exclusive issue, evaluations suggest that a shift in planning and monitoring practices to address intermediate steps that show causal effects of project activities (which may be non-linear because of complexity) could contribute to impact. Continuous focus on the enabling environment is a necessity, as projects alone can only reach their stated targets if complementary forces are effectively mobilized (including at the national level) and gaps in support for the targeted group are identified and addressed.

xiii.   **Sustainability –** In a significant number of cases, the evaluations suggested that the sense of collective ownership was strong so the prospects for sustainability were a priori good. Sustainability challenges did occur in particular with elements outside of direct control of the project. Where there were problems, it was largely with components of projects, not the projects themselves overall.

xiv.   **Cross-cutting Issues –** The evaluations examined in this AESR seem to indicate a trend for

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[2] Increasingly important aspects of Development Cooperation such as coherence and synergies are suggested as additional criteria for the OECD-DAC list.

[3] It also takes account of the messages conveyed by project management through Project Completion Reports (PCRs).

projects launched after 2015 in terms of working on cross-cutting dimensions throughout the project cycle on a more meaningful and effective manner, in particular in relation to inclusiveness and equity considerations. Although at the same time, concerning midterm evaluations, they often observe that this still needs to be transformed into specific results during the second half of the projects. In terms of trade development and the environment, these issues are increasingly addressed on a win-win basis, resulting from the need to comply and maintain the standards of the export markets. The promotion of green technology and green practices is appearing at the heart of the mandate of certain interventions. In the overall, a culture of innovation is moving in a positive direction from the perspective of building synergies between trade development and sustainable development (SDGs).

xv. **Risk and Knowledge Management –** Evaluations suggest that it is necessary for interventions to define better, and take account of, the contextual factors and the nature of the system within which they are embedded. This is the essential focus of any risk and knowledge management framework.

xvi. **Recommendations –** Last year's AESR recommendations were about innovation as the overall approach to ITC interventions. The key recommendation this year is about strengthening the intervention control, assessment and measurement mechanisms, and systems that should be in place to ensure that ITC interventions address complexity challenges in order to attain results. In the table below, five recommendations are suggested to ITC's senior management, project managers and ITC stakeholders, and in particular, to project partners and beneficiaries who need to be fully on board on this journey.

Evidence/analysis	Lessons	Recommendations
The endorsement of the Agenda 2030 and the on-going reform of the UN Development System are indicating a clear shift towards a context where trade development interventions are becoming more complex. This was observed through evaluations with project managers being increasingly aware of the many variables that lead to intervention success. A suggested checklist for assessing levels of complexity is provided in Annex 1 as a point of reference. The level of complexity is assessed along four dimensions: the nature of the intervention; institutions and stakeholders; causality and change; and, embeddedness and the nature of the system.[4]	Complexity is about interdependency and non-linearity and it exists for all ITC interventions to a greater or lesser degree. Since the complexity of ITC interventions is increasing, awareness and management of complexity becomes a priority. The higher the complexity the greater the risk, and with it the degree of flexibility / innovative adaptability that may be needed. It is therefore crucial to develop a routine to control, assess and measure the risks faced by ITC interventions in relation to their level of complexity, to ensure the planning and management for synergies.	1. ITC management of project planning and implementation might want to include the **assessment of the level of complexity** of its interventions within its project risk management. This would be used to allow flexibility during project implementation and justification to adapt logframes and results chains, if necessary.

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[4] From an evaluation perspective, these dimensions are applied respectively as coordinated management, partnerships, the elements of causal change, and policy coherence.

Evidence/analysis	Lessons	Recommendations
There is also evidence suggesting that, when complexity challenges are appropriately identified, project management can assess them and establish synergies with key partners and the environment, which help to ensure impact / long-term results and sustainability. The key idea is that to address complexity challenges, the combined power for change of a group of partners, when they are working together, is greater than the total power achieved by each partner working separately.	Building synergies rooted in policy coherence, effective partnerships and coordination, can overcome the challenges related to complex interventions, with multiple stakeholders and non-linear results chains. Cooperation opportunities and collective efficiencies must be exploited throughout the intervention cycle, and with all types of partners and beneficiaries, including other UN development agencies.	2. ITC management of project planning and implementation should consider the **achievement of synergies** as a mandatory feature for its interventions, at design, implementation and reporting stages. This implies putting emphasis on strong partnerships and supportive networks coordinating their activities and leveraging their capabilities in a policy coherent fashion.
Currently logframes and the associated results chains miss intermediate steps and fail to show causal effects, nor do they explain on how, why and for whom intended changes are occurring. They also do not capture unexpected consequences or results, which is essential for managing for sustainable results. In complex projects, evaluations suggest the need for a standard or mutually agreed metrics on performance monitoring and measurement framework. The key implication is that having partners fully on board with the ITC monitoring system, allows attribution of ITC activities to sustainability or longer-term changes.	Having the performance monitoring and measurement system agreed with partners, could support gathering the data that can be used to substantiate impact or longer-term changes. After the closure of an intervention, it is still important to monitor and measure its follow-up effects, together with partners.	3. While achieving effective synergies with its partners, ITC management of project planning and implementation should agree with them on the intermediate steps within logframes that explain how, why and for whom, changes are occurring, and engage with partners in the **performance monitoring and measurement system**, for mutual accountability and impact purposes.
A strategic communication plan was identified as a good starting point especially when targeted messaging is adapted to	When effective communication and knowledge management are combined, it proves highly valuable in terms of building	4. Throughout the stages of the project cycle, ITC management of project planning and implementation should

Evidence/analysis	Lessons	Recommendations
different stakeholders. It has been shown to improve local ownership and raise visibility beyond the narrow intervention scope. In this respect, evaluations have clearly demonstrated that when sharing key messages with stakeholders, it is necessary to use various and adapted channels for achieving effective communication. Evaluations indicate that this also applies at the end of the interventions to ensure the systemization and final dissemination of project outcomes and best practices to the stakeholder community and beyond. When projects have failed to make full use of implementation reports and lessons learned, it has led to limited learning.	the synergies and trust necessary for addressing risks, generating long-term changes and corporate learning. Communication and knowledge management is a culture, built on trust, mutual engagement and a mutual willingness to both identify and address problems. It involves enabling technologies (in which ITC is investing) and a decision-making architecture and networking capability that facilitate these. Messaging throughout the project cycle is not only just about risk and its management, but also lessons learned and the generation of creativity leading to innovation. The management and dissemination of such knowledge facilitates synergy building and helps create a culture of continuous improvement.	focus its **communication** with partners and stakeholders to address challenges together and generate the trust required to identify threats and opportunities and work with each other to address them.
There is increasing expectations to demonstrate effective contribution to SDGs. Innovation culture is moving in the positive direction as evaluations suggest that there is growing awareness of the need for ITC's interventions to focus on the environment, economy and society as embedded systems rather than separate competing pillars. However, in some of the evaluations analysed in this AESR, environment, gender and youth dimensions were not yet treated as a necessary outcome of the intervention.	There is evidence in individual ITC interventions of hand-on practice and knowledge on how to address sustainable development needs through trade development. It is time to build on this experience and knowledge to generate corporate level understanding and guidance on how ITC projects should be addressing sustainable development requirements.	5. ITC should conduct a rigorous analysis and inventory of its tools and approaches that achieve effective **mutual reinforcement between trade development linkages and sustainable development** (SDGs). This will enable wide spreading their use in project portfolio and will position ITC with a distinctive trade and sustainable development constituent in Trade-related Technical Assistance (TRTA).

Introduction

1. This is the seventh edition of the Annual Evaluation Synthesis Report (AESR), which aims to consolidate findings expressed in performance evaluations of ITC's projects and convey the key lessons learned to ITC management, project managers and stakeholders. With the aim to promote broader learning, this report presents synthesized lessons and consolidated findings derived from 10 evaluations completed between April 2018 and May 2019. The report also considers findings from nine Project Completion Reports (PCR's) that provide brief self-evaluations of projects by the project managers after project closure. The titles of the evaluations and PCRs are listed below.

2. This year's AESR includes five funder-led evaluations, two self-evaluations, and 10 PCRs. The report also includes three independent evaluations carried out by the IEU, including the findings, conclusions and recommendations from the Evaluation of the Certified Trade Advisers Programme (CTAP) and its Management Response, the Evaluation of the ITC Trade Facilitation Programme (TFP), and the Final Evaluation of the Pashmina Enhancement and Trade Support (PETS) Project.

3. Regarding this year's key learning theme, the AESR addresses the issue of complexity. There is a growing awareness that complexity matters in development programmes and development evaluation. This is in recognition of the interconnectedness of factors where intervention or even activity in one area affects and is affected by multiple other factors. Some of the terms used to describe this are non-linearity, uncertainty, synergy, misalignment, and enabling.

Evaluations used in this AESR

Funder-led Evaluations

- UN GREEN JOBS PROGRAMME: ENHANCING COMPETITIVENESS AND SUSTAINABLE BUSINESS AMONG MSMES IN THE BUILDING CONSTRUCTION INDUSTRY (PHASE II) ILO COMPONENT

  This was a final evaluation of a five-year (09/2013 to 10/2018) $12.1 million Finland-funded project, jointly Implemented by ILO, UN Environment, FAO, UNCTAD, and ITC). ILO was the lead Agency and project administrator. The project planned for three major outcomes: i) Increased appreciation in the Zambian public at large, and building industry stakeholders in particular, of green building principles (green "mind-set" and attitude); ii) A refined industry-specific regulatory framework that stimulates demand among private and public housing developers for environmentally friendly building materials, products and methods (named Enabling green business environment); and iii) MSMEs have enhanced capacity to effectively participate in the building construction and green building products and services market (named Sustainable enterprises and green decent jobs). ITC was expected to deliver output 3.4 "Access to business capital and financial services for MSME" with a budget of $496,483.

- AID FOR TRADE INITIATIVE FOR THE ARAB STATES (AfTIAS) PROGRAMME

  This was a final evaluation of an extended five-year (11/2013 to 07/2019) $10.2 million project funded by 22 LAS countries and 5 UN organizations (UNDP, ITC, ILO, UNIDO), as well as several donors. The expected outcome include: enhance regional competitiveness, strengthen supply side and value chain integration, and improve regional and sub-regional organizational ability to foster trade integration. ITC is one of the implementation agencies, mainly contributing to "Non-Tariff Measures (NTM) to promote intra-Arab trade", under both UNDP and ITFC's management.

- MENA TRANSITION FUND

  This was a final evaluation of a three-year (05/2011 to 1/2019) $250 million project funded by the Deauville Partnership to "to help Middle East and North Africa countries strengthen

their institutions and develop and implement home-grown reforms…in Egypt, Jordan, Libya, Morocco, Tunisia and Yemen." Among 90 projects, ITC is the implementing agency for 'Arab States: Development of SME exports through virtual marketplaces' with a budget of $ 2,825,060.

- SITA -SUPPORTING INDIAN TRADE AND INVESTMENT FOR AFRICA

  This was a midterm evaluation of a five-year (03/2015 to 03/2020) project funded by the DFID India at $23.7 million with ITC as the implementing agency. It is a part of DFID's project Supporting Indian Trade and Investment for Africa (SITA), DFID's first South-South aid for trade (AfT) and value chain (VC) project. The ultimate objective of the project in terms of impact is "additional income and employment opportunities in East Africa are created for the poor". This is to be achieved through "increased Indian-East African trade and investment" – the project outcome.

- IMPROVING THE COMPETITIVENESS OF THE SENEGALESE MANGO INDUSTRY (PACMS)

  This was a final evaluation of a three-year (05/2015 to 12/2018) Enhanced Integrated Framework(EIF)-funded project, jointly implemented by ITC, and the government of Senegal. The total budget of the project was $3,109,056 of which ITC was allocated $856,000 to implement three of the six project outcomes, including outcome 3 (TISI strengthening), 5 (identification of new markets), and 6 (creation of business relationships for exporting enterprise).

