



November, 2013

## **EVALUATION OF THE ITC EXPORT STRATEGY FUNCTION**

Monitoring and Evaluation Unit  
INTERNATIONAL TRADE CENTRE

A SUBSIDIARY ORGAN OF THE UNITED NATIONS  
AND THE WORLD TRADE ORGANIZATION

Geneva, Switzerland

## Disclaimer

The designations employed and the presentation of material in this document do not imply the expression of any opinion whatsoever on the part of the International Trade Centre concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Mention of company names or commercial products does not imply endorsement by the International Trade Centre. This document has not been formally edited.

## Acronyms used in this report

ACP	Agricultural Commodities Programme
BTP	Business and Trade Policy
CBI	Centre for the Promotion of Imports from developing countries, Ministry of Foreign Affairs, Netherlands
GATT	General Agreement on Tariffs and Trade
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
DBIS	Division of Business and Institutional Support
DAC	Development Co-operation Directorate
DCP	Division of Country Programs
DMD	Division of Market Development
DTIS	Diagnostic Trade Integration Study
EC	Enterprise Competitiveness
EIF	Enhanced Integrated Forum
EF	Executive Forum
ES	Export Strategy
ESS	Export Strategy Section
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
HIPC	Heavily Indebted Poor Countries
IITA	International Institute of Tropical Agriculture
ITC	International Trade Centre
LDCs	Less Developed Countries
LLDCs	Land-Locked Developing Countries

MAR	Market Analysis and Research
NES	National Export Strategy
RES	Regional Export Strategy
OAS	Office for Arab States
OECD	Organization for Economic and Development
PACT	Programme for building African Capacity for Trade
PRSP	Poverty Reduction Strategy Paper
RTA	Regional Trade Agreement
SC	Sector Competitiveness
SIDs	Small Islands Developing Countries
SES	Sector Export Strategy
TIS	Trade Information Services
TS	Trade Support Institution Strengthening
UEMOA	Union Economique et Monétaire des Etats d'Afrique de l'Ouest
UEPB	Uganda Export Promotion Board
UNDAF	United Nations Development Assistance Framework
UNIDO	United Nations Industrial Development Organization
WEDF	World Export Development Forum
WEF	World Economic Forum
WTO	World Trade Organization
WSSD	World Summit for Sustainable Development
WB	World Bank

## Table of Contents

<b>1</b>	<b>Executive Summary - Table of findings and recommendations.....</b>	<b>9</b>
<b>2</b>	<b>Introduction .....</b>	<b>23</b>
2.1	Background and Context .....	23
2.2	Purpose and Objective of the Evaluation .....	24
2.3	Evaluation Methodology .....	25
2.3.1	<i>Scope.....</i>	<i>25</i>
2.3.2	<i>Initiatives Reviewed.....</i>	<i>26</i>
2.3.3	<i>Criteria .....</i>	<i>29</i>
2.4	Evaluation Team and Methods.....	30
2.4.1	<i>Logical Framework.....</i>	<i>32</i>
2.4.2	<i>Evaluation Challenges.....</i>	<i>33</i>
<b>3</b>	<b>Trade strategy and development – market overview.....</b>	<b>34</b>
3.1	Estimated Market size and components .....	34
3.2	Trade-related strategies .....	37
3.2.1	<i>Trade Related Active Strategies.....</i>	<i>37</i>
3.2.2	<i>The role of technical assistance in Trade Strategy .....</i>	<i>39</i>
3.3	Market segments and market needs.....	40
3.3.1	<i>Market Segments by Region:.....</i>	<i>40</i>
3.3.2	<i>Market Segments by development level:.....</i>	<i>41</i>
3.3.3	<i>Market Segments by detonating Event: .....</i>	<i>43</i>
3.4	Competitive Landscape .....	45
3.4.1	<i>Overview.....</i>	<i>45</i>
3.4.2	<i>The Competitive Landscape and the role of Financing .....</i>	<i>46</i>
3.5	Market Trends .....	47
3.6	Market Overview: Key Findings .....	49
<b>4</b>	<b>Looking back: ES Function role and performance.....</b>	<b>50</b>
4.1	Export Strategy in ITC .....	50
4.2	Direct and Indirect Intervention .....	53
4.3	Direct Intervention .....	55
4.3.1	<i>Market presence.....</i>	<i>55</i>
4.3.2	<i>ES Offering .....</i>	<i>57</i>
4.3.3	<i>ES Intervention outputs .....</i>	<i>67</i>
4.3.4	<i>NES Output Document.....</i>	<i>67</i>
4.3.5	<i>Direct Intervention: Key Findings.....</i>	<i>69</i>
4.4	Indirect intervention.....	70

4.4.1	<i>Implementation</i>	71
4.4.2	<i>Outcomes</i>	76
4.4.3	<i>Impact</i>	79
4.4.4	<i>Sustainability</i>	80
4.4.5	<i>Indirect Intervention: Key Findings</i>	81
4.4.6	<i>Direct and Indirect Intervention</i>	82
4.5	Operations and delivery model	83
4.5.1	<i>Delivery model and Efficiencies</i>	83
4.5.2	<i>Cost efficiency</i>	87
4.5.3	<i>Partnerships</i>	90
4.6	Organization and Staffing	93
4.6.1	<i>Organization</i>	93
4.6.2	<i>Staffing and Resources</i>	93
4.6.3	<i>Processes: planning, reporting</i>	95
4.6.4	<i>Organization: Key Findings</i>	97
4.7	Looking Back - Summary: ES offering Strengths and weaknesses	97
4.7.1	<i>Market Position</i>	98
4.7.2	<i>Direct and Indirect Intervention</i>	99
<b>5</b>	<b>Looking forward: ITC's export strategy future</b>	<b>100</b>
5.1	ITC's role in supporting strategy processes	101
5.2	Market	103
5.2.1	<i>Market positioning</i>	103
5.2.2	<i>Market Segments</i>	104
5.2.3	<i>Offers</i>	105
5.3	Operations	108
5.3.1	<i>Innovation</i>	109
5.3.2	<i>Marketing and Sales</i>	109
5.3.3	<i>Project Team - deployment</i>	110
5.3.4	<i>Post-Engagement</i>	111
5.4	Organization	112
5.4.1	<i>Core Team (ES Section) and resources</i>	113
5.4.2	<i>Structure and Linkages</i>	113
5.4.3	<i>Processes and systems</i>	113
<b>6</b>	<b>Conclusions</b>	<b>115</b>
<b>7</b>	<b>Appendices</b>	<b>118</b>
7.1	Evaluation Terms of Reference	118
7.2	Methodology	131

7.2.1	<i>Evaluation Framework Matrix</i> .....	131
7.3	List of people and organizations interviewed .....	136
7.4	NES Program Logframe.....	139
7.4.1	<i>Current ITC ES Section Logframe (2013)</i> .....	139
7.4.2	<i>Previous Logical framework (2009-2012)</i> .....	144
7.5	Strategy Implementation - Technical Aid Market .....	150
7.5.1	<i>Trade Strategy Market – Methodology</i> .....	150
7.5.2	<i>Trade Related Technical aid</i> .....	150
7.6	Strategy Approaches.....	153
7.6.1	<i>Theory of change</i> .....	153
7.6.2	<i>Strategy into action – Methodology innovations and alternative approaches</i> .....	154
7.7	Looking back: Additional information .....	157
7.7.1	<i>National Export Strategy – Review by stage of completion</i> .....	157
7.7.2	<i>Program evaluation summary by evaluation criteria</i> .....	158
7.8	General observation and notes on specific programs.....	164
7.9	Notes on Selected Market Players.....	181
7.9.1	<i>EIF and DTIS</i> .....	181
7.9.2	<i>UNDAF</i> .....	181
7.9.3	<i>Poverty Reduction Strategy Papers</i> .....	182
7.10	New Opportunity areas .....	182
7.11	ITC ES Approach.....	183
7.11.1	<i>Four Gears Framework</i> .....	183
7.11.2	<i>Four Perspectives Framework</i> .....	184
7.11.3	<i>NES, NES Express, NES Plus</i> .....	185
7.12	Impact Indicators: A practical application .....	187
7.12.1	<i>What is ITC’s Export Strategy Change model?</i> .....	187
7.12.2	<i>Starting with impact...</i> .....	187
7.12.3	<i>Impact Indicator System: The opportunity to define (and track!) Success</i> .....	187

## Figures

Figure 1:	ITC Organizational Chart.....	26
Figure 2:	National Export Strategy Initiatives 2003-13 .....	27
Figure 3:	Sector and Regional Export Strategy Initiatives 2003-13 .....	28
Figure 4:	Other activities Export Strategy Function 2003-13 .....	28
Figure 5:	Trade Related Strategy and National Strategy .....	35
Figure 6:	Strategy Inputs, Components and Implementation .....	37

Figure 7: Trade related Strategies .....	38
Figure 8: Trade related Strategy per country 2001-2012 .....	39
Figure 9: Strategies by Program Type .....	39
Figure 10: Active Strategies by region .....	41
Figure 11: Market segments by development Level .....	42
Figure 12: Global Competitiveness index 2012 .....	42
Figure 13: Performance of Sub-Saharan African countries by type .....	43
Figure 14: Newly signed preferential trade agreements.....	44
Figure 15: Market players by type and segment.....	45
Figure 16: Technical Assistance and Funding 'Bundling' .....	47
Figure 17: ITC 'at a glance' .....	51
Figure 18: Export Strategy as part of ITC project delivery (Total 2012 = US\$ 35 million) .....	52
Figure 19: ES Direct and Indirect Intervention areas .....	54
Figure 20: ITC ES market participation .....	55
Figure 21: ITC ES market presence by geography .....	56
Figure 22: ITC ES Presence by Market Segment .....	57
Figure 23: National Export Strategy Phases .....	58
Figure 24: Process over time .....	59
Figure 25: ES Initiatives .....	63
Figure 26: NES Output Document Review.....	68
Figure 27: National Export Strategies.....	71
Figure 28: Outcome Assessment: Stakeholder views.....	73
Figure 29: Beneficiary views on Export Strategy outcomes achieved.....	77
Figure 30: Direct and Indirect Intervention - Degree of completion.....	82
Figure 31: NES Efficiency: Stakeholder Views .....	84
Figure 32: NES Cost Structure .....	88
Figure 33: Estimated costs and phases .....	89
Figure 34: Total use of resources and budget .....	90
Figure 35: ES Resources 2006-2012 .....	94
Figure 36: ITC Offering - Competitive position.....	98
Figure 37: Direct and Indirect Intervention: Strengths and Weaknesses.....	99
Figure 38: Strategy choices .....	101
Figure 39: Market Choices.....	103
Figure 40: Operation choices .....	109
Figure 41: Organization Choices.....	112
Figure 42: Theory of Change in Export Strategy.....	154
Figure 43: Intended and Emergent Strategy .....	155
Figure 44: NES by stage of completion.....	157
Figure 45: Impact indicators –Sustainable Trade Competitiveness System .....	187
Figure 46: Kenya - Trade Competitiveness System 2000-02 .....	188
Figure 47: Kenya Trade Competitiveness System 2008-10 .....	189
Figure 48: Kenya - Change in indicators 2000-2010.....	189



Figure 49: Uganda Trade Competitiveness System compared to region 2000 .....	191
Figure 50: Uganda Trade Competitiveness System compared to region 2010 .....	191
Figure 51: Kenya compared to Uganda and Sub-Saharan Region 2008-10.....	192
Figure 52: Romania Trade Competitiveness System compared to Region 2002.....	192
Figure 53: Romania Trade Competitiveness System 2000-10.....	193
Figure 54: Romania Trade Competitiveness System compared to region 2010 .....	193

## Tables

Table 1: Palestine NES - Opportunities identified for ITC arising from NES design .....	91
Table 2: Role of ES in ITC - Options .....	102
Table 3: Market Recommendations .....	107
Table 4: Operation recommendations .....	111
Table 5: Organization recommendations .....	114
Table 6: Evaluation Framework Assessment Matrix .....	131
Table 7: ES Assessment by key criteria.....	158
Table 8: General observations on ITC intervention and NES development .....	164
Table 9: Additional comments on specific programs (not comprehensive).....	166
Table 10: NES product portfolio – Key characteristics .....	185

## 1 *Executive Summary*

**Background** - This evaluation undertook an assessment of the effect of Export Strategy (ES) Methodology on beneficiary countries' export environment and capabilities. Specifically, it focused on the extent to which the execution of this program achieved the capacity building outcomes articulated in the Export Strategy Section (ESS) logframe. The essence of this Methodology is to undertake the execution of a four-phase design and management process which place emphasis on the beneficiary being actually engaged at all stages in order to produce a strategy this is wholly "locally owned".

During the course of the evaluation, 53 beneficiaries in 14 countries were interviewed<sup>1</sup>, four beneficiary countries were visited, over 40 ITC documents analyzed and a total of 14 output documents, (out of 17 completed National Export Strategies [NES] initiatives) were reviewed to assess the quality, readability and the degree to which they articulated a relevant export strategy. As well, 34 ITC and four other donor officials were interviewed. First hand observations were also made during the design phase of the Palestine NES which included extensive interviews with local beneficiaries, other donors and ES staff.

An important aspect of the evaluation was to determine the broader context of global export strategy activities and how ITC may best position itself in this dynamic and growing market. The export strategy market is estimated to be \$US 130-150 million per year with the resulting implementation of programs recommended by these strategies amounting to an estimated \$US 7 billion per year. Furthermore, trade related strategies have increased almost tenfold over the last 10 years with almost 500 active strategies identified in 2012. It would therefore appear that there is significant scope for an expanded ITC presence in this market.

---

<sup>1</sup> See page 136 for list of persons and organizations interviewed

**Results** - The ES Methodology was highly rated on most of the evaluation criteria<sup>2</sup>. In particular beneficiaries universally found the ES Methodology was highly relevant to their particular export strategy needs and objectives with 42 of 48 respondents considering the program as “highly relevant”. Many noted that it merged very well with other National Programs and supported other trade related objectives.

