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**MID-TERM EVALUATION REPORT**

**Trade, Climate Change and Environment Programme  
International Trade Centre (UN/WTO)**

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## **List of Acronyms**

COLEACP-PIP: Europe-Africa-Caribbean-Pacific Liaison Committee – Pesticide Initiative Programme

DPS: ITC Division of Programme Support

EMG: (UN) Environmental Management Group

EPOPA: Export Promotion of Organic Agriculture from Africa (Sida programme)

ETP: Ethical Tea Partnership

FPEAK: Fresh Produce Exporters' Association of Kenya

GEF: UN Global Economic Facility

GHG: Greenhouse gas emissions

GIZ: German International Cooperation

ITC: International Trade Centre

KEBS: Kenya Bureau of Standards

KTDA: Kenya Tea Development Authority

LDC: Least Developed Country

LLDC: Land-locked Developing Country

MDG: Millennium Development Goals

PQAG: ITC Project Quality Assurance Group

REDD: UN Reducing Emissions from Deforestation and Forest Degradation Programme

Seco: State Secretariat for Economic Affairs (Switzerland)

SIDS: Small Island Developing State

SMC: ITC Senior Management Committee

SMEs: Small and medium enterprises

SUN: Sustainable United Nations Initiative

TA: Technical assistance

TCCEP: ITC Trade, Climate Change and Environment Programme

TPO: (governmental) Trade promotion office

TSI: Trade support institution

UNDP: United Nations Development Programme

UNEP: United Nations Environment Programme

WFP: World Food Programme

WTO: World Trade Organization

ZDA: Zambia Development Agency

## Executive Summary

<b><i>Findings: identified problems/issues</i></b>	<b><i>Supporting evidence/examples</i></b>	<b><i>Recommendations</i></b>
The three Workstream 1 Projects are largely relevant and are internally coherent; Workstream 2 has completely different objectives, target groups and implementation methods. Hence there is a lack of coherence between the two Workstreams.	Workstream 1 targets sustainable trade promotion of developing country SMEs and TSIs through technical assistance; Workstream 2 targets environmental mainstreaming in ITC through providing advice, proposals and information to its managers and staff.	TCCEP should be restructured so that it includes only Workstream 1.
The location of Workstream 2 in the TCCEP programme detracts from the sustainability of environmental mainstreaming in ITC.	TCCEP is a time-limited programme with time-limited financing whereas organizational mainstreaming should imply allocation of responsibility to a permanent organizational function for at least the life of the SUN initiative.	The activities carried out in Workstream 2 should be continued as mainstream operational activities within ITC.
The number of projects in Workstream 1 is large relative to the Workstream's financial frame (\$2.3 million). A case exists to concentrate resources on areas with highest potential	Project 2 on Biotrade/Peru demonstrates a good rate of return on the support provided; and Project 3 on Climate change/trade is innovatory. Project 1 on Organics/Zambia lacks a sufficient base of enterprise beneficiaries to have a significant long-term impact.	Project 1 should be phased out and resources from it reallocated to Projects 2 and 3.
The Latin Pharma sub-project within the Biotrade project is effective and efficient but is not mainly targeted at sustainably produced products. Thus it lacks coherence with the wider project and with TCCEP generally.	The sub-project supports regional exports of pharmaceutical products in general, rather than only 'natural' health products.	ITC should continue to support the sub-project but not as part of TCCEP. Sub-project funding should be re-allocated to the remainder of Project 2 and to Project 3.

1. The relation between environment, climate change and trade has become a pre-occupation of policy makers over the last decade or so. This is reflected amongst other things in the changing Aid for Trade agenda where aid for promoting trade in 'environmental goods', for promotion of export certification against environmental standards and for promoting sustainable production in environmentally-sensitive regions has all become common.

2. ITC's TCCEP Programme builds on and innovates in relation to some of these experiences. Its overall objective is to 'strengthen the capacity of SMEs and TSIs to compete in markets for sustainably managed products'. This objective is relevant both to global environmental sustainability and trade promotion, as well as to the target groups identified in ITC strategic plans. However, TCCEP is a relatively small programme (\$2.4 million over three years) with four distinct interventions. Implementation commenced in November 2010. The Programme is financed on a soft-earmarked basis by Denmark.

3. Workstream 1 consists of three Projects. The first concerns promotion of biodiversity-based exports from Peru; the second promotion of organic exports from Zambia; and the third identification and promotion of Climate Change mitigation tools in Kenyan export sectors. These three Projects are coherent in that they focus on complementary products, complementary approaches to sustainability and complementary locations. They are also mutually reinforcing in terms of implementation methods. However, Workstream 2 concerns mainstreaming environmental issues within ITC rather than addressing developing country concerns and its target group is ITC management and staff rather than SMEs or TSIs in developing countries.

4. TCCEP was devised and coordinated by a Programme Manager with considerable experience in the substantive area, assisted in recent months by a Programme Officer. Together they are responsible for TCCEP's implementation and monitoring. Each of the Workstream 1 Projects involves collaboration with other donors or a negotiated division of labour with them aimed at securing synergies. The Biotrade Project and Workstream 2 are implemented in collaboration with other ITC Divisions.

5. All three Workstream 1 Projects aspired to follow a four-stage implementation model involving a sequence starting with a Needs Assessment aimed at securing relevance of the intervention to local stakeholder needs and priorities; followed by commissioning of technical studies to address these needs and priorities; followed in turn by sector-wide training with a TSI partner using a technical study; and finally use of this event to identify more detailed enterprise needs and new potential TSI partners. In general this model seems to provide an effective and flexible way of structuring Project planning and implementation, although it was not possible for TCCEP to follow it exactly in all cases. In following this model the Programme Manager has made considerable use of local consultants, who as far as can be established have performed generally well.

6. The Evaluation considers the four TCCEP interventions in turn using standard OECD-DAC criteria. In the light of the Evaluation's mid-term status, the consultant agreed with ITC to apply specific interpretations to OECD-DAC impact and sustainability criteria. The interpretation applied to the OECD-DAC impact criterion was 'Can any initial conclusions be made as to what changes TCCEP has led to for beneficiaries/ clients/ stakeholders?', while that applied to the sustainability criterion was 'Has ITC's capacity building been designed in a manner that ensures the conditions are in place to maximize the likelihood of impact when support ends?'. The Evaluation is based on a document review and interviews with stakeholders, *in situ* in Geneva and by telephone.

7. Within Workstream 1, the main activities of Project 1 (Organic Products) have been to organize four sector-wide training events for organic or prospective organic operators and to provide tailored TA to three enterprises selected following the first training event. By January 2012 one of these three enterprises had received a considerable amount of support. Other activities include the publication of two Sustainable Market Guides.

8. The objectives of Project 1 are well-aligned with TCCEP's and ITC's objectives as well as those of local stakeholders. In terms of effectiveness, some results have been attained in each of Project 1's areas of activity but it is still too early to determine whether significant supply and exporting marketing capacity has been built amongst Zambia's organic producers (Project 1's main objective). The Project's value for money is satisfactory in output delivery terms, but again because progress towards objectives is currently difficult to assess, little can be said about its impact efficiency. Evidence that can be used to assess Project sustainability is mixed. The TA delivered appears to be of good quality but at least one of the three main recipients (that receiving the lion's share of Project TA to date) may be too weak to benefit properly from it. Given that the organic sector in Zambia had been targeted a few years earlier by a highly successful Swedish programme, which was discontinued prior to full implementation, it was reasonable to assume that there was potential for intervention in the Zambian sector. However, the Project's local TSI partner proved rather ineffective and a pool of high potential enterprises that would benefit from an extension of support does not appear to exist.

9. The main activities of Project 2 (Biotrade Products) in Workstream 1 have been to provide intensive TA to six Peruvian biotrade exporters specifically aimed at optimizing their participation in a leading US trade fair; and to provide considerably less intensive TA to 92 Latin American pharma exporters aimed at optimizing their participation in the leading regional pharma trade fair. In addition, three Sustainable

Market Guides were produced – all directed at supporting Peruvian producers to export to the US. A sector-wide training of Peruvian biotrade exporters on US market requirements was further conducted.

10. The objectives of Project 2 are less relevant than those of Project 1 to TCCEP's overall objectives, in that they include strengthening a sector (pharma), only a small part of which falls under the category of 'sustainable products'. Project 2's objectives are also less aligned with ITC's (by virtue of location of the Project in Peru, which is neither a LDC, nor a LLDC nor a SID) than Projects 1 and 3s'. However, Project 2's main focus is on a sector that is relevant to TCCEP (biotrade products), and the choice of Peru can be justified on other grounds. Project effectiveness is easier to assess than in regard to Project 1. In this Project there has been progress toward attaining results in all the planned areas of activity and quantitative evidence exists of positive impacts on beneficiaries' export volumes. This evidence also allows assessment of Project impact efficiency. There has been a good rate of return on the support provided, particularly for those enterprises participating in Latin Pharma. This may relate to the relatively low entry requirements faced by enterprises in regional, rather than international markets. Finally, there is more positive evidence of Project sustainability than in the case of Project 1. This includes evidence of a supply of good quality TA as well as of a good pool of actual and potential Peruvian beneficiary enterprises and an effective Peruvian TSI partner.

11. The main planned activities of Project 3 (Carbon/Climate Change and Trade) in Workstream 1 were to develop a technical guide to carbon footprinting for use by Kenyan horticultural exporters in developing sector-wide and firm-level carbon emission mitigation plans. This was to be disseminated via a regional workshop followed by training of trainers for firm-level mitigation. There were to be two Kenyan TSIs as partners, including the fresh vegetable sector's main exporter association (FPEAK).

12. Project 3 is aligned with TCCEP's and ITC's objectives and, when designed, was also aligned with those of the local TSI partners. It is further relevant to sustaining the future of developing country exports generally, as conforming to carbon emission standards is in the process of being imposed as a market entry requirement by at least some developed countries (e.g., France).

13. The Project's implementation was unavoidably delayed due to the fatal illness of the lead consultant, whose knowledge of carbon footprinting methodologies was unique. Delay in producing the Guide resulted in low Project effectiveness and efficiency. Although a dissemination workshop was eventually held in December 2011 the planned post-workshop activity has yet to be implemented, mainly because the delay of the Guide resulted in withdrawal by FPEAK. Nevertheless the workshop

and interviews with stakeholders indicated evidence of continuing demand for the Project in the horticulture sector, and of a good pool of potential beneficiary enterprises, not necessarily members of FPEAK. Moreover, subsequent to the workshop, agreement was reached with the well-established COLEACP-PIP Programme to jointly identify beneficiaries of training, although a local training partner has yet to be identified. A new sub-Project has meanwhile been added, on climate change mitigation in the tea sector in Kenya. There is evidence that this is relevant to local stakeholders and that another good pool of potential beneficiaries exists for it.

14. Workstream 2 (Mainstreaming environment in ITC) was designed in response to a UN system-level decision that all UN organizations mainstream environmental concerns into policies, processes and operations and neutralize their carbon impact. ITC implemented this decision by designating TCCEP as an in-house policy and technical support resource on environment. The budget for this Workstream is \$70,000.

15. The main activities in Workstream 2 have been preparation of a guidance note on Environment and Project Cycle Management, piloting a Programme Management Tool for Low Carbon delivery, providing advice to ITC staff when solicited on programme design, preparation of an ITC Emissions Reduction Strategy, reporting on ITC's GHG emissions and options for reduction, preparation of a Staff Greening Guide giving advice on how to reduce ITC's carbon footprint and delivery of a number of external and internal communications on environmental issues.

16. Despite its status as a trade-related TA intervention, Workstream 2's objectives refer exclusively to ITC in-house operational issues rather than the typical objectives of such interventions including strengthened SME participation in the global economy or strengthened TSI capacity. This Workstream is thus of only weak relevance to TCCEP's and ITC's central objectives of SME and TSI strengthening and there are few or no opportunities for synergies between it and the remainder of TCCEP.

17. In terms of the volume of planned outputs implemented relative to its cost, Workstream 2 has been efficient. There have been some evident impacts, but its overall level of effectiveness has been limited by the fact that many of its outputs take the form of recommendations to ITC management or staff, whose adoption is not institutionalized in ITC and in any event beyond the control of Programme staff. More effective mainstreaming would require ITC management to take a stronger lead in the area. Unfortunately this is made less likely by work within this area being hived-off into a trade related TA Programme, rather than institutionalized in a permanent operational function.



18. Many UN organizations have responded to the Sustainable UN (SUN) Initiative in similar ad hoc ways to ITC's. However in a number efforts have been made to institutionalize environmental mainstreaming more effectively. This has involved allocating responsibility for it to a permanent operational function, allocating resources to employ a technical specialist (not necessarily full-time) in the area, linking the work of this specialist with that of senior management, and formulating goals in the area at all levels, for which there are routine reporting requirements. The UN SUN coordinator regards implementation along these lines to represent best practice.

19. The first main Conclusion of the Evaluation is that, while not all the Projects in Workstream 1 are equally effective or efficient, they are all build on and extend recognized Aid for Trade themes and modalities and are largely relevant. Their objectives are strongly aligned with TCCEP's and ITC's overall strategic objectives (in the case of TCCEP particularly that of promoting trade in sustainably-produced products and in the case of ITC particularly that of targeting SMEs and TSIs) as well as with those of local stakeholders in the countries of operation and with international Aid for Trade generally. The Workstream 1 Projects are moreover complementary in substantive focus and mutually reinforcing in terms of methods of implementation i.e., they are internally coherent (see paragraph 3 above).

20. The second Workstream differs significantly from the first in its objectives, target groups and implementation mechanisms. Besides differences in objectives and target groups, its implementation method is not based on hands-on capacity building and follow-up, as in Workstream 1, but on provision of suggestions and working materials to ITC and its staff (which the latter may chose to implement or not). Hence there is a lack of coherence between the two Workstreams. Indeed, no good reasons are provided in the Programme documentation why Workstream 2 should be part of TCCEP. Furthermore the location of the activities pursued under this Workstream in a Programme like TCCEP, rather than as a fully mainstreamed operational function in ITC, probably limits rather than promotes their effectiveness.

21. The second main Conclusion is that, relative to the size of Programme budget, the number of distinct Projects or components is excessive. A case exists to consider rationalization of the Programme with a view to concentrating resources where there appears to be the greatest potential for results and/or where the interventions are most innovatory, and hence have the potential to generate new learning experiences for the development assistance community generally. This should also reduce coordination costs and increase economies of scale.

22. In this light, and in the context of the mixed results of Project 1 in Workstream 1 (Organics) and the poor fit of Workstream 2 with the rest of the Programme, the Mid-Term Evaluation recommends that Programme activities be rationalized to concentrate on a smaller number of Projects and Workstreams.