Self-evaluations

- EU-SRI LANKA TRADE-RELATED ASSISTANCE INCREASING SMES' TRADE COMPETITIVENESS IN REGIONAL AND EU MARKETS:

  This was a midterm self-evaluation of an on-going project, which covered a four-year (11/2016 to 10/2020) period. ITC is the leading implementing agency and UNIDO is a subcontracted partner. The project is funded under the EU Regional Multi-annual Indicative Programme for Asia 2014-2020 (RIP), which aims to support regional integration including the SAARC/SAFTA process as well as market access in the framework of the EU's General System of Preferences (GSP), with a total budget of € 8 million ($ 8.8 million). The overall objective of the project is to contribute to Sri Lanka's inclusive trade-led growth and regional integration.

- LINKING UKRAINIAN SMES IN THE FRUITS AND VEGETABLES SECTOR TO GLOBAL AND DOMESTIC MARKETS AND VALUE CHAINS 2016-2019

  This was a midterm evaluation of a five-year (01/2016-12/2020) programme. The project is funded by the Swedish Government ($ 2,717,723) and ITC ($ 120,000). ITC is the implementer that works in close collaboration with national project partners. The expected outcome is enhanced competitiveness and internationalization of SMEs from Kherson, Odessa and Mykolaiv regions in the fruits and vegetables sector.

IEU Evaluations

- TRADE FACILITATION PROGRAMME

  This was an independent evaluation assessing the work of the ITC Trade Facilitation Programme (TFP) in the 5-year period 2014 to 2018. The TFP was created following the 2013 WTO Agreement on Trade Facilitation (TFA). It works with policymakers, trade and investment support Institutions and the private sector to reduce the cost and time of cross-border transactions for SMEs. The total budget in the reviewed period was about $7 million.

- THE CERTIFIED TRADE ADVISERS PROGRAMME (CTAP)

  This was an independent evaluation that assessed the performance and results of CTAP operations between 2011 and 2016. CTAP is a capacity-building service offered by ITC,

since 2002, to trade and investment support institutions (TISIs) and independent trade advisers in developing countries. The 11 projects evaluated had various sources of funding, and the total budget is around $2.4 million.

- PASHMINA ENHANCEMENT AND TRADE SUPPORT (PETS) PROJECT

  This was an independent final evaluation of the project funded by Tier 2 of the Enhanced Integrated Framework (EIF) in Nepal which was implemented from December 2013 to April 2018. The purpose of the project is to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal. The pashmina sector is a priority sector for export development identified by the Government of Nepal. The overall development objective of the project is to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The total budget for the project was $1,861,603 from the EIF and $200,000 (equivalent) contribution in kind from the Government of Nepal (GON) and the two project partners – Nepal Pashmina Industries Association (NPIA) and Namuna College of Fashion Technology (NCFT).

PCRs used in this AESR

4. In addition to the nine evaluations, ten Project Completion Reports (PCRs) presenting a summary, ex-post self-assessment of project performance were included in the analysis.

   - Rwanda: Boosting the International Competitiveness of SME Clusters
     (Nov 2017 to Nov 2018)
   - Comoros: Improving the Competitiveness of Vanilla, Ylang-Ylang and Clove Exports
     (Jan 2015 to Jun 2018)
   - Malawi: Improving Trade Statistics and Trade Information Systems
     (Apr 2014 to Mar 2018)
   - Lesotho: Agricultural Productivity and Trade Development (Jul 2014 to Jul 2018)
   - Syria: Developing Production Capacity and Linking Internally Displaced Populations to International Markets (May 2017 to Feb 2018)
   - SheTrades Coffee (W&T Phase III) (Jan 2017 to Dec 2017)
   - Africa: Support for the consolidation of the Action Framework under the EU-Africa Partnership on cotton (Feb 2013 to May 2017)
   - Fiji: Improvement of key services to livestock and livestock products
     (Jun 2013 to Jun 2017)
   - Fiji: Improvement of key services to agriculture (IKSA) (Jul 2013 to Jun 2017)

ITC's Performance and Results

Approach

5.   This chapter provides a picture of ITC's overall operational performance across a spectrum of projects evaluated in 2018. The theme of this year's AESR is complexity. The AESR draws out the synergistic features of ITC projects that are particularly important for overcoming issues of complexity and achieving sustainability and longer-term changes. The analysis builds on the messages provided by the evaluations examined in this AESR.[5]

6.   The issue of complexity, it is gaining prominence since the endorsement of 2030 Agenda and the current UN Development System (UNDS) Reforms, which focuses on the country-level to meet national SDG objectives. SDGs, including the inter-linkages between them, is challenging to the evaluation community. The SDGs are ecosystems not hierarchical systems, where positive and negative linkages are more important than the elements of the system themselves. Therefore, understanding what works and what does in contributing to SDGs requires innovative approaches. The SDGs will need to be analysed from different perspectives; combining qualitative and quantitative data.

7.   To align evaluation with the enhanced complexity of the 2030 Agenda, the OECD DAC is in the process of adapting the current five key evaluation criteria, to include "Synergy" as new proposed evaluation criterion.[6] Building on this, the 2019 AESR pays attention to the ingredients of effective synergies; such as policy coherence, strategic partnership, and implementation coordination, as illustrated in the box on the right side.[7]

8.   Meanwhile, the current UNDS Reforms focus on the strategy at the country level, to meet national SDG objectives. SDGs are becoming the common language for coordination and coherence within the UN and beyond. In this perspective, improving the UNDS performance is becoming a precondition to meet the SDGs. The UNDS Reforms aim to address the challenges of duplication and overlap, fragmentation, competition for funds and lack of strategic approach, and to repositioning the UN as an actor that cannot do everything, everywhere, but as an advisor / provider / broker of technical support in matters of sustainable development.

9.   With this background in mind, the analysis developed in this chapter addresses the *qualitative* features of interventions that assure sustainability and longer-term impact. For each of the evaluation criterion, this chapter analyses what evaluations tell us in terms of the level of complexity of the interventions, the administration of complexity and how interventions have been successful, or not, in addressing the challenges of complexity.

> **Synergies: a proposed new evaluation criterion**
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> **Tentative definition:** The extent to which an intervention was planned and implemented in synergy with other development actors.
>
> **Areas for consideration:**
> **a. *Policy coherence***
> ⇨   SDGs and targets including the interlinkages between them
> ⇨   ITC corporate Focus Areas and the interlinkages between them
> ⇨   Policies and priorities of other key and relevant stakeholders in the context (e.g. UNDAF)
> ⇨   Policies and priorities of funders
> ⇨   International commitments to human rights, and gender equality and other equity considerations
> **b. *Strategic partnerships***
> ⇨   Designed for complementarity with the activities of other development partners operating in the context
> ⇨   Comparative advantages of the ITC / partnerships applied in design and implementation
> ⇨   Linkage into relevant coordination systems in the context (e.g. national coordination mechanisms, sector working groups, the cluster system)
> ⇨   Adjustments made during implementation according to the priorities of relevant coordination mechanisms
> **c. *Implementation coordination***
> ⇨   Activities of other partners operating in the context
> ⇨   Management of barriers to, and use of, opportunities for synergies
> ⇨   Support of synergies to achieve efficiencies and results

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[5] Annex 3 provides a brief description of evaluation findings of projects evaluated

[6] OECD DAC (2017) 'A New DAC: Innovations for the 2030 Agenda. DAC High Level Communique, 31st October 2017

[7] IEU's own elaboration based on *OECD-DAC Evaluation Criteria, Draft Proposal for Adaptation*, January 2019 and the contributions of UNEG during the consultation process for reforming the evaluation criteria.

10. By focusing on synergies, the analysis not only identifies and describes what is important in that regard (and thereby assisting the design of future projects) but also helps to identify where the capacity for building synergistic capabilities might be enhanced and emphasized in future.

11. As reported in previous AESRs, the overall observation in terms of the performance monitoring systems of the evaluated projects, is that they do not gather enough data that can be used to substantiate overall impact of the projects' work. In other words, the ITC management reporting system does not currently communicate on the quality of policy coherence and the level of partnerships or coordination. Consequently, in assessing these elements, the analysis is often relying on secondary data. In any case, we understand that the analysis of these features, both positive and negative, is sufficiently credible to highlight their importance for ITC in looking ahead.

Relevance

> Relevance is the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities, ITC's strategic framework and partners' and donors' policies.

12. **Policy alignment and coherence –** Coherence must not only be in relation to local partners but also and increasingly in line with other development aid agencies. Interventions have proved highly relevant when they were designed with full awareness and inclusiveness of the local environment. The Africa-cotton evaluation for example, confirmed that the intervention was aligned with the priorities of the beneficiaries and partners including the different cotton sector organizational systems. Similarly, the She-Trades Coffee project went some way to address the expressed needs of the beneficiaries based on a targeted competitiveness survey, thereby facilitating policy coherence and coordination.

13. The same applies when the intervention is attentive in aligning its activities with a system-wide dimension. This is the case of the TFP, where policy coherence is an integral part of the trade development agenda. In policy terms, the TFP has been shown to be both timely (aligned with the evolution of country's needs for ratification) and responsive (knowledgeable of the needs of its target group).

14. However, a lack of policy coherence to address complexity occurred as observed by Zambia evaluation, where government procurement practices did not allow MSME's linked to the Green Jobs Programme to bid on government contracts. This hindered enterprises, making them less relevant to the national agenda, despite 'greening the economy' being a government priority. This was unfortunate given that in it was a programme that was very aligned to the UN SDG agenda and framework, the ILO Decent Work Country Programme (DWCP) and the donor agency´s priorities.

15. Similarly, the evaluations indicated that to maintain the relevance of a complex intervention, stakeholders must commit to, and agree upon, objectives and the ways of achieving them, on an on-going basis. Complexity can pose a relevance problem when elements important to overall project success have not been sufficiently addressed – a coordination issue. The result can lead to ambiguity as to who or what is relevant to the intervention, and to what degree. In the case of the mango industry in Senegal, the evaluation observed that the needs of producers predominated over the needs of processors. In Nepal, some of the major stakeholders of the pashmina industry were not included in the project.

16. **Complex environments require simplicity in focus –** When faced with multiple pressures and unbalanced influences, interventions can result in limited policy design and alignment. For example, the CTAP programme was described as "as a capacity-building and training service the complexity of which has resulted in poor policy alignment and cohesion". CTAP "has tried to be all (things) to all beneficiaries" where the beneficiaries were very diverse. The resulting lack of synergies has resulted in a programme that "has no explicit strategy

…(and) had ambiguous objectives" where the result was "a collection of implementations with some commonalities" where even the definition of beneficiaries was not clear. Coupled with a lack of leadership, this resulted in fragmentation into multiple sub-methodologies, which prevented development of a holistic and adaptive approach to enterprise competitiveness. As a result, the positioning within ITC's service portfolio remained unclear.

17. There are cases of project components, or specific projects within a multi-project programme, not sufficiently coming to grips with the complexity of situations. The resultant lack of synergies (born mainly from limited policy coherence), compromised the relevance of some activities, though not the programme as a whole. This was identified by the midterm evaluation of SITA where some promoted products (spices, ITES-BPO, and garments/textiles) had limited demand in India (an essential 'synergy') with the consequence of no sales or investment at that stage of the programme.

18. A somehow similar situation occurred in the context of broader initiatives such as the AfTIAS, where the evaluation identified the balance of what was relevant to programme outcomes had been compromised due to a too complex architecture of the fund (resulting in insufficient policy coherence leading to negative spread effects). It resulted in a situation where too many projects were being funded, with the consequence that there were not enough resources available for some projects to achieve their desired outcomes. The evaluation concluded that a reduction in the number of projects at the overall fund level, would have allowed a greater focus on specific actions that could have helped member states better harmonize and synergize their efforts.

19. **Strong partnerships and supportive networks –** Successful strategic partnership building in several projects, fundamentally contributes to the sustaining of relevance as the intervention unfolds. This was evident with MENA, which made partnership building one of its four strategic and operational features. Similarly, the TFP strengthened its relevance through, "…a fruitful cooperation with governments…" i.e. effective partnership building. For the TFP, its controlled and coordinated approach has been appreciated by beneficiaries, and has "…contributed to building longer-term and trustful relationships".