Beneficiaries also responded very positively regarding the design and rigor of the four-phase Methodology, indicating on many occasions that it was superior to competitors product and that the inclusive approach, central to the ES Methodology, was very effective in building capacity (40 of 53 respondents). Illustrative of this positive response was the comment of a CEO of a beneficiary agency who commented that they would only accept funding from another donor on the provision that the ES Methodology would be used. Another beneficiary described the completed ES NES as “not just another consultant’s report”

Satisfaction with the results produced by the ES Methodology was also noted by a third (8 of 24) of those countries that have already developed an NES as they indicated their intentions to seek ES support on a new NES initiative. Other beneficiaries noted that the completed NES document served very well as a resource document for policy dialogue with other donors and for internal planning purposes.

During the course of the evaluation, it became apparent that ES has built a superior product for purposes of capacity building and identifying export opportunities.

**Further Opportunities** - In view of the growing demand for export strategies and the influence these strategies have in guiding follow-up investments, there is a highly leveraged opportunity to establish a more prominent role during the implementation phase.

---

<sup>2</sup> Dac/OECD criteria; Relevant, Effective, Efficient, Impact and Sustainability

While the ES Methodology substantially achieved its mandated logframe capacity-building outcomes; enabling public and private stakeholders to formulate a strategic vision and identify priorities to support export development and competitiveness, conduct a dialogue supporting the mainstreaming of trade and to support the competitiveness of the export sector, the expected implementation of programs and investments to be derived from improved strategic capacity did not adequately materialize.

For the ES Methodology to become more effective, there is clearly a need for it to more actively pursue opportunities beyond capacity building. In this regard the evaluation found evidence that only 3 out of 14 completed initiatives were successfully implemented. Another 10 initiatives had been partially implemented and there is limited information on the implementation activities of one initiative. The evaluation also found that in general the high profile and support during the strategy formulation and launch phase began to fracture and lessen post launch.

Furthermore, there is limited evidence in most countries of public reporting on Strategy Goals or indicators after the Strategy Launch. Interviews with beneficiaries on expected post-launch activities reflected disappointment on the lack of follow-up investment for the priority sectors and activities identified in the NES and generally on the lack of “up-take” on what had been considered as a well articulated and “inviting” plan.

Among 53 beneficiaries interviewed 24 considered that there had been low results translating the strategy into action. A further 21 were unaware of major implementation action as a result of the strategy.

Several beneficiaries commented that in retrospect they could have benefitted from more training and advice on attracting investment and a more defined “roadmap” post strategy launch.

In order for ITC to capitalize on its unique position as a 100% Aid for Trade organization there are a number of opportunities within the organization and externally that can be considered.

It was observed that overall “ITC-wide” effectiveness would be enhanced by securing internal coordination, systematic knowledge exchange and a more collaborative culture, all of which has been difficult to achieve. There is considerably more scope for coordination and involvement across ITC sections on multi-year, multi-initiative projects on such aspects as design, execution, planning, hand-offs, client relationships, monitoring and evaluation.

As noted above, beneficiaries indicated a strong preference for the ES Methodology over those of other donors and contract consultants. Given the trend towards the unbundling of financing and the delivery of technical assistance, marketing and positioning will be increasingly important in ES.

Beneficiaries strongly endorsed the “capacity-building” capabilities of the ES Methodology and some suggestions were made that more explicit training in certain areas would enhance their ability to deal with post-launch issues.

The current ES offer is balanced and broadly suitable for a range of countries with varying degrees of economic development but perhaps best suited to more advanced and emerging economies. Given the nature of the current demand for export strategies, it may be advantageous for ITC to develop a more customized ES offer, with a specific focus on translating trade agreements into trade development, given the increasing numbers of Regional Trade Agreements being received by the GATT/WTO<sup>3</sup>.

While it is evident that ES in ITC offers a very competitive product, it would be wise to now consider ways to maintain this competitive advantage. With the discontinuation of the Executive Forum in 2008, it may be advantageous to consider new approaches to read the pulse of the trade community at large. With the addition of two team members to the staff of ESS who will be focusing on R and D, there is now an opportunity to identify step-changing innovations.

---

<sup>3</sup> By the end of 2012 546 notifications of Regional Trade Agreements were received by the GATT/WTO. Of these 354 were in force.

While ESS has operated efficiently over the review period in terms of cost per product produced, it became evident over the course of the evaluation that greater overall ITC efficiency could be achieved through greater cooperation with other ITC sections, especially with the Regional officers and Sector Competitiveness. The current estimated cost of an NES is \$US 300,000 and if the opportunity cost of local participants is included, the estimated costs rise to \$US 500,000. Innovative use of local and other donor resources such as was witnessed during the design phase of the Palestine NES and other such NES activities present an opportunity for ES function to maintain its competitive edge.

**Recommendations** - A list of recommendations is contained in the Table of Findings and Recommendations. They are intended to offer practical suggestions to ES on how to enhance its already effective and well-received Methodology. The majority of the 12 recommendations can be achieved at low cost requiring some organizational “tweaking”, adjustments to the Methodology and the introduction of innovative approaches.

The recommendations are intended to address the forgoing opportunities and focus on the challenges of embedding the implementation of Export Strategy within its current offer, leveraging ITC’s participation in the Export Strategy market up to the \$7US billion implementation phase, advice on improving its market position and efficiency, providing a more focused approach to LDCs, refining current Methodology, further coordinate activities with both internal and external players and in order to take advantage of past and on-going successes and short-comings establish more effective monitoring and evaluation systems.

**Conclusions** - ES Methodology has proven to be a successful ITC product, well received by beneficiaries. It has continued to evolve reflecting the changing dynamics of international trade and the export markets in particular. The product has further potential and this can be achieved through commitment to making progressive changes. ESS is in a transitional period and has produced a forward-looking position paper in November 2012 which addresses some of the issues identified in this evaluation. By all appearances ESS is ready to move forward. It has a capable and industrious staff. It is hoped that this evaluation will assist ESS in its forward progress.

### Table of findings and Recommendations

Issues	Evidence	Recommendations
<p><b>A. Implementation of export strategies - ITC's Export Strategy (ES) offer, managed by the Export Strategy Section (ESS) is highly relevant for developing and emerging countries and ITC is well recognized by its approach. Building on this success, this evaluation encourages ITC to continue with providing technical assistance in the field of export strategy, seek for higher results for beneficiaries through better addressing post-design considerations, and address the operational and organizational implications .</b></p>		
<p>Active participation in international markets and insertion into value chains is increasingly a condition for sustainable national development, highly relevant for developing and emerging countries. As a result, demand for support in the field of export and trade related strategy is growing.</p>	<ul style="list-style-type: none"> <li>• Export Strategy Market estimated to represent US\$ 130M-350M per year and Export Strategy implementation (addressable directly or indirectly by ITC) estimated to represent up to US\$ 7 billion.</li> <li>• Trade related strategies have increased almost tenfold over the last ten years. In 2012, almost 500 active strategies identified.</li> <li>• Most interviewed beneficiaries considered program was highly relevant (42 out of 48 respondents).</li> <li>• Frequent recognition in official documents of need to support recipient countries to develop the strategies.</li> </ul>	<p><u>Recommendation 1:</u> To improve the effects of its interventions, ITC is encouraged to address the challenge of embedding the post design implementation of export strategy within its current offer:</p> <p><b>1.1: Leveraging on the participatory approach and a honest broker role,more systematically define who and how the strategy will be implemented with what sequence and what resources</b> into strategy design phase.</p> <p><b>1.2: Systematically include post-design support:</b> Extend core program approach to support fixing the so called 'implementation trap'.</p>
<p>In the past 10 years, ITC has successfully developed an active presence in the Export Strategy Market and is a recognized provider with a comparative advantage in particular in terms its participatory approach.</p>	<ul style="list-style-type: none"> <li>• Among interviewed beneficiaries, 40 out of 53 considered ITC ES process was well designed and superior to competitors in time investment and results achieved</li> <li>• A third (8 out of 25) of the countries that developed a National Export Strategy with ITC ES over the past ten year have already re-approached ITC ES seeking</li> </ul>	<p><u>Recommendation 2:</u> In terms of the operational and organizational implications, ITC should clarify accountabilities, in particular the mandate of Export Strategy Section (ESS), and opt between the two main</p>

## **Table of findings and Recommendations**

Issues	Evidence	Recommendations
	<p>support in a new NES initiative.</p> <ul style="list-style-type: none"> <li>• Competitors' facilitated strategies developed with consultation but (not yet) significant participation</li> </ul>	<p>options that were raised during the evaluation process:</p> <p><b>ES Function as a connected but independent business line or Section</b>, focused on Strategy design and Implementation Management</p>
<p>The effectiveness of the offer brought by ITC in the field of Export strategy design has been often compromised after the intervention by lack of strategy implementation or follow up on it.</p>	<ul style="list-style-type: none"> <li>• There is incidental evidence of National Export Strategy continued to be a useful source of information and guidance after design phase (example Uganda).</li> <li>• There is evidence on only 3 out of the 14 completed initiatives successfully implemented. Other 10 initiatives considered to have been only partially implemented and there is no information on 1 initiative.</li> <li>• Limited or no evidence in most countries of public reporting on Strategy goals or indicators after Strategy Launch.</li> <li>• Among interviewed beneficiaries, 24 out of 53 thought there had been low results translating the strategy into action. Further 21 (40%) were unaware of major implementation actions as a result of the strategy.</li> </ul>	<p>or</p> <p><b>ES Function as ITC-wide mechanism</b> to support countries in design, implementation management, implementation of technical aid, beyond current ESS.</p> <p>Whatever the option taken, ITC should preserve its investment in export strategy and further develop its competitive advantage in this field.</p>
<p>Minimal monitoring and unclear accountability within ITC on results of Export Strategy in beneficiary countries makes it difficult to assess results and impact of intervention.</p>	<ul style="list-style-type: none"> <li>• Formal reporting systems include outputs but no process in place in ESS to track results over time.</li> <li>• Information post-intervention is mostly based on personal communication and ad-hoc sharing of information.</li> </ul>	
<p><b><i>B. <u>Linkage between implementation and technical assistance</u> - Beyond the Export Strategy-specific offer, ITC is encouraged to further leverage its participation in Export Strategy market into the broader up to US\$7 billion market in Strategy Implementation Technical Assistance.</i></b></p>		
<p>Significant opportunities exist in the broader Trade Related</p>	<ul style="list-style-type: none"> <li>• Export Strategy is connected and has the ability to influence up to US\$7 billion in program implementation.</li> </ul>	<p><u>Recommendation 3</u>: To increase its support to beneficiary countries ITC needs to actively leverage playing a direct</p>



## **Table of findings and Recommendations**

Issues	Evidence	Recommendations
Technical Aid market.	<ul style="list-style-type: none"> <li>• Interviewed beneficiaries believed successful Strategy formulation initiatives had the capacity to significantly influenced Strategy Implementation projects</li> <li>• ITC is well placed to lead technical assistance in this field.</li> </ul>	<p>or coordinating role in TRTA Export Strategy Implementation projects.</p> <p><b>3.1:</b> DCP is encouraged to develop post-design support technical assistance which will <b>facilitate beneficiary countries with access to solutions and resources</b> for implementation from suppliers, including ITC's;</p>
ITC is not significantly leveraging the linkages between Trade Strategy and the broader trade related technical assistance market.	<ul style="list-style-type: none"> <li>• Uneven ITC-wide effectiveness to secure internal coordination, knowledge exchange and collaborative culture.</li> <li>• Limited internal and external coordination in multi-year, multi-initiative programs across multiple aspects such as design, execution planning, hand-offs, client relationship, follow-up, monitoring and evaluation.</li> </ul>	<p><b>3.2:</b> DCP is encouraged to <b>establish closer linkages with ITC priorities</b> by strengthening linkages with ITC's larger initiatives and multi-year engagement in specific countries focusing pro-active marketing and delivery efforts on best opportunities.</p>
<p><b><i>C. <u>Market positioning and marketing:</u> Export Strategy Offer is well perceived by beneficiary countries and by donors. As the market develops, ITC could consider proactively expanding its positioning and marketing leveraging its approach, its role as a trade specialist and developing a competence on results and implementation management support.</i></b></p>		
<p>ES offer has a strong positioning based on country-owned participatory approach and its focus on public and private sector. ITC's comparative advantage as a trade specialist is not fully leveraged in ES Offer.</p> <p>Market is increasingly demanding action and impact orientation in technical aid.</p>	<ul style="list-style-type: none"> <li>• Majority of beneficiaries interviewed (40 out of 53) considered ES Offer was superior to competitors and highlighted importance of country-ownership.</li> <li>• Lower awareness but high interest among interviewed beneficiaries of ITC's unique role in technical assistance world as 100% Aid for Trade focus.</li> <li>• Low ratio of successfully implemented strategies</li> </ul>	<p><u>Recommendation 4:</u> ITC should further strengthen the position of ES in the marketplace on three differentiating characteristics:</p> <p><b>4.1: Country owned &amp; Inclusive:</b> Build on position of ITC as an informed but neutral facilitator and as a convener for public-private sector productive dialog (based on current strengths).</p> <p><b>4.2: Trade Specialist:</b> Leverage position of Trade Specialist in the Technical Assistance organizations (based on ITC's position).</p>