23. In Workstream 1, while the *Organic Project* is relevant and while its outputs have been implemented to date according to plan, there appear to be insufficient Zambian enterprises with organic export potential to generate a significant and sustainable long-term impact. Indeed, the potential even of some of the enterprises currently supported is questionable. This Project should therefore be phased out.

24. The *Biotrade Project* should be continued and expanded. In this connection TCCEP staff should consider designing new activities for implementation during the Programme's second phase. These might include enterprise support, in areas other than marketing, to companies oriented to the US market; and re-working the Project's regional focus, by for example supporting development of regional biotrade value chains.

25. ITC should continue to support Latin Pharma, but since pharma products in general cannot properly be described as 'sustainably managed', not within the framework of TCCEP.

26. The *Carbon/Climate change Project* is innovative in development assistance terms, both in its focus on mitigation rather than adaptation and in its focus on enterprise-level support rather than technical assistance to devise national adaptation programmes or climate change monitoring mechanisms. Therefore it should be continued and expanded.

27. For the work planned in the horticultural sector in this Project it will be necessary for it to find a new locally based training partner, ideally one with a track record of work with medium-scale operators in the sector.

28. New work planned in the tea sector in Kenya represents a coherent way of scaling up the activity on horticulture within this Project and should be continued, while further expansion to other export sectors in Kenya might also be considered. The work on tea needs to be anchored in a partnership with KTDA and not simply with ETP, as presently planned.

29. For ITC's environmental mainstreaming to be effective and sustainable, the organization would do well to follow the examples of WFP and UNDP and reallocate responsibility for it from TCCEP to a permanent operational function within ITC with a budget line or sub-line to employ technical expertise, with clear links to senior decision-takers and to annual institutional reporting requirements.

30. Thus Workstream 2 should not continue as part of TCCEP and its remaining budget should be re-allocated within the Programme.

31. ITC and its Programmes, including TCCEP, should give more attention to collection of baseline information on enterprise and TSI recipients, and give more attention to quantitative monitoring and evaluation of Programme outcomes. The latter could usefully entail comparison of the performance of Programmes in relation to organizational benchmarks or targets, for example on increased sales (absolute and/or relative) per \$ of assistance disbursed.

## **1.0. Introduction**

### **1.1. Background and context**

Since ca. 2000 the climate change-trade relation has become a pre-occupation of policy makers. Trade may either amplify climate change through a scale effect of stimulating growth, resulting in increased greenhouse gas (GHG) emissions; or it may mitigate it through transfer of low carbon technologies. Hence in the trade-climate change discussion, the main topics include trade in so-called 'environmental goods and services' (goods and services with climate change mitigation effects) – including access to relevant technologies; duties or restrictions on trade in goods or using transport forms deemed to be intensive in GHG emissions; and the role of standards, labeling and certification in promoting environmentally-friendly production and trading, and also as acting as possible barriers to trade.

#### *1.1.1. Trade, Climate Change and Aid for Trade*

Development assistance targeted at the trade-climate change nexus falls under the category 'Aid for Trade' and has to date focused mainly on promoting developing country access to technologies that mitigate GHG emissions or allow adaptation to climate-related threats. The main development assistance mechanism of this kind is the multilateral Global Environmental Facility (GEF).

A second focus of Aid for Trade in this area has been to support certification of environmentally-sustainable forms of production in developing countries. With Danish support, ITC provided support to organic agriculture in developing countries from 1992. In the wake of the success of Sida's 'Export

Promotion of Organic Products in Africa' (EPOPA) programme, dating from the late 1990s (cf. Goppers & Lindahl 2009, Bolwig et al 2009, Jones & Gibbon 2011), ITC's Trade and Environment Programme supported group organic certification of coffee outgrowers in Uganda.

A final focus of Aid for Trade in this area has been promoting climate change mitigation and adaptation in especially environmentally sensitive geographical areas in developing countries, mainly through better conservation but also by supporting trade initiatives that promote biodiversity. GEF and the UN Reducing Emissions from Deforestation and Forest Degradation (REDD) Programme are sources of funding for the former, while UNCTAD's Biotrade Initiative is a pioneer of the latter type of assistance.

### *1.1.2 ITC's role in Aid for Trade*

In the words of the programme document, 'ITC's unique niche...is to support the private sector and trade support institutions (TSIs) (in developing countries, PG) to meet the challenges of competing in the international marketplace'. Hence, ITC views the environment as an export opportunity (as well as a potential) barrier to trade in terms of environmentally-defined market requirements. As such, the environment may be also addressed through enterprise support and support to TSIs.

In relation to enterprises, ITC prioritizes support to small and medium size enterprises (SMEs) – although this category is not defined in detail; while TSIs encompass government Trade Promotion Organizations (TPOs) as well as private sector bodies such as exporters' associations and individual or corporate private service providers. Thus, the main target groups of ITC programmes are exporting or potentially exporting SME, their owners and employees; and the main recipients are SMEs directly and indirectly; and TSIs (as providers of this indirect support), broadly defined.

### *1.1.3. ITC Strategic objectives, Performance and Output indicators and Programme delivery responses*

It is useful to go briefly into detail concerning ITC's own priorities and policies at this point, since this provides a necessary background for considering the relevance of TCCEP as a programme. OECD DAC guidelines define the concept of programme relevance as 'the extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor'. The priorities, policies, needs and problems of TCCEP's specific target groups and recipients differ somewhat according to which TCCEP Workstream and Project is considered and therefore will be examined later in this evaluation, when the individual Workstreams and Projects are considered separately. The priorities and policies of ITC on the other hand provide a necessary common reference point in the evaluation of TCCEP's relevance.

ITC's priorities and policies are set out in some detail in its *Strategic Plan 2010-2013* and *Operational Plan 2011*. Both the Strategic Plan (p. 9) and the *Operational Plan 2011* (pp. 3-4) specify three 'strategic objectives' for ITC as an organization (Strengthen the international competitiveness of enterprises, Develop the capacity of TSIs to support businesses and Support policymakers in integrating the business sector in the global economy).

The *Strategic Plan* (p. 14) goes on to set out ITC's 'programme delivery responses' to 'the challenges posed by the strategic environment, clients' needs and lessons from ITC's experience' (p. 1). In order of priority these responses are:

- Focussing on needs of LDCs, LLDCs, Small Island Developing States and sub-Saharan Africa
- Export capacity building through country solutions
- Regionally-structured solutions
- Global public goods for globally accessed solutions
- Targeting the Millennium Development Goals (with particular focus on MDGs 1 and 8 (pp. 19-20))
- Focusing on outputs and impacts.

## **1.2. Purpose, Objective, Scope and Method of the Evaluation**

The purpose of the Evaluation was to assess at its Mid-term the TCCEP Programme's relevance, effectiveness, efficiency, impact and sustainability as defined in the ITC Evaluation Policy and OECD-DAC evaluation guidelines. Its scope was to cover activities from inception of the programme in November 2010 up to and including January 2012 (including plans formulated for the remainder of 2012).

The evaluation is based on document review (see Appendix 2), discussions with Programme officers and interviews with stakeholders (see Appendix 3). Discussions with Programme staff took place in Geneva in February 2012. Stakeholders present in Geneva were interviewed at this time; others including a number of recipient companies and TSIs were interviewed later by telephone. Senior ITC staff were absent during the consultant's visit to Geneva and therefore were not interviewed. No field visits were made.

## **2.0 Analysis and Findings**

### *2.0.1. Structure and rationale*

TCCEP was launched in November 2010 and runs to mid-2013 with soft-earmarked Danish funding. There are two Workstreams (components), the first of which has three Projects or sub-components. Workstream 1 builds upon and extends established themes and modalities of development assistance in the trade and climate change area, while adding one innovatory dimension. With the overall objective 'To strengthen the capacity of SMEs and TSIs to compete in markets for sustainably managed products', it focuses on enterprise and TSI support in the relatively familiar areas of organic (Project 1.1) and biotrade (Project 1.2) products, while initiating innovatory support on mitigation of the potential developing country impacts of international Carbon Footprinting standards (Project 1.3).

Workstream 2 by contrast cannot be considered Aid for Trade. Its objective is 'To mainstream environmental issues across ITC'. The Workstream is partly ITC's response to UN initiatives post-2008 to make all its organizations climate neutral, under the leadership of the SUN Facility and the UN EMG, and partly an independent initiative by ITC to enhance consideration of the environment across its Divisions and activities. Its aims are to minimize ITC's environmental impact and ensure that ITC 'contributes meaningfully to external debates on trade and environment'. The Programme Document notes that its 'target groups (by implication, ITC's own managers and staff, PG) and implementation mechanisms are fundamentally different from those of Workstream 1'.

### *2.0.2. Budget*

TCCEP's total budget is \$2.4 million. Appendix 6 provides breakdowns by Project and main expenditure heading, including ITC staff costs. Parts of the programme are co-financed by other agencies; the documentation details this collaboration in regard to implementation (see below), but not finance. The TCCEP Programme Manager, whose salary is wholly funded through the programme, is also responsible for managing two other ITC projects<sup>1</sup> to which the TCCEP budget thus contributes.

According to ITC's *Operational Plan* (p. 9) ITC's ten largest programmes have budgets averaging \$2.2 million p.a. Since TCCEP's annual budget is only \$0.8 million it is a relatively small programme by ITC standards. There is a disjuncture between the size of the TCCEP budget and the relatively large number of areas of activity pursued. Many donors are rationalizing Programme activities in terms of numbers of components, activities and partners, in order to reduce coordination costs and realize greater economies of scale. TCCEP staff should consider whether a similar rationalization would provide benefits of this kind.

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<sup>1</sup> These projects are Global Market Information Systems, 2008-12 (otherwise funded by Seco) and Wildlife Trade, 2011-12 (otherwise funded by Denmark).

### *2.0.3. Programme implementation and delivery and institutional and management arrangements*

Although a Programme Document dates from September 2010, final and more detailed Project documents were drafted in March-July 2011 after Needs Assessments for each of the Projects in Workstream 1. The Assessments focused mainly on the needs of SMEs rather than of TSIs, although TSIs were considered in them as Project partners.

In each Project, the first step subsequent to the Needs Assessment was a national workshop for SMEs, organized with a local TSI. In the case of the Biotrade and Carbon Projects these workshops were used to disseminate and receive feedback from SMEs on Project-related commissioned studies, as well as to identify relevant follow-up activities. In the Organics Project the initial workshop was used both for this purpose and to identify suitable SMEs for more intensive tailored enterprise support. The opening workshop in the Organic Project was held early in the Programme's life (May 2011), while those in the Biotrade and Carbon Projects were held later in 2011. In the Biotrade Project two other planned activities were implemented in advance of the initial workshop. In the case of the Carbon Project all activities were delayed by the fatal illness of the consultant commissioned to write the main Project study.

Activity reporting was carried out at six monthly intervals during 2011 for the Programme as a whole, as well as for the Organic Project. For the two other Workstream 1 Projects, and for Workstream 2, half-year Activity reporting was carried out for July-December 2011.

COLEACP-PIP has been involved alongside ITC in implementation of the Carbon Project. Support parallel to TCCEP's has been provided by the Finnish Embassy (Lusaka) in the Organic Project; and by GIZ and Seco in the Biotrade Project. These collaborations/parallels have enabled ITC to leverage its finance and TA and to avoid duplicating activities with other donors. In addition, parts of TCCEP have been implemented together with other ITC Divisions or sections. This applies to the Latin Pharma event (Biotrade Project), and much of Workstream 2. Programme implementation is managed by a ITC Project Manager, assisted since 2011 by a ITC Project Officer.

## **2.1. Review of Programme components and sub-components**

### **2.1.1. Workstream 1 - Organics Project**

According to the Programme Document (Sept. 2010) the rationale for a Project on Organics (which it shared with the Biotrade project) was that, as an 'environmental sector' it presented 'growing

opportunities for developing country exporters of natural resource-based products and green technologies and services'. The Project's immediate objectives were 'building the supply of organic products from smallholders to SMEs and producer cooperatives'; 'strengthening the export marketing of SMEs in organic products'; 'generating high quality information and outreach on organic market opportunities and policies'; and 'strengthening regional markets for organic products'. These were to be implemented through training of producers for organic conversion; support to smallholder group certification schemes; training of exporters and TSIs in market requirements (including via supporting attendance at Biofach); implementation of export opportunity studies, and promotion of a regional organic standard.

The Project is based in Zambia with the Zambia Development Agency (ZDA) and Kasisi Agricultural Training Centre as initial TSI partners. Other TSI partners include locally- and regionally based consultants. Zambia's selection is said to be based on its conformity with the Programme's general criteria for country selection, namely 'a favourable export environment', 'existing export capacity', 'competitiveness or potential competitiveness in environmental sectors' and the presence of 'strong national and international partners to support implementation'. It was further assumed that the Project would build on foundations laid during EPOPA's (q.v.) extension to Zambia in the early 2000s.<sup>2</sup>

In line with the implementation methodology described, following a Needs Assessment in 2010 a number of enterprises and projects were invited to a National Workshop on Organic Production and Processing held in Lusaka in May 2011 in collaboration with ZDA. Besides being a training event, the workshop was used to solicit requests for TA for individual enterprise support from companies attending. Some enterprises responded, of which three were selected for further support on the basis of an assessment of several factors, of which the main ones were the competitiveness of their proposed product, the degree to which their production was already organic or was easily subject to conversion, and their interest in and capacity to finance organic certification. 'Possession of a business plan demonstrating commercial break-even within two years of conversion' appears as a criterion in the Log Frame but not in the list of criteria applied by the local consultant who performed the assessment.

Later in 2011 ITC and Kasisi organized two more national training events, on organic honey and Internal Control Systems respectively. Together with ZDA it further organized a National Market Day

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<sup>2</sup> Sida disbursed about \$0.4 million in Zambia under EPOPA, although only one enterprise received TA (Agro-Eco 2008). EPOPA's end of Programme self-evaluation (op. cit.) does not state why EPOPA was terminated in Zambia.



aimed at informing organic and potentially organic producers in Zambia about the requirements and potential of the national and regional markets for organic products. Meanwhile, a variety of TA interventions were provided to one of the enterprises selected for further support, and one TA intervention each had been extended to the two other selected enterprises by January 2012. To complement these activities, ITC published a new Guide on packaging for organic products and updated an existing 'Sustainability Market Guide' on coffee.