20. It is worth noting that the increased use of PCRs, is raising awareness of the importance of all relevant partners being on board during project approval and implementation, so that the project can benefit from a strong partnership. For example, the Lesotho PCR reflected on the time delay in project implementation caused by a break in partnership, while the Fiji Agriculture PCR acknowledged that an ideal situation for future similar projects would be for stakeholders to reach a consensus and agreement on the planning and strategies.

Efficiency

> Efficiency is "a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results."

21. **The efficiency task of managing risks –** Single policy variables, especially those out of project control can reduce efficiency notably. This occurred with exchange rates changes for Zambia. Here the problem was simple; to identify – a falling US dollar – but any standard solution to it could be costly. The conventional way of handling it would be through risk assessment, and the building of appropriate contingency. However, this has project scale implications sometimes implying very large contingency funds. It also raises the issue of managing variables which technically are 'coherent' (accepting floating exchange rate) but which are inherently volatile. Relatedly, to what degree does a project include 'what if' scenarios into its project design and risk management profile?

22. With respect to administrative policy, there is the issue of the capacity of management to oversee complex agendas efficiently. For example, AfTIAS noted that its Coordination and Monitoring Unit had "…many responsibilities that require a larger team with set tasks for each member" i.e. more human resources and hence more funding was needed. Similarly, the

TFP which is growing, seems to have" … reached the limits of assigning tasks on an ad hoc basis to the neglect of back office and project management functions …(and) that are increasingly vital with greater programme complexity…". Managing and reporting to complexity requires resources to scale, especially to ensure tasks continue to be handled efficiently. This is an issue that may affect not only ITC, but also its partners.

23. **A clear definition of partnership is essential for efficiency –** This was evident with AfTIAS, where the evaluation noted that "firm definition for what defines a partner as well as a detailed partnership mapping would help align efforts and synergize the effects". Building partnerships and creating ownership on the local level significantly influences the efficiency of the intervention. The midterm evaluation of SITA suggested a stronger field presence to facilitate ownership building and improve synergies. Consequently, while the SITA programme was recognized for its strong and dedicated management, it sometimes suffered from limited relationship building and ownership locally.

24. At other times, additional stress on efficiency can be a result of the interplay of the nature of the intervention together with the interaction of stakeholders and institutions, the partners, as occurred with MENA. Here, strong partnerships reflected in mutual commitment, did not necessarily translate into efficient or effective execution. For the MENA, project design and institutional factors, together with over-optimism on the part of stakeholders, led to an underestimation of the efforts and time it takes to bring about real reforms. The political, administrative and socio-economic environment was too complicated, and there was insufficient allowance made for that reality. While at first glance, it suggested the need for a scaling up or extension of effort, however, partnership perceptions resulted in a lack of policy coherence linked to conditions on the ground, resulting in inefficient implementation..

25. **Adequate efficiency despite many disruptors of coordination –** In complex systems, coherent policies and strong partnerships are enablers of efficient and effective coordination. Most of the evaluated projects were generally deemed to be efficiently managed, with SITA, Senegal, UN Green Jobs (Zambia), Ukraine, and EU-Sri Lanka, Nepal, all being assessed as adequately efficient or better. One issue for all of them (an almost inevitable feature of even the best-managed projects) was occasional slowness in decision-making/resource allocation/mobilization (SITA, Senegal, EU-Sri Lanka, Nepal), delay (Ukraine, Zambia) or unrealistic expectations over time (MENA) – all timing and coordination issues. MENA suffered more broadly from slowness for several reasons but mainly to do with contextual factors (post Arab Spring). It is worthy to note the case of Yemen (MENA) where open conflict made operations, and, hence coordination at any level difficult, even when policy was coherent and partnerships on the delivery side were strong

26. **Be aware of self-generated fragmentation –** Efficiency can be compromised by self-generated complexity leading to inability to coordinate to objectives. This occurs when there is too much fragmentation (too many projects) and geographic dispersion as with Zambia, AfTIAS and MENA. For MENA, the spread resulted in some projects being funded that were not well prioritized or designed - a policy coherence issue at its root. For AfTIAS, too many projects meant that some were underfunded. To maintain efficiency and effectiveness, Zambia reduced the number of Provinces under its ZGJP initiative, so as to not spread its resources too thinly. Many activities makes tracking and monitoring (and hence coordination and risk management) more difficult as noted with EU-Sri Lanka. This problem can often be driven by a desire to engage more partners, to be more regionally inclusive.

Effectiveness

> Effectiveness is the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

27. **Strategic partnerships the key element for effectiveness –** For EU-Sri Lanka, partnership strength was a driver of effectiveness. The establishment of working groups structured around the expected results that included the main stakeholders proved very effective. It facilitated consultations on details regarding the planning and implementation of project activities, and allowed for stakeholders to be co-owners of the interventions. Similarly, Nepal, Lesotho, Africa-cotton, Syria also mentioned the importance of strategic partnerships in order to maintain strong and steady relationships for the success of the project. In Sri Lanka, getting agencies with complementary experience and expertise to work together on topics requiring combined efforts to reach the desired result was also helpful. The degree of effectiveness that resulted highlights the importance of strong partnerships, which work synergistically in a policy environment that facilitates coordination.

28. Conversely, in the Ukraine, complexity born of contextual factors, and the institutions and stakeholders, and how they interacted, reduced overall effectiveness. In this case, the project was faced with an environment where lower than expected skills availability within regional public stakeholders, and lack of trust in the private sector by Business Service Organizations (low sense of partnership) meant it was difficult to attract SME's to the degree hoped. It was even more the case for attracting women-owned SME's simply because there were so few. Elsewhere, limited learning and regional synergy effects of the MENA programme were also a result of a lack of fostering partnerships, undermined in part, by a lack of political leadership, curbing possibilities as well for fund-raising.

29. **Efficiency implications of coordination throughout the project cycle –** The need for coordination does not only apply to implementation but also the design stages. With AfTIAS for example, stakeholder mapping and consultative process at the design stage were seen as critical to not only yield measurable results, but also identify the right set of partners, map out other similar initiatives, and understand potential synergies.

30. Individual project activities can be complex engagements requiring of synergy. The 2018 evaluations give examples of this with respect to training. In this case, the key 'complexity' on the ground was simple to identify but important. Notably, the question was: "what is the operational language of the beneficiaries?" For example, the TFP and the PETS project successfully underline the importance of language in conveying relevant information and through this, strengthened partnerships and a sense of local ownership.

31. Sri Lanka also provided examples of the importance of language. The value of both the e-learning curriculum and SMEs' coaching services was said by participants to have been reduced because trainees were not fluent in English. By contrast, the value of the training delivered by the master trainers was seen to have been enhanced using two local languages. More innovatively, in Senegal, effectiveness in attaining the objectives for certification came from the translation of the Senegalese standard into comics, thereby increasing appropriation by the beneficiaries. The importance of translation is often underestimated but where done, can build a sense of local ownership facilitating more effective engagement and partnership building.

Sustainability

> Sustainability is the continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefits flows over time.

32. **Building on local ownership –** In Nepal, Sri Lanka, Ukraine, and Zambia cases, evaluations suggested that the sense of collective ownership was strong so the prospects for sustainability were a priori good. At the time of evaluating the PETS project in Nepal, the partner TISI (NPIA) had put in place a full-time CEO who was tasked with expanding their portfolio of activities. MENA recorded sustained capacity building in Morocco with the Overseas Job Opportunities project through better expertise, systems and partner linkages in the execution agencies in charge of the job placing. Senegal mango evaluation indicated the project has also produced sustained effects that were not initially anticipated due to its ability to develop partnerships with other interventions.

33. The TFP evaluation considered the programme as illustrative of the importance of building synergies on the basis of strong local ownership. The programme requires, and has been very often successful in, achieving clear buy-in from stakeholders at a very high level. The evaluation noted that where failure did on occasion occur, it was a result of unconstructive trade-offs and related conflicts i.e. the inability to create synergies and necessary strategic partnerships, policy coherence and coordination. On the contrary, in Zambia there was a lack of clarity among stakeholders regarding ownership and maintenance of the demo houses, which meant there was no sense of ownership over that specific resource. The observed consequence was insufficient partnership chemistry among the actors involved that impede sustainability for this specific component.

34. It is also worth noting that consensus is emerging from PCRs on the importance of building on local ownership: The Malawi PCR insisted in the good practice to deliver training together with local partners, which are national experts and local institutions. Similarly, the African cotton PCR recommended reinforcing the utilization of local expertise and consultants, while the Comoros PCR pointed out that effective project implementation required local project coordinators. Finally, the PETS PCR suggested using national and regional expertise, whenever possible, so that the capacity development would have been more targeted and effective.

35. **Taking into consideration the elements outside of direct control –** One challenge for sustainability identified was market conditions 'that lie outside the control of the project'. Here the Zambian project provided some insight as how the hazards to the external environment can be mitigated, which supports policy change (being coherent), while encouraging partnership building, coordination and cooperation. Specifically, in order to assist MSMEs to enter the formal economy, the project worked with service providers to ensure that basic forms of social protection could be extended to MSME employees. This successfully reduced risk and transition costs to MSME's while at the same time addressing the issue of employment standards. It provided some envelope of security in an uncertain marketplace greatly enhancing the likelihood of sustainability.

36. Where there were problems, it was largely with components of projects, not the projects overall. For example, the UN Green Jobs (Zambia) project evaluation observed that sustainable outcomes were achieved when technologies, policies and standards were in place and accepted, thereby ensuring a large degree of policy coherence. This in turn, highlighted the importance of incorporating a wider view of the enabling environment for sustainability as, despite this progress, government procurement regulations in Zambia did not allow the new 'Green' MSME's to bid thereby closing off a large market to their goods and services. The policies were not working synergistically.

Impact (Long-term change)

> Impact is the positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

37. **A required shift in monitoring practices –** As in previous AESRs, evaluations suggest that ITC's results management system does not gather enough data or information that can be used to substantiate the overall impact of projects. In part, this is because the reporting on results is linear, reporting to elements of the log frame but the intermediate steps that show causal effects of project activities are missing (which may be non-linear because of complexity). There is sufficient information on logframe outputs "…but they do not provide sufficient explanations on *how, why and for whom changes are occurring* in the context leading to actual impact."[8] Complexity recognizes that trade development and change are non-linear processes, where there are both intended and unintended consequences and where attribution (as well as data collection) is difficult.

38. **Continuous focus on the enabling environment is a must –** One thoughtful perspective, came from SITA evaluation, which pointed out that the impact of interventions may be found in preventing something from happening (preventing losses) rather than generating something new. A somewhat 'unintended' consequence, the capacity built in this instance was one of resilience. An ability to absorb shocks which works to ensure sustainability. It was a result of SITA's intervention by facilitating price support mechanisms or synergies between buyers and sellers.

39. EU-Sri Lanka evaluation pointed out that when assessing the likelihood of impact, several things need to be considered. First, one needs to examine its extent, i.e. where it is expected to have an impact. Secondly, it must understand under which conditions it will take place and in consideration of past, ongoing and planned project work. Finally, it must consider the risks involved recognizing that the route to impact may be non-linear (in keeping with the complexity approach). As a result, the evaluation points out that the project alone will not be able to reach its stated targets unless a) forces are effectively mobilized (including at the national level) to work on and develop the demand side – using market intelligence to guide efforts – and, b) gaps in support for the targeted group are identified and addressed.

40. **Limited impact when fragmentation –** For the ITES-BPO component of the SITA project, the midterm evaluation noted the fact that the impact of activities appeared limited of the programme, because at that stage of implementation, many of the activities were still ad-hoc with interventions that were discreet, with limited potential for long-term capacity building of local institutions. This seems to reinforce the need for coherence, something featured in other components of the programme. The final evaluation of MENA referenced 'opportunistic project submissions' that can disrupt impact pathways, which can be avoided if more attention is paid 'to institutionalize upfront agreements and strategic priority setting among authorities' in the host regions (i.e. policy coherence). This could suggest that a project needs to build in influence for a policy change as an activity or component, rather than only starting if ideal conditions are in place.