## **Table of findings and Recommendations**

Issues	Evidence	Recommendations
		<p><b>4.3: Strategy into Action:</b> Expanding focus of program towards action-oriented design and implementation support (need to build competency).</p>
<p>Trend towards unbundling of financing and delivery of technical assistance could be a challenge or an opportunity for ITC as open-bidding processes increase.</p> <p>As beneficiary countries increase ability of choosing assistance provider independent of assistance donor, opportunity identification, marketing and positioning will be increasingly important in Export Strategy and in all Trade Related Technical Assistance</p>	<ul style="list-style-type: none"> <li>• Country ownership and Paris declaration instrumentation – For example, new execution modality of DTIS study in EIF: Broader choice to beneficiary country to choose the execution agency, independent of provider of funds.</li> <li>• Non-traditional donors (ex. social investors, private foundations, philanthropists) predominantly decouple aid from choice of executing party.</li> </ul>	<p><u>Recommendation 5:</u> The Division for Country Programs (DCP) is encouraged to increase <b>pro-active focused marketing efforts:</b></p> <p><b>5.1: Develop ‘opportunity funnel’ and linkage with information on technical aid funding by</b> strengthening linkages with TRTA’s larger initiatives.</p>
<p><b><i>D. <u>Adapting focus to emerging needs:</u> To adapt to the evolution of the market ITC should continue expanding its thematic focus towards trade and investment, strengthen its focus on inclusiveness and sustainability and expand its reach and effectiveness in capacity building.</i></b></p>		
<p>Export Strategy is increasingly integrated to broader Trade or Trade and Investment Strategy.</p> <p>ES current Offer has included Trade and Investment on several initiatives but it is not yet part of core approach.</p>	<ul style="list-style-type: none"> <li>• Increasing role of value chains and connection between investment and trade in developing countries.</li> <li>• Interviewed beneficiaries felt a greater focus on building capacity on attracting investment would have benefited process and implementation</li> <li>• ITC ESS has developed innovative approaches on youth and gender and is considering developing a sustainable development approach.</li> </ul>	<p><u>Recommendation 6:</u> to further expand program presentation and offer from Export to Trade and Investment ESS is encouraged to review ES core offer to reflect this evolution:</p> <p><b>6.1</b> Expand Export Strategy offer to address overall Trade and Investment considerations in Strategy Design.</p> <p><b>6.2: Expand and leverage youth and gender strategy</b></p>

## **Table of findings and Recommendations**

Issues	Evidence	Recommendations
<p>ESS has introduced innovations in youth and gender strategies that have been well received in the marketplace.</p>		<p><b>expertise</b> as a lens to be used in National Export Strategy initiatives</p> <p><b>6.3: Develop sustainable development</b> lenses to be included in future programs.</p>
<p>Capacity building is built-in to the overall process and has been recognized as a strong comparative advantage of the program, which maximizes the potential for sustainability.</p> <p>Implementation and replication of Export Strategies are complex and necessitate a critical mass of competent people in public and in private sector.</p> <p>Current processes may not have always been sufficient to ensure this critical mass is developed.</p>	<ul style="list-style-type: none"> <li>• Among interviewed beneficiaries 40 out of 53 expressed high praise for the relevance and capacity building effects of the ES strategy process.</li> <li>• Strategy Process replicated successfully in new sectors, geographical regions and at national level by participants in ITC-ES led initiatives.</li> <li>• Number of beneficiaries in strategy capacity building focused on navigator, team leaders (10-15 people). To some extent, participants (150-200 people).</li> <li>• In addition to capacity building by participating and sharing leadership in the process, some beneficiaries expressed interest in more explicit and extensive training activities on export strategy issues.</li> </ul>	<p><u>Recommendation 7:</u> ESS is encouraged to deepen and expand <b>capacity building component of programs:</b></p> <p><b>7.1:</b> Further expand focus on capacity building by incorporating training and coaching step-by-step on process and on content, including ‘train the trainers’ for cascading or replicating processes.</p> <p><b>7.2:</b> Enlarge ‘critical mass’ in public and private sector and ensure coverage in capacity building.</p>
<p><b><i>E. <u>Developing offer according to market segmentation:</u> Export Strategy presence in developing or emerging countries is balanced across different economic development segments but is best suited in its current form for more advanced developing or emerging countries. Export Strategy Offer should further adapt its offer to LDCs. Countries active in new trade agreements would also benefit from a customized ES Offer approach.</i></b></p>		
<p>ES Program adapts when needed to specific local conditions but follows largely a similar process in</p>	<ul style="list-style-type: none"> <li>• Main approach, type, phases and consultation process similar across different types of countries.</li> <li>• LDCs rank lower compared to other countries on</li> </ul>	<p><u>Recommendation 8:</u> DCP is recommended to engage in:</p> <p><b>8.1:</b> The development of a <b>specific offer for LDCs</b> with</p>

## Table of findings and Recommendations

Issues	Evidence	Recommendations
<p>most developing countries. LDCs tend to have relative weaker local institutional capacity to ensure optimal development of the program and proper follow-up in the implementation.</p> <p>LDCs challenged by 'strategy fatigue' when combining multiple 'Aid for Trade' strategy related activities.</p>	<p>Competitiveness Indices tracking education, policy stability, government efficiency, etc.</p> <ul style="list-style-type: none"> <li>• Increased number and types of players particular to LDCs such as EIF with competing/synergistic initiatives (ex. DTIS).</li> </ul>	<p>increased focus on capacity building, coaching, process support and post-design emphasis.</p> <p><b>8.2: The development of a specific offer for trade-agreements strategy development:</b> For a single country or for all countries participating in trade agreement.</p> <p><b>8.3: Increased cooperation with other Aid for Trade activities and partners</b> for the development of offers targeted at specific market segments, including stronger linkages with EIF in the case of LDC segment.</p>
<p>Developing countries face significant challenged translating trade agreements into trade development.</p> <p>ES offer can support countries finding public-private sector solutions to leverage trade agreements.</p>	<ul style="list-style-type: none"> <li>• By end of 2012 546 notifications of Regional Trade Agreements received by GATT/WTO. Of these, 354 were in force.</li> <li>• Differing capabilities of countries to benefit from trade agreement potential.</li> <li>• Private sector required to shift resources and focus to reconfigure value chains as a result of the opportunities in new markets and challenges in domestic market.</li> <li>• ES Offer process and tools are fit to assess National or Regional Strategy development.</li> </ul>	
<p><b><i>F. <u>Maintaining competitive edge through innovation:</u> ITC Export Strategy (ES) approach and methodology was highly innovative when first introduced in 2003 and incremental innovations have been continuously incorporated over the years. To maintain its innovative edge in the market, ES should continue integrating thinking on new areas such as impact measurement or Strategy into Action. It should also consider a 'complete re-invention' exercise to identify potential step-changing innovations that can be applied to Trade Strategy.</i></b></p>		
<p>ES approach was considered 'radically' innovative when originally designed and has</p>	<ul style="list-style-type: none"> <li>• Platforms and processes for best-practice sharing and intellectual exchange (ex. Executive Forum or Consultations) discontinued after 2008</li> </ul>	<p><b>Recommendation 9:</b> ESS is encouraged to continue strengthening analytic input through increased <b>R&amp;D focus</b> to build on approach today:</p>

## **Table of findings and Recommendations**

Issues	Evidence	Recommendations
<p>evolved gradually since then.</p> <p>A series of Strategy practice innovations in the academic and practitioner community can provide new avenues for Strategy development practice in Trade.</p>	<ul style="list-style-type: none"> <li>• Incremental innovations (products and process) introduced in every initiative: New tools such as value chain analysis, problem and solution tree, baseline audits, etc. introduced over time.</li> <li>• ES Section has also recently added team members almost exclusively dedicated to Research and Development</li> </ul>	<p><b>9.1: Refine current methodology:</b> Stress innovations around more action-driven, result-oriented approach, capacity to implement Strategy, engagement, etc.</p> <p><b>9.2: Re-launch ES role as a convener</b> of the trade strategy community</p> <p><b>9.3: Experiment with new models of strategy processes:</b> Analyze opportunities for 'step-changes' in the approach to Strategy development.</p> <p><b>9.4: Develop thought leadership as an offer:</b> Opportunity to position ITC as a thought leader in Trade Strategy building on existing and new capabilities.</p>
<p><b><i>G. <u>Optimization of the use of resources:</u> The ES Section has built a strong team over the last 3-4 years and has increased interaction with complementary internal and with external organizations. There is still a strong need for further improvement in integration with other initiatives, both external and internal. The way of increasing internal integration is also dependent on the choice of ES Function within ITC (as a independent business line or Section or as a ITC-wide mechanism).</i></b></p>		
<p>Successful cases of ES Section coordination with external organizations (donors, multi-lateral organizations) and between ITC sections, especially with Regional Offices and Sector Competitiveness.</p> <p>Important complementarities with local actors and external organizations are not being sufficiently leveraged by ITC.</p>	<ul style="list-style-type: none"> <li>• Currently limited internal and external coordination in multi-year, multi-initiative programs across multiple aspects such as design, execution planning, hand-offs, client relationship, follow-up, monitoring and evaluation.</li> <li>• Uneven internal coordination evidenced by successes such as coordination in Palestine initiative with multiple ITC Sections and in Cotton initiatives with Sector Competitiveness, but also evidence of lack of successful coordination and follow up in cases such as Cassava Sector Strategy in Zambia.</li> <li>• Trade competitiveness indicators appear to be</li> </ul>	<p><u>Recommendation 9:</u> On the basis of the response to recommendation 2, ITC is encouraged to determine type of integration with internal complementary functions and to actively support this cooperation:</p> <p><b>10.1: Further develop internal protocols of interventions across Sections:</b> aligned with results tracking, budgeting and decision-making processes.</p> <p><b>10.2: Streamline use of shared resources (ex. R&amp;D, Needs Analysis) across sections.</b></p>

## **Table of findings and Recommendations**

Issues	Evidence	Recommendations
<p>There is unevenness at ITC level of ITC-wide effectiveness to secure internal coordination, knowledge exchange and collaborative culture.</p>	<p>developed simultaneously in MAR Section and in ESS.</p>	<p><u>Recommendation 11:</u> Similarly, DCP is required to strengthen linkages with external organizations complementary to ITC ES Function efforts:</p> <p><b>11.1.Focus ES Resources on larger programs (National, Inter-National and Regional)</b> that best leverage competitive advantages and multiplication opportunities.</p>
<p>ES Offer is efficient in the use of resources relative to other players. Still, significant resources involved in developing an Export Strategy.</p> <p>Opportunities for higher efficiency and increased role in implementation in modifying program structure to further leverage local resources.</p> <p>Comparatively, high use of resources and lower ESS differentiation in specific sector strategies relative to National Export Strategies.</p>	<ul style="list-style-type: none"> <li>• NES initiative support currently priced at around US\$300'000. Sector Strategy priced at around US\$ 150'000.</li> <li>• Total resources involved in NES increases to US\$ 500'000 if monetary value is also assigned to cost of opportunity of time of participant involvement.</li> <li>• Sector Strategies require strategy process input but are more directly connected with Sector expertise.</li> </ul>	<p><b>11.2 Increase use of local regional and international resources:</b> Expand local network and further leverage existing international resources.</p>
<p><b><i>H. <u>Planning and monitoring</u> - To support expansion and innovation in the program, processes and systems needs to continue evolving towards more systematic and disciplined planning and reporting processes. This will also enable ITC ESS in supporting beneficiary countries in monitoring, adapting and evaluating the results of their Trade Strategy.</i></b></p>		
<p>Internal planning and reporting mechanisms not yet well adjusted to facilitate decision making</p>	<ul style="list-style-type: none"> <li>• Fragmented information about degree of implementation of ES initiatives. Post-engagement information sporadic, relying on personal contacts</li> </ul>	<p><u>Recommendation 12:</u> ITC must develop effective development and control system for ESS:</p> <p><b>12.1: Implementation of monitoring and tracking</b></p>

**Table of findings and Recommendations**

Issues	Evidence	Recommendations
<p>Full value of ITC's intervention is limited by lack of analysis of causal linkages Strategy-Impact.</p> <p>Strong trend among development community towards results-based and impact driven management. ITC is moving towards this goal.</p>	<ul style="list-style-type: none"> <li>• ES Section logframe well reflects priorities and inputs/activities. Outcomes and outputs, however, are not always clearly distinguished.</li> <li>• Impact indicators are included in logframe but limited or no reporting on these indicators up to date.</li> <li>• ES Section has strengthened its planning and reporting processes but the organization relies on more personal rather than institutional memory</li> <li>• Momentum around results based management program being currently implemented at ITC</li> <li>• Positive evolution of planning processes: For example recent innovations on ITC budgeting processes to be aligned with outputs.</li> </ul>	<p><b>mechanisms</b> oriented to measuring outputs, outcomes and impact in Trade Strategy Initiatives.</p> <p><b>12.2: Review of ESS mandate and its logical framework</b> by: (a) Adapting to reflect evolution in ES Strategy; (b) Clarifying outcomes from outputs in framework; and (c) Establishing mechanisms to track results at impact and outcome level.</p>



## 2 Introduction

### 2.1 Background and Context

Export Strategy (ES) had its origins in 1999 when Senior Management recognized that after 30 years in existence ITC would benefit from developing a comprehensive approach at the country level. Following several broad-based Consultative Forums, ITC developed a methodology that enabled a pilot National Export Strategy (NES) to be undertaken in Kenya in 2003. This function was initially known as the Executive Forum on National Export Strategies (later renamed to World Export Development Forum or WEDF) and located in the Executive Director's office. It became then then a proper Section which was moved in 2008 to the Bureau of Policy and Programmes where its strategic mandate could serve the Regional Offices that in turn could provide critical country input into the export strategy process. In 2009, the Section was no longer responsible for organizing WEDF.

Export Strategy (ES), managed by the Export Strategy Section (ESS), is one of the five core business lines of ITC<sup>4</sup> and is responsible for the Export Strategy Business Line. Their principal objective is to strengthen the capacity of partner countries to formulate and manage the implementation of export development strategies that are relevant and capable of being implemented. ES has developed a comprehensive and rigorous methodology that is applied to National Export Strategies (NES), Sector Export Strategies (SES) and Regional Export Strategies (RES). The methodology's distinguishing characteristics: is its focus on having the beneficiary actively engaged in its design which results in producing a strategy that is wholly "locally owned"; it adopts a capacity-building orientation; its scope combines both a development and a competitiveness orientation; and it employs a unique approach to value chain diagnostics.

ES is in a transitional growth period. Demand for its product is building up a substantial pipeline. An internal ES survey conducted in 2011 and early 2012 resulted in ITC staff offering helpful suggestions on how the ES methodology could better be integrated and increase its effectiveness through greater coordination with other ITC programs. Follow-up interviews carried out as part of this evaluation in December and into 2013 offered further

---

<sup>4</sup> The other four core business lines are; Business and Trade, Trade Support Institution Building, Trade Intelligence and Export Competitiveness



suggestions on how the ES methodology could become more effective and relevant.

Concurrently, ES produced a forward-looking position paper in November 2012, which provided a vision and strategic positioning for ITC's export strategy business line for 2013-2015. It was noted in this paper that, despite ES having an attractive product line with strong demand from beneficiaries, "the impact of ITC's export strategies remains unknown and the potential untapped"<sup>5</sup>.