#### *2.1.1.1. Relevance*

The Project's four objectives as stated in the September 2010 Programme Document are in alignment with ITC's own objectives as described in Section 1.1.3 above. The Project's first two objectives ('building the supply of organic products from smallholders to SMEs and producer cooperatives' and 'strengthening the export marketing of SMEs in organic products') correspond both to ITC's strategic objective of 'strengthening the international competitiveness of enterprises' and to ITC's programme delivery response objectives of 'export capacity building through country solutions' and 'targeting the Millennium Development Goals', with particular reference to MDG 1. The Project's third objective ('generating high quality information and outreach on organic market opportunities and policies') also corresponds to the ITC strategic objective of 'strengthening the international competitiveness of enterprises' and to ITC's programme delivery response objective of providing 'global public goods for globally accessed solutions'. The Project's fourth objective ('strengthening regional markets for organic products') corresponds to ITC's programme delivery response objective of providing 'regionally structured solutions'. Since Zambia is both a LDC, a LLDC and located in Sub-Saharan Africa, the Project is relevant to ITC's programme delivery response objective of focussing on the needs of countries falling into these categories. Furthermore, in line with ITC's Mission Statement (*Strategic Plan* p. 9) the Project targets SMEs and involves collaboration with local TSIs. The Project's objectives are also in line with the overall objective of TCCEP, 'Strengthening the capacity of SMEs and TSIs to compete in markets for sustainably produced products'.

The Project Needs Assessment referred to earlier had validation of the relevance of the Project to the priorities and policies of the target group and recipients as one of its objectives. This Needs Assessment had two stages, whose first stage involved a Zambia organic sector stakeholder consultation carried out by a local consultant and whose second involved a mission by the Programme manager to meet key stakeholders, including the ZDA, and several potential beneficiary enterprises. This was used to revise the Project's objectives and planned activities and outputs (see below). Minutes of the meetings held during the needs assessment are provided in the Project documentation.

These provide evidence that Project activities and outputs (as redefined in March 2011) were in line with the needs of beneficiary SMEs, as they were perceived by these enterprises at the time.

#### *2.1.1.2. Effectiveness*

The post-needs assessment revised Project Document of March 2011 amended the Project's objectives and planned activities and outputs by combining its first two original objectives into one ('to build the supply and export marketing capacity of organic products from Zambia') and by dropping what had been its fourth objective, on strengthening the regional market - on the grounds that are not stated. The Project's original third objective ('to generate high quality public information goods on sustainability markets') was retained. The main activity planned in relation to the regional market objective - promotion of a regional organic standard - was also dropped, and another planned activity concerning capacity building of TSIs is also no longer referred to. Since the March 2011 Log Frame covers only the Project's 'First Phase of Implementation', it is not clear whether TSI capacity building activity has been dropped completely from the Project or merely deferred. The revised Log Frame lists a series of outputs, planned outcomes and verifiable indicators corresponding to these revised objectives (Appendix 5.1).

Up to and including January 2012 the Project's revised outputs in respect of supply and export marketing capacity building were all delivered as planned according to the revised Log Frame. All the four planned training events or workshops occurred, as did assessments of interested enterprises' capacity to benefit from tailored TA. Individual attendance at the four training events and workshops was 98 in aggregate, although this may involve some double counting. No precise figure is available for numbers of companies (as opposed to individuals) participating, although this seems to have been between 30 and 50. Feedback on training events indicates that these were received positively by participants.

At the same time, TA started to be delivered to all three enterprises assessed as likely to benefit from such support. When interviewed as part of this evaluation the operators of two of the enterprises to whom TA had been delivered by February 2012 expressed satisfaction concerning the content, quality and timeliness of the tailored support they had received to date (the third enterprise could not be reached). No targets for the number of individuals who would attend training, or enterprises that would receive tailored TA, or the number of suppliers for enterprises that would receive TA through the Project were set in either of the Project Log Frames.

In terms of the Project's public information objective, four Sustainable Market Guides were produced, one generic one focused on the international markets for organic products, one focused on a product not supported by the Project in Zambia, one on the international market for Devil's Claw (for a Zambian company receiving tailored TA) and one on the local market for Natural cosmetic products (for another Zambian company receiving tailored TA). These Guides all have a commercial focus and are of a good standard. No target number for such Guides was set in either of the Project Log Frames. Nor was any documentation provided on the number of users of the first two Guides.

Market information was also communicated through at least two of the trainings/workshops held and through the firm-level tailored TA provided. However, no new Zambian enterprises became linked as planned to ITC's Organic Link service. It is intended that this will occur early in 2012.

Overall, the Project has made some progress toward its stated objectives. Supply and exporting marketing capacity has been built to some degree for more than 30 Zambian companies attending training or workshops, more tailored TA has been provided to three, and a significant volume of good quality market information has also been generated and communicated. The total number of suppliers (farmers and collectors) of the companies attending the Project's initial workshop alone is said to be over 6,000; the total number of suppliers of organic products who will be covered in the new or extended certification of the three companies receiving tailored TA will be between 600 and 1,200. As no targets were provided in advance in terms of corporate support, it is difficult to say precisely how satisfactory this progress has been.

#### *2.1.1.3. Efficiency*

Determining the efficiency of the Project in terms of whether the effects were achieved at an acceptable cost compared to alternative approaches is difficult, due to the absence of quantitative efficiency benchmarks in ITC – not to mention in Aid for Trade worldwide as far as can be determined (see for example the discussions in WTO 2011 and Lindahl 2011). Evaluating performance in this area is further complicated by a lack of clarity concerning whether cost efficiency estimations are supposed to address programme outputs or impacts or both.

Project documentation shows that during 2011 expenditure totalled \$0.183 million (as against a programmed expenditure of \$0.211 million). The different Project outputs have been described above. Although no benchmarks are available, this seems to indicate a broadly satisfactory level of output efficiency.

In respect of efficiency of Project impacts, evaluation is made impossible by the fact that all envisaged Project impacts will arise only in the future. It is clear that such an evaluation will be possible at this time, although only for the companies receiving tailored TA, since some economic baseline information has been collected on them.

#### *2.1.1.4. Impact*

Evaluating the impact of the Project is also difficult, partly because as already noted all the envisaged impacts will arise only in the future, but partly also because ITC's overall approach in this area currently does not lend itself to thorough evaluation. This point will be elaborated below, before returning to the Projects.

In ITC's *Strategic Plan* it is stated that the organization is in the process of 'building a comprehensive and holistic approach to monitor the delivery of outputs, improve and increase delivery and measure impact' (p. 21). Indicators are then provided for evaluating standard ITC Project outputs, defined as 'the basic deliverables of a Project'. These include publications produced; attendance at trainings/workshops; beneficiary firm adoption of business plans; and beneficiary TSI qualification of trainers. These are presumably to be applied in discussion of Project effectiveness. The *Plan* then turns to standard ITC Project impact indicators. 'Impact', it is explained, 'focuses on the actions of the counterparts to be completed during the period immediately following ITC support' (p. 21). Five standard impact indicators are listed: '(capacitated) individuals provide training/advisory services'; '(capacitated) organizations train and advise'; '(capacitated) organizations implement business plans'; '(capacitated) enterprises expand exports'; and '(capacitated) networks add value beyond ITC contributions' (p. 22).

The reason this approach does not lend itself to thorough evaluation is threefold. First, the focus is on immediate and direct impacts alone. For example there is no ambition to look at medium- or long-term business development following the implementation of a business plan, or benefits to employees or suppliers of supported enterprises, or the impacts of learning from training (except through enhanced exports, see below). Second, the focus is primarily qualitative. If rephrased as questions (e.g., did capacitated individuals provide training?), four of the five indicators could be answered yes/no, rather than by requiring statement of a numerical value. Only in the case of 'enterprises expand exports' is quantitative reporting clearly a requirement. Third, the indicators are stipulated in the absence of any benchmarks which would enable the results of any specific Project to be evaluated comparatively.

Returning to the Project it can be noted that – in respect of the standard ITC impact indicators listed – it was not an objective to capacitate individuals or organizations to provide enterprise training, nor to create a network that would ‘add value’ for participants. It was an objective to capacitate enterprises to implement business plans and (increase) export(s) via training and tailored TA. Evidence does not exist allowing an assessment of whether the training provided is having these effects. Nor does it appear that it is being monitored for all recipient companies. Monitoring is in progress for the companies receiving TA, in terms of implementation of business plans (at least for one company), changes from baseline production and export levels (all 3 companies for whom support is envisaged), changes from baseline turnover levels (for 2 of the companies) and changes from baseline yields of their suppliers (for 1 company – at least one of the others buys from collectors rather than producers). The two companies that have received TA so far have combined baseline exports of less than 2 tonnes and one has a baseline aggregate turnover (domestic and export sales) of only around \$20,000. It is unclear whether this company is in a position to implement its business plan (see below).

#### *2.1.1.5. Sustainability*

The ToR for this evaluation defines sustainability in terms of whether ‘ITC’s capacity building has been designed in a manner that ensures that the conditions are in place to maximize the likelihood of impact when ITC support ends’. This may be considered more precisely in terms of whether appropriate criteria were used to select the enterprises who received support and the projects that are being supported, particularly through the more intensive tailored TA; whether the type of support delivered to enterprises has been appropriate and of good quality; whether there is an effective local partner institution that could take over the role of ITC in the future; and whether there is any evidence that beneficiary businesses may develop in wider or indirect ways as a result of the support received, which will sustain them in the future.

On all these questions evidence is scarce, although it is scarcer on some than others. In terms of firm and firm-level project selection, as noted above ‘Possession of a business plan demonstrating commercial break-even within two years of conversion’ appeared as a firm support selection criterion in the Project Log Frame but not in the list of criteria applied by the local consultant who performed the selection. Probably as a result of a shortage of SME beneficiaries with export potential, it seems not to have been applied. Only one business plan is provided in the Project documentation, written by a consultant for a new project planned by the recipient subsequent to its selection.

This business plan reveals that the enterprise assisted had enough working capital to cover only about 60% of the minimum commercially viable collection volume. Furthermore, the market assessment performed for the targeted product indicated that suppliers were price takers in the end market, that buyers did not favour long-term relations with suppliers and that there was no market niche for organic versions of the product in question (although traceability, which could be provided through organic certification, was a desired quality). These findings place a question mark over whether the activity for which this enterprise is receiving TA is sustainable in the long-term.

In terms of whether the type of support delivered to enterprises has been appropriate and of good quality, detailed documentation allowing a judgement to be formed exists only in relation to the TA provided on a tailored basis to a handful of enterprises. In general this documentation suggests that the TA provided was of good quality. On the other hand, if the firm receiving it or the new activity for which it is received have inherent problems this may be to no avail.

There does not appear to be an effective local partner that could take over the Project once ITC withdraws. ZDA's involvement with the Project seems to have diminished over time rather than increased, and the national Organic sector forum appears to be divided and ineffective.

In terms of whether beneficiary businesses have developed in wider or indirect ways as a result of the support received, which will sustain them in the future, insufficient evidence exists to draw firm conclusions. Interviews with the firms receiving tailored TA suggested that they planned to use the support received to add a new products to their existing offering in one case, and to expand their (certified) output of an existing product in the other. In the latter case this may impart greater economies of scale to the business as a whole, although it is difficult to be sure.

#### *2.1.1.6. Plans for 2012*

Project Plans for 2012 (or at least its first 6 months) mainly concern expanding Organic Link to include Zambian enterprises; providing further tailored TA to the three enterprises referred to earlier, including supporting their participation in Biofach; conducting further general trainings and possibly tailored TA with Zambian enterprises interested in organics; and preparation of additional (unspecified) Sustainability Market Guides. Planned expenditure for 2012 is \$0.246 million.

#### *2.1.1.7 Conclusions and recommendations*

The Project is relevant to ITC's Mission Statement and its Strategic and Programme Delivery Response objectives. It is also relevant to TCCEP's overall objective and, as far as can be determined to the self-perceived needs of its SME beneficiaries. The Project's objectives were never formulated in quantitative terms, meaning that an assessment of its effectiveness is difficult except in qualitative terms (whether *any* results have been attained in relation to the objectives specified). In the latter sense, there is evidence of progress having been made in all the planned areas. Project efficiency in relation to outputs appears broadly satisfactory given the expenditure incurred, although useful statements in this regard are also hampered by the lack of institutional or international TRTA benchmarks. Project efficiency cannot as yet be evaluated in relation to impacts. This is because envisaged Project impacts either lie in the future or, in the case of the workshop-based training provided, do not appear to be being monitored. In terms of sustainability, as defined in the ToR, the evidence available is again confined to the handful of enterprises receiving tailored TA, and is mixed. While the quality of the TA provided gives some grounds for confidence, and while there may be some positive indirect effects on the enterprises receiving support, the one case where detailed firm-level information is available suggests that the additional activity being supported will not be sustainable.

Project activity envisaged for 2012 includes further tailored TA to the three selected enterprises. It is recommended that, before further TA is delivered to the selected enterprises, these must first demonstrate adequate working capital to undertake planned crop purchase or collection activities. In relation to future planned activities, TCCEP staff referred to conducting further general trainings for interested companies as well as raising the possibility of a fresh trawl for enterprises that might receive tailored TA. Based on the fact that it seemed hard to identify recipient enterprises with good potential in 2011, the evaluator feels that there is insufficient evidence of demand and of export potential in the Zambian organic sector to justify implementation of these plans. Indeed, it seems possible that Programme staff (including the local consultant) overestimated Zambia's conformity with the Programme's country selection criteria at the outset. Existing export capacity and potential competitiveness in organic sectors in Zambia seems rather weak, and there does not seem to be a strong local partner to support implementation.

In this context it is recommended that the Project be wound down during 2012, as implementation of the planned TA to the enterprises already supported is either completed or (failing the appearance of viable business plans) is withdrawn. The possibility should be explored of encouraging the enterprise which has received the least ITC TA to date, a honey producer, to seek further assistance from the EIF Honey Sector Project rather than this Project.

### **2.1.2. Workstream 1 - Biotrade Project**

The Programme Document (September 2010) states that this Project's immediate objectives are 'strengthening the capacity of SMEs to meet market requirements in biotrade and pharmaceutical products'; 'strengthening the capacity of SMEs and TSIs to access international trade networks'; and 'improving access to high quality information on biodiversity market opportunities and policies'. Implementation would occur through training exporters in market requirements; preparation and support to attend international trade fairs; organization of the Latin Pharma trade fair; organization of trade missions; business partnering; and publication of US and regional market studies.

Biotrade is 'trade in non-timber forest products and natural products used in the cosmetic, functional food and medical sectors'. It is stated that while biotrade demand is increasing rapidly, it is constrained by private standards (including informal ones concerning quality) and new regulations such as the US Generally Recognised as Safe (GRAS) requirement and the EU Novel Food Regulation. The Project's rationale is that biotrade, like organics, combines environmental benefits with market opportunities.