41. As noted earlier, the CTAP evaluation addressed TSI's specifically with intervention results and impact being limited. As described in the evaluation, the lack of measurable effects on MSME's, was said to stem from a lack of clarity in the positioning within ITC's service portfolio (a policy coherence problem). This in turn was a product of a lack of leadership, fragmentation of methods, incapacity to adapt to specific sectors, and limited TSI capacity development.

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[8] Organisation for Economic Co-operation and Development (2010). op. cit.: p. 24

42. **Scaling up for long-term change –** Leveraging, catalyzing and linking with local priority initiatives, institutions and the private sector actors is related to coherence and seen as greatly strengthening, if not essential, for fostering longer-term changes.. This is not only to facilitate processes but also to provide resources. Its importance was highlighted by MENA, UN Green Jobs (Zambia) and Senegal where notable successes were recorded in that regard. EU-Sri Lanka noted many areas where improving linkages could use attention. As the AfTIAS evaluation noted, 'If outside resources are needed for sustainability of outcomes (and hence ensuring longer-term changes), then ways of ensuring that those resources remain available must be built in".

43. At the national/Ministry level, MENA found good practices established in governance. For EU-Sri Lanka, ITC's role as 'process broker' overcame skepticism in the preparation of the National Export Strategy contributing to policy coherence, longer-term buy-in and the building of synergies.

Cross-cutting Dimensions

> **Inclusivity (Human Rights and Gender Equality and Youth)**: This is to assess whether women and youth are sufficiently embedded in the intervention, and the extent to which the intervention has contributed to their enhancement.
>
> **Environment and climate change:** This is to assess, in the trade development context, to what extent the interventions have contributed to protection and rehabilitation of natural resources and the environment, and to climate adaptation and resilience.
>
> **Innovation.** This is to assess to what extent the intervention has introduced innovative approaches to achieve ITC's goals or better adapt to emerging contexts, and the innovations have been replicated or scaled up by development partners.

44. **Exploiting the progress accomplished in gender and environment –** In terms of the funder-led evaluation and self-evaluations, it is possible to observe an improvement in relation to those projects that have been launched after 2015. On the one hand, these interventions have integrated more cross-cutting dimensions within the scope of intervention than those that were initiated before. On the other hand, they are better taking account of cross-cutting dimension throughout the project cycle, in particular in relation to inclusiveness and equity considerations. For example, while in the pre-2015 MENA, the evaluation observed the delivery of "an entrepreneurship training package to close to 7,000 youth, 49% of whom were women", the more recent interventions seem to go deeper than simply calculating a female/male ratio of participation at the end of the project. Like the EU-Sri Lanka evaluation, which identified that the logical framework had clear gender-disaggregated indicators and targets, and that the monitoring data collection did require statistics on gender issues. In somehow the same vein, the Ukraine evaluation praised efforts to encourage women-owned, managed, and controlled SMEs to integrate and benefit from project activities. In the second half of these projects though, the former two midterm evaluations insisted on the need to achieve effective results by continuing addressing these dimensions and even more crucially, by allocating the necessary specific resources to them.

45. Regarding the IEU evaluations, the Nepal evaluation overall found that good practices were adopted by the pashmina industries, despite the project having no specific gender focus. No violations of rights were reported, and equal wages for similar work for both men and women were found. Even though it was not the focus of the project, the evaluation found that half of the industries had adopted better working conditions for workers. There was a low representation of women attending trade fairs, however, this was because there were fewer enterprises led by women. In terms of gender, it is to be acknowledged that the remaining evaluations did not show a clear picture of the impact on gender. Where it was addressed, it was quantitative in nature (e.g. percentage of women attending a course). The projects did not have documentation or evidence showing why it was important, needed, or meaningful.

46. Trade development and environmental issues are often addressed on a win-win basis, resulting from the need to maintain the standards of the export markets. This was the case with Ukraine and EU import standards, while for SITA it came from ITC's standards on ethical leather that deal with waste from tanning. The Zambia project fully integrated environment as green technology and green practices were at the heart of its mandate. However, the PETS evaluation found that there was little attention paid to effluent management and disposal, and there was a need to focus on the use of green technologies in the pashmina industry in future projects

47. **Innovation culture is moving in the positive direction –** Adaptability and a propensity to generate creative and innovative solutions was notable in many of the projects. For example, the SITA midterm evaluation acknowledged that the impact of AfT programmes on poverty reduction was likely to be indirect and therefore difficult to adequately measure, but the project created a 'line of sight' to poverty approach and worked to define a framework for assessing this 'line of sight' and collecting initial data in its baseline survey. The AfTIAS Board showed adaptiveness to resolving issues and disputes.

48. Elsewhere, MENA noted that its efforts fostered innovation because "…projects introduced new thinking and technologies" and considered this the transformative area of greatest effect (73% of projects funded). AfTIAS noted that while most of its projects used designs based on prior experience or prior projects' log frames, one example of innovation was the ICD Nouadhibou/Aqaba Economic Zone project. In Zambia the Business Modelling Training Programme, among others, was adapted to include green technology.

49. It may be the case that while more innovation occurs in ITC interventions than is recorded or recognized, it is not yet ingrained into evaluation assessments or among staff and partners of ITC as something to be watched for and highlighted. This is business culture issue that takes time to change, but ITC is moving positively in that direction.

Risk and Knowledge Management

> Risk management and knowledge management both cross-cut the full dimensions of interventions from the activity, work package, project, programme and corporate level. As coherent actions related to activities and analysis they reflect on the quality of interventions.

50. **Complexity urges on for risk and knowledge management –** With respect to risk, there is a positive correlation between risk management and complexity where complexity informs the risk management plan. The more complex the project, the more a risk management plan is required. The more complex the project more in need of a risk management plan. The application and analysis of the risk management function, however, was inconsistent.

51. Zambia noted how the project was aware of important risks at the outset but were entangled in two Theories of Change, confusing the picture in terms of outputs and outcomes. The PETS project document also identified risks and risk mitigation measures were appropriately included in the project design. The Ukraine evaluation highlighted that risks and assumptions on outcome level were addressed and updated in the annual reports. PCR's sometimes address risk but related to identification of an on-going issue (Rwanda, Malawi, Syria) not the risk management system overall. Others did not mention risk at all (Lesotho, Comoros, She Trades).

52. In terms of knowledge management, it is difficult to build synergies without the well-structured and on-going transfer of information, knowledge, and experience. An effective knowledge management strategy can go a long way to mitigate the effectiveness and efficiency challenges of complexity, especially in situations of growing complexity uncertainty and rapid change:

53. The PETS evaluation highlighted the focus on the need for a broader role for ITC in support of the identification of trade priorities, capacity building, and transfer of knowledge of knowledge; there was a need for a continued knowledge transfer framework and mechanism. It noted the mechanism for knowledge sharing across projects was yet to emerge but that it was important for enterprises as they dealt with the complex market for fashion. Elsewhere, Ukraine pointed to the need for additional channels of communication and knowledge sharing besides the project website and advocated for knowledge management redesign. SITA required on-going market knowledge in order to address market opportunities and requirements but at the stage of the midterm evaluation, insufficient knowledge management programme was in place. For AfTIAS, a complex programme, knowledge transfer between entities and institutions was seen as key, with some successes noted. However, there was not a knowledge management plan. For MENA there was "too little regional dialogue, knowledge and learning opportunities, or "cross-walking expertise across countries". For all other projects, there was no reference to knowledge management.

Lessons Learned and Recommendations

Lessons Learned

Lesson 1: **Since complexity in ITC interventions is increasing, being aware of, assessing, and managing complexity becomes a priority to ensure long-term results and sustainability while simultaneously fostering the innovative culture needed.**

54. As the projects have grown more complex, there has been a greater appreciation of the many variables that lead to intervention success. The trading capacity of MSME's is definitely not viewed as simply one of skills and knowledge upgrading, though that remains important. Increasingly, projects are integrating that the business climate (enabled supportive and coherent policies) and the supportive and reinforcing dynamics (partnership and coordination) are decisive to produce the qualitative features that sustain interventions and generate longer-term changes.

55. In this respect, it is worth to note that ITC's Results Framework is fully aligned with this increasing complexity, as ITC's interventions increasingly contribute to building an enabling environment for sustainability through the strengthening of the systems, institutions and capacities thereby enabling future sustainable development through trade.

56. This year's AESR confirms that a strong innovative culture is a key enabler to trigger sustainability and long-term change and that the key factors for success are the achievement of national and local ownership, building of institutional capacity and, skills and competencies transferred. In addition, it observes that those interventions that have been working synergistically and in a coherent fashion (policy coherence) have been building effective buy-in and the vital partnerships and networks that have turned out to be sustained under pressures.

57. Evaluations also provide evidence that, when applied to results-oriented actions in coordinated fashion, transferred competencies produce more sustainable results. If in place, and maintained, there is likelihood that these qualitative attributes of policy coherence, strong partnership and coordination (synergy building) will help ensure that partners and beneficiaries will continue to build on ITC's interventions, and will work to support improving other actors' abilities and situations, at a wider level and after project completion. Based on these good examples, it seems therefore, advisable to develop a routine to control, assess and measure the level of complexity of ITC interventions on an on-going basis.

Lesson 2: **Building synergies rooted in effective partnerships and coordination can overcome the challenges related to complex interventions, with multiple stakeholders and non-linear results chains**

58. The evaluations are clearly showing signs of positive change. For example, the Sri Lanka project shared a lesson related to identifying synergies between partner implementing agencies at the stage of project design, particularly its implementation strategy rather than waiting for implementation to examine where there could be cooperation opportunities/collective efficiencies.

59. On the contrary, a weak partnership may compromise the sustainability of the project. Although SITA brought positive effects for beneficiaries, the midterm evaluation suggested ensuring more sustainable results by emphasized more on synergies with local partners during the remaining period of the programme.

Lesson 3: **Having the performance monitoring and measurement system agreed with partners, could support gathering the data that can be used to substantiate impact or longer-term changes.**

60. Synergistic relationships are qualitative in nature as are its component elements, policy coherence, partnerships, and coordination. Evaluations do refer on occasion to these features often noting their importance, but there is no systematic or collection linked to the

results chain that allows contribution of activities to sustainability or longer-term changes. Currently logframes and the associated results chains miss intermediate steps that show causal effects, nor do they always explain clearly on how, why and for whom changes are occurring. They also do not capture unexpected consequences or results.

61. In complex projects, evaluations suggest the need for a standard or mutually agreed on performance monitoring and measurement framework. AfTIAS advocates for such a framework to establish the processes for data collection and reporting lines. Similarly, Zambia also called for a regular reporting mechanism, which includes mandatory semi-annual and annual Technical Progress reports on achievements against plans for full accountability and transparency.

62. After the closure of an intervention, it is still important to monitor and measure its follow-up effects. For example, in the Senegalese Mango project, while the project management reported a significant increase in the level of exports, the plan for follow-up monitoring and evaluation was considered as insufficient. Given the relatively short duration of the project, the evaluation suggested conducting an ex-post verification two years after the project ends

Lesson 4: **When effective communication and knowledge management are combined, it proves highly valuable in terms of building the synergies and trust necessary for addressing risks, generating long-term changes and corporate learning.**

63. Knowledge management is more than 'knowledge transfer' from, for example, experts to target beneficiaries. It is a culture, built on trust, mutual engagement and a mutual willingness to both identify and address problems. It involves enabling technologies (in which ITC is investing) and a decision-making architecture and networking capability that facilitate these.

64. At the same time, risk management is more than a technical exercise. It is above all an exercise in communication and trust building, where there is a willingness to identify where the hazards and challenges are while promoting a willingness to work together to address them. It must exist in a non-threatening or 'blameless' culture and hence its effective management builds the partnerships and buy-in that is so essential for hand-over and sustainability.

65. A strategic communication plan was identified as a good starting point especially when targeted messaging is adapted to different stakeholders. It has been shown to improve local ownership and raise visibility beyond the narrow intervention scope. In this respect, evaluations have clearly demonstrated that sharing key messages with stakeholders through various and adapted channels is key to effective communication (for example the project website and Facebook in the case of Ukraine). In particular, this applies at the end of the interventions to ensure the systemization and final dissemination of project outcomes and best practices to the stakeholder community and beyond.