## *2.2 Purpose and Objective of the Evaluation*

It is expected that an evaluation of the ES Methodology, including extensive interviews with beneficiaries, will assist in confirming the case for these strategic changes and will offer additional insight as seen from the perspective of beneficiaries or from analyzing information relative to the design and execution of the program.

As indicated in the Terms of Reference (TOR) developed by ITC, the evaluation has been thus conducted with two main purposes<sup>6</sup>:

1) Assess the actual effect of the Export Strategy business model on beneficiary countries' export environment and export capabilities. The evaluation is designed to assess the policy and economic effects the program has generated to improve the performance of Governments, intermediary Trade Support Institutions (TSIs) and the business sector in the area of exports generation.

The evaluation assessed the effects on which the program has a **direct effect** such as:

- Extent of inclusiveness, consultation and relevance of participation;
- Level of awareness and capacity-building the strategy process generates;
- Mainstreaming of exports within the national development policy;
- Design and implementation of trade-development initiatives and policies to improve the export situation;
- Good practices included in other related exercises implemented by ITC in particular and by other organizations.

The evaluation also assessed **indirect effects** of the program, where the ITC ES

- Function has no formal mandate for and control over follow up or implementation, such as:
- Extent to which strategies are implemented at the country level and, in particular the

---

5 'Export Strategy 2013: From Potential to Performance', Export Strategy Section, International Trade Centre, November 2012.

6 'ITC's Export Strategy Function Evaluation Terms of Reference', International Trade Centre, December, 2012, p. 5

use of strategies in improving the competitiveness and development of countries' export sector<sup>7</sup>;

- Effects on the institutional export promotion soft infrastructure at the country level and country ownership and local stakeholder involvement:
- Effects on the quality of the business environment and export friendliness at the country level.

2) Assess and refine the method applied by ITC to develop export strategies. The evaluation has been designed to provide a better understanding of trends in demand and supply in the export strategy market. It analyzes ITC's current positioning within this market and proposes concrete initiatives to improve or refine the methodology for export strategy development with the final aim of maximizing the support and impact for beneficiary countries. The assessment of ITC's capacity was to cover:

- Focus on implementation and building a system that delivers results
- Providing clear and rigorous conceptual analysis and intellectual approach:
- Partner with and, develop and empower people's energy and talent with the objective of developing country ownership;
- Facilitating cross-fertilization on innovative solutions, partnerships public/private sector, to widening views and learning from others' experiences.

The evaluation has applied an evaluation methodology that was specifically constructed for this purpose and which was presented in December 2012<sup>8</sup> and summarized in Section 2.3 below.

## *2.3 Evaluation Methodology*

### **2.3.1 Scope**

The evaluation focused on the activities, outputs, outcomes and impact of the Export Strategy Function at ITC during the period 2003-2013. This mainly refers to the activities carried out by the Export Strategy Section (part of the Division of Country Programs) between 2007-13 and the ones executed by the previous organization Executive Forum (part

---

<sup>7</sup> The original Terms of Reference included the formulation of strategies in this section but this aspect has been covered in the 'direct' effects section.

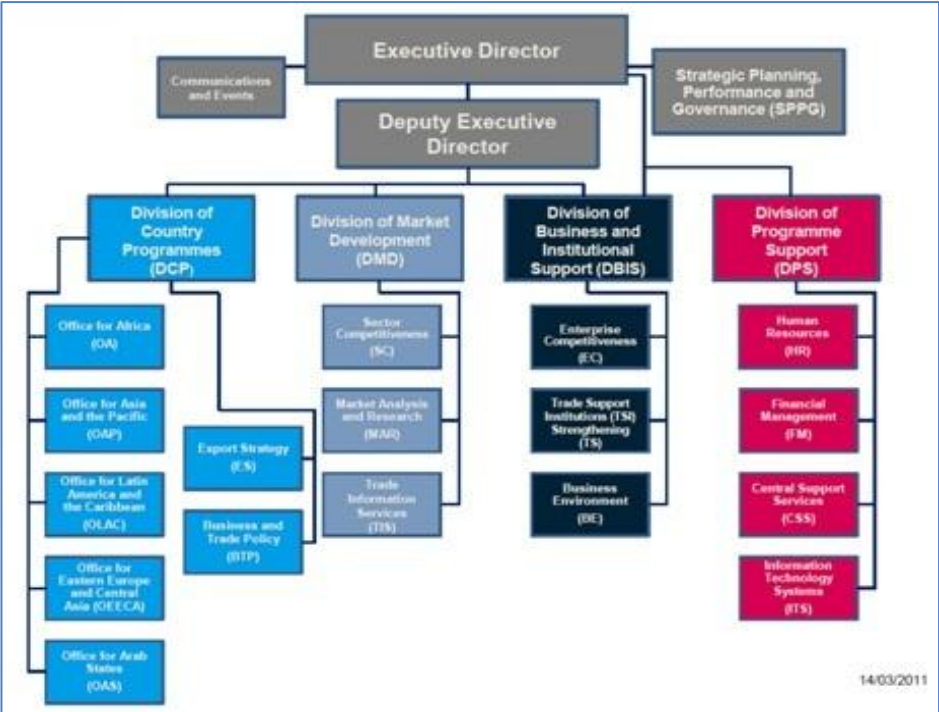
<sup>8</sup> 'Evaluation of the Export Strategy Function in ITC, Proposed Methodology, Richard Gold and Gabriela Alvarez, January 2013

of the Office of the Executive Director) between 2003-07.

The review focuses mainly on the activities of this Section but is not limited to it as the nature of the Export Strategy Program goes beyond the activities of a single section and even ITC. In several cases, the Export Strategy initiative was framed within a broader project in a country that included both the design as well as implementation activities, supported by another ITC Section or other international agencies such as FAO, World Bank, IITA, etc.).

Due to the high connectivity of Export Strategy within and beyond ITC, the evaluation addressed, as needed, other relevant areas within ITC. In particular, Regional Offices and Business and Trade Policy in the Division of Country Programs; Sector Competitiveness and Market Analysis and Research in the Division of Market Development and Trade Support Institution Strengthening in the Division of Business and Institutional Support (see Figure 1).

**Figure 1: ITC Organizational Chart**



Source: www. Intracen.org

**2.3.2 Initiatives Reviewed**

The main offering in the area of Export Strategy is the support in the development of National, Sector, Regional and Cross-Sector functional Strategies for developing countries. The evaluation thus focused on these initiatives as the core unit of analysis and the review

included 25 National Export Strategies<sup>9</sup>, 21 Sector Export Strategies and 6 Regional Export Strategies.

**Figure 2: National Export Strategy Initiatives 2003-13**

National Export Strategy	Year	National Export Strategy	Year	National Export Strategy	Year
Kenya	2003	Botswana	2006	Dominica	2010
Saint Lucia	2004	Lao’s PDR	2006	Romania	2010
Sri Lanka	2004	Fiji	2007	Mozambique	2012
Romania	2005	Uganda	2007	Côte d’Ivoire	2012
Belize	2005	St. Vincent Grenadines	2007	Liberia	2013
Vietnam	2006	Jamaica	2009	Kyrgyzstan	2013
Zambia	2006	Jordan	2010	Palestine	2013
Cambodia	2006	Rwanda	2010	Myanmar	2013
Grenada	2006				

---

<sup>9</sup> Four initiatives were not evaluated as they had been discontinued (Zambia 2006, Belize 2005, Saint Vincent Grenadines 2007) or the output documents were not available for review (Vietnam 2006).

**Figure 3: Sector and Regional Export Strategy Initiatives 2003-13**

Sector Export Strategy - 21 Projects		Regional –Export Strategy - 6 Projects
Tanzania-Leather 2004;	Fiji – Fruits and Vegetables 2010;	UEMOA - Cotton and textiles 2010;
Kazakhstan-Fruits and vegetable processing 2005;	Grenada – Nutmeg 2010;	COMESA - Cotton to clothing value chain 2011;
Uganda- Apiculture 2005;	Jamaica – Agriculture 2010;	COMESA – Leather 2011;
Uganda-Handicrafts 2005;	Liberia – Cassava 2010; ;	ECCAS – Coffee 2011;
Uganda-Services 2005;	Zambia – Cassava 2010;	ECCAS – Cotton and Textiles 2011;
Cameroon – Coffee 2009;	Mali – Arabic Gum 2010;	ECOWAS – Mango 2011
Samoa – Fruits and Vegetables 2009;	Burkina Faso – Arabic Gum 2011;	
Cameroon – Banana Plantain 2010;	Solomon Islands – Coconut 2011;	
Cameroon – Cassava 2010;	Uganda – Coffee 2012;	
Ethiopia – Spices 2010;	Zimbabwe – Leather 2012;	
	Ghana – Yam 2013	

Figure 3 lists the Sector initiatives undertaken between 2004 and 2013, including those still in execution stage at the time of the review (Ghana-Yam) and the 6 Regional Export Strategy Initiatives. In addition to these initiatives, Figure 4 lists additional activities carried out by the Export Strategy Section during the period. These include the Executive Forum (WEDF) Series as well as specialized consultations and publications under the Innovations in Export Strategy series, and Export Strategy capacity-building workshops. These were not directly covered in the review but were analyzed indirectly as they were a critical part of building a thought leadership position for the Export Strategy Function. The activities also played an important role in promoting ITC as a natural ‘convener’ for the Export Strategy technical global community.

**Figure 4: Other activities Export Strategy Function 2003-13**

Activities	Periodicity	Period
Global and Regional Executive Forum	1 Global, 1 Regional	1999-2007
Innovations in Export Strategy Consultations & Publications	4-5 per year	2004-2008
Workshop Series: ‘Building capacity in Strategy’	4-5 per year	2003-2012

### 2.3.3 Criteria

In line with DAC/OECD criteria, the evaluation assessed ITC's Export Strategy function according to five criteria<sup>10</sup>: Relevance; Effectiveness and achievement of outputs and outcomes; Efficiency; Impact; and Sustainability. Within each criterion, a set of pre-defined topics guided the analysis of documents and the field research<sup>11</sup>:

Relevance:

- Alignment of ES Technical Support to ITC's goals and focus
- Relevance of Export Strategy (ES) Technical Support for ITC's focus countries
- Higher or lower relevance in different market segments according to context, scope or other

Effectiveness:

- Public and Private stakeholders enabled to formulate strategic vision and identify priorities to support export development and competitiveness
- Evidence of participatory approach and country ownership
- Public and Private Stakeholders engage in productive dialog supporting the mainstreaming of trade and development of a national export culture
- Demonstrated ability to sharing best practices, Analog examples and stimulating learning from other experiences
- Successful implementation and monitoring of actions specified in the Export Strategy
- Export development Strategies that receive and effectively utilize Aid for Trade support
- Competitive advantage of ITC's Export Strategy offer in developing countries
- Use of internal and external partnerships to achieve expected outputs, outcomes and impact.

Efficiency:

- Demonstrated ability to deliver according to agreed upon work plan
- Staffing levels, skills and performance
- Efficient use of resources and time

Impact:

---

<sup>10</sup> The criteria are in line with those established by DAC/OECD and currently used by many Donor Agencies; The extent to which the Evaluation Object is Relevant, Effective, Efficient, produces an Impact and is likely to create a Sustainable product or process.

<sup>11</sup> 'Summarized from ITC's Export Strategy Function: ITC Evaluation Terms of Reference', December 2012.

- Achievement of goals and key objectives stated in Export Strategy document
- Evidence of increased knowledge and skills for beneficiaries
- Evidence of Export Support Institutional Strengthening
- Evidence of progress in selected indicators such as export growth, diversification, ease of doing business, etc.

#### Sustainability:

- Sufficient local capacity and resources to manage the implementation of the Strategy and to monitor its implementation
- Integration into trade development programs, from ITC, other donors, government and investors
- Resource availability to support program implementation and monitoring

#### *2.4 Evaluation Team and Methods*

The evaluation has been conducted by Mr. Richard Gold as Evaluation Team Leader and Ms. Gabriela Alvarez as Expert in Trade development, under the overall management of the Evaluation and Monitoring Unit of the ITC and with the collaboration and inputs of ES staff. The methods used by the evaluation were aimed to provide informative responses to make an assessment as to the degree to which the program satisfies the evaluation criteria described above. They were also used to assess the current performance of the Export Strategy Function today, the market opportunities and threats and to ideate future possibilities. An evaluation framework matrix was produced (reproduced in Appendix 7.7.2) and served as an overall guide to the information gathering process. This grid consists of sections headed by each of the DAC/OECD criteria and indicates appropriate questions to acquire the information as well as indicators to use to measure results. The methods selected as appropriate to research on the criteria were: Desk Research, Field Missions, Other Semi-Structured Interviews, Comparative Analyses and Questionnaires. These methods are described below.

**Desk Research:** This method was used to gather information on market characteristics and trends, ITC's ES documented historic trajectory and to assess NES initiatives output quality.

A secondary data search has also been carried out to identify information on market trends, competitive landscape as well as methodological innovations. Trade, investment and sustainable development related statistics were analyzed to identify possible impact indicators for the Export Strategy Function. This data was compiled from online databases such as World Bank Development Indicators, World Economic Forum Competitiveness Report and the World Trade Organization's Database on Trade Agreements

Over 40 ITC documents were analyzed, including logframes of initiatives and sections, strategic plans (including those of ES), NES Case Studies and a range of ITC analytic information including ITC Market Analysis Tools.

A total of 14 output documents from initiatives (out of 17 completed or delayed NES

initiatives) were also reviewed to assess their quality, readability and implementation traits.

**Field Missions:** The evaluation included visits to a small but representative sample of countries that had benefited from Export Strategy support. The criteria to select the countries to be visited included geographical balance, dating of the initiative, successful and less successful initiatives and a representation of Sector, National and Regional Strategies.

Applying the criteria, the following countries were selected to carry out a field mission in March 2013:

- Uganda: National Export Strategy 2007, Coffee Sector Strategy 2012
- Zambia: National Export Strategy 2006, Cassava Sector Strategy 2010, COMESA Regional Strategy Cotton 2011, Leather 2011
- Mozambique: National Export Strategy 2012
- Palestine: National Export Strategy 2013

During these visits, a series of semi-structured interviews (see below) were conducted with beneficiaries, donors and other international organizations involved in the initiatives.