The part of the Project concerned with 'strengthening the capacity of SMEs to meet market requirements in biotrade and pharmaceutical products' is based in Peru with the TPO PROMPERU as the main partner. The Project's other TSI partners include two consultants with extensive US market experience. Peru's selection as a location is based on its status as one of the world's 10 'mega(bio)diverse' countries, the role of biotrade in its national economy and in exports, and the existence of an institutional complex around biotrade including the national trade fair PeruNatura and PROMPERU.

For the part of the Project concerned with 'strengthening the capacity of SMEs and TSIs to access international trade networks' through organization of Latin Pharma, nine further Latin American TPOs were partners. These were financed to update or produce new national supply-demand studies on pharmaceutical products in their countries, and a contribution to the cost of Latin Pharma 2011 in Lima was also made. This part of the project was implemented by ITC staff already involved with Latin Pharma over a number of years, rather than by TTEC Programme staff.

As in the case of the Organics Project, a Needs Assessment was conducted prior to drafting the final Project Document. This Assessment occurred during a visit by ITC staff to PROMPERU to meet natural ingredients exporters and launch ITC's North American Biotrade Market Brief 2011. During the visit



PROMPERU proposed that ITC prepare and ‘handhold’ a group of Peruvian natural ingredient exporters for the 2011 US Supply Side West trade fair. PROMPERU proposed the North American focus of this part of the Project to complement similar activity focused on European markets supported by GIZ and Seco. Six enterprises selected by PROMPERU were supported through Supply Side West.

At the same time it was determined that the part of the Project concerned with market information should involve updating an existing ITC guide to the US Biotrade market published in 2003, and preparation of new Guides on Claim Statements and Labelling of natural products in the US market.

#### *2.1.2.1. Relevance*

The Project’s three objectives as stated in the September 2010 Programme Document are in alignment with ITC’s own objectives as described in Section 1.1.3 above. The Project’s first two objectives (‘strengthening the capacity of SMEs to meet market requirements in biotrade and pharmaceutical products’ and ‘strengthening the capacity of SMEs to access international trade networks’) are aligned both to ITC’s strategic objective of ‘strengthening the international competitiveness of enterprises’ and to ITC’s programme delivery response objectives of ‘export capacity building through country solutions’ and ‘targeting the Millennium Development Goals’, with particular reference to MDG 1. The Project’s third objective (‘improving access to high quality information on biodiversity market opportunities and policies’) also corresponds to the ITC strategic objective of ‘strengthening the international competitiveness of enterprises’ and to ITC’s programme delivery response objective of providing ‘global public goods for globally accessed solutions’.

Peru is neither a LDC, nor a LLDC, nor located in Sub-Saharan Africa. Thus the Project is not relevant to ITC’s programme delivery response objective of focussing on the needs of countries falling into these categories. On the other hand, in line with ITC’s Mission Statement (*Strategic Plan* p. 9) it does target SMEs and involves collaboration with local TSIs.

Finally, there is alignment between part of the Project’s objectives and the overall objective of TCCEP, ‘Strengthening the capacity of SMEs and TSIs to compete in markets for sustainably produced products’. At the same time though, the partial objective of promoting competitiveness in pharmaceutical products (implemented through support to activities in relation to the Latin Pharma trade fair) is not directly in line with the overall objective of TCCEP. Natural products or ‘herbal pharma’ are present at Latin Pharma, but according to a former PROMPERU staff member their presence is rather marginal. Besides support to Latin Pharma itself, certain related activities were also less than

relevant to TCCEP's objectives. While the national supply-demand study produced for Latin Pharma by PROMPERU had a biotrade focus, those produced by other national TPOs focused upon pharma as it is more conventionally defined.

In order to establish the relevance of the Project to the needs and priorities of Peruvian stakeholders the Needs Assessment described earlier was undertaken. It was during this process that PROMPERU proposed the Project activities concerned with US biodiversity market access. It appears the proposal that the Project should also include the activities concerned with the Latin American regional pharmaceutical market did not arise from PROMPERU, although they and other ITC TSI partners in Latin America collaborated with it. Rather the proposal came from Latin American government representatives in Geneva in a meeting with ITC.

#### *2.1.2.2. Effectiveness*

The revised Project Document of April 2011 substantially reproduces the September 2010 Programme Document Project Log Frame. Planned outputs and outcomes with verifiable indicators, corresponding to the objectives stated for the Project's '1<sup>st</sup> phase of implementation' (Appendix 5.2), are listed.

Up to January 2012 all the Project's planned activities were implemented as planned. A training event on US market requirements for Peruvian natural ingredient producers was held in collaboration with PROMPERU, and was attended by 40 individuals. Six Peruvian companies selected by PROMPERU received TA for preparation for and participation in the US Supply Side West trade fair, where meetings were arranged for them all with 13 North American companies. Three Sustainability Market Guides were published, designed for use by exporters of biodiversity products to the US market. Latin Pharma 2011 in Lima was co-financed and some TA in the form of trade fair matchmaking arrangements was provided to the 92 companies participating, resulting in a total of 700+ bilateral meetings. Finally, seven new or updated national pharma supply-demand studies were produced by national TPOs.

No formal feedback was solicited from participants at the US market requirements training event, although a report on the event, including lessons learnt from it, was produced. These lessons mainly underline the relevance of the information transmitted. Formal participant evaluations, in the US Supply Side West case of a highly detailed nature, were conducted covering the support provided in relation to the two trade fairs. These in general were positive or very positive. No formal evaluation of the usefulness of publications supporting exporting into the US and regional Latin American markets were conducted. In the view of the evaluator these publications were of good quality, however.

Overall the Project has made progress toward its stated objectives. Participation by a few Peruvian SMEs in a major US trade fair, and by a much larger number of Latin American SMEs was usefully supported, an apparently effective training event on US market requirements was held for a larger number of Peruvian SMEs, and a number of useful publications were produced. As in the case of the Organic Project the expected outputs were not stated in advance in a quantitative form, so it is difficult to qualify this observation further.

### *2.1.2.3. Efficiency*

Overall expenditure for this Project in 2011 was \$0.348, as against budgeted expenditure of \$0.352. As discussed earlier, evaluation of the cost effectiveness of Project output delivery is difficult in the absence of recognised benchmarks. All that can be said is that the different sub-activities making up the preparations for the Project's central activities are described in Project budgets in a detailed way and that expenditure in relation to each of them appears reasonable.

Partial evaluation is possible of the cost effectiveness of Project expenditure in relation to the reported impact of supported participation on sales by firms attending Supply Side West and Latin Pharma. Participating enterprises estimated the aggregate value of additional sales arising from attendance at Latin Pharma was \$2.2 - \$4.4 million. This compares to aggregate ITC expenditure on the event of \$0.158 million – including on work with TSIs (including training of their staff in matchmaking) and production of the national supply-demand studies.

A couple of caveats should be noted in relation to these figures. First, the real cost of new sales was greater than \$0.158 million, since enterprises shared attendance costs. Secondly, ITC staff involved in organizing the fair stated that attendees' initial estimates of additional sales tended to be optimistic. Thirdly, the average additional corporate sales estimated for Latin Pharma 2011 were somewhat lower than at the previous event in 2008 in Buenos Aires. However, using the conservative assumptions that half the estimated additional sales achieved per enterprise can be attributed to enterprise's own cost sharing contribution, and that actual additional sales are 25% lower than initial estimates, each \$ of ITC's expenditure resulted in \$6-7 of new business (see Appendix 6 for the formula applied).

Not all the Project's remaining expenditure was on Supply Side West. But, according to Project documentation, this and its related activities entailed expenditure around \$0.16 million. An estimated \$0.8 million in aggregate additional sales was generated by the six companies whose attendance was

supported. Applying the same formula, each \$ of ITC's expenditure resulted in around \$1.9 of new business.

Both these arrangements were therefore efficient in leveraging new business. In the short term, Latin Pharma was much more efficient than Supply Side West. This was probably mainly the result of the latter's small number of beneficiary enterprises and the intensive support they received, as well as an overstatement of the costs as these include other activities based in Peru. It may be noted too that there are reasons to believe that efficiency of assistance for Supply Side West will increase with time. US buyers at trade fairs like Supply Side West are more likely to be interested in meeting potential partners for long-term product development relationships, rather than for off-the-shelf purchases. Moreover, for both activities, the market studies commissioned are likely to have an impact wider than on enterprises receiving TA.

#### *2.1.2.4 Impact*

Evaluating the impact of this Project entails some of the same problems as arising in terms of the Organic Project. This is partly because of ITC's overall approach in the area, with its focus on qualitative monitoring of immediate and direct impacts without reference to benchmarks, and partly because some of the envisaged impacts of this Project will only arise in the future.

In terms of the standard ITC impact indicators it appears clear that, in respect of Latin Pharma, TSIs were successfully capacitated to provide advisory services in the form of multiple buyer-seller meetings; and that, both in respect to Latin Pharma and Supply Side West, enterprises were successfully capacitated to expand exports. As already noted, the export expansions reported may be over-estimates, although in the case of Supply Side West some of the longer-term benefits of participation may not yet be evident to participants. It may also be noted that Project documentation reports only absolute increases in exports, while providing no information on relative increases. Ideally, both should be considered in assessing impact. Programme staff state that baseline financial information on the companies assisted to participate in Supply Side West is now being collected retrospectively, which will remedy this for these companies. It seems that no similar plans exist in relation to the Latin Pharma participants.

Programme staff did not seek to directly measure how and what to extent the capacities of PROMPERU staff was enhanced through interaction with international consultants in preparations for and implementation of the Supply Side West activity. It is recommended that, in future activity of this

kind, some simple indicators of partner TSI capacity are formulated and monitored. One indicator may for example take the form of whether a part of the training performed by international consultants in relation to Supply Side West could be performed by PROMPERU staff at the next US trade fair which Peruvian biodiversity produce exporters will be supported to attend.

The Project did not include amongst its objectives the remaining standard ITC impacts (capacitation of enterprises to implement business plans and capacitation of networks to 'add value').

#### *2.1.2.5. Sustainability*

As referred to in relation to the Organic Project, The ToR for this evaluation defines sustainability in terms of whether 'ITC's capacity building has been designed in a manner that ensures that the conditions are in place to maximize the likelihood of impact when ITC support ends'. This may be considered more precisely in terms of whether appropriate criteria were used to select the enterprises who received support, particularly the more intensive support; whether the type of support delivered to enterprises has been appropriate and of good quality; whether there is an effective local partner institution that could take over the role of ITC in the future; and whether there is any evidence that beneficiary businesses may develop in wider or indirect ways as a result of the support received, which will sustain them in the future.

Concerning the criteria used to select the companies receiving support, no information is presented in Project documentation. Interviews by the evaluator with local and international consultants involved with the Programme indicated that those supported to participate in Supply Side West were selected purposively by PROMPERU staff on the basis of their existing expertise, export orientation and export experience (preferably in more than one market). While none had turnovers larger than \$5 million p.a., 'they were definitely not micro enterprises'. In the view of the evaluator, selection on this basis – i.e., using existing export experience as a criterion - increases the likelihood of Project impact. No information at all is available on the type of companies supported to participate in Latin Pharma, except that they were selected by national TPOs on the basis of their membership of the Latin American Pharmaceutical Association.

Concerning whether the type of support delivered to enterprises has been appropriate and of good quality, the information available in terms of documentation and feedback suggests that the TA provided in Peru was of good or very good quality. Retrospectively, former PROMPERU staff and one consultant suggested ways in which the assistance could have been better fine-tuned (through earlier

and better targeting of Peruvian company information on importers' R&D managers). Project impact may also have been enhanced had dissemination of the Market Studies with a regulatory focus occurred in advance of Supply Side West, since weak knowledge of US regulations was said by a consultant to be a problem for some Peruvian participants. In the light of this the Project will provide further training using the studies in Peru in 2012.

No information is available to assess the quality of the TA provided in relation to Latin Pharma.

The local TSI partner, PROMPERU appears to be well-established and effective.

In terms of whether beneficiary businesses have developed in wider or indirect ways as a result of the support received, which will sustain them in the future, insufficient evidence exists to draw firm conclusions concerning this Project.

#### *2.1.2.6. Plans for 2102*

The Project Activity Report for July-December 2011 includes a Log Frame for January-June 2012. Activities planned are a second training in Peru on US market access requirements; tailored TA to selected enterprises (probably Peruvian) for participation in US trade fairs; and preparation and dissemination of two further technical studies on the US market. Further support Latin Pharma is not planned. One of the technical studies will analyse competition between ingredients in natural product end-uses. Planned expenditure for 2012 is \$0.175 million, but there is no budget.

#### *2.1.2.7. Conclusions and recommendations*

The Project is broadly relevant. Its three objectives are aligned with ITC's Mission Statement, strategic programme delivery response objectives as well as in large part with TCCEP's overall objective and the priorities of the Project's main TSI partner. However, the location of the main part of the Project in Peru is justified on grounds other than those informing ITC's country selection priorities, and the sub-objective of strengthening SME capacity to meet pharmaceutical product market requirements is not consistent with TCCEP's overall objective and was not included in the Project as a result of an expressed need by the main TSI partner.

As in the case of the Organic Project, the Biotrade Project's objectives were never formulated in quantitative terms, meaning that an assessment of its effectiveness is difficult except in qualitative terms (whether *any* results, including quantitative ones where available, have been attained in relation

to the objectives specified). In the latter sense, there is evidence of progress having been made in all the planned areas.

Project efficiency in relation to outputs appears broadly satisfactory given the expenditure incurred, although useful statements in this regard are again hampered by the lack of institutional or international TRTA benchmarks. Project efficiency in relation to impacts shows that, in relation to trade fair participation support, even the short-term business impacts easily exceed the costs of providing support. Also in the short-term, the efficiency of support to participation in US Supply Side West was lower than for Latin Pharma. This is probably mainly due to the high nature of US market entry barriers, which restrict the number of potential beneficiaries and increase the unit costs of support to them. Although measurement of impacts is imperfect, in general it appears that they have been significant.

Since what is known about the enterprise selection criteria used in the main Peruvian part of the Project suggests that these were realistic and sensible, and since the TA and Market Guides provided through this part of the Project were also of good quality (and, in the case of TA, evidently open to revision based on lessons learned) there is also good reason to believe that this part of the Project will continue to generate significant impacts.