66. On the other hand, when projects have failed to make full use of implementation reports and lessons learned, it has led to limited learning. For example, the evaluation of the MENA project suggested learning could be fostered from pilot projects and country experience by producing quality Implementation Completion Reports and systematic impact assessments. Additionally, MENA was also invited to further promote the sharing of lessons learned across projects and generate a synthesis on priorities themes, reflecting the need for an effective combined communication and knowledge management approach.

67. Finally, from a corporate learning perspective, it is worth mentioning that the preparation of Project Completion Reports (PCR) was far from satisfactory with more than twenty completed projects as of the end of 2018 having not submitted a PCR by March 2019. [9] This is a missed learning opportunity of knowledge sharing for the organization as a whole.

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[9] It is mandatory for all completed projects to submit a PCR within three months after project completion.

Lesson 5:   When long-term changes are leveraged, catalyzed, and anchored within local priority initiatives and institutions, efforts to promote sustainable development through the development of trade can be successful.

68. Looking ahead, and in line with the increased efforts to line up ITC's interventions with the SDGs, complementarity and mutual reinforcement between trade development and sustainable development is increasingly the programming emphasis of the future. Consequently, policy coherence, which in the future, involves alignment with inclusion and environmental outcomes and results, is an essential ingredient in addressing the challenges of complexity. This coherence must not only be in relation to local partners but also and increasingly, in line with other development aid agencies, in particular, those of the UN Development System, as expressed through ITC's corporate objectives for interventions as expressed in its Strategic Plan.

69. In terms of trade and sustainable development, there is growing awareness of the need for ITC's interventions to focus on the environment, economy and society as embedded systems rather than separate competing pillars, with inclusivity concerns at the core of the approach "no one will be left behind." Some of the evaluations suggest that one of ITC's major contributions is its practical experience in designing and deploying interventions that combine mutually reinforcing economic growth and sustainable development as demonstrated by the promotion of ethical leather standards (SITA). ITC seems particularly well-positioned to contribute to the SDGs through tangible support to fulfilling and maintaining export-markets environmental and inclusivity standards. With trade-enabled sustainable development as the basis for agreement at the design stage, strong partnerships and network building, supported through coordinated efforts, can follow accordingly.

70. However, mainstreaming of gender and youth and incorporating the inclusion agenda more generally into all ITC projects is still unfinished business. Although it may be the case that many project documents did mention gender mainstreaming as a priority, the evaluations showed that a clear impact of women was not evident. The same applies to the environment dimension, where data collection and analysis of the environmental impacts of the projects was often lacking.

71. ITC's integration of its interventions in alignement with the SDGs also remains a work in progress. However with the increased attention to achieving sustainability and generating long-term change (impact) and with a strategic and operational framework for interventions that links ITC interventions to the SDGs, it suggests that many of the conditions are increasingly in place to facilitate this integration.

Key Recommendations

Recommendation 1: ITC management of project planning and implementation might want to include the assessment of the level of complexity of its interventions within its project risk management. This would be used to allow flexibility during project implementation and justification to adapt logframes and results chains, if necessary.

72. There is a clear shift observed to more complex interventions with project managers being increasingly appreciative of the many variables that lead to intervention success. Complexity is here to remain. A suggested checklist for assessing levels of complexity is proposed in Annex 1 along four dimensions: The Nature of the Intervention, Institutions and Stakeholders, Causality and Change, and, Embeddedness and the nature of the system. From an evaluation perspective, these dimensions are applied respectively as coordinated management, partnerships, the elements of causal change, and policy coherence.

Recommendation 2: ITC management of project planning and implementation should consider the achievement of synergies as a mandatory feature for its interventions, at design, implementation and reporting stages. This implies putting emphasis on strong partnerships and supportive networks coordinating their activities and leveraging their capabilities in a policy coherent fashion.

73. Partnership building and coordination are enabling conditions for sustainability and longer-term changes as their combination can produce the synergies necessary to maintain long-term commitments and transformational change. For ITC the question is facilitating the creation of an enabling environment all along the value chain in combination with other objectives. This is a complex task that can only be accomplished when there are synergies, where policies and objectives of multiple players working in partnership align and coordinate.

74. The building of synergies is not a product of interventions but integral to every stage of the interventions cycle from design to implementation to hand-over. It is more efficient to consider the scope of cooperation between/among partners in the project design stage rather than do it during implementation. Project design is not only about making decisions on "what to do", but also about "how to do it with partners".

Recommendation 3: While achieving effective synergies with its partners, ITC management of project planning and implementation should agree with them on the intermediate steps within logframes that explain how, why and for whom, changes are occurring, and engage with partners in the performance monitoring and measurement system, for mutual accountability and impact purposes.

75. The focus on examining the relationship between outputs, outcomes, intermediate outcomes, leading to longer-term changes has been lacking. Sufficient data and information are not gathered that help to analyze causal effects. A more detailed results chain for each project, supported by a comprehensive risk analysis framework, would go some way to address this.

76. In keeping with the three themes addressed in this report: policy coherence, partnerships, coordination, data gathering should include an ability to assess the quality and intensity of these three variables. Even where direct impact measures cannot be evaluated, the strong presence of these qualitative elements are a positive indicator of longer-term success towards impact related results.

Recommendation 4: Throughout the stages of the project cycle, ITC management of project planning and implementation should focus its communication with partners and stakeholders to address challenges together and generate the trust required to identify threats and opportunities and work with each other to address them.

77. The transfer of knowledge has been a central focus of ITC interventions in particular through its well-regarded course offerings, as many of the evaluations have featured this component of knowledge management with special focus on the behavioral changes that result.

78. As projects become more complicated, reporting too many different outcomes in highly diverse circumstances understanding and managing risk become crucial to ensure things stay on track. However, risk management needs to go beyond technical exercise. Risk communication should also focus on the how, the why and the "for whom" changes are occurring within the intervention.

79. At the design and implementation stages, it should serve as the basis for communicating with the stakeholders to help building partnerships and synergies necessary to achieve longer-term changes while ensuring sustainability. At the end of the intervention, it should be used to involve stakeholders into an exchange on the key achievements and lessons learned and to discuss post-intervention use of the project outputs (Zambia). End of project communication could help to bring impact with a larger scope and longer-term (Senegal).

80. Messaging throughout the project cycle is not only just about risk and its management, but also lessons learned and the generation of creativity leading to innovation. The management and dissemination of such knowledge facilitates synergy building and helps create a culture of continuous improvement.

Recommendation 5: ITC should conduct a rigorous analysis and inventory of its tools and approaches that achieve effective mutual reinforcement between trade development linkages and sustainable development (SDGs). This will enable wide spreading their use in project portfolio and will position ITC with a distinctive trade and sustainable development constituent in Trade-related Technical Assistance.

81. With the SDGs, the international community has adopted uniformly applicable commitment to shift development to sustainability. From the UN Development System perspective, SDGs can be understood as the common language for coordination within the UN and beyond, with an increasing focus strategy at the country level to meet national SDG objectives. In terms of their contribution to SDGs, there is increasing expectations on UN Agencies, including ITC, with growing importance of SDG-related partnerships and policy coherence. ITC recognizes this link in its Strategic Plan, which highlights where the six different Focus Areas / Intervention streams of ITC programming align with SDGs.

82. Meanwhile, the issues related to trade and private sector development have definitively acquired an essential dimension in sustainable development. There is increasing demand by SMEs and governments for the type of support provided by ITC, particularly in the LDCs. While the national development process was traditionally driven by public investments, it has shifted into a model based on private sector resources. As a result, boosting exports is paramount. Official Development Assistance (ODA) is becoming a catalyzer while development is increasingly relying on the private sector.

83. In this context, there is an opportunity for ITC to capitalize on its proven adaptability and propensity to generate creative and innovative solutions to concomitantly address trade development and sustainable development agendas. And there is also a recognizable risk in not doing so. Particular attention should be devoted so that future interventions are fully coherent with the SDGs and targets, including the interlinkages between these.

Follow up to Recommendations

84. **Introducing recommendations into the AESR –** It is generally acknowledged that the utility of evaluation is evident when it makes relevant and timely contributions to organizational learning, informed decision-making processes and accountability for results.[10] The utility of evaluation is partly manifested by its recommendations, which are designed to provide strategic and operational advice for senior managers to take well-informed decisions to maximize ITC's development results. The inclusion of recommendations in the AESR, and their proper follow-up process has been progressively implemented during the last two years.

85. In 2017, it was decided to include recommendations in the AESR based on the analysis of the performance trends of projects and programmes of the evaluations carried out in 2016. Prior to that, AESRs only conveyed the status of implementation of the recommendations of the evaluations carried out by the IEU. The 2017 recommendations were not subject to a formal management response. However, a management response (including a thorough list of actions designed to support the implementation of accepted recommendations) is considered a critical step for integrating evaluation-based learning into new interventions. Therefore, in 2018, senior management decided to prepare a management response to the 2017 AESR recommendations with a view to document its adoption of the recommendations.

86. **Progress made on 2017 AESR recommendations –** Accordingly, the follow-up to the 2017 AESR documented what had been done in relation to the aim of the recommendations. It should be noted, that most of the evaluated projects included in the 2017 AESR were initiated between 2012 and 2014, and the longest-running project was initiated in 2009. Management's feedback confirms the operationalization of many of ITC's strategic decisions: Feedback to recommendation 1 indicates that ITC was continuing to drive towards effective results-based management of projects and programmes. This is substantiated in the work carried out by the Project Design Task Force (PDTF) and SPPG in verifying projects' theories of change, and integrating project monitoring and reporting as a major task in project management (recommendation 2). The SME Competitiveness Survey tool was reported as increasingly allowing projects to better know SMEs as beneficiaries and monitor their competitiveness over time. The Survey was also presented as an enabler for ITC to consistently tailor its competitiveness

> **2017 AESR recommendations**
>
> **Generic to ITC:**
> 1. To systematically verify and improve the quality of each project's theory of change.
> 2. To ensure the integration of systematic project monitoring and reporting as one of the major tasks in project management.
> 3. To more consistently tailor ITC's SME competitiveness and marketing services to SME needs and capacity.
> 4. To position a phased and realistic TISI capacity building plan in a three-year project implementation cycle.
>
> **Specific to agricultural value chain development projects and programmes:**
> 5. To position a phased and realistic TISI capacity building plan in a three-year project implementation cycle.
> 6. To enhance gender-sensitive strategies for ensuring gender equity within the Agricultural Value Chains (AVCs).
> 7. To continue with a focus on engaging the private sector in improving MSMEs' access to international AVCs.
> 8. To include public and commercial financial services providers as partners in AVCs.

and marketing services to SME needs and capacity (recommendation 3). Concerning recommendation 4 on the need to provide for sufficient time for TISIs capacity building in the project cycle, reporting indicated that efforts were devoted to including timeframes for realistic TISI capacity building plans into project design.

87. Regarding agricultural value chain (AVC) development, projects such as Alliances for Action, under the Value Added to Trade focus, were identified as reinforcing the recommendation to build partnerships with leading national or local institutions in support of collective marketing of farmers (recommendation 5). Concerning gender-sensitive strategies (recommendation 6), ITC has been progressively piloting experiences of gender equity within AVCs in the SheTrades programme, then embedding them in other projects. ITC continues to focus on

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[10] United Nations Evaluation Group (2016). *Norms and Standards for Evaluation.* New York: UNEG, p. 10. Available at: http://www.unevaluation.org/document/detail/1914

engaging the private sector in improving MSMEs access to international AVCs through various projects (recommendation 7). Finally, the Access to finance and investment (AFI) team highlighted its work with financing providers and buyers to extend financial support to MSMEs along value chains. Furthermore, the AFI team continues to purse innovative financing facilities to support the switch to cleaner production, new packaging and green growth (recommendation 8).

88. **Management response to 2018 AESR recommendations –** In response to the five 2018 AESR recommendations, four were accepted and one was partially accepted; two have been implemented and three were partially implemented. These recommendations were based on an analysis of ten project evaluations (six midterm and four final), which were completed in 2017, and 12 PCRs for projects ending in 2017. Nine of the ten evaluations were of projects implemented between 2013 and 2017, and one programme that was initiated in 2010. Further details on the implementation of the 2018 AESR recommendations can be found In Annex 2.