**Semi-structured interviews:** The evaluation relied on protocols for face-to-face semi-structured interviews, which were used in both ITC headquarters interviews and suitably modified for field interviews with beneficiaries and other stakeholders including donors. Again, the questions were designed to acquire facts that would support (or not) how effective the ES methodology performed relative to the evaluation criteria.

Care was taken to acquire information from different interest groups; public sector, private sector, donors, beneficiaries both direct and up or downstream stakeholders. To the extent possible information was verified if it appeared questionable and when a range of responses were given, the data was triangulated in order to determine the most credible range of responses.

In order to widen the scope of interviews a telephone interview questionnaire was used in order to provide some structure and focus to the interviews and a questionnaire was created to capture responses and information from beneficiaries who were otherwise difficult to reach, had language barriers or were less willing to be reached over the phone.

All in all, a total of 53 people were interviewed as part of the field research, representing 10 countries. An additional 30 interviews were carried out at ITC to gather internal views, documents and ideas on the subject. Appendix 7.3 lists the people and organizations that were interviewed for this evaluation.



**Questionnaire/Survey:** Originally, it was also envisaged to carry out a more extensive online questionnaire or survey to gather information from participants and stakeholders in a more systematic and unbiased way<sup>12</sup>. This was not possible as there is no systematic collection of contact details for participants in Strategy Processes and thus it was not possible to locate specific beneficiaries. This reflects in itself a broader issue with the follow-up of activities in the field, as there is currently no systematic collection of data on participants or any structured follow-up activity involving them after the formal Strategy formulation process is finished.

**Interaction with ES Team:** Frequent meetings throughout the evaluation process were held with ES team leaders and with all team members. Initial findings were discussed with the team and a ‘thinking session’ at the end of June to exchange ideas on the future of Export Strategy function.

### **2.4.1 Logical Framework**

The Evaluation took into account two ES’ logical frameworks (logframes). For the purpose of conducting the main analysis, the evaluation used the most recent Section logframe and reproduced in Appendix 7.4.1. Previous logframes were more “activity-oriented” rather than “outcome or impact oriented.” Therefore the analysis is more focused on learning purposes than on accountability purposes.

This logframe includes expected impact, three projected outcomes and nine expected outputs.

At the impact level, the framework identifies as a main objective:

- To contribute to develop exports and enhance their competitiveness, which in turn will drive employment creation, income generation, in particular improving livelihoods of women and youth and the overall socio-economic development of the country. Impact is expected to be measured by indicators such as country’s export performance in terms of product base and destination markets, improved trade balance, improved business environment ranking and socio-economic effects of exports.

Three outcomes, with corresponding outputs, are documented in the logframe:

- Public and Private stakeholders are enabled to formulate a strategic vision and identify priorities to support export development and competitiveness

---

<sup>12</sup> ‘Evaluation of the Export Strategy Function at ITC, Proposed Methodology’, January 2013

- Public and Private stakeholders are enabled to conduct a dialogue supporting the mainstreaming of trade and the development of a national export culture
- Public and Private stakeholders are enabled to manage export development strategies that receive and effectively utilize Aid for Trade to support the development and competitiveness of the export sector.

The current logframe thus focuses on the capacity building aspect of Strategy, with specific outputs identified related to the preparation, facilitation of Strategy workshops and documentation of conclusions of these workshops, advisory and technical support to the establishment of an implementation set-up, advocacy activities with relevant government partners, donors and private sector. The logframe outputs also refer to the delivery of workshops and advisory services provided to the implementation coordination institutions in the area of resource mobilization and project design.

It is important to note, however, that this logical framework has only been introduced recently as part of the transition to Results Based Management at ITC. The previous ES Section logical framework, used between 2009 and 2012 and reproduced in Appendix 7.4.2, contained one impact objective, three medium term outcomes, four short-term outcomes and eight projected outputs.

At the impact level, both frameworks are similar. As for the outcomes, the older logframe includes the ones in the new logframe and covers three additional areas:

- An improved policy framework to support development and competitiveness of the export sector with positive human development impact.
- Increased capacity of private and public institutions to support and stimulate exports through the provision of relevant and accessible trade support services.
- Empowered national stakeholders capable of contributing to export development activities.

In summary, both logframes are similar in content and cover the main areas of activity of Export Strategy Function, with the newer one condensing the outcomes into just three key ones but covering the remaining ones through outputs and indicators of success. Still, the older framework was also considered in the evaluation as was the one guiding activities during the period being assessed.

#### **2.4.2 Evaluation Challenges**

The collection of secondary data, as well as the field visits and phone interviews were rich sources of information for the evaluation. Still, it is important to note the significant challenges that were associated with compiling data for this analysis. Deficient documentation processes both at ITC and in beneficiary countries as well as poor or non-existent monitoring structures made the data collection process very challenging and lengthy.

At ITC, ES follows and fulfills ITC formal requirements and processes in planning. Still, these

processes do not always reflect the information necessary to assess how initiatives evolve and to enable an effective or complete performance review or facilitate strategic decision making. Information on sources and uses of funds for the section were secured late in the process and this information was in a very aggregated form. Even the number of initiatives pursued, or that were initiated but interrupted for any reason was not collected systematically over the years.

There has been a strong effort to formalize, the documentation of activities as well as set up planning and performance appraisal processes at the Section during the last year. This is a very positive step and further improvements should be strongly encouraged.

### *3 Trade strategy and development - market overview*

#### *3.1 Estimated Market size and components*

Development plans, competitiveness and strategic planning have also been actively introduced in developing countries over the last 20 years. These integrated or 'master' plans try to integrate efforts, set policies and focus efforts to promote economic and social progress, attracting investors, donor aid, encouraging a shared vision among different stakeholders.

Global trade has also expanded significantly over this period, driven by large reductions in trade barriers, technological, transport and communication innovations. Even when global trade experienced a downturn over the 2008-09 crisis, emerging economies increased their participation as importers, diversifying the markets and helping make up, at least partly, the decreased importing levels from traditional developed economies hit by the crisis. As global trade plays a larger role in development, it has also increased its role in the complex national strategy and planning systems developed.

The result in any given country is a relatively complex web of Strategies, Plans and Initiatives at different levels of aggregation and with different focus.

**Figure 5: Trade Related Strategy and National Strategy**



Figure 5 proposes a schematic view of the types of trade related strategies as part of broader ‘Grand Strategy’ Processes and of more detailed Sector, Function or Region focus. National Growth Plans or National Development Plans are progressively present in many developing countries. These plans can express a long-term vision (ex. Peru Plan 2021) or be aligned with elected government tenures (ex. National Development Plan Colombia 2010-2104). Some countries have also developed more focused strategies at the national level in specific areas. For example, the World Summit for Sustainable Development (WSSD) made a call in 2002 to take immediate steps to make progress in the formulation and elaboration of national strategies for sustainable development. By 2009, 106 Member States of the UN were implementing a National Sustainable Development Strategy<sup>13</sup>.

Some of the Strategic initiatives in a country can also be supported or coordinated by donors for specific purposes. For example, Poverty Reduction Strategy Papers (PRSPs) are documents required by the International Monetary Fund (IMF) and World Bank before a country can be considered for debt relief within the Heavily Indebted Poor Countries (HIPC) initiative. PRSPs are also required before low-income countries can receive aid from most major donors and lenders. Another type of program, the United Nations Development Action Framework (UNDAF) is a program document between a government and the United Nations

<sup>13</sup> United Nations Sustainable Development Knowledge Platform <http://sustainabledevelopment.un.org/index.php?menu=201>, accessed July 9, 2013

Country Team that describes the collective actions and strategies of the United Nations to the achievement of national development. The UNDAF includes outcomes, activities and UN agency responsibilities that are agreed by government.

Some programs can also be specific to certain developing countries. The Enhanced Integrated Framework (EIF) is a multi-donor program focused on supporting LDCs play a more active role in the global trading system and make trade a driver for development. With development interventions in 49 Least Developed Countries (LDCs), the program bases its initial interventions in a country on a Diagnostic Trade Integration Study (DTIS). The DTIS is a comprehensive analysis of an LDC's economic and trade environment and aims at identifying constraints to competitiveness, supply chain weaknesses and sectors of greatest growth and/or export potential. Each DTIS contains an Action Matrix that outlines priority reforms to be conducted in a certain order to alleviate most binding constraints to greater trade competitiveness.

Competitiveness initiatives and Trade or Export Strategies are often part of a broader set of strategic initiatives within a country focused on the development of a more competitive domestic and internationally integrated productive sector. As such, they can be developed both at a National or at a Regional level and can include an aggregation of Sectors, Functions or Geographies. These initiatives can vary in scope and in depth. They can be connected with or influenced by other more specific programs and are expected, in turn, to affect the implementation of specific activities defined in the Strategy. The magnitude of these related programs typically outweigh the scale and resources involved in the definition of the Strategy itself.

In narrow terms, the area presented in Figure 5 is the part that could be considered the 'market' for Trade Strategy initiatives. High-level estimates of the size of this market in technical aid would suggest that the Export Strategy market could range between US\$ 30 – US\$ 50 million per year<sup>14</sup>. The market, however, needs to be analyzed more broadly as it is often the case that certain components of a Strategy are carried out independently of a complete Trade Strategy. Similarly, there is a 'cascade' of local or sector strategies that could be integrated or not into a national level strategy. When taking these elements into account, the Strategy formulation market would represent between US\$ 130- 350. Figure 6 graphically represents the type of initiatives in each of the indirect markets and provides an estimate of their relative magnitude. Note that, even though the direct market for technical aid in Trade Strategy Formulation is 'only' US\$ 30-50 million in its strictest sense and

---

<sup>14</sup> See Appendix Strategy Implementation - Technical Aid Market 7.5, p. 143, for methodology used to calculate market size

US\$130-US\$ 350 M when including its components, it has the potential to influence a much larger, up to US\$ 7 billion, Strategy Implementation activities!<sup>15</sup>

**Figure 6: Strategy Inputs, Components and Implementation**



In the next sections, the analysis focuses on the market size, characteristics and key segments of the Trade Related Strategies. It is important, however, to keep in mind the influence, connectivity and leverage these have with specific elements and with related implementation programs.

### 3.2 Trade-related strategies

#### 3.2.1 Trade Related Active Strategies

As mentioned in the previous Section, developing countries have increasingly incorporated Trade related Strategies in their National Planning Process. Even though the majority of these Strategy initiatives is designed to last somewhere between three and five years, a large number of strategies are 'active' at any point in time.

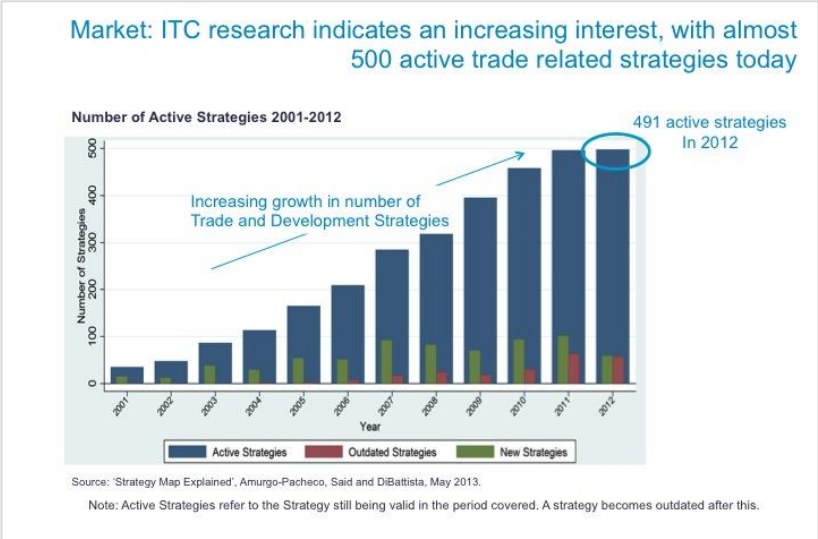
A recent analysis carried out by the ES Section at ITC over 156 ITC Program Countries<sup>16</sup>

<sup>15</sup> The Strategy Implementation Market has been estimated based on OECD Technical Assistance Database. The US\$ 7 billion represent areas that are within ITC Core activities or Extended Core. Please see Appendix 7.5 for additional detail on market size and growth trends.

<sup>16</sup> 'Strategy Map Explained', Amurgo-Pacheco, Said and Di Battista, International Trade Centre, 2012

identified 732 documents related to Trade Strategy developed between 2001 and 2012.

**Figure 7: Trade related Strategies**



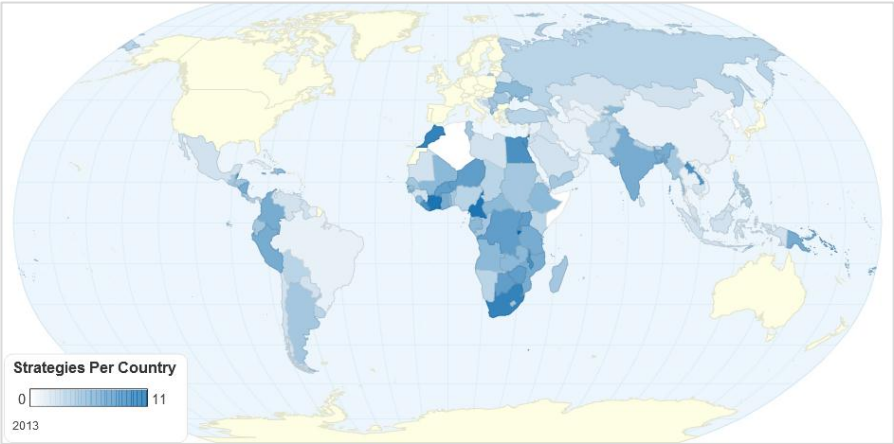
Every year, new Strategies get approved in multiple countries but other Strategies can also become obsolete if they pass the timeframe specified in the document. The net result is an indication of the number of ‘active’ strategies at any point in time. Between 2001 and 2011 the number of new documents has constantly exceeded the number of documents becoming outdated. In 2012, there were almost 491 strategies considered ‘active’, a fourteen-fold increase since 2001, the first year covered in the study (see Figure 7)<sup>17</sup>.