Activities are planned for 2012 that will build coherently on those conducted so far. There appears to be a critical mass of medium-sized Peruvian biotrade enterprises that would benefit from extending support (although not necessarily for US market entry) as well as an effective local TSI. Project staff might profitably consider new ways of scaling-up such as providing training and TA in areas other than marketing (e.g., production economics and value addition), or – as suggested by an international consultant - by re-inventing the Project's regional dimension in terms of supporting alliances between Peruvian natural ingredients exporters and (for example) Brazilian operators with greater expertise in processing. A case exists for continuing ITC support to Latin Pharma, but outside of TCCEP.

### **2.1.3. Workstream 1 - Carbon/Climate Change and Trade Project**

According to the September 2010 Programme Document this Project (then entitled 'Carbon standards for agricultural exporters') has two immediate objectives relating to developing country capacity strengthening: firstly, of SMEs and TSIs to understand new requirements on carbon in product standards; and secondly of exporters' associations in Kenya to measure and respond to carbon requirements. Implementation is planned through preparation and dissemination of a carbon guide for exporters; and of a carbon mitigation plan for the Kenyan horticultural sector.

Project design followed requests to ITC from the Fresh Produce Exporters' Association of Kenya (FPEAK) and the Kenya Bureau of Standards (KEBS), made at a conference on carbon retail standards held in Sweden in late 2009, in the context of earlier research and advocacy work by ITC on carbon standards – also partly in Kenya. At a workshop in Nairobi in May 2010 it was agreed with FPEAK that ITC would commission and disseminate an expert study on carbon standards that could be used by Kenyan horticultural exporters. This would be followed by a series of technical meetings with industry stakeholders to collect inputs to a mitigation plan that ITC would then prepare and validate.

As noted, Project implementation was delayed by illness of the consultant to whom writing the carbon guide was assigned. After a new consultant was commissioned the guide was eventually completed and disseminated at a workshop in Kenya in December 2011. For this event the partner was the COLEACP-PIP Programme rather than FPEAK or KEBS. According to a FPEAK Board member interviewed by the evaluator, by December 2011 FPEAK had formed a working alliance on carbon footprinting with Writtal College (UK). As a result, some of its larger members 'had the tools to do the work (themselves) and had already made some changes and some savings'. On the other hand, demand remained from smaller members.

Also in December 2011, Project staff conducted a Needs Assessment with stakeholders in two other Kenyan export sectors (tea and coffee). In January 2012 this resulted in a proposal for TCCEP work on climate change mitigation and adaptation in the Kenyan tea sector. The Project was meanwhile renamed 'Climate Change and Trade'.

#### *2.1.3.1. Relevance*

The Project's objectives are directly aligned with the first two of ITC's own 'Strategic Objectives' (Strengthening the international competitiveness of enterprises and Developing the capacity of TSIs to support businesses). They are further aligned with the ITC Programme delivery response objectives of 'Focussing on the needs of...Sub-Saharan Africa'; 'Export capacity building through country solutions'; 'Global public goods for globally accessed solutions'; and 'Targeting the MDGs (with particular focus on MDG 1). They are further in line with ITC's Mission Statement in targeting SMEs and via proposed collaboration with a local TSI. Furthermore, the Project's objectives are in line with the overall objectives of TCCEP, in terms of its focus on capacity building on meeting the market requirements for sustainably managed products.



Insofar as the Project was also established on the basis of a request from two Kenyan institutions, it can also be said to be aligned to the self-defined needs of local stakeholders. When, because of delay in its implementation, it later proved less aligned with these stakeholders' self-defined needs, the Project's design was revised. This occurred partly on the basis of advice from the original stakeholders concerning fine-tuning of the target group for activity concerning carbon footprinting; and partly on the basis of a new Needs Assessment implemented in relation to stakeholders in an export sector parallel to the originally proposed one. The interests of the latter stakeholders are reflected in a broadening of the Project's focus from carbon footprinting alone to coverage of climate change mitigation generally.

#### *2.1.3.2 Effectiveness*

The revised Project Document (July 2011) repeats the objectives stated in the Programme Document of September 2010. But the Project's planned activity of development of a horticultural sector carbon mitigation plan is replaced by 'Training local service providers on carbon footprinting methodologies'. The Log Frame lists outputs, planned outcomes and verifiable indicators corresponding to these objectives. Because of implementation delays these apply to the Project's full life (Appendix 5.3).

By January 2012 only preparation and initial dissemination of the Carbon guide had been implemented. The Carbon guide is of good quality, although as stated by a FPEAK board member in an interview with the evaluator, it might usefully have had a more commercial focus (see below). Dissemination took place at a 2-day workshop in Naivasha attended by 60 persons including representatives of 40 enterprises. At the workshop, the topic of water was added to that of carbon, thereby increasing the event's relevance for local stakeholders. Feedback from participants at this workshop on the quality and relevance of the information disseminated was generally positive.

The workshop was originally envisaged as the first stage in preparation of a carbon mitigation plan for the Kenyan horticulture sector, but this ambition was not fulfilled. As already explained, the delay in preparation and dissemination of the Guide led a number of FPEAK's larger members to source TA on carbon footprinting from elsewhere. Clearly however a need for capacity building/training in this area remains amongst smaller horticultural producers, not to mention producers generally in other sectors such as cut flowers where air freight is the main transport form.

Unprogrammed outputs of the Project during 2011 included production of ITC studies on climate change, cotton and coffee and the new Needs Assessment referred, which has resulted in a Climate Change and Tea (sub)-Project document which appears relevant and realistic.

Overall the effectiveness of this Project has been weak, although for unavoidable reasons. Furthermore, Programme staff have taken reasonable steps to ensure that the Project's effectiveness will improve in the future.

#### *2.1.3.3. Efficiency*

As discussed elsewhere, no benchmarks are available for evaluating the cost effectiveness of Project output delivery for Trade-Related TA. Having said this, it may be noted that Project expenditure during 2011, at \$0.15 million (as against expenditure of \$0.144 programmed over an unspecified time frame in the revised Project document of July 2011), is high in relation to the programmed outputs delivered to date. This is the case in comparison both to the Organic Project, where a larger number of programmed outputs were delivered on the basis of expenditure that was only slightly higher, and to the revised (July 2011) Project documentation. In the latter, the \$0.144 reserved includes a budget for training of local service providers, which has not as yet occurred. It may well be that this funding has been used to cover the unprogrammed outputs mentioned above. Also it may be noted that the Project's cost effectiveness in output terms is likely to increase over time, as training using the Carbon guide is unrolled.

As a result of its delayed implementation, the Project is very unlikely to have had any appreciable impacts to date. The impact efficiency of the Project will therefore not be commented upon.

#### *2.1.3.4. Impacts*

As just noted, as a result of its delayed implementation, the Project is very unlikely to have had any appreciable impacts to date.

It is recommended that, in order for a meaningful discussion of impacts to be possible at a later date when implementation has progressed, baseline environmental and commercial data be collected on enterprises participating in the planned training. At the same time it would be useful if baseline information be collected on the competences of the local service providers who will be trained in advising on carbon footprinting methodologies, so that these also may be monitored over time.

#### *2.1.3.5. Plans for 2012 and Sustainability*

As little activity has been undertaken in this Project to date, it is only meaningful to consider its sustainability in conjunction with a discussion of the activities planned within it for 2012.

Recent Project documentation to date envisages the main impacts of the Carbon guide, beyond the initial dissemination already implemented, occurring through training of local service providers in advising in this area; and organization of a subsequent firm-level training programme on carbon footprinting methodologies for smaller operators in the Kenyan horticultural sector. To date very little information is available on how these activities will be implemented, making it difficult to comment on what their likely impacts will be.

The lapsing of ITC's partnership with FPEAK in this area has been partly compensated for by the establishment of a partnership between ITC and the COLEACP-PIP programme. The latter has an extensive list of client firms in the horticultural sector that can be used as a reference point in the unrolling of the firm-level training. Unlike FPEAK however, COLEACP-PIP has no presence on the ground in Kenya, and the consultants it uses are mainly international rather than local. This increases the coordination demands that will be placed on ITC, and makes it essential that ITC identify a reputable local training provider as a new lead partner as soon as possible. No 2012 budget is available for the horticultural sector work and it is recommended that this be developed as soon as possible.

The other area of activity planned concerns supporting smallholder tea farmers to adapt to and mitigate climate change impacts associated with their supply chains, in partnership with the Ethical Tea Partnership (ETP). The planned impacts are to make these supply chains more robust to environmental pressures and to make smallholders better equipped to meet emerging market requirements on climate change. The Project's implementation is designed in three stages: the development of new tools and resources for addressing climate change; rolling out of training to smallholders; and support to wider implementation and adaptation. There is a log frame and an outline budget, costed at \$0.072 - \$0.136 depending on the Project's eventual scale.

The Project document explains that the tools and resources in question do not currently exist, and to this extent it is impossible to determine their likely impact. However training partners and systems are identified (Partner Africa as the partner and reliance on lead farmers as a system) whose use in similar projects has been proven, and which are therefore likely to be effective. Possibly, the likelihood of training being unrolled successfully would be increased if the status of Kenya Tea Development Authority (KTDA) in the sub-Project was upgraded from that of 'key stakeholder' (sub-Project document

p. 5) to full partner.<sup>3</sup> The Project document also contains a risk and risk mitigation analysis which appears well-founded. With the proviso referred to, and to the extent it is possible to form a judgment, it seems that there are good impact prospects for this sub-Project.

#### *2.1.3.7. Conclusions and recommendations*

The project is innovative, in the sense of being one of the first to be undertaken in the climate change-trade area. ITC has occupied a lead role in this area since 2007-08 when it provided analytical assistance to Kenyan exporters to oppose the UK Soil Association's proposed de-certification of organic products transported by air. The Project is relevant to ITC's Mission, Strategic Objectives and Programme delivery response priorities, as well as to TCCEP's objectives. When originally designed it was also relevant to the needs of its Kenyan stakeholders. Because of delays in Project implementation these stakeholders subsequently identified partners other than ITC, although they still consider the Project relevant for other operators in Kenya. A new sub-Project developed in January 29012 was validated through a Needs Assessment, also conducted with local stakeholders, and can therefore also be considered relevant to their needs.

Because of an extended delay in Project implementation some outputs have not been delivered as scheduled and little progress to date has been made toward attainment of Project objectives. On the other hand, the Project budget for 2011 appears to have been spent according to plan, giving rise to doubts about output efficiency. Since there have been a number of unprogrammed outputs, it may well be that programmed expenditure has been used on these instead. It would be helpful for this to be clarified.

Also because of delayed Project implementation, there have so far been few or no observable Project impacts. Whether planned future activities will generate impacts is therefore particularly critical for the success of this Project. Broadly there are reasons for optimism here, based on as evidence of coherent planning, local verification of demand for the interventions planned, as well as formation of certain new partnerships which will facilitate implementation. Establishing some further partnerships, with a reputable local training provider for the horticulture sector work, and with KTDA in the tea sector work, would strengthen the likelihood that the intended impacts will occur as planned.

#### **2.1.4. Workstream 2 – Mainstreaming Environment in ITC**

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<sup>3</sup> The smallholders whom it is planned to train are all suppliers to KTDA factories and it is also planned to involve KTDA factory managers in the training.

According to the Programme Document (September 2010) this Workstream has four objectives: to improve 'environmental performance on ITC programming and projects' and 'access of (ITC) staff to environmental knowledge and expertise'; to 'facilitate reduction of ITC's corporate carbon footprint'; and to 'green ITC communications and advocacy'. The Project document (April 2011) retains the third of these objectives while combining the others into that of 'improving environmental performance on ITC programming, projects and communications'.

The Workstream was designed in response to a UN system-level initiative that all UN organizations mainstream environmental concerns into policies, processes and operations and reduce their carbon footprint (the 'Sustainable UN [SUN] Initiative'). ITC implemented this by designating TCCEP staff as an in-house technical support resource on environmental issues, particularly those relating to climate change and environmental ('green economy') niche markets. This entailed TCCEP staff acting as a focal point for advising on programme design and developing internal ITC policies, such as on emissions reduction. In implementing the Workstream to January 2012, Programme staff worked closely with other ITC sections/bodies, in terms of programme design advice the Project Quality Advisory Group (PQAG) and in terms of internal ITC policies primarily the Division of Programme Support (DPS), which covers ITC facilities management.

Under the SUN Initiative, all UN organizations have to produce and implement a plan for climate change neutrality (subsuming an emissions reduction strategy). But there is no template or guidelines for how responsibility should be allocated for this within organizations, and in practice many UN organizations have responded in ad hoc ways. Nevertheless, according to those responsible for coordination of the SUN Initiative, ad hoc arrangements have been subject to greater formalization and institutionalization over time in at least some organizations and a number of cases of institutional best practice can now be identified. In none of these is responsibility allocated to an operational, time-limited development assistance Programme as in ITC.

Interviews were held with those responsible for day-to-day coordination of climate change neutrality planning and implementation in three UN organizations other than ITC concerning how responsibility for this activity had been internally allocated; how it was funded; and what formalized reporting requirements existed in relation to it. The three organizations were UNDP, World Food Programme (WFP) and WTO. The results are summarized in Figure 1.

While the experiences of the three organizations are varied, four common features can be detected across them. Firstly, day to day responsibility for mainstreaming rests with a dedicated officer in the permanent administrative structure (though the officer concerned may not be a permanent staff member); secondly, senior management is closely involved with the activity, although it does not necessarily carry formal responsibility for it. Thirdly, funding of the activity is from core budgets or comes already or is envisaged as coming from some other centralized long-term mechanism. Fourthly, there is a formalized system for regular upward reporting of results.

*Figure 1. Management of environmental mainstreaming in sister UN organizations*

	UNDP	WFP	WTO
Allocation of responsibility	Cross-divisional 'Green Team' coordinated by dedicated officer in Bureau of Development Policy, supported by a designated 'champion' in senior management. Implementational responsibility is likely to be with Bureau of Management.	Head of Facilities management, supported by designated champion in senior management. Operational duties, including coordination cross-HQ and between HQ and country operations, is carried out by dedicated full-time consultants in Facilities Management office.	Cross-divisional Task Force including a senior manager. Work is shared between the members. Designated SUN initiative focal point based in the Trade & Environment Division.
Funding	Funding comes from various sources. At HQ most funding comes from a trust fund, and an air travel tax which will be implemented shortly will generate funds to procure offsets and potentially finance other greening activities.	Operational duties financed until 2013 by an allocation under Divisional budget. The allocation is expected to continue during the life of the SUN Initiative.	Work is shared between Task Force members, whose salaries are covered from core divisional budgets.
Reporting	National offices report to the coordinator. Coordinator reports to 'champion', who reports to executive management, as well as to the SUN Initiative	There is coordinated reporting on performance indicators agreed by executive management and integrated into WFP Annual Reports	The Task Force reports via its senior manager member to executive management. The focal point reports to the SUN Initiative.