89. **Progress made on IEU evaluation recommendations –** The IEU has established a follow-up system to track the implementation action plans identified in management responses to independent evaluations carried out by the IEU. If a recommendation has been implemented in congruence with the original evaluation recommendation, it is treated as fully implemented. As recommendations are time-bound, when the implementation could not fully address the recommendation, it is closed with a status of 'partially implemented'. During 2018, the IEU followed-up on the recommendations to four evaluations as seen in the table below.

Evaluations (date of completion)	Recommendations					Implementation Status		
	Total	Accepted	Partially Accepted	Rejected	Not started	Ongoing	Final Status	
							Partially implemented	Implemented
Women and Trade (2016)	5	4	1					5
Eastern Africa (2017)	10	4	6			6		4
T4SD (2018)	7	6	1			1		6
CTAP (2018)	5	5				5		0
Total	27	19	8	0	0	12	0	15

90. The five recommendations of the 2016 Women and Trade Programme evaluation have been implemented: The Women and Trade programme phase III strategy (2016 to 2021) was approved in 2016 (recommendation 1). The programme advocates for policies which address gender-based constraints, the women and public procurement e-learning is now available on the ITC Trade Academy, and SheTrades 2.0 was launched in March 2019 (recommendation 2). During the implementation of the "East Africa: Empowering women in trade (Women and Trade Programme Phase 2) (TMEA)" ITC delivered coaching and advisory services to 13 TISIs on the use of appropriate approaches and tools for monitoring, evaluation, and managing results of trade promotion events focused on women owned entrepreneurs. As a result, Phase III of the programme works with partners in the field who are able to continue to deliver services to their female clients beyond the lifespan of the programme (recommendation 3). Working through a small number of large projects, phase III of the programme maximizes its impact and value for money. Concentrated effort was extended to working with a limited number of sectors, carefully selecting target beneficiaries, and shaping the programme's offering to reflect the needs (recommendation 4). Finally,

phase III of the programme continues to report into the UN System-Wide Action Plan (UNSWAP) for Gender Equality and the Empowerment of Women, which contributes to mainstreaming gender into ITC's policies, processes and activities (recommendation 5).

91. The implementation of the recommendations from the evaluations of Promoting Intra-Regional Trade in Eastern Africa project, and the Trade for Sustainable Development (T4SD) programme, are still underway. It should be noted that the high rate of partially accepted recommendations found in the Eastern Africa management response is due to the fact that many have been addressed to four additional Project Managers of future similar value chain development projects, and three Country Desk Officers. Thus, the Project Manager of the Eastern Africa project fully accepted recommendations that were under his control, and partially accepted recommendations that were beyond the scope of his mandate.

92. **Management responses to IEU evaluations –** In accordance with UNEG standard 1.4[11], and in line with the ITC Evaluation Guidelines[12], the IEU supports project managers in drafting a formal management response to evaluation recommendations and follows-up on their implementation. From April 2018 to March 2019, the IEU provided advisory services to support the development of the management responses to one evaluation completed in 2017 (Final evaluation of the Lesotho horticulture productivity and trade development [HPTD] project) and three completed in 2018 (Final evaluation of the Pashmina enhancement and trade support project [PETS] in Nepal; Evaluation of the Non-tariff measures [NTM] programme; and the Evaluation of the Certified trade advisers programme [CTAP]). At the time of writing this AESR (May 2019), the IEU had received one finalized management response (CTAP), while three others (HPTD, PETS, and NTM) were still outstanding.[13].

93. A good example of a management response is that of the CTAP evaluation; all five recommendations set out in the evaluation were fully accepted, and the action plan reflects the robustness of the response. What is remarkable is senior management's intention to go beyond the narrow CTAP case and use the evaluation as a trigger to revamp ITC's SME competitiveness services, while enhancing cooperation and complementarities within ITC. In response to the recommendations, the programme management will develop a new vision and business plan and will draft a new proposed framework during 2019.

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[11] Ibid, p. 17

[12] International Trade Centre (2018). *ITC Evaluation Guidelines, Second Edition.* Geneva: ITC, p. 46

[13] A completed management response is one that has been duly signed off by the Project/Programme Manager, the Chief of Section, and the Divisional Director.

Annexes

Annex 1: Complexity Assessment Checklist Model[14]

CHECKLIST FOR ASSESSING LEVELS OF COMPLEXITY								
	Levels of Complexity							
	Low	← →						High
		Complexity Rating						
		1	2	3	4	5		
Dimension 1: The Nature of the Intervention								
Objectives	Few and relatively clearly defined							Multiple, broad, and often not clearly defined
Size	Affecting small population							Affecting large population
Stability of programme design	Relatively stable							Emergent design
Implementation procedures	Clearly defined in project design							Often not clearly defined and changing
Services or components	Relatively few							Large number
Technical complexity	Low							High
Social complexity	Low							High
Duration	Clear start and end dates							No clear end date and sometimes no clear start date
Testing of programme design	Well tested and used many times							Relatively new and untested
Dimension 2: Institutions and Stakeholders								
Budget	Use of funds clearly defined							General budget support with no clear definition of services to be funded
Funding and implementing agencies	Relatively few							Large number
Stakeholders	Relatively few & with similar interests							Many and diverse
Dimension 3: Causality and Change								
Causal pathways	Single causal pathway							Multiple causal pathways (nonlinear, interconnected, recursive feedback loops)
Certainty on outcomes	Relatively high degree of certainty							Low degree of certainty
Agreement and clarity on appropriate actions to address problems	High level of agreement and clarity							Low level of agreement and clarity
Dimension 4: Embeddedness and the nature of the system								
Clarity on contextual factors that influence implementation and change	Contextual factors known and knowledge on their potential influence available							Contextual factors and their potential influence on implementation and change largely unknown
Processes of behavioural change	Simple processes that are well understood							Multiple mechanisms to promote complex behavioural change

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[14] Bamberger, Michael, et. al. (2016). *Dealing with Complexity in Development Evaluation – A Practical Approach.* Los Angeles: Sage, pp. 20-21.

Annex 2: 2018 AESR Management Response

Recommendation 1: Consider including innovation into the criteria for the allocation of the Business Development Fund (BDF) to support project designers and managers in incorporating innovation needs, specifically for the development of creative solutions in the field, working with beneficiaries and partners, for activities such as:
- o Workshops;
- o Design thinking field visits; and
- o Participation in innovation events.

This recommendation is accepted and fully implemented.
Innovation has always been a clear objective for the use of W1 funds, as specified in ITC's W1 guidelines (Window 1 guidelines, approved by SMC 21 September 2011). ITC staff can prepare innovative project proposals within the framework of ITC's Strategic Plan, and make a case for funding pilots, methodology or tool development, or other types of initiatives that support innovation.
BDF enables project designers to undertake needs assessments and engage with local partners and jointly developing project plans, increasing project ownership.
Furthermore, W1 funds are allocated to the Innovation Lab, which supports project designers and managers on demand, to develop and implement creative solutions in the field. For example, in the Gambia, the Innovation Lab brought design thinking to the field by facilitating a training of trainers (ToT) and step-down trainings on design thinking in collaboration with the Start-up Incubator Gambia. Participants were introduced to the design thinking methodology.
In April 2019 SMC decided to further incentivize the development of innovative ideas: the winners of the Innovation Bootcamp competitions, run by the Innovation Lab, can in future present the selected solutions to SMC and pitch for funding.
To accelerate the adoption of an innovation culture, staff members can benefit from corporate training to gain skills in innovation-related issues. Training efforts will soon be extended to staff recruited in the field, with a specific training that will take place in July 2019 in Geneva, as part of a comprehensive ITC training week for field staff.

Recommendation 2: Consider a revamped sustainability-focused project monitoring and evaluation scheme to more effectively track the progress of local ownership. This could be done through:
- (a) New indicators measuring the satisfactory appropriation of capacity, skills and competencies to
- (b) beneficiaries and partners, using measurements such as:
- o - Local oversight;
- o - Local resources invested; and
- o - Outputs of local ownership.
- (b) Inclusion of the cross-cutting issue of innovation in the Project Completion Report (PCR) template.

This recommendation is accepted and partly implemented.

(a) Local oversight in the field is ensured through the participation of local project partners in the corresponding project

Steering Committees. This mechanism has been increasingly applied to projects and enables local stakeholders to periodically track and discuss performance, discuss risks and possible needs to adjust plans and coordinate actions.
ITC project managers have been asked to report on contributions in kind made by partners to projects. In addition, ITC is in the process of expanding the on-line reporting template in the project portal to capture
investments that were made as a result of projects. This can be investments by partners that provide additional support to project beneficiaries in the framework of the project, or investments that finance spin-off projects. It can also be investments by beneficiaries into removing obstacles identified through analysis undertaken in projects, or into implementing roadmaps, plans or strategies that were developed under projects.
Current large ITC country/regional projects usually also foresee midterm evaluations, which provide an opportunity to qualitatively assess the satisfactory appropriation of capacity, skills and competencies by beneficiaries and partners.
(b) Inclusion of the cross-cutting issue of innovation in the Project Completion Report (PCR) template is implemented.

Recommendation 3: Consider a more responsive and adaptable support to the needs of partners and beneficiaries, by proposing to funders and other stakeholders:
(a) The inclusion within W2 projects of an innovation budget component; and
(b) The availability for ITC's beneficiaries and partners of patient/risk capital to support them in innovative activities.

This recommendation is accepted and implemented. However, implementation is not a one-off deliverable but a way of operating.
a) There is a growing readiness of some of ITC's funders to allow, for innovation and project responsiveness purposes, flexibility in the allocation / use of project resources. They recognize that projects' objectives should guide interventions, and that in fast-evolving environments, logframes and workplans cannot be static. In the context of each funder's applicable rules and regulations, ITC will continue to explore avenues for flexible budget components to allow the development of solutions identified with beneficiaries in the course of the projects.
b) ITC recognizes that access to finance is a necessary element of MSME competitiveness, and that investment is essential for trade and the achievement of the SDGs. Over the past years, these elements have been increasingly integrated into project design and implementation, and ITC has expanded its expertise and methodological approaches in these areas.

Recommendation 4: Consider the development of an innovation-enabling project development and management approach:
(a) Integration of innovation in the project design template and guidelines, including project theory of change; a (b) Promotion of an innovation leadership training for ITC project managers.

This recommendation is accepted and partially implemented
(a) The requirement for a participatory project design approach, in interaction with the beneficiaries, is already in place, as is the requirement for each project to have a logframe and description of the strategy of intervention. ITC will include text that explicitly encourages innovation in project design and intervention in the project management guidelines, and expand its template for project documents by a section that asks project developers to specify how the project intends to deal with innovation. (b)   The Innovation Lab runs various activities and programmes to help ITC staff gain the skills and access the resources they need to innovate, and to create an organizational environment that encourages creativity and experimentation. For example, for innovation within projects, the Innovation Lab promotes innovation-related methodologies, like human-centred design thinking, and assists project managers in integrating innovation into their projects to achieve leaner and more impactful projects, responsive to the needs of clients. In this context, the Innovation Lab brings in experts on innovation related methods to ITC, to train ITC staff. These activities will continue in 2019, and the Innovation Lab will monitor the results.

Recommendation 5 (optional): Consider strengthening the elements of entrepreneurship and innovation leadership under the current HR competency framework and performance appraisal systems:
(a) Consider entrepreneurship skills and experience requirements in the ITC's Competency Framework and in Job Description Questionnaires (JDQs); (b) Incentivise the inclusion of targets related to entrepreneurship and innovation leadership in the Performance Appraisal System (PAS), including by taking into consideration for career development; (c) Promotion of an innovation training for all ITC staff; and (d) For interns, make "innovation" an integral part of the internship programme by making engagement at the Innovation Lab an option when signing the internship contract.