The vast majority of documents identified in the study referred to individual countries<sup>18</sup>. As the study focused on ITC’s program countries, Europe, North America, Australia and parts of Asia were excluded from the analysis.

17 This information may be overstated as the research was carried out in 2012 and, as a general rule, more recent information is easy to obtain. Nonetheless, as the authors note ‘it appears unlikely for this bias to fully account for the sharp rise’.

18 Of the total 732 documents identified in the study only 12 referred to groupings of countries such as The Economic Community of West African States (ECOWAS), or The Common Market for Eastern and Southern Africa (COMESA).

**Figure 8: Trade related Strategy per country 2001-2012**



Source: ITC’s StrategyMap

Among the countries covered in the analysis, the average number of active documents by country in 2012 was calculated by the research to be 3.25, a significant increase from 0.23 strategies in 2001. This implies that whereas in 2001 only one in five countries had a strategy, by 2005 every country had a strategy on average, and by 2011 countries had more than 3 active strategies on average (see Figure 8).

**3.2.2 The role of technical assistance in Trade Strategy**

As analyzed in Section 3.1, a portion of the Strategic initiatives in a country are regularly supported or coordinated by donors and international organizations. This is the case of Poverty Reduction Strategy Papers (PRSPs), United Nations Development Action Framework (UNDAF) and the Diagnostic Trade Integration Studies (DTIS) in the framework of the Enhanced Integrated Framework (EIF) as well as ITC’s Export Strategy development support process.

**Figure 9: Strategies by Program Type**



Figure 9 illustrates the important presence of international organizations in National, Sector



and Regional export strategies. Over the last decade, close to 40% of trade related strategies developed were linked to an International Program or Organization. Among these, the United Nations Development Action Framework (UNDAF) was the most predominant in developing countries, with 165 initiatives between 2003 and 2012. Other strongly present were Poverty Reduction Strategy Papers (PRSPs) in the Heavily Indebted Poor Countries (HIPC) with 86 initiatives and the Diagnostic Trade Integration Study (DTIS) with 49 initiatives during the same period<sup>19</sup>. ITC ES Program was appreciably represented, offering support for 42 initiatives over the last ten years and representing approximately an 11% of the international technical aid market in terms of number of strategies supported.

National or domestically generated strategies as well as international or donor-assisted strategies vary significantly from one context to the next. Different segments can be identified with differing characteristics and needs.

### *3.3 Market segments and market needs*

Trade Strategies can differ significantly from one country or region to another. One of these differences, presented in the previous section, is given by the level of involvement of international actors or technical aid. But trade strategy level of interest, needs addressed and process requirements can also vary markedly between countries depending on factors such as geographic location and level of development level or by specific circumstances such as the signature of trade agreements or post-conflict reconstruction processes. These segments are explored below, identifying specific characteristics that influence the Trade Strategy's issue coverage and process factors.

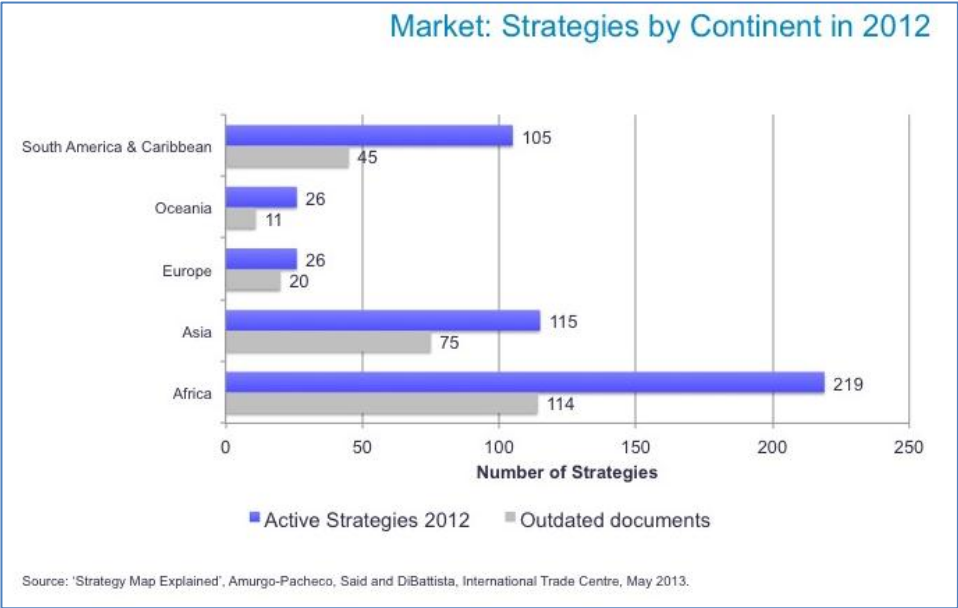
#### **3.3.1 Market Segments by Region:**

As Figure 10 reveals, most strategies being developed or active in 2012 were located in Africa. This is in large part attributable to the high number of International Program strategies are predominant in the region. Asia is the second largest geographical region in terms of Trade related strategies, with 115 active strategies in the region by 2012, closely followed by South American and Caribbean where 105 strategies were considered to be active by 2012.

---

<sup>19</sup> PRSP and UNDAF are not trade-specific initiatives but can contain a trade as one of the components.

**Figure 10: Active Strategies by region**



The lower presence of formalized inclusive planning processes in Europe could indicate a lower level of interest in such activities in developed economies although initiatives like Enterprise Ireland are important elements of national strategy. United States of America has also consistently developed and published annual Export Strategy documents. Again, as the collection of data only covered ITC Program Countries, a number of these Strategies would not have been captured.

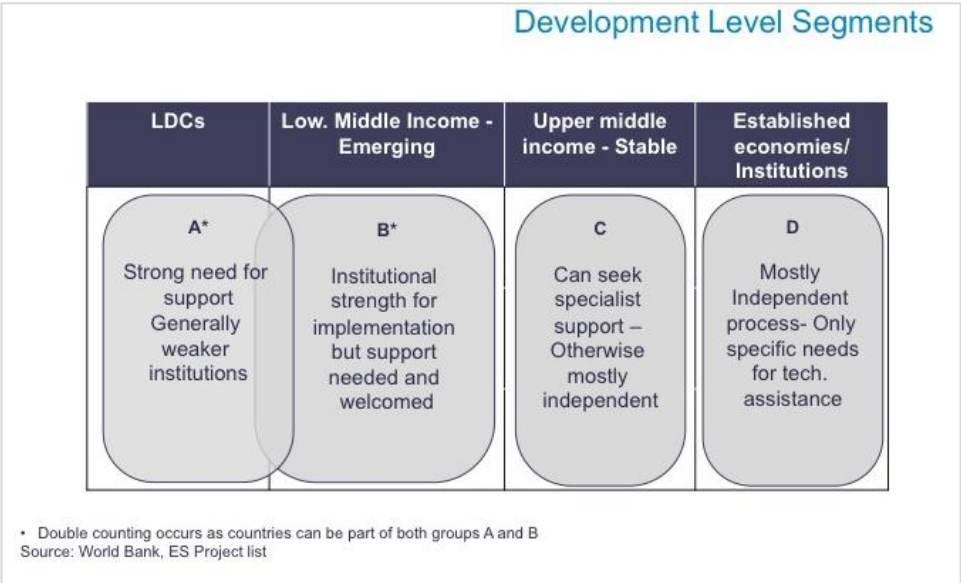
**3.3.2 Market Segments by development level:**

A complementary view of the market consists of grouping countries according to their level of development. The segmentation by development level evidences some of the common context issues found that can determine the goals to be achieved by a National Export or Trade Strategy and the level of ‘preparedness’ in the country to develop and to implement such a Strategy.

It is expected that countries with a higher level of economic development tend to also have an increased domestic capability to initiate, to develop, to implement and to monitor Trade Strategies. On the other hand, weak institutions and a limited pool of professionals in the Strategy Field mean that less developed economies often seek support from International Organizations and Programs to develop solid trade related strategies, while more advanced economies would tend to incorporate specific expertise from consultants and international organizations to tackle specific issues, rather than the overall Trade Strategy. This view was supported in the field interviews, contrasting experiences from countries like Colombia, an upper-middle economy according to the World Bank classification that had developed a robust trade and investment strategy supported in specific areas by international consulting companies and multilateral organizations and the experience of several LDCs where limitations in terms of local capacity and institutional strength was highlighted in stakeholder interviews. Figure 11 distinguishes among country needs in terms of Trade Related

strategies according to their level of socio-economic development and the robustness of local institutions.

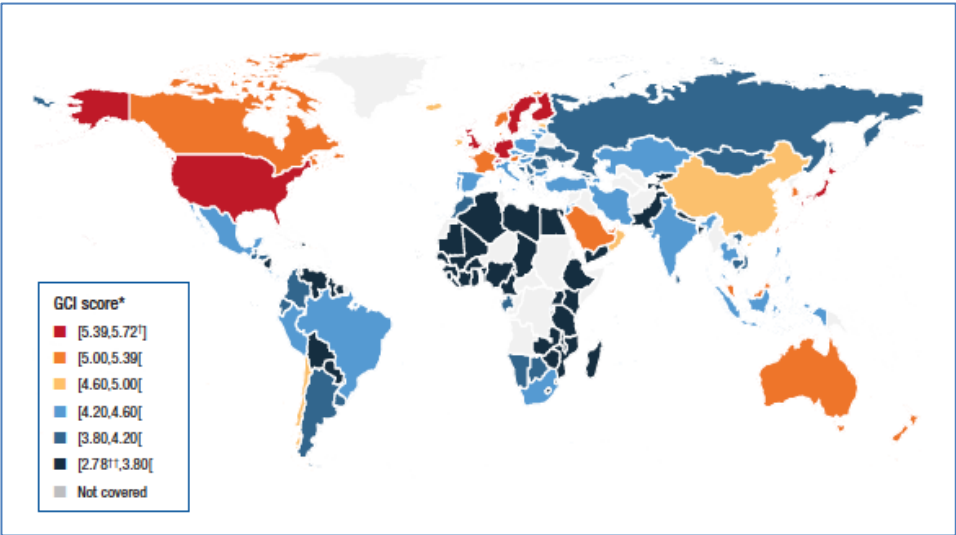
**Figure 11: Market segments by development Level**



**Less Developed Countries and Export Strategy:**

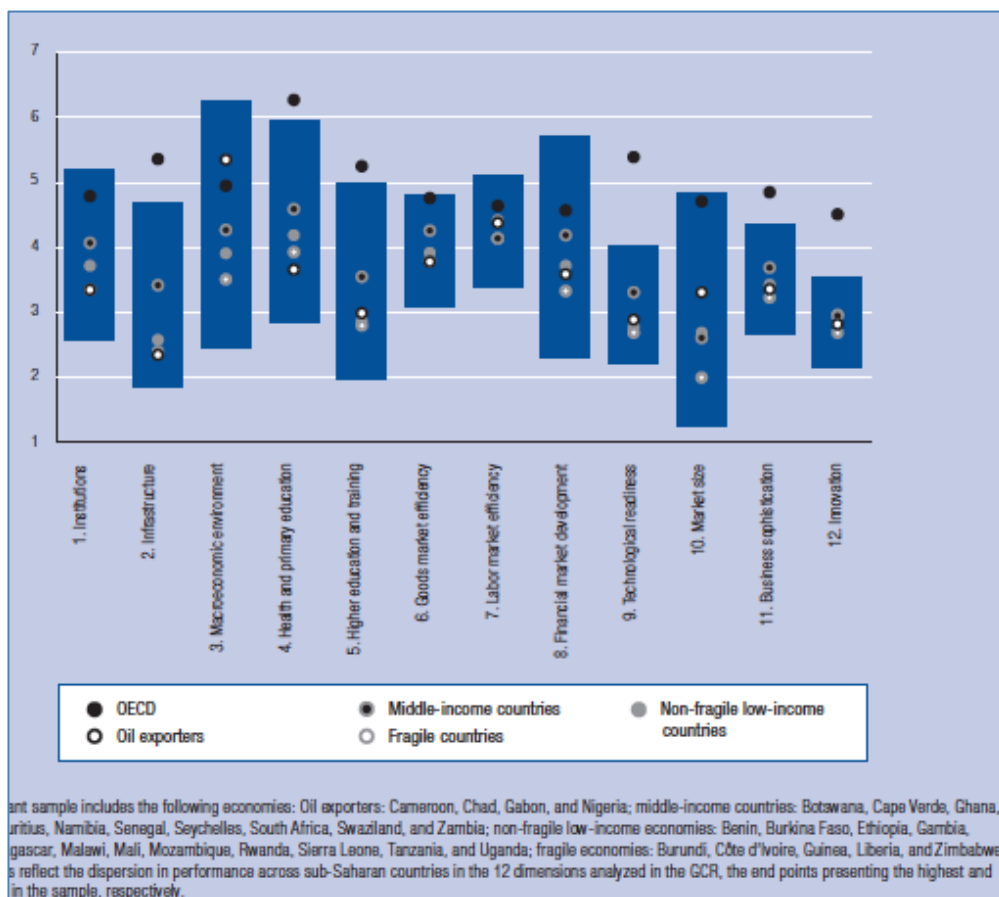
Additional interviews and research was carried out in LDCs to explore this topic further. In Sub-Saharan Africa, where there is a concentration of LDCs, the Global Competitiveness Index (GCI) also shows lower levels than in other areas of the world (Figure 12). The index combines a series of measures that include macroeconomic variables, education as well as the strength of institutions and business sophistication.

**Figure 12: Global Competitiveness index 2012**



Source: World Economic Forum (2012) Global Competitiveness Report

**Figure 13: Performance of Sub-Saharan African countries by type**



Source: World Economic Forum (2012) Global Competitiveness Report

Figure 13 further identifies the performance along the different indicators of different countries in Sub-Saharan Africa by the type of economy. Lower income countries tend to rank lower in most areas that are important for the definition and successful implementation of a National Export Strategy.