*Source: Interviews with Focal Points.*

The remainder of this section will consider ITC's environmental mainstreaming activity as a component of the TCCEP Programme, i.e. as a development assistance activity, before returning in Section 2.1.4.7 and Sections 3 and 4 to the issue of how ITC might approach this activity managerially.

#### *2.1.4.1. Relevance*

The objectives of Workstream 2 are in only weak alignment with ITC's Mission Statement, Strategic objectives and Programme delivery response priorities. This lack of alignment stems from the fact that while Workstream 2 mainly concerns ITC in-house operational issues, ITC objectives and priorities are all designed with trade related technical assistance in mind. It is quite natural that none of ITC's programmatic policy statements should refer directly to ITC's own environmental performance. What is unusual and strange is that ITC should have a trade related technical assistance activity whose objectives relate primarily to internal ITC and UN matters.

Given this it is hardly surprising that the objectives of Workstream 2 also lack alignment with TCCEP's overall objective, which is defined in trade related technical assistance activity terms.

The only place in ITC strategic documentation where the environment or any other so-called horizontal or cross-cutting issue is referred to is in a sub-section of the part of the ITC Strategic Plan on Operational priorities (p. 9). This refers to 'sustaining the environment' as one of these priorities. However the only action proposed in relation to this priority is to 'Launch and roll out the new....TCCEP programme' (p. 10).

The absence of environmental mainstreaming concerns from ITC's central statements of objectives and priorities suggests a general lack of prioritization of environmental concerns in ITC. The implied practical internalization of the Operational priority of 'sustaining the environment' through implementation of TCCEP alone underlines an organizational strategy where the entire burden of meeting environmental concerns is placed on a single operational programme.

#### *2.1.4.2. Effectiveness*

The Workstream 2 Log Frame of April 2011 lists outputs, planned outcomes and verifiable indicators corresponding to the objectives listed (Appendix 5.4). Practically all activities planned for the Programme's life were implemented by January 2012. In relation to the objective of improvement of the 'environmental performance of ITC programming and projects', a guidance note on Environment and Project Cycle Management was prepared, listing programme environmental screening criteria and

flagging opportunities to benefit from environmental markets, and a Programme Management Tool for Low Carbon delivery was piloted, showing programme managers how to calculate carbon emissions per \$ of expenditure. In relation to the objective of improving 'access of (ITC) staff to environmental knowledge and expertise' advice on programme design was solicited and provided in four instances. In relation to the objective of 'facilitating reduction of ITC's corporate carbon footprint' an ITC Emissions Reduction Strategy (ERS) was completed, reporting on ITC's GHG emissions and options for reduction, and a Staff Greening Guide was produced giving advice to individual ITC employees on how to reduce ITC's carbon footprint. In relation to the objective on 'greening ITC communications and advocacy', six external communications on environmental issues were delivered while in addition Programme staff provided ad hoc advice in a series of policy briefs to the Office of the Executive Director.

Some progress has been made toward achieving most of these objectives, but it needs to be recognized that this is in a context where their achievement is largely or wholly outside the control of TCCEP Programme staff. In the case of improving the environmental performance of ITC programmes and projects, for example, ITC has no requirement that mandatory environmental screening be applied to programmes and projects. Mandatory templates were introduced in 2011 for submitting project ideas and designs to ITC's Senior Management Committee (SMC), which included a question on whether environment was a substantive programme focus, whether it was taken into account in programme design or whether it was not relevant to programme design, but no requirement exists for SMC to follow up on responses to this question. The other instance in ITC where Programmes and Project design is monitored is the PQAG, but this works without guidelines on environment or indeed any other cross-cutting issue. Training is provided to its members, but this is directed to enabling them to 'comment in a structured way rather than to tick boxes'.

In the case of 'facilitating reduction of ITC's corporate carbon footprint', the UN system's component organizations are responding to central pressure by commissioning and seeking to implement climate change neutrality or emissions reduction strategies (ERSs). The ERS commissioned by ITC from TCCEP Programme staff was discussed and adopted by ITC Senior Management. Implementation of such strategies is not straightforward however. ITC's Division of Programme Support can implement some effective reductions without the need for UN central approval or ITC staff's individual cooperation. These include changes to elevators, heating and ventilation systems and building entrance design, as well as 'green procurement' of external goods and services. But most of ITC's own emissions relate to staff travel, internationally and to and from work in Geneva. In the first case UN central travel policy



restricts the reductions that ITC can require its staff to make, while in the case of local travel the only interventions possible would also have to take the form of incentives rather than controls.

#### *2.1.4.3. Efficiency*

Budgeted expenditure for the Workstream for calendar year 2011 was \$0.07 million, almost entirely comprising ITC staff costs. Expenditure was fractionally below this. There have been a large number of written outputs in relation to this expenditure, including the Project Management Guidance Note and Project Carbon Reduction Tool, the ERS, the Staff Greening Guide and several external communications and internal briefing notes. Other sections of ITC have contributed to some of these, particularly the ERS to which DPS contributed substantially, but most were produced by Programme staff alone. Relative to the low overall expenditure, the quantity and quality of written outputs has been high and the Workstream's output efficiency must therefore also be considered good.

Evaluation of the impact efficiency of the Workstream from a TCCEP standpoint is hampered by the fact that, as described in section 2.1.4.2 above, implementation has been substantially outside of the control of TCCEP Programme staff.

#### *2.1.4.4. Impacts*

The longer-term impacts of this Workstream will depend upon ITC management and staff implementation of TCCEP recommendations. As noted, even in project design and review it is currently up to programme managers and PQAG members to decide individually on whether it is relevant to consider environmental criteria. Thus, the main impact of the Workstream to date has been to raise the profile of environmental issues in ITC and provide carbon change neutrality tools that ITC managers and staff may choose to adopt or to not adopt. While still not high, environment's profile has increased appreciably since TCCEP's inception. DPS staff attributed this mainly to the TCCEP Programme Manager's effectiveness as a 'focal point' for mainstreaming.

#### *2.1.4.5. Sustainability*

Two observations can be made concerning whether the conditions have been put in place to ensure maximization of the likelihood of impact of this Workstream when TCCEP ends. One is that it is unrealistic to expect that TCCEP Programme staff, as Programme staff, provide more than a series of Guidelines and Strategies. They have no broader or more permanent managerial remit in the area. Secondly, ITC management's policy of de facto outsourcing of responsibility for environmental mainstreaming to an operational programme, as opposed to a dedicated location in the permanent administrative structure (either a senior manager or a technical specialist working with the support of a

senior manager) is a poor recipe for sustainability. TCCEP is scheduled to expire in 2013, while the tools that it has made available will be institutionalised only if they are followed-up with staff training for environmentally sensitive analysis, implementation and monitoring/reporting – perhaps based on performance measures. This requires ITC senior management to provide the activity with a more central and permanent location, funding and link to executive decision-making.

#### *2.1.4.6. Plans for 2012*

ITC has certain ongoing commitments in respect of environmental mainstreaming, including implementation of the ERS and preparation of an annual GHG emission inventory, but the only outstanding activity in the Log Frame is preparation of an ITC draft plan on carbon offsetting.

#### *2.1.4.7. Conclusions and recommendations*

Workstream 2's relevance to the TCCEP's and ITC's central objectives is weak. This reflects a decision by ITC management to allocate responsibility for organizational mainstreaming of environmental concerns to a development assistance programme, rather than institutionalize it at senior management or Divisional level. The lack of relation between the objectives of Workstream 2 and TCCEP also suggests a lack of coherence between TCCEP Workstream 1 and Workstream 2. These draw on the same Programme staff and their skills but otherwise have little in common.

In terms of the volume of planned outputs implemented Workstream 2 has been effective and, since the total cost of the activity has been only around \$70,000, also efficient. But Workstream effectiveness in terms of attainment of Workstream objectives is to a large extent beyond the control of the Programme. The Workstream has had some tangible impacts, particularly changes to building management implemented by DPS and a heightened profile of environmental issues within ITC, but it is too early to say whether the latter will result, for example, in a heightened profile for environmental issues within ITC programmes and projects.

The lack of institutionalization of environmental concerns in ITC signalled by giving organizational responsibility for them to a development assistance programme due to end in 2013 means that the sustainability of the Workstream's impact is at best moderate. If ITC is to genuinely mainstream environment then senior management should allocate it to a permanent function of the organization with a clear link to executive decision making structures and with resources to support activities for at least the length of the SUN Initiative. It is recommended that it does so. The remaining programmed activity of this Workstream, preparation of a draft plan on offsetting, should be transferred to whatever

ITC instance is allocated responsibility on environmental issues. Funds remaining in the Workstream's budget should be transferred to the Projects on Biotrade and Carbon/Climate change in Workstream 1.

### **3.0 Lessons Learned, Good Practices and Constraints**

#### **3.1 Lessons Learned**

Three main lessons arise from TCCEP to date – although none are unique to it. The first concerns success conditions for projects whose main intended beneficiaries are enterprises. This is that enterprise support for exporting is more likely to be successful where, in the targeted sector, there is a combination of a significant number of medium-sized enterprises with export experience and a well-functioning local TSI (sometimes but not necessarily a TPO). Without these conditions, the unit costs of enterprise support are likely to be inefficiently high and its impacts and sustainability low. This is illustrated by the contrast between TCCEP's experience in Zambia and Peru. Possibly it reflects a general tendency for returns from Aid for Trade to be higher in developing countries, as opposed to LDCs.

A second lesson is that enterprise support for participation in regional markets (where these exist) may be more effective and efficient in the short-term than support for participation in global markets. This is because these markets normally have lower entry barriers meaning, *inter alia*, that they require lower volumes of TA to be directed per unit in order for them to secure a similar incremental increase in sales. This is shown by the contrasting efficiency of TCCEP support to Latin Pharma and Supply Side West. Regional markets for final versions of green products are probably thinner than those for pharma ones, but the possibilities of regional trade in green ingredients could be given more attention.

A third lesson concerns the mainstreaming of crosscutting issues in decentralized, bureaucratic organizations such as ITC. Approaching this in terms of creating an employee tool kit is an efficient, potentially high impact method. But utilization of the tool kit depends upon senior management prioritization of the issue in question, which is probably best demonstrated by allocating responsibility for it to a designated permanent division of the organization with a clear link to senior management (Workstream 2).

#### **3.2 Good practices**

Three good practices can be identified in TCCEP, although again they are probably not unique to it. The first concerns the three stage implementation model followed – a sequence of Needs Assessment and commissioning of technical studies, followed by sector wide training with a TSI using the technical

study, and by use of this event to identify more detailed enterprise needs and new potential TSI partners. While this model was not followed in detail in all Projects under Workstream 1, it did provide an effective and flexible way of structuring Project planning and implementation.

Second, at least for environmental interventions, TCCEP's climate change project in Kenya shows that it is useful to consider scaling-up in an inter-sectoral way, and not only in terms of expanding activities in the same sector within or across national boundaries. This is because common environmental problems, amenable to similar mitigation strategies, exist across different sectors in the same country or even region.

Thirdly, tool kits aimed at internal institutional change including mainstreaming cross-cutting issues are likely to have greater uptake amongst line managers when they identify not only how to avoid potential programme downsides, but also where they identify potential new opportunities.

### **3.3 Constraints**

Certain constraints have hampered TCCEP's effectiveness, efficiency and impact. Arguably, some of these might have been given greater consideration in Programme design. These include the weakness of the SME sector and of TSIs in Zambia (Organic Project); the low absorptive capacity of even relatively effective TSIs in countries like Kenya (Carbon Project); and the complex and highly challenging nature of entry barriers to the US Natural Products market (Biotrade Project). Others however either could not have been anticipated by Programme staff, even with hindsight, or arose at least in part from deficiencies in ITC generally. In the former category is the fatal illness of the main consultant contracted by the Carbon Project, whose qualifications were unique. In the second were pressures to overload the Programme with activities of limited relevance to its objectives. Outsourcing the function of ITC's environmental mainstreaming to a development assistance programme, rather than designating responsibility for environmental concerns to a permanent organizational structure suggests shallow ownership of the issue by ITC senior management. This in turn constitutes a constraint on the impact and sustainability of Workstream 2.

## **4.0 Conclusions and Recommendations**

### **4.1 Conclusions on TCCEP generally**

TCCEP is a small Programme working mostly with issues on which there is relatively little international experience to build. It has run for only 15 full months and the results are broadly encouraging. Some problems and areas for improvement may nonetheless be identified. The discussion here will present

two conclusions general to the Programme as a whole before in the next section turning to its component parts.

1. The Programme consists of two Workstreams. The first and by far the larger (in budgetary terms) comprises three components or Projects building on and extending recognized Aid for Trade themes and modalities. The objectives of these Projects are strongly aligned with those of TCCEP and ITC overall, local stakeholders in the countries of operation and international Aid for Trade generally. Not all the Projects in this Workstream are equally effective or efficient but they are all largely relevant. The second Workstream differs significantly from the first in its objectives, target groups and implementation mechanisms. Its objectives are only weakly aligned with those of TCCEP, ITC and international Aid for Trade. Its target group is ITC managers and staff rather than SMEs and TSIs in developing countries. Its implementation method is not based on hands-on capacity building and follow-up, as in Workstream 1, but on provision of suggestions and working materials to ITC and its staff, which the latter may choose to implement or not. There is hence little coherence between the two Workstreams. No good reasons are provided in the Programme documentation why Workstream 2 should be part of TCCEP. Furthermore the location of the activities pursued under this Workstream in a Programme like TCCEP, rather than as a fully mainstreamed function in ITC, limits rather than promotes their effectiveness.

2. Relative to the size of Programme budget, the number of distinct Projects or components is rather high. This is likely to be increasing unit costs of coordination and reducing opportunities to realise economies of scale. A case exists to consider rationalization of the Programme with a view to concentrating resources where there appears to be the greatest potential for results and/or where the interventions are most innovatory, and hence have the potential to generate new learning experiences for the development assistance community generally.

#### **4.2 Conclusions on TCCEP's component parts**

1. The objectives of Project 1 in Workstream 1 (Organic Project) are aligned with TCCEP's and ITC's objectives as well as those of local stakeholders. Project effectiveness is difficult to assess except in qualitative terms; in this regard some results have been attained in all planned areas of activity although their likely impact – and therefore attainment of the envisaged objectives - remains unclear. Project efficiency is satisfactory in output terms, but again because likely impacts are difficult to assess little can be said about its impact efficiency. Evidence that can be used to assess Project sustainability is mixed. The TA delivered appears to be of good quality but at least one of the main recipients appears

to be too weak to benefit properly from it. The Project lacks a good local TSI partner and there is little evidence of a pool of good potential enterprises that would benefit from continuation of support.