This recommendation is partially accepted and partially implemented
(a), (b) One of the core competencies of ITC / the UN is '*creativity*', which is described as: - Actively seeking to improve programmes or services; - Offering new and different options to solve problems or meet client needs; -Promoting and persuading others to consider new ideas; -Taking calculated risks on new and unusual ideas; thinking "outside the box"; - Taking an interest in new ideas and new ways of doing things; - Not being bound by current thinking or traditional approaches. In the view of ITC's management, these attributes describe sufficiently what makes a staff member open to and engaged in 'innovation' and 'entrepreneurial'. Hence, there is no need to adjust the ITC Competency Framework, and liked to it the JDQs, with an additional category.In addition, in the Competency Framework, under 'Managing Performance', one of the desired attributes is: 'Encouraging risk-taking and supporting creativity and initiative'. It may be appropriate for some positions, but not all, to explicitly state requirements for entrepreneurship and innovation *skills and experience* in post descriptions (JDQs), in addition to the mentioned competencies, or to include targets related to entrepreneurship and innovation leadership in the Performance Appraisal System (PAS). JDQs are specified by the hiring managers in alignment with UN templates for different post categories, and reviewed by line management and the HR section. Directors and HR will pay increased attention that a requirement for entrepreneurship and innovation skills and experience is stated explicitly, where appropriate, and made an objective in the corresponding performance appraisal system. The Innovation Lab and HR section are spearheading discussions on how to include innovation in the PAS and what indicators could be, and a proposal will be presented to Senior Management for approval. (c)   The Innovation Lab has conducted various types of innovation trainings throughout 2018 and 2019. These trainings, in many cases in the format of applied trainings and learning by doing, continue to be a major part of the workplan for 2019. (d)   The engagement at the Innovation Lab for interns has been implemented on a case-by-case basis. It is not foreseen to extend it to all interns, but Senior Management will continue to encourage all line managers in ITC to allow their staff and interns to engage with the Innovation Lab.

Annex 3: Brief Description and Evaluation Findings of Projects Evaluated

SUPPORTING INDIAN TRADE AND INVESTMENT FOR AFRICA (SITA)

Project objective:
SITA is the first South-South aid for trade and value chain project of Department for International Development (DFID) India. In early 2014 DFID India asked ITC to develop a trade related technical assistance (TRTA) project to support Ethiopia, Rwanda, Tanzania, Uganda, and Kenya in developing their trade and investment linkages with India SITA's objective is to enhance and capitalize on trade and investment between India and East Africa in selected sectors, which necessitates strengthening the competitiveness and productive capacities of East African companies, as well as enhancing the enabling environment. The ultimate objective of the project in terms of impact is "additional income and employment opportunities in East Africa are created for the poor".

ITC Focus Areas
6. Supporting Regional Economic Integration and South-South Links

Start date: 18 Mar 2015

End date: 31 Mar 2020

Total budget: $ 23,700,000, implemented by ITC

External Midterm Review (July 2018): The selection of sectors by the SITA project has been relevant to the development priorities of SITA country governments in terms of their potential link to industrialization and value addition. The Midterm Review recommended phasing out ITES-BPO, Coffee and handloom activities in a gradual manner to ensure as far as possible the sustainability of results achieved to date.
The management staff is strong, though the MTR observed that centralized decision making, combined with the complexity of the project, can lead to slower implementation. Outcome indicator 4 (number of enterprises report having transacted business as a result of SITA's support) was nearly already achieved by mid-term. As per the MTR's recommendation – to enable easier tracking of results – Outcome Indicators 1 and 2 were modified from percentages to US Dollar values. . The achievements in other indicators were at the time still limited. The sense of ownership of partners and beneficiaries in East Africa was found limited.
The MTR also reflected the fact that DFID's annual review highlighted that three sectors under SITA have a high Value for Money (VfM), while four others reflect medium VfM, with no sector has low VfM.
Overall the environmental sustainability and gender/youth inclusiveness dimensions are features of SITA though not an integral part of the project. The MTR recommended that SITA should exit components specifically focussed on women, such as interventions on capacity building and market exposure, and ensure that it addresses cross-cutting issues only where interventions are relevant to the project's key aim of creating jobs and generating economic opportunities through increased investment and knowledge transfer with India. The MTR emphasized that caution needs to be exercised in reference to sectors with high levels of market volatility – particularly agricultural export commodities. Greater focus on market and product diversification and encouraging value addition would be important for SITA going forward.

UN GREEN JOBS PROGRAMME: ENHANCING COMPETITIVENESS AND SUSTAINABLE BUSINESS AMONG MSMES IN THE BUILDING CONSTRUCTION INDUSTRY (PHASE II) ILO COMPONENT

Project objective: This was a final evaluation of a five-year (09/2013 to 10/2018) $12.1 million Finland-funded project, jointly Implemented by ILO, UN Environment, FAO, UNCTAD, and ITC.). ILO was the lead Agency and project administrator. The Development Objective of the ZGJP is "Promoting inclusive green growth, climate change adaptation and mitigation among MSMEs in construction, energy and waste management in order for them to grow and create green jobs". ITC was expected to deliver output 3.4 "Access to business capital and financial services for MSME".

ITC Focus Areas:
3. Strengthening Trade and Investment Support Institutions (TISIs)
4. Connecting to International Value Chains

Start date: September 2013
End date: October 2018
Total budget: $12.1, ITC implemented ($496,483)
Other implementing partners: Led by ILO, and implemented by UN Environment, FAO and UNCTAD.

External Final Independent Evaluation (July 2018): The Project´s objectives have been relevant for Zambia. The targets for training of MSMEs and those who had benefitted from other services were exceeded by large margins. ZGJP has been adequately efficient. However, multiplicity of activities and geographical spread may

have compromised efficiency in some cases. It was found that Project´s impact on green construction policies has been mixed.

Findings related to ITC: The assessment on achievements was "low-medium" for business capital, and "high" for financial services provided. Regarding the aim to help MSMEs to access business capital and financial services, the Project states that the quantitative target was exceeded in terms of number of MSMEs accessing "business finance mentorship and other services". Regarding financial service providers that granted loans to MSMEs who use green construction principles and technologies, the achievement was limited, according to the evaluation report. Thus, targets may have been reached well, for which the Project should be given credit, but to expand the MSMEs still need financial means.

IMPROVING THE COMPETITIVENESS OF THE SENEGALESE MANGO INDUSTRY

Project objective: This project was implemented by the National Implementation Unit of the Enhanced Integrated Framework (EIF) in Senegal. ITC is a partner agency in charge of the implementation of three out of the six expected results: the Trade Support Institutes (IACs) have sufficient capacity to offer their members trade-related services tailored to traditional export markets and new markets; new markets for Senegalese mango are identified; business relationships are created in traditional markets and in new target markets for companies exporting Senegalese mangoes. The overall objective is to increase the contribution of the mango sector to socio-economic development and poverty reduction in Senegal. The specific objective is to to increase the exportable supply of quality mango and by-products and diversify export markets through the identification of new regional and international markets.

ITC Focus Areas:
4. Connecting to International Value Chains

Start date: 1 May 2015
End date: 31 December 2018
Total budget: $3,000,000. Implemented by the National Implementation Unit of the EIF in Senegal. ITC is a partner agency in charge of the implementation of three results activities with a budget of $856,000.

External Final Evaluation (04 September 2018): The project is a perfect response to the State of Senegal's trade and development priorities, and it also meets the needs of implementing partners and reinforces its missions. The overall effectiveness of the project is high, despite the multiplicity of actors, the modest budget, a relatively short duration and the extent of the area. The efficiency of the Project is considered very high and project has contributed significantly to the increase in the level of exports. The lack of accompanying action to facilitate access by the actors to financing is a shortcoming.

Findings related to ITC: The evaluation report found that the effectiveness in identifying new markets and creation of business relationships for exporting enterprise is high while the effectiveness in supporting the capacity building of Trade Support Institutes (IACs) is average. The project, with the support of ITC, enabled the operationalization of a business intelligence system bringing together the relevant structures.

AID FOR TRADE INITIATIVE FOR THE ARAB STATES (AfTIAS) PROGRAMME

Project objective: The AfTIAS seeks to strengthen the overall economic well-being of the League of Arab States (LAS) members. The three main outcomes are (1) enhance regional competitiveness through reform and efficiency initiatives, (2) strengthen supply side and value chain integration and (3) improve regional and sub-regional organization's ability to foster trade integration. ITC is one of the implementation agencies, mainly contributing to "Non-Tariff Measures (NTMs) to promote intra-Arab trade", under both UNDP and ITFC's management.

ITC Focus Areas:
1. Provide Trade and Market Intelligence

Start date: 6 November 2013
End date: The AfTIAS programme was originally designed to run for two years (2014-2016) but was extended to December 2017. However, due to implementing challenges, the AfTIAS Board of directors extended some projects until December 2019. The NTM project was implemented between 2014 and 2018.
Total budget: $10,200,000

External Final Evaluation (13 January 2019): The importance and relevance of the programme and the need for a second phase was confirmed by a majority of key informants. The effectiveness of the programme was mixed. In In terms of management, the transfer from UNDP to ITFC was effective and viewed as a positive change. Communication and outreach was not effective enough that most beneficiaries associated projects with the executing agency did not know about AfTIAS. Greater financial transparency from the Executing Agencies is required to measure the cost vs. benefits, and efficiency of the projects' outputs.

Sustainability is the key issue for the programme, and there was considerable room for improvement in terms of partnerships. Some of the catalytic effects observed included strengthening policies, building capacities and procedures for accreditation, advancing Non-Tariff Measures and windows for facilitating knowledge exchange.

Findings related to ITC: The NTMs project contributes to the achievement of Outcome 1 of AfTIAS: "Enhance regional competitiveness through trade policy reform and TSI efficiency". Success indicators and progress markers were designed and implemented by the ITC. All key informants involved of the programme agree that NTMs activities are very relevant for policy makers and stakeholders in Arab countries. The evaluation report suggested that the NTMs activities could have been more efficient if a holistic integrated approach was used.

THE MENA TRANSITION FUND

Project objective : The objective of the Transition Fund is to improve the lives of citizens in transition countries and to support the transformation currently underway in several countries in the region by providing grants for technical cooperation to strengthen governance and public institutions, and foster sustainable and inclusive economic growth by advancing country-led policy and institutional reforms. The MENATF provides grant funding and promotes partnerships covering the three themes of the Deauville Partnership: Finance, trade and governance.

The ITC project "Developing SMEs exports through Virtual Market Places" aims at unlocking the untapped economic growth potential of SMEs in the MENA region in order to generate employment and more inclusive social and economic development. The development objective of this three years project is to create jobs for youth and women by increasing SMEs' exports through VMPs and support institutional reforms to create an enabling environment for e-commerce. The project aims to support women and youth entrepreneurship in integrating into and benefitting fully from the potential of existing Virtual Market Places.

ITC Focus Areas:
1. Provide Trade and Market Intelligence
2. Building a Conductive Business Environment
4. Connecting to International Value Chains

Start date: 1 July 2014
End date: 30 June 2018
Total budget: $ 250 million, ITC project budget: $ 2,825,060

External Final Evaluation (January 2019): Projects are highly relevant and well aligned with both Fund and country needs and objectives. The Fund pillars are comprehensive and highly relevant for transition country challenges as they address their economic, social and political needs in transition. Most projects achieved or are well on track to achieve their Project Development Objectives. The majority of Fund projects have been good value-for-money, but often come along with lengthy delays. Efficiency was rated satisfactory or moderately satisfactory in 71% of the cases, with 30% as moderately unsatisfactory. Sustainability, and to some extent mainstreaming and upscaling were addressed in about 70% of projects. Innovation, gender and youth were addressed in some of the projects.

Findings related to ITC: The completed Support for SMEs through Virtual Market Places project is a well-designed and highly innovative pilot project for Jordan, Tunisia and Morocco with interesting results and motivated teams, many lessons to share and well backed up by ITC, but it would need some more time to deliver at scale.