This is not necessarily to say that Export Strategy cannot be successfully implemented in LDCs. In Laos, for example, a very fruitful NES initiative was developed and was later well linked to other support initiatives for the country, resulting in a positive outcome.

But it does mean that countries where institutional strength and private sector dynamics are less strong require a stronger component of facilitation, intensive training and more ‘accompanying’ in the process.

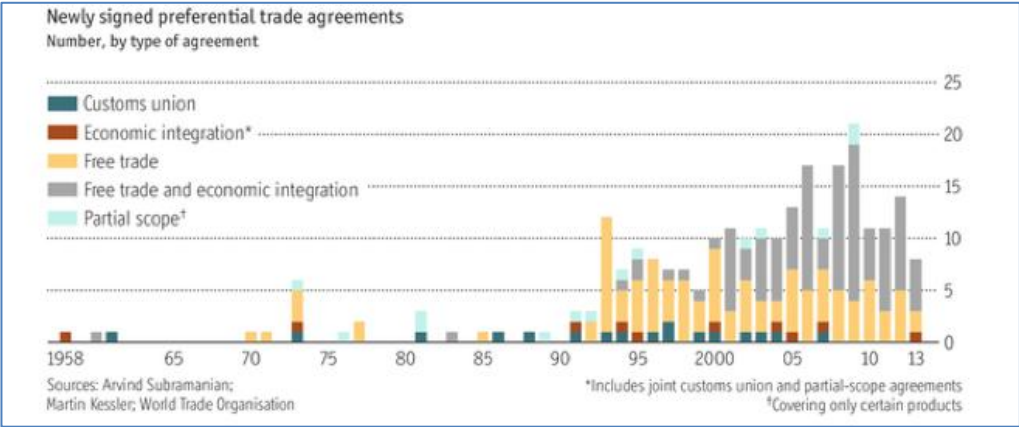
### 3.3.3 Market Segments by detonating Event:

There are certain market, policy or context events that tend to be associated with the initiation of a trade strategy process. This can be independently of the region, level of development or location mentioned above. They can happen as a result of the end of a serious internal or external conflict, after the signing of a bilateral or regional trade agreement and even through the interest of international organizations or donors. Three of the most common ones are mentioned below:

3.3.3.1 Trade Agreements

Regional trade agreements (RTAs) have become increasingly prevalent in the world since the early 1990s. As of 10 January 2013, some 546 notifications of RTAs (counting goods, services and accessions separately) have been received by the GATT/WTO. Of these, 354 were in force<sup>20</sup>. Figure 14 shows the increase, over the last decade, of preferential agreements.

**Figure 14: Newly signed preferential trade agreements**



Source: The Economist, October 12, 2013

In many cases, however, it has been observed that these trade agreements are not always followed by the increased trade that would be expected as participating countries may lack an integrated trade strategy to fully exploit its potential.

3.3.3.2 End of Conflict, Post-War reconstruction

As countries end civil or international conflicts or wars there is an urgent need to re-build the main institutions and basic infrastructure of the country very rapidly. There is often also a very important goal of involving civil society in a unifying strategy and poverty alleviation is generally a high priority for governments heading this transition. Trade can become an important motor for growth and an integrated Strategy can support this difficult transition process.

3.3.3.3 Specific Assistance Programs

In some cases, conditions to enter or to access a specific program benefit is tied to the development of a formalized Strategy that address trade challenges, opportunities and frames further action. As mentioned before, this is the case for Poverty Reduction Strategy

<sup>20</sup> [http://www.wto.org/english/tratop\\_e/region\\_e/region\\_e.htm](http://www.wto.org/english/tratop_e/region_e/region_e.htm), accessed June 11, 2013

Papers (PRSPs) the Heavily Indebted Poor Countries (HIPC) initiative and the Diagnostic Trade Integration Study (DTIS) as part of the Enhanced Integrated Framework (EIF) for Less Developed Countries (LDCs).

3.4 Competitive Landscape

3.4.1 Overview

A number of players participate in the market for internationally supported Trade Strategy Processes. These include International Organizations such as World Bank, UNDP, UNIDO, Commonwealth Secretariat and ITC. Private Sector Consulting firms and even NGOs also support Strategy Formulation processes, both in developing as well as in developed economies. Figure 15 represents the segments of the market identified in the previous section and the players that actively participate in each segment. From this, three main types of organizations can be distinguished.

Figure 15: Market players by type and segment



In the first group, certain programs are specialized in certain countries and cover these countries in its totality over time. This is the case of LDCs and the EIF, that has been designed to address needs of all countries defined as an LDC and that also counts on DTIS as a fundamental part of its involvement in these countries.

A second group is composed of all the major Development Aid Technical Assistance Organizations that provide some sort of technical assistance in the area of trade related strategy. This includes ITC as well as other organizations with similar technical assistance propositions in the area of Trade Strategy (ex. Commonwealth Secretariat) and others with more complementary or distinct propositions (ex. UNIDO, World Bank)<sup>21</sup>.

The third group of players is represented by private sector organizations that could deliver technical aid on behalf of an international organization but can also be engaged directly by the country government and/or private sector to formulate a Trade Strategy or some component of it. The range of services can cover a Strategy recommendation document (written by a small group of consultants with limited consultation and local participation) to a complete end-to-end participatory driven Strategy formulation process. Maxwell Stamp, Monitor Group (On The Frontier), McKinsey & Company and Deloitte are some of the better know companies in this field. Developed economies tend to be more intensive users of their services, although their expertise and reach also covers developing countries.

**3.4.2 The Competitive Landscape and the role of Financing**

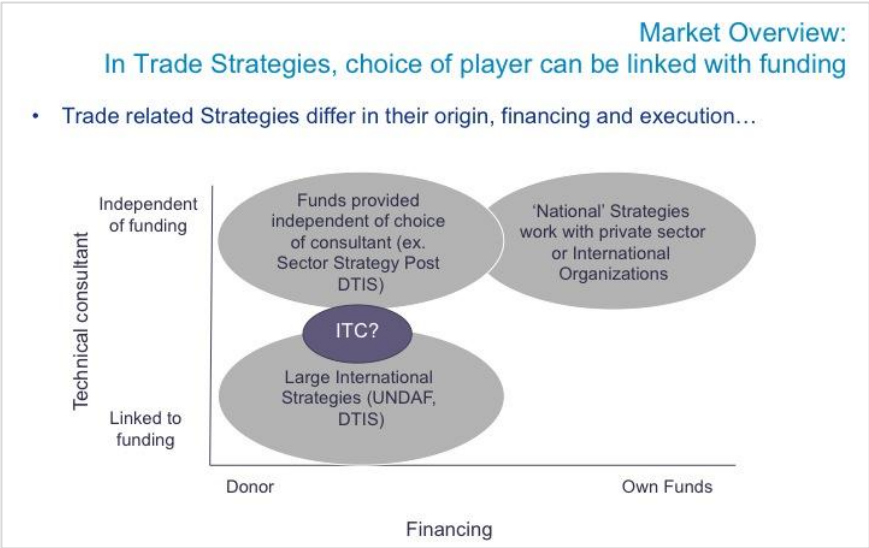
Even though a large number of players co-exist in the market for technical assistance in Strategy Formulation, in reality, at least in developing countries, there doesn't appear to be significant head to head competition for initiatives. Most of the country representatives interviewed did not refer to a technical consultant selection process for the development of their Strategy. This could be due to a limited level of awareness about options on the recipient countries or a stronger pre-existing relationship with a certain organization, or the very specialized technical field, but it can also be due to the 'bundling' in many cases of the technical assistance provider and the source of funds.

---

<sup>21</sup> Please refer to Appendix 7.9 for additional information on International Organizations and Programs active in Strategy Formulation Processes



**Figure 16: Technical Assistance and Funding 'Bundling'**



Source: Own illustration based on interviews and desk research

Even if it is not the same organization, the provider of funds may indicate or be linked to a particular organization that can provide the technical assistance in this field. Figure 16 illustrates this idea, distinguishing three ‘segments’ based on the provision of funds and provision of technical support. So far, most ITC Export Strategy Initiatives have been funded by donors. However, not in all cases the funding was completely tied to ITC being the service provider.

It is expected that increasingly, clients of export strategy services will be in control of the resources and the process used for conducting export strategy, using their own resources or with international donors moving towards more transparent provider selection processes and increased beneficiary involvement in such decision making processes.

The main implication of this evolution would be increased competition among players that can fulfill the technical role, independent of financing. ITC would be well positioned in this situation thanks to its role as specialized technical aid provider. It could also leverage its track record of ‘country-owned’ rather than ‘externally imposed’ approach. Still, an expanded number of players in the field would probably mean increased head-to-head competition, more resources spent in marketing and increased pressure on efficiencies and innovation.

*3.5 Market Trends*

Global Trade has considerably evolved over these years. As markets open and globalization has progressed, the economic importance of trade for countries has been emphasized. At the same time, external and internal factors affecting a country’s ability to successfully compete in the global marketplace increasingly impact the costs and benefits that a country can expect to achieve from increased trade. During the course of desk research, five key trends were identified in the literature:

- 1. **From export to trade and to trade and investment:** The rise of global value chains:



Trade Strategy has advanced far beyond traditional marketing efforts such as buyer-seller meetings, market identification and sales efforts and now encompass a more holistic approach which focuses on multiple factors impacting on securing a globally competitive foot-hold. This includes identifying measures that would improve overall productivity of the targeted sectors, including importing more efficient plant and equipment that in turn may require additional investment and a modification of the import regime. The connection between trade and investment is often a critical factor in improving productivity and Trade Strategies must undertake this analysis linking up trade, investment and productivity. Further attention must also be paid to creating efficient and inter-connected value chains where the in-time delivery of local resources have an impact on the timely production of the export which in turn feeds into the foreign buyers assembly or manufacturing process. The efficiency of value chains may be improved through vertical integration or by securing longer-term contractual agreements.

2. **Not only what you do but also how you do it:** Consumers, civil organizations and governments are more concerned today not only in the quality or characteristics of the products themselves but in the process how the product was manufactured or extracted. Environmental and social concerns are increasingly present in planning processes and stakeholders are more interested in understanding the possible environmental and social implications of productive and trade processes. This has led to an increase in the number of mandatory and voluntary standards impacting trade as well as the emergence of a new industry certifying that otherwise 'invisible' processes are transparent and can be incorporated into consumers and governments decision making mechanisms.
3. **'Non-generalized' trade preference system:** In the absence of a breakthrough in multilateral trade, most countries have actively pursued an array of bilateral or regional trade agreements. However, even though these agreements underwent a manifold increase over the last ten years, trade between bilateral or regional partners has not progressed at the same speed. Increasing the level of awareness of trade potential, and supporting a structured approach to leverage the opportunities while mitigating the negative effects, could support developing countries successfully integrate their trade policy aspirations and their trade development over time.
4. **Increased coordination and integration in technical aid:** Increased donor coordination is moving technical aid from specific interventions and initiatives to larger programs involving multiple players and stretching over longer periods of time. The emergence and growth of integrated diagnostic and action plans like DTIS and UNDAF are important developments in the technical aid field and the trend is visible at all levels, including ITC's efforts to promote larger and more substantial interventions in selected countries, often in coordination with other donors and multi-lateral organizations.
5. **You cannot manage what you cannot measure:** Without measuring something it is hard to know if it is getting better or worse. At a National level, the use of aggregated

statistics and the rise of new indicators such as the ‘Doing Business Report’ by the World Bank or the ‘Competitiveness Report’ by the World Economic Forum<sup>22</sup> have increased the awareness among governments, investors and the companies of the relevance of setting and measuring success through the use of indicators. An interest on the part of the academic community to develop national level indicators and the increased use of tools such as rankings, polls and technological advances have all contributed to the ‘rise and rise’ in the use of indicators.

Taken together, these trends suggest that Export Strategy Processes will continue to evolve to a more complex and interrelated set of issues and that it is necessary to analyze export strategies in a broader frame. ITC ES Function has addressed some of these trends in recent initiatives. Reflecting on these trends as a whole can also suggest possible future directions for ITC ES Function. These are further developed in the ‘looking forward’ part of this document, in Section 5.

### *3.6 Market Overview: Key Findings*

Issues	Evidence
Active participation in international markets and insertion into value chains is increasingly a condition for sustainable development and highly relevant for developing and emerging countries. As a result, demand for support in the field of export and trade related strategy is growing.	<ul style="list-style-type: none"> <li>• Export Strategy Market estimated to represent US\$ 130M-350M per year and Export Strategy implementation (addressable directly or indirectly by ITC) estimated to represent up to US\$ 7 billion.</li> <li>• Trade related strategies have increased almost tenfold over the last ten years. In 2012, almost 500 active strategies identified.</li> <li>• Most interviewed beneficiaries considered program was highly relevant (42 out of 48 respondents).</li> <li>• Frequent recognition in official documents of need to support recipient countries to develop the strategies.</li> </ul>
Significant opportunities exist in the broader Trade Related Technical Aid market.	<ul style="list-style-type: none"> <li>• Export Strategy is connected and has the ability to influence up to US\$7 billion in program implementation.</li> <li>• Interviewed beneficiaries believed successful Strategy formulation initiatives had the capacity to significantly influenced Strategy Implementation projects</li> </ul>
Trend towards unbundling of financing and delivery of technical assistance could be a	<ul style="list-style-type: none"> <li>• Country ownership and Paris declaration instrumentation – For example, new execution modality of DTIS study in EIF: Broader choice to beneficiary country to choose the execution agency,</li> </ul>

---

<sup>22</sup> World Bank, <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-full-report.pdf>, World Economic Forum, [http://www3.weforum.org/docs/WEF\\_GlobalCompetitivenessReport\\_2012-13.pdf](http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf)

Issues	Evidence
<p>challenge or an opportunity for ITC as open-bidding processes increase.</p> <p>As beneficiary countries expand their choice of provider, marketing and positioning will be increasingly important in Export Strategy and in all Trade Related Technical Assistance</p>	<p>independent of provider of funds.</p> <ul style="list-style-type: none"> <li>• Non-traditional donors (ex. social investors, private foundations, philanthropists) predominantly decouple aid from choice of executing party.</li> </ul>
<p>Developing countries face significant challenged translating trade agreements into trade development.</p>	<ul style="list-style-type: none"> <li>• By end of 2012 546 notifications of Regional Trade Agreements received by GATT/WTO. Of these, 354 were in force.</li> <li>• Differing capabilities of countries to benefit from trade agreement potential.</li> <li>• Private sector required to shift resources and focus to reconfigure value chains as a result of the opportunities in new markets and challenges in domestic market.</li> </ul>

#### 4 Looking back: ES Function role and performance

This Section summarizes the findings on the evaluation of the past performance of Export Strategy Function based on the pre-defined criteria. This includes a review of the role of the function within ITC and its market performance relative to market needs and competitive offerings. It does so from two perspectives. The first assesses ES Direct Intervention in terms of market presence, market intervention (offering, methodology and thought leadership) and direct outputs from its interventions. The second perspective addresses ES Indirect Intervention. This refers to the activities, outcomes and impact linked to ES intervention but that occur after the intervention has formally concluded.