2. Project 2 in Workstream 1 (Biotrade Project) is less aligned than Project 1 both with TCCEP's overall objectives (by virtue of including a sector which only partly falls under the category of 'sustainable products') and with ITC's (by virtue of its location in Peru). However, it is mainly focused upon a sector that is relevant to TCCEP and the choice of Peru can be justified on other grounds. Project effectiveness is easier to assess than in regard to Project 1. In this Project there has been progress in attaining results in all the planned areas of activity and quantitative evidence of impacts on exports. The latter also allow assessment of Project impact efficiency, which has been positive. There is more positive evidence of Project sustainability than in the case of Project 1. This includes evidence of good quality TA, a good pool of actual and potential beneficiary enterprises and an effective TSI partner.

3. Project 3 in Workstream 1 (Carbon/Climate Change) is aligned with TCCEP's and ITC's objectives and when designed was also aligned with those of local stakeholders. Its implementation has been unavoidably delayed, resulting in low effectiveness and efficiency and few visible impacts. It has also resulted in a loss of participation by the original central local TSI partner. Nevertheless there is evidence of continuing demand for the Project and of a good pool of potential beneficiary enterprises. A new sub-Project has meanwhile been added. There is evidence that this is relevant to local stakeholders and that another good pool of potential beneficiary enterprises exists for it.

4. Workstream 2 (Environmental Mainstreaming in ITC). As noted, this Workstream is of only weak relevance to TCCEP's and ITC's central objectives, and it lacks coherence with the remainder of the Programme. In terms of the volume of planned outputs implemented relative to its cost, the Workstream has been efficient. There have been some evident impacts, but its overall level of effectiveness has been limited by the fact that many Workstream outputs take the form of recommendations to ITC management or staff whose adoption is beyond the control of Programme staff. More effective implementation would have to entail ITC management taking a stronger lead in the area by allocating responsibility to a permanent function of the organization and providing this with the necessary resources.

### **4.3 Recommendations**

1. This Evaluation's central recommendation is that, in order to simplify Programme coordination, increase internal coherence and provide opportunities for greater economies of scale, Programme activities should be rationalized to concentrate on a smaller number of Projects and Workstreams.
2. In Workstream 1, while the *Organic Project* is relevant and while its outputs have been implemented to date according to plan, there appear to be insufficient enterprises with export potential to sustain further activity. Indeed, the potential even of some of the enterprises currently supported is in question. The TCCEP Programme should therefore phase out the Organic Project.
3. Tailored TA currently being delivered through the Organic Project to three enterprises should, during the phase-out period, be made conditional on their having the working capital to buy from farmers or collectors the minimum viable export volume stated in their business plan.
4. The honey producing enterprise receiving TA under the Organic Project, which so far has received very little tailored TA, should be encouraged to seek support through the EIF-ZDA Honey Sector Project rather than through TCCEP.
5. The Biotrade Project should be continued and expanded. In this connection TCCEP staff should consider designing new activities for implementation during the Programme's second phase. These might include providing enterprise support to companies oriented to the US market in areas other than marketing; and re-working the Project's regional focus, by for example supporting development of regional biotrade value chains.
6. ITC should continue to support Latin Pharma, but not within the framework of TCCEP, since pharma does not fall under the heading of 'sustainably produced products', which it is TCCEP's objective to support.
7. The innovative Carbon/Climate change Project also should be continued and expanded. For the work planned in the horticultural sector it will be necessary for it to find a new locally based training partner, ideally one with a track record of work with medium-scale operators in the sector. It is also necessary to develop a new budget for this activity.
8. The work planned in the tea sector in Kenya represents a coherent way of scaling up the activity on horticulture within this Project and should be continued, while expansion to other export sectors in

Kenya might also be usefully considered. The work on tea needs to be anchored in a partnership with KTDA and not simply with ETP.

9. Because of its lack of relevance to TCCEP objectives and its lack of coherence with Workstream 1, Workstream 2 should not continue as part of TCCEP and its remaining budget should be re-allocated within the Programme. ITC managers should study the models of implementing environmental mainstreaming in other UN organizations and identify a more suitable location and financing mechanism for it within ITC.

10. ITC and its Programmes, including TCCEP, should give more attention to collection of baseline information on enterprise and TSI recipients. In relation to enterprises this should include a range of financial performance data. In the case of the Carbon/Climate Change project it will also be relevant to collect data on environmental performance data;

11. In the case of data on TSIs, this should include an inventory of baseline capacities and their applications. This would facilitate monitoring of the extent and effectiveness of TSI capacity building.

12. ITC and its Programmes, including TCCEP, should give more attention to quantitative monitoring and evaluation of Programme outcomes. This could usefully entail comparison of the performance of Programmes in relation to organizational benchmarks or targets, for example on increased sales (absolute and/or relative) per \$ of assistance disbursed.

13. Should it develop benchmarks in relation to for example increased sales (absolute and/or relative) per \$ of assistance disbursed, ITC should bear in mind that the likely rate of return on TRTA in developing countries other than LDCs and LLDCs normally will be higher than in LDCs and LLDCs themselves. It will therefore be necessary for these benchmarks to be set at less ambitious levels in the latter.



## **Appendix 1. Evaluation Terms of Reference**

### **Consultant**

### **Terms of Reference**

## **Trade, Climate Change and Environment Programme**

### **INT/U1/16A**

Assignment: Senior Consultant: Mid Term Evaluation

Contract duration (including start/end date): 7 working days within the period 1 February to 30 May 2012

Duty station: Home based with travel to ITC Headquarters, Geneva, Switzerland.

### **Background**

The objectives of the Trade Climate Change and Environment Programme (TCCEP) are:

- To mainstream environmental issues into ITC and
- To help SMEs and TSI exploit market opportunities and overcome barriers in the market for environmental goods and services.

During 2012 the TCCEP will be delivered through two workstreams:

- Workstream 1: Building SME and TSI capacities in environmental markets
- Workstream 2: Mainstreaming environment in ITC

Workstream 1 consists of three following projects:

Organic Products (Zambia)  
Biotrade Products (Peru and Latinpharma)  
Carbon Standards (Kenya)

The purpose of the evaluation

The overall purpose for the Mid term Evaluation is to learn from the implementation of the TCCEP so that lessons can be drawn that can form the basis for instituting improvements to the planning, design and management of the second phase of the Trade Climate Change and Environment Programme. .

As it is a mid term evaluation, the exercise is focused on:

- Assess progress in implementing the TCCEP;
- Assess progress towards achievement of objectives;
- Assess if interventions are sufficient to reach desired outcomes;
- Identify strengths and weaknesses in the implementation of the project activities;
- Identify barriers to achievement of objectives of the TCCEP;

The Mid Term Evaluation has been initiated by ITC as part of its commitment to evaluate the programme. It will enable ITC to make improvements to the design and implementation of the programme through provision of expert and independent analysis by the evaluator. As such, ITC will take the findings and recommendations of the Evaluation into consideration during the continued implementation of the programme.

The main stakeholders in the evaluation are the following

- ITC
- DANIDA
- Beneficiary countries
- Organizations in beneficiary countries promoting trade
- SMEs in beneficiary countries
- Producers and collectors linked to exporting SMEs
- Institutional partners of ITC in the UN and NGO system

### The scope of the mid term evaluation

The evaluation will address the following evaluation questions:

*Relevance* – Whether the TCCEP is addressing the identified needs / problems?

*Effectiveness* – Has the TCCEP achieved satisfactory progress toward its stated objectives? Have the mid term results been achieved, and if not, whether there has been some progress made towards their achievement? What problems and constraints have been encountered during the first phase of the implementation of the TCCEP?

*Efficiency* – Are the objectives of TCCEP being implemented at an acceptable cost, compared with alternative approaches to accomplishing the same objectives?

*Impact* – Can any initial conclusions be made as to what changes TCCEP has led to for beneficiaries / clients / stakeholders?

*Sustainability* –Has ITC’s capacity building been designed in a manner that ensures that the conditions are in place to maximize the likelihood of impact when the ITC support ends?

### Methodology

Evaluation methods will include:

- Document review, this will include all major documents such as the project document and its revisions, progress and monitoring reports, terminal reports, self-evaluations etc (desk study);
- Interviews with all key informants and key players both in Geneva and the beneficiary countries (by telephone/skype);
- Participatory self evaluation workshops will also be conducted to actively involve ITC staff in assessing the lessons learned from the TCCEP

ITC will fully support the Consultant with all information held on the project including the following:

- Half Year Reports (2 in 2011)
- Newsletters (2 in 2011)
- Training report (Zambia)
- Press releases
- Notes for the File (Mission reports)
- Umbrella Programme document
- Project Documents (3 under Workstream 1; 1 under Workstream 2), including revised logframe (April 2011 and December 2011)
- Letters of Agreement with Partners (GIZ, Promperu, Zambia Development Agency)
- All Terms of Reference with Consultants
- Project Portal 2011
- Access to all emails sent by the Programme Manager and Project Officer
- Web downloads
- Self evaluation (Organic Link)

### Managements Arrangements

The Evaluation will be carried out by the Consultant who will have complete independence from ITC in terms of his output. The Evaluation will be managed by the TCCEP Programme Manager, with technical support from the Evaluation Management Unit. The Danish Mission in Geneva has commented upon and given its perspective and support to this Terms of Reference.

### Timeframe

The evaluation will take during the period March and April 2012. The first draft report will be delivered to ITC by the end of April.

ITC will make comments on the report by the middle of May. The consultant will deliver the final report by the end of May.

**Output**

The Consultant will provide a draft report comprising 15-20 pages plus Annexes.

The report will evaluate each of the four projects separately and provide an overview of the programme on the basis of this analysis.

**Payment schedule and Cost breakdown**

Fee and Cost breakdown

ITEM	Amount USD	
Fees	4000	
Travel to Geneva	1400	
DSAs Geneva (x5)	422 x 5= USD 2,110	
TOTAL	7,510	

Estimated number of days: 8 (4000USD)

On signature of contract, 50% of the fees will be paid. On completion the remainder will be paid. The travel will be purchased by ITC. 70% of the DSAs, advance to the consultant before travel. The remainder on submission of a travel claim.

Qualifications, Competencies and experience required

Mandatory competencies, qualifications and knowledge

- Knowledge about issues relating to trade and environment.
- Knowledge about evaluation methods, particularly in trade and development context
- Proven ability to write clear and concise project documents, reports and papers.
- Ability to establish and maintain excellent working relationships with counterparts.
- Excellent writing and presentation skills.
- Computer literacy.
- Degree in economics, natural resources, business management, development studies or related area.

## Experience

In addition to advanced studies, a minimum of 15 years working experience is required in the policy or business sector with international, national or regional organization or private enterprises. Substantial experience in the field of evaluation is required.

## Languages

Fluency in English.

## Definition of terms

**Objectives:** “Intended impact contributing to physical, financial, institutional, social, environmental, or other benefits to a society, community or group of people via one or more development interventions”. Glossary of Key Terms in Evaluation and Results Based management, OECD-DAC, 2002.

5 **Results:** “The output, outcome or impact (intended or unintended, positive or negative) of a development intervention”. Idem

6 **Activities:** “Actions taken or work performed through which inputs,...are mobilized to produce specific outputs”. idem

7 **Outputs:** “The products and services which result from the completion of activities within a development intervention.” UNDG Results-Based Management Terminology, <http://www.undg.org/index.cfm?P=224>.

8 **Effects:** “Intended or unintended change due directly or indirectly to an intervention.””. Glossary of Key Terms in Evaluation and Results Based management, OECD-DAC, 2002.

9 **Outcomes:** “The intended or achieved short-term and medium-term effects of an intervention’s outputs.... Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.” Idem.

## **Appendix 2. Documents Reviewed and References**

### **2.1 Documents Reviewed**

#### **ITC general**

ITC Strategic Plan 2010-2013. ITC/AG(XLIII)/228. November 2009.

ITC Operational Plan 2011. 2011.

ITC Evaluation Policy. JAG/DEC-2008/01. 10 December 2008.

ITC ERS Task Force. Emissions Reduction Strategy 2011. draft, 25 January 2011.

#### **TCCEP Programme documents**

Trade, Climate Change and Environment Programme (Programme Document). 28 September 2010.

TCCEP Quarterly Report, February-April 2011.

TCCEP Quarterly Report, May-July 2011.

Trade, Climate Change and Environment Programme (TCCEP) Newsletter. March 2011. Issue No. 1.

Trade, Climate Change and Environment Programme. Activity Report January- July 2011. July 2011.

Trade, Climate Change and Environment Programme. Half year Activity Report. Summary note, July-December 2011. 2 January 2012.

Trade, Climate Change and Environment Programme. Overview of Progress to date by Alexander Kasterine. 8 February 2011.

Cooperation between TCCEP and Standards Map. 9 February 2012.

TCCEP homepage

#### **Workstream 1, Organics Project documents**

Workstream 1. Organic Products. Revised Project Document, March 2011. 1 March 2011.

Zambia Organics Project (Workstream 1). Progress Report No 2, May-June 2011. 29 July 2011

Trade, Climate Change and Environment Programme. Half year Activity Report. Organics (Workstream 1), July-December 2011. 20 January 2012.

Trade, Climate Change and Environment Programme. Zambia Organics Project (Workstream 1. Monitoring and Evaluation Document. January 2012.

Trade, Climate Change and Environment Programme. Organics Products. Project Overview by Amanda McKee. 10 February 2012.

Criteria for selecting Zambian organic and natural product companies to receive direct ITC support. (no date).

Collection and handling of the seed of Mukombe, Mununga, Nakajinko or Nakapapa as a Pharmaceutical Product by Primary Producers. Field Collectors manual. Kalahari Natural Oils Ltd. September 2010.

N. Deunk. Market Research Cosmetic Products Zambia. Kalahari Natural Oils Ltd. September 2011.

T.M. Robson. Safety, hygiene and primary processing of Strophanthus Kombé. Trade, Climate Change and Environment Programme. Project No. INT/U1/16A- BL 11.62 – BAC 547393. 25 September 2011.

A. Stevens. Devil's Claw in Zambia. Preliminary Resource Assessment based on visit to Sesheke, 27-30 September 2011. Trade, Climate Change and Environment Programme Project No. INT/U1/16A

A. Stevens. Devil's Claw in Zambia. Market Assessment. Trade, Climate Change and Environment Programme Project No. INT/U1/16A. November 2011.