EU-SRI LANKA TRADE-RELATED ASSISTANCE INCREASING SMES' TRADE COMPETITIVENESS IN REGIONAL AND EU MARKETS

Project objective: The project is implemented by ITC (as the leading agency) and UNIDO (with sub contract from ITC), in partnership with the Department of Commerce of the Ministry of Industry and Commerce of Sri Lanka. The overall objective of the project is to contribute to Sri Lanka's inclusive trade-led growth and regional integration. Its specific objective is to increase trade competitiveness of Sri Lankan Small and Medium Sized Enterprises (SMEs) in regional (South Asian Association for Regional Cooperation/SAARC) and EU markets.

ITC Focus Area:
2. Building a Conductive Business Environment
4. Connecting to International Value Chains

Start date: 1 November 2016
End date: 31 October 2020
Total budget: $ 8.766 million (€ 8 million)

Midterm Self-evaluation (February 2019): The objectives of the project are and remain highly relevant and national ownership is strong. The efficiency of implementation, overall project effectiveness and actual/likely impact are satisfactory. The overall quality and timeliness of implementation are good. Sustainability of policy/strategy work under the project is likely as the project is contributing to the creation of a more enabling policy and support infrastructure environment. Yet it is considered unlikely that the volume and value of exports will be increased as the target set during the life of the project, and sustainability concerns should be integral part of the project exit strategy. There is a need to speed-up work regarding the targeted core group of SMEs in the spices and processed food value chains (implemented by UNIDO).The logical framework contains gender-disaggregated indicators and monitoring includes data collection on male/female ratios of beneficiaries of project activities. There are no specific resources allocated to address gender equality and women's empowerment.

While there are no specific indicators on youth or environment, related issues are addressed during implementation. Strategic partnerships and cooperation have been established with other development partners.

LINKING UKRAINIAN SMES IN THE FRUITS AND VEGETABLES SECTOR TO GLOBAL AND DOMESTIC MARKETS AND VALUE CHAINS

Project objective: The project aims to help Ukrainian SMEs in the fruits and vegetables sector to integrate into domestic and global value chains and access new markets. The objectives include assisting SMEs to produce goods in accordance with market requirements, improving the capacities of business support organizations to provide quality business support services to SMEs, and linking SMEs to target markets, with a focus on the EU. The expected outcome is enhanced competitiveness and internationalization of SMEs from Kherson, Odessa and Mykolaiv regions in the fruits and vegetables sector.

ITC Focus Area:
2. Building a Conductive Business Environment
4. Connecting to International Value Chains

Start date: 1 January 2016
End date: 31 December 2019
Total budget: $ 2.7 million

Midterm Self-evaluation (April 2018): The level of relevance is high, since the project addresses the current questions and difficulties of the main target beneficiaries, and the project is aligned with the national export strategy and connected with other international initiatives. It is likely that the project will contribute to enhanced competitiveness and sustained export growth of Ukrainian SMEs in the fruits and vegetables sector while challenges are found in attracting more SMEs and building sustainable capacity for Business Support Organization. In terms of efficiency, the resources allocation was processed professionally and in accordance with the project plan. The level of development of the sector and the institutions was lower than initially envisaged, therefore more time and resources are required to achieve the projected results at full scale.
The project also made efforts in environmental protection and human rights, as enforced in entering the EU market. Focus on gender issue was also identified, but the results would be limited due to the absence of women in the related positions of the sector.

TRADE FACILITATION PROGRAMME

Programme objective: The Trade Facilitation Programme (TFP) works with policymakers, trade and investment support Institutions and the private sector to reduce the cost of doing business across borders by addressing non-tariff barriers and simplifying cross-border procedures, including through implementation of the World Trade Organization's Trade Facilitation Agreement (TFA) at both the national and regional levels. According to the TFP's Theory of Change, its ultimate intended impact is to increase significantly the exports of developing countries, which would contribute to the achievement of Sustainable Development Goal 17.11. The Programme's desired global outcome is a reduction in the cost and time of cross-border transactions for SMEs to be achieved by interventions that increase awareness and interest, leading to increased knowledge and skills that help to develop consensus and agreement on feasible plans, which then lead to action.

ITC Focus Area:
2. Building a Conductive Business Environment

Time period: The evaluation assesses the TFP projects in the period of 2014-2018.

Total budget: about $ 7 million (during the period of 2014-2018)

Independent Evaluation (June 2019):
The TFP is in line with ITC's mandate, mission and goals. The Programme's choice of countries has been

guided largely by demand, and activities have been developed in consultation with local stakeholders. As a result, the Programme succeeded in meeting the needs of beneficiaries. 36% (27 out of 75) of the countries in which the TFP has been active are least developed countries (LDCs). TFP has raised ITC's profile in the area of trade facilitation at a global level, but the communication activities at the corporate level are very limited. In terms of partnership, TFP has developed a very good collaboration with many development partners, notably UNCTAD and UNECE, and avoided duplication. The picture on synergies within ITC is mixed.

THE CERTIFIED TRADE ADVISERS PROGRAMME (CTAP)

Project objective: CTAP is a capacity-building service offered by ITC, since 2002, to trade and investment support institutions (TISIs) and independent trade advisers in developing countries. This evaluation is an assessment of the performance and results of the ongoing CTAP operations in the period of 2011-2016, to generate related findings and recommendations to inform strategic decisions for future operations.

ITC Focus Area:
4. Connecting to International Value Chains

Start date: 1 January 2011
End date: 31 December 2016
Total budget: $ 2.4 million (11 projects with various sources of funding)

Independent Evaluation (November 2018): CTAP was generally appreciated in the field as a capacity building and training service. However, the lack of clarity regarding the main objective and strategy of the CTAP service, combined with the lack of leadership allowed fragmentation into multiple sub-methodologies. CTAP training was effective in providing trade advisers with a generic framework to diagnose SMEs. It was not so effective in adapting the methodology to specific sectors or SMEs. In terms of building the capabilities of TISIs, the evidence base was limited.
In its current form, the CTAP's impact on SME competitiveness is low, and there is no follow-up mechanism to assess the effects on SMEs. The participation of national and regional trainers was common in implementation, often enhancing customization and reducing costs. The customization could be improved by better matching training contents with the needs of target participants.

PASHMINA ENHANCEMENT AND TRADE SUPPORT (PETS) PROJECT

Project objective: The overall development objective of the project was to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal. The project was designed to achieve three outcomes: (i) Nepal Pashmina Industries Association (NPIA) provides sustainable services to its members and CP stakeholders; (ii) manufacturers increase exports in the target markets due to increased international competitiveness; and (iii) new buyers in priority markets recognize CP label as a niche luxury product.

ITC Focus Area:
4. Connecting to International Value Chains

Start date: 1 December 2013
End date: 30 April 2018
Total budget: $1,861,603.00 from the EIF and $200,000 (equivalent) contribution in kind from the Government Nepal and the two project partners: Nepal Pashmina Industries Association (NPIA) and Namuna College of Fashion Technology (NCFT).

Independent Evaluation (April 2018): The project built a good foundation for the future development of pashmina sector with enhanced institutional capacity of NPIA, NCFT and pashmina enterprises. The project stakeholders felt that the project was able to create new jobs and bring about improvement in working environment in half of the pashmina industries, although it was not project's mandate or scope of work. These elements deserve adequate space in the new proposal ITC may develop in supporting the pashmina value chain. The midterm evaluation of the project had identified that the project management was reactive and active in addressing those constraints. The project faced both external and internal constraints that somewhat impeded project performance. ITC needs to continue to proactively consider the use of available local and regional talents to the possible extent in future project designs from cost and time efficiency point of view and conduct a robust due diligence to mitigate factors likely to impede progress in implementation and the delivery of outcomes. The need for additional capacity building, market research and development, and export and sales promotion would require continued funding support to sustain the results and benefits delivered by the PETS project.

Annex 4: Analysis of Project Completion Reports

Background

A project completion report (PCR) is a standardized form of self-evaluation for project managers to assess the performance and learn from the experience at closure of the project. A standardized PCR template is available in ITC Project Portal. The PCR template includes the evaluation criteria which are used to conduct the analysis: *Relevance, Effectiveness, Efficiency, Impact* and *Sustainability.* PCRs are mandatory for all trade-related technical assistance (TRTA) projects. Between April 2018 and March 2019, ten completed PCRs were submitted:

PCRs included in the analysis

Project ID	Section	Title	Budget (USD)
A862	DCP/OA	Rwanda: Boosting the international competitiveness of SME clusters	587,742
A863	DCP/OA	Comoros: Improving the competitiveness of vanilla, ylang-ylang and clove exports	918,107
A864	DCP/OA	Malawi: Improving trade statistics and trade information systems	936,242
B158	DCP/OA	Lesotho: Horticulture productivity and trade development	2,735,685
B434	DEI/SEC	Syria: Developing production capacity and linking internally displaced populations to international markets	290,800
B440	DEI/SEC	SheTrades Coffee (W&T Phase III)	150,000
A920	DEI/SEC	Africa: Trade promotion and value addition for African cotton	2,300,000
A928	DEI/SEC	Fiji: Improvement of key services to livestock and livestock products	4,480,000
B056	DEI/SEC	Fiji: Improvement of key services to agriculture	2,912,000

Key issues and lessons reflected in PCRs

Project design – Some projects acknowledged that some key steps had been somehow neglected during the designing phase. The Lesotho project pointed out that there should have been a rigorous procedure to select farmers and cooperatives for greenhouse distribution. If such a procedure had existed, the distribution process would have been as successful as the procurement process and made its rating for efficiency higher. The project design is a critical step for the likelihood of success and the efficiency of project implementation.

International partnership and coordination is highly valued – To improve the implementation of its projects and empower local beneficiaries, ITC has been actively cooperating with partners on global, regional, national, and sectoral levels. A positive view was evident in the Malawi project, whereby emphasizing learning by doing approach, training was delivered together with national experts and local institutions partners. Such practical coaching does not only ensure the effective implementation of the current phase but also supports the sustainability of project outcomes as well.

Local involvement remains challenging in some cases – The African cotton PCR recommended reinforcing utilization of local expertise and consultants. The PCR of Comoros project pointed out that effective project implementation required local project coordinators. Most PCRs did not share related cases or the reasons why they drew these lessons and recommendations. However, there is no doubt that local coordination and resource utilization are considered by project managers as highly significant in leading TRTA projects to success.

All relevant partners need to be on board – PCRs suggested that a strong and steady relationship is necessary for the success of a project with multiple partners. In the Lesotho project, a break in partnership caused a time delay in project implementation, leading to a relatively low level of efficiency. The PCR suggests that all relevant partners need to be on board during project design, approval, and implementation. The Fiji project PCR insisted on the need to ensure that stakeholders reach a consensus and agreement on the planning and strategies of the project and insisted that extreme care should be taken to ensure that there is a clear and independent understanding of the vision, motivations and positions of key stakeholders.

Institutional challenges – Some PCRs identified ITC's institutional challenges, including long-distance project management in specific regions. The PCR of Rwanda project recommended strengthening the visibility of ITC by registering ITC's work with the UN in New York through the Resident Coordinator. Another project shared that "*it's very difficult for ITC projects to gain traction on change or react promptly*

and effectively to local issues faced with a strong-minded partner sceptical of new approaches and not able to fulfil its assigned project role".

Quality of the PCRs

Compared with the previous year, the PCRs received this year revealed a higher level of self-criticism. All PCRs followed the evaluation criteria in the template, assessing the project performance with an all-around perspective with a relatively high level of objectiveness. For example, when looking into effectiveness and efficiency, "moderately unsatisfactory" was used in some cases as self-evaluation rating while previous year PCR were systematically selecting high rankings when self-assessing performance. When project managers feel more comfortable to identify and share lessons, ITC, as a whole, is benefiting more from the experience.

The proper use of data contributes to the quality of PCRs in terms of making them more convincing and credible. The majority of PCRs used data, when available, to assess the performance of the projects. For example, in the SheTrades project*, "the project worked on strengthening the implementation of gender-focused farmer support services by personnel working in farmer support roles - this saw 7,500 farmers benefiting from the gendered approach to service delivery".* Such proper use of data strongly supported its assessment of "positive impact". In the Lesotho project case, both qualitative and quantitative data was used, and it responded to each criterion with sets of indicators. The table of fact numbers was clear and organized, making the overall assessment easy to follow.