##### 4.1 Export Strategy in ITC

Export Strategy (ES) is one of the five core business lines of ITC and is responsible for the Export Strategy Business Line. A key objective of the process is to ‘strengthen the capacity of partner countries to formulate, manage and implement export development strategies that are relevant and implemented’<sup>23</sup>.

Over the past ten years ES has developed a comprehensive and rigorous methodology that is applied to National Export Strategies (NES), Sector Export Strategies (SES) and Regional Export Strategies (RES). The methodology’s is identifiable by some of its proprietary tools

---

<sup>23</sup> ‘Export Strategy 2013’ op. cit.

such as Four Gears Approach. A key distinguishing characteristic is its focus on having the beneficiary actively engaged in its design which results in producing a strategy that is wholly “locally owned”.

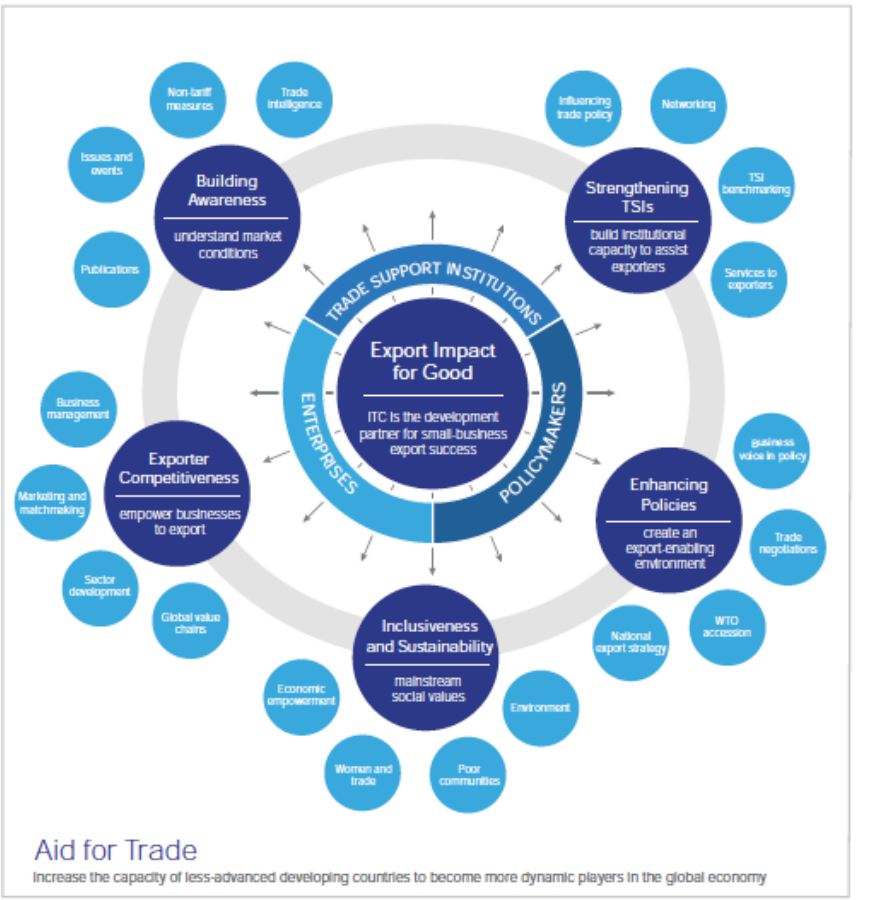
Export Strategy Function also covers directly or connects with most functions at ITC, integrating or conducting directly activities that provide input to an Export Strategy such as:

- Needs assessments
- Market Analysis – Opportunity identification
- Regulatory and non regulatory opportunities and restrictions
- Institutional preparedness
- Policy framework analysis

In developing and supporting the implementation of Export Strategies this function it is also closely connected to sector, functional and institutional expertise such as:

- Sector development and Sector Competitiveness
- Trade Support Institutions Strengthening
- Policy environment
- Inclusiveness and Sustainability
- Technical aid bilateral and multilateral organizations

**Figure 17: ITC 'at a glance'**



Source: ITC Annual Report 2012

Within ITC, the function has an important dual role. On one side, it is a relevant program in itself, fulfilling the need for support in developing sound Export Strategies in developing countries. On the other side, it has the potential to integrate multiple ITC activities in a stronger, more focused and potentially impactful manner. Maybe even more importantly, the definition of an Export Strategy should, if carried out appropriately, significantly influence the Strategy Implementation priorities and activities. The opportunities, challenges, and specific options opened up by this situation are further explored in the 'Looking Forward' part of this document (Section 5, p. 100 onwards).

**Figure 18: Export Strategy as part of ITC project delivery (Total 2012 = US\$ 35 million)**

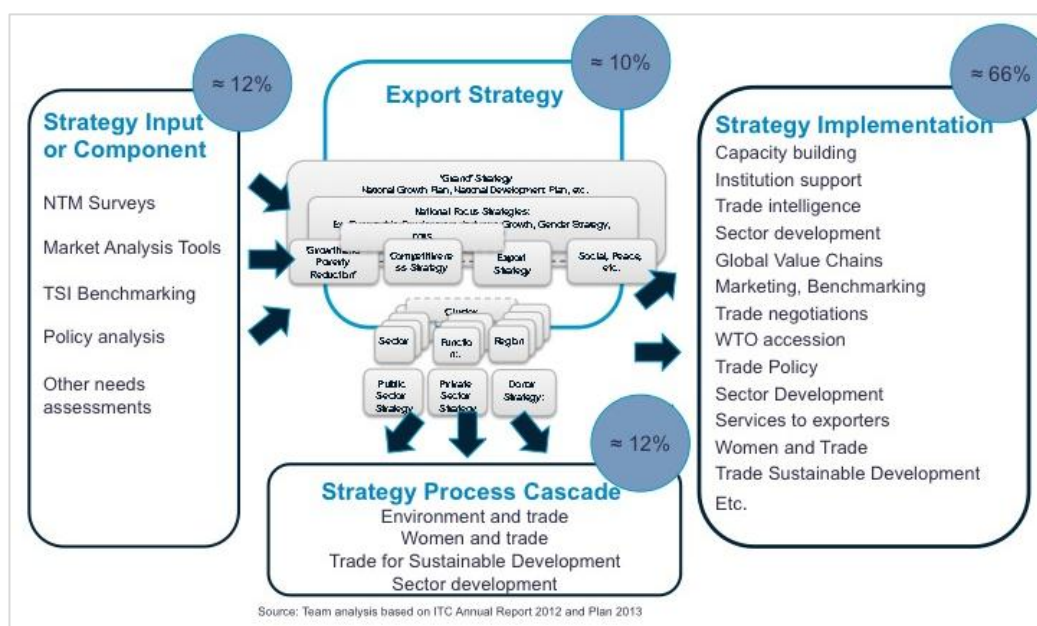


Figure 18 illustrates from a budgetary perspective this interdependency. The estimated participation of each Strategy component is based on ITC's Extra Budgetary Spending Initiative delivery figures, presented from a Trade Strategy Market perspective.

This budget allocation split among the different components within ITC is not too dissimilar from the resource allocation in the overall market presented in the Market Section (3.1 p.34), although it is more heavily weighted toward Strategy definition than to implementation projects. In 2012, ITC's Export Strategy Function as constituted today would have represented approximately 10% of ITC's Project delivery budget. Together with Strategy Inputs or Components (12%) and Strategy Process Cascade types of initiatives (12%), ITC's total resource allocation in Strategy definition would represent about 34% of the total, lower than overall (trade related) Technical Aid market in which it represented less than 10%. Using this method, Strategy implementation projects at ITC would have represented 66% of the spending in 2012, lower than the 93% of the Total Trade related technical aid market.

In relative terms ITC would appear to be more focused on Strategy Inputs, Components and in developing Trade Strategy than in the implementation activities. This is probably more a reflection of the vast technical aid market for Strategy implementation that may not be totally

within the scope of ITC activities and where ITC is not playing a major role today. It could, however, also suggest that there exists a broader market opportunity than that generally addressed by ITC projects and that could be accessed or leveraged through an increased focus on Strategy definition.

#### *4.2 Direct and Indirect Intervention*

The evaluation made a distinction between the direct and the indirect effects of ITC ES Function. This was intended to distinguish the 'elements for which the ITC Export Strategy function has no formal mandate for and control over follow up or implementation in the country at the post-design stage'<sup>24</sup>.

**Direct intervention:** The direct mandate today for the ITC ES Function addresses the role played by ITC during the direct intervention process, composed generally of four phases: Pre-Engagement, Inception, Design and Implementation Management<sup>25</sup>. As expressed in the Logical Framework (see 7.4.1, p. 139) ES initiatives are intended to impact export development and socio-economic indicators. Direct interventions are more closely linked with three expected outcomes, enabling action through strategy formulation on three areas: 1) A public-private dialog that formulates a strategic vision and identifies priorities; 2) A public-private dialog supporting mainstreaming of trade and development of a national export culture; and 3) The management of export development strategies that receive and effectively use Aid for Trade.

The outputs associated with these outcomes are also related to strategy formulation actions, including prior research and analysis, the organizations of strategy formulation workshops, communication and awareness raising activities and support in the production of an output document. Beyond this, a very limited set of outputs is defined to support the beneficiary in its implementation process. This includes: National Export Strategy document endorsed<sup>26</sup>, advisory and technical backstopping services to establish a National Export Council, NES implementation monitoring and coordination framework operationalized, advocacy in favor of the NES with relevant actors and a resource mobilization plan completed<sup>27</sup>.

**Indirect intervention:** In consonance with the Terms of Reference established, the evaluation also considered direct and indirect effects of the intervention after ITC ES Program had been formally concluded. This is beyond the direct mandate of ITC ES Function and occurs after the output phase, encompassing the implementation of the agreed upon

---

24 ITC's Export Strategy Function: ITC Evaluation Terms of Reference', December 2012

25 These phases and the complete ITC ES methodology are further explained in Section 4.3.2 p.51

26 Part of the process since 2003 but only included as an expected output in the 2009-12 version of the logframe (see Appendix 7.4)

27 Part of the process since 2009, but only included in 2012 version of the logframe

strategy, its monitoring over time as well as its medium term outcomes and impact.

Although these areas are not formally part of the mandate to ITC ES Function, as part of an evaluation it was considered highly relevant to assess the effects of ITC support has in terms of actual implementation, follow-up and impact that this Strategy had on the countries and sectors where ITC had provided support.

**Figure 19: ES Direct and Indirect Intervention areas**

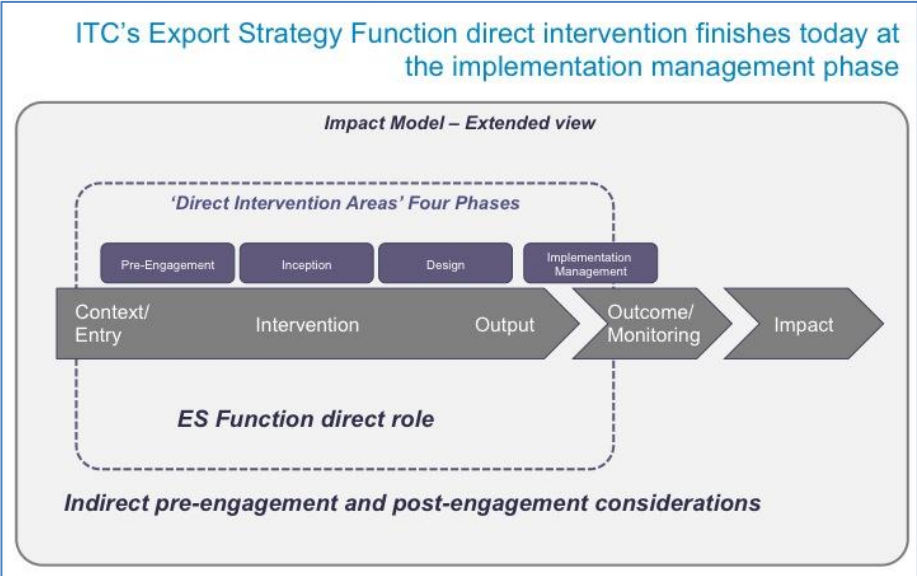


Figure 19 illustrates the broad 'impact model' that assesses the effect the ITC's ES Programs have had for beneficiary countries and the role it has played on broader developmental goals. It distinguishes the areas where ES has a direct role, that is the four phases included in the ES approach today, Pre-Engagement, Inception, Design and Implementation Management, and maps them in a broader scheme that extends these intervention and output elements and includes an outcome and impact component<sup>28</sup>.

**Implementation – Terminology used in the report:**

As the term is used extensively throughout the document it is important to distinguish between the three uses of the term:

**'Implementation of a Strategy Initiative':** Refers to the Strategy definition process supported by ITC, for example a Stakeholder Consultation event.

**Implementation management:** Refers to coordination, monitoring and reporting on a Trade Strategy that has been previously defined, for example, capacity-building in the monitoring of trade strategies.

<sup>28</sup> Please refer to Appendix 7.6.1, p.145 for additional information on Theory of Change.



**Implementation:** Refers to trade related projects and initiatives that take place after the Trade Strategy has been formulated and approved, for example capacity building in quality in the fruits and vegetables sector.

### 4.3 Direct Intervention