A. Stevens. Business Plan for Devil's Claw. Kalahari Natural Oils Ltd. November 2011.

B. O'Connor. Interim Report – Kalahari Natural Oils Ltd. November 2011.

N. Deunk. ITC Business Day, 26 January 2012. Markets for Zambian Natural Products.

### **Workstream 1, Biotrade Project documents**

Workstream 1. Biodiversity based Products (Workstream 1). Revised Project Document, April 2011. 26 April 2011

Uruguay XXI. Promoción de Inversiones y Exportaciones. La industria Farmacéutica en Uruguay. Informe elaborado por Uruguay XXI. Latin Pharma 2011. Julio 2011.

R. Kohlmann. Report on the Buyers/Sellers Meeting during Latin Pharma, 22-24 November 2011.

Trade, Climate Change and Environment Programme. Half year Activity Report. Biotrade (Workstream 1), July-December 2011. 20 January 2012.

J.A. Brinkmann. Draft Outline for a proposed multidisciplinary study. Competitive and Comparative Market Analysis for Selected Peruvian Natural Ingredients. 28 December 2011.

### **Workstream 1, Carbon/Climate Change and Trade Project documents**

Climate Change and Trade (Workstream 1). Revised Project Document. July 2011.

Trade, Climate Change and Environment Programme. Half year Activity Report. Carbon (Workstream 1), July-December 2011. 20 January 2012.

TCCEP: Trade and Climate Change. Project Overview by Amanda McKee. February 2012.

Climate Change Mitigation and Adaptation in Kenya. Project proposal. January 2012.

### **Workstream 2, Environmental mainstreaming in ITC Project documents**

Trade, Climate Change and Environment Programme. Mainstreaming Project (Workstream2). Revised Project Document. 28 April 2011

Trade, Climate Change and Environment Programme. Environment Mainstreaming in ITC (Workstream 2) (Activity report, 2011). 20 January 2012.

Environmental Screening Guidance for ITC Projects (no date).

Pilot Project Management Tool (Workstream 2) (no date).

ITC Senior Management Committee Minutes/2011/25, 17 August. Minute on Emissions Reduction Strategy.

TCCEP – Environmental mainstreaming. Project Overview by Amanda McKee. 9 February 2012.

### **Technical Papers and Studies**

The North American Market for Natural Products. Prospects for Andean and African Products. (no date).

Labelling of Natural Products. The United States Market. Technical Paper F-09.06.02 LAB (2011).

Claim Statements for natural Products. The United States market. Technical Paper F-09 CLA (2011).

Climate Change and the Coffee Industry. Technical Paper SITC-071 CLI (2010).

Cotton and Climate Change. Impacts and Options to Mitigate and Adapt. Technical Paper SITC-265 COT. 2011.

Trends in the Trade of Certified Coffees. Technical Paper SITC-071 TRE (2011).

Product Carbon Footprinting Standards in the Agri-Food Sector. (no date).

### **2.2 References cited in the text**

Agro-Eco (2008). *Organic Exports: A way to a better life?* (EPOPA self-evaluation). Agro-Eco and Gro-link, Stockholm.

Bolwig, S., P. Gibbon and S. Jones (2009) 'The economics of smallholder organic contract farming in tropical Africa'. *World Development* 37(6): 1094-1104

Goppers, K. and Lindahl, C. (2009) *Sida's Trade-related Assistance: Results and management*. Sida evaluation 2009:1, Stockholm.

ITC *Operational Plan* (2011)

ITC *Strategic Plan*, 2010-13 (2010) Jones, S. and Gibbon, P. (2011) Developing Agricultural Markets in Sub-Saharan Africa: Organic Cocoa in Rural Uganda. *Journal of Development Studies*, Vol.

47, Number 10: 1595-1618



Lindahl, C. (2011) *Norway's Trade Related Assistance through Multilateral Organizations: A Synthesis Study*. Norad Evaluation Department. Report 8/2011- Study. Oslo

WTO (2011) *Aid for Trade at a Glance. Showing results*. Geneva

### **Appendix 3. Persons interviewed.**

#### At ITC:

Michael Cordier, Central Support Services, Division of Programme Support  
Sophie Hecht, Central Support Services, Division of Programme Support  
Iris Hauswirth, Division of Country Programmes (PQAG)  
Imamo Ben Mohamed Imamo, Division of Business and Institutional Support (Latin Pharma)  
Alexander Kasterine, Project Manager, TCCEP  
Matthias Knappe, Division of Market Development, cotton specialist  
Amanda McKee, Project Officer, TCCEP  
Sebastian Rodas, Division of Business and Institutional Support, Latin Pharma  
Morten Scholer, Division of Market Development, coffee specialist  
Jo Wozniak, Division of Market Development, standards specialist

#### Other TCCEP stakeholders:

Josef Brinckmann, consultant on biotrade, USA and Peru  
Lorena Jaramillo Castro, UNCTAD Biotrade programme  
Nanette Deunk, consultant on organics, Zambia  
Vanessa Elida Ingar Elliott, formerly of PROMPERU, Lima  
Dorothy Eriksson, Director, Chakwakwa Ltd, Zambia  
Sofie Hermann Flensburg, Danish Permanent Mission to the UN, Geneva  
Monica Rydsmo, Director, Kalahari Natural Products Ltd, Zambia  
Hasit Shah, Director, Sunripe Ltd, Kenya and Board member of FPEAK  
Arthur Stevens, Phytotrade Africa (Southern Africa Natural Products Trade Association)  
Morag Webb, COLEACP-PIP, Brussels

#### Other UN environmental mainstreaming experiences

Dominique Brief, responsible for facilitating and collating UN organizations' Emission Reduction Strategies (based at UNEP)  
Anne Fernqvist, Bureau of Development Policy, UNDP  
Devin McDaniels, Trade and Environment Division, WTO  
Isabella Marras, SUN Coordinator (based at UNEP)  
Georgina Stickels, Facilities Management Branch, World Food Programme

#### Appendix 4: ITC Output Indicators

Category	Indicators
Knowledge acquisition	Publications produced
	Individuals attending events/workshops
	Individuals registered as users of ITC information
	Organizations prepared with customized information
	Knowledge sharing networks created or strengthened
Competencies building	Individuals demonstrate trade-related competencies
	Organizations able to train and advise
	Organizations implement business/action plans
	Enterprises expand exports
	Networks add value below ITC contributions
Multiplier/impact	Individuals provide training and/or advisory services
	Organizations train and advise
	Organizations implement business/action plans
	Enterprises expand exports
	Networks add value beyond ITC contributions

Source: *ITC Strategic Plan 2010-13*.

## Appendix 5: Summary of Workstream/Project Log Frames and Results

### 5.1 Workstream 1, Organic project. Log Frame and results, '1<sup>st</sup> phase of implementation'

2010-11 LF Output	Results and comments	2010-11 LF planned outcome	LF Verifiable indicators	Results and comment
<p><b>1.1:</b> Suppliers of organic produce better trained in organic production, processing and marketing ; and, in some cases, supported in more specialized ways</p>	<p>Three trainings delivered in Zambia in 2011 on (i) Introduction to Organics (12 cos.); (ii) Organic Honey (14(?) cos.) and (iii) ICSs (8 'orgs.'). A fourth workshop held in 2012 on the domestic and regional market with 46 participants.</p> <p>Following training (i) and consultant assessment, three enterprises selected for tailored TA</p>	<p>1.1: Better-trained suppliers (?)</p>	<p>1.1 Feedback from workshop participants (evaluation form)</p> <p>No. of hours dedicated by participants to learn about organic production and processing (internet, documents, discussions)</p> <p>No. of newly learned production and processing activities applied in the enterprises</p> <p>Organizations provided with more specialized assistance have business/action plans</p>	<p>Feedback positive from all three workshops</p> <p>Learning tasks set only after Workshop 1. Most participating enterprises dedicated 0-4 hours</p> <p>Measured indirectly for workshop attendees</p> <p>Business plan available for one enterprise receiving tailored TA. This indicates a working capital shortfall</p>
<p><b>2.1:</b> Improved access to market information and policy on organic products</p>	<p>Intended implementation through Organic Link</p>	<p>2.1 Maintained or improved Organic Link with greater Zambian focus</p>	<p>No. of new Zambian exporters registered to Organic Link</p> <p>Increased business/contacts/orders</p>	<p>Not yet implemented</p>
<p><b>2.2:</b> Strengthened competency in market trends and requirements in sustainability segments</p>	<p>The workshops under 1.1 include(d) coverage of market information;</p> <p>Coffee guide prepared; reported under Biotrade component</p>	<p>2.2 Preparation of Sustainability Market Guides and Assessments</p>	<p>Feedback from workshop participants (May)</p> <p>Guides finalized and published by ITC</p> <p>Feasibility studies and recommendations provided to Zambian enterprises</p>	<p>See 1.1</p> <p>Sustainable Coffee Market and Organic packaging guides prepared</p> <p>See 1.1</p>

## 5.2 Workstream 1, Biotrade Project. Log Frame and results, '1st phase of implementation'

2010-11 LF Output	Results and comments	2010-11 LF planned outcomes	LF Verifiable indicators	Results and comments
1.1 Suppliers of biodiversity based products better trained in meeting requirements of sustainability certification	One training delivered to in Peru on Market Guide topics. 40+ 'ps participants' attend.	1.1 Better-trained suppliers (?)	Positive feedback on training  Integration of new knowledge into enterprise business strategies	Training report does not include an evaluation  Not assessed
2.1 Regional market linkages facilitated for biodiversity based and pharmaceutical products	92 enterprises given mkt linkage support at Latin Pharma. 700+ bilateral meetings arranged. 8 national TSIs also attend.	2.1.1 Analysis of supply and demand for pharmaceutical and biodiversity based products in Latin America 2.1.2 Subcontract selected TSIs in selected countries to undertake national supply and demand surveys in selected sectors 2.1.3 Organize a buyers/sellers meeting between selected LACs SMEs	Organization of Latin Pharma, including buyers/sellers meetings  Net gain in trade (but no target set)	Latin Pharma an apparent success  5 national TPOs updated national pharma supply-demand studies and 2 TPOs produced them for the first time  Estimated net gain in trade of \$2- \$4m between the 92 enterprises, but no baseline performed on enterprises
2.2 International market linkages strengthened for suppliers of biodiversity based products	6 enterprises receive multiple forms of support at Supply Side West. 13 US cos agreed to meet Peruvian participants	2.2 Peruvian supplier participation in US Supply Side West	New sales generated for participating cos. (but no target set)	Participation of 6 cos. at Supply Side West broadly successful. Estimated net gain in trade of \$0.8m
3.1 Provision of guidance on market requirements and trends in biodiversity based products	Three biotrade market guides/assessments published	3.1.1 Preparation of Sustainability Market Guides and Market Assessments	Publication of guides  Feedback from users  Number of downloads and references	Initiation of a non-programmed activity on wildlife trade with CITES

### 5.3 Workstream 1, Carbon/Climate change and Trade Project. Log Frame and results

2010-11 LF Output	Results and comments	2010-11 LF planned outcomes	Verifiable indicator	Results and comments
1.1 Preparation and dissemination of Carbon Footprint Standards guide	Guide prepared and initial dissemination undertaken at workshop in Kenya attended by 40 enterprises	1.1 TSIs better equipped to understand and guide enterprises on meeting PCF standards	1.1 Feedback from exporters and TSIs on the usefulness of the guides for meeting PCF standards	Workshop feedback from exporters generally positive. Original TSI partners did not participate  Publication of non-programmed studies on Climate change and cotton and Climate change and coffee
2.1 Training local service providers on carbon footprinting methodologies, standards conformity and climate change mitigation.	Not implemented except via dissemination workshop	2.1 Exporters Association and TSIs better equipped to guide enterprises on meeting PCF standards on reducing emissions from the horticulture sector	2.1 Feedback from exporters and TSIs on the usefulness of the guides on meeting PCF standards	Carbon guide not so far disseminated except through the workshop. See 1.1 on feedback

#### 5.4 Workstream 2, Environmental mainstreaming project. Log Frame and results

2010-11 LF Output	Results and comments	2010-11 LF planned outcome	Verifiable indicator	Results and comments
1.1.1 Introduce environmental screening into PQAG	Screening guidance note prepared	1.1.1 Risks relating to the environment are mitigated	Environment integrated into ITC's project cycle.	Note provided  Project management tool to measure carbon footprint of projects also piloted
1.1.2 Provide advice on request to large projects and programmes on environmental risks and opportunities	Not reported	1.1.2 SMEs supported by programmes better positioned to benefit from opportunities in environmental markets		
1.2.1 To advise ED/SMC on trade, climate change and environment, to advise Trade Forum on technical content and contribute articles, to represent ITC at environment and climate change related events and dialogues		1.2.1 Consistent messaging on environment issues  Developing countries' voice is heard in trade and environment issues at international fora.	1.2.1 Number of downloads, hits, and references to ITC tools and publications/ guides. Level of press interest and blog discussion  No verifiable indicator formulated	Several relevant articles published and presentations delivered. No information presented as yet on downloads etc.  Not reported
1.2.2: Prepare bi-annual newsletters	One newsletter published	1.2.2 Publication of bi-annual newsletters	As per last column	One newsletter published
2.1.1: To liaise with DPS and report to UN Environmental Management Group (EMG) on ITC emissions reduction	Liaison with DPS occurred.	2.1.1 EMG able to report on ITC emissions and mitigation strategy	Successful and accurate publication by EMG  Presentation of Emissions Reduction strategy to ITC SMC  Draft plan on financing of ITC offsets (2012)	ITC emissions calculated and Emissions Reduction Strategy (ERS) 2011 published  Staff Greening Guide based on ERS published

## Appendix 6. TCCEP Programme Budget breakdowns

Table 1: Distribution of programme budget by Workstreams and Projects (\$ million)

		to end 2011	to 30 Sept. 2013
Workstream 1	Project 1: Organics	0.255	0.664
	Project 2: Biotrade	0.413	1.146
	Project 3: Carbon	0.172	0.442
sub-total		0.840	2.253
Workstream 2		0.072	0.147
Total		0.912	2.400

Table 2: Distribution of programme budget by main expenditure headings (\$ million and % of total expenditure)

	\$ million	% of total expenditure
ITC staff costs	0.696	29.0
ITC support costs	0.276	11.5
TSI-based training and other activities	0.495	20.6
International consultants, incl. TA	0.385	16.0
National consultants, incl. TA	0.270	11.3
Project travel	0.196	8.2



**Appendix 7. Formula used for calculating return on expenditure in the Biotrade Project**

$$\frac{(\text{Aggregate additional sales generated} - 25\% \text{ of aggregate ITC investment})}{N \text{ supported enterprises}} \div 2 \div \frac{(\text{Aggregate ITC investment})}{N \text{ supported enterprises}}$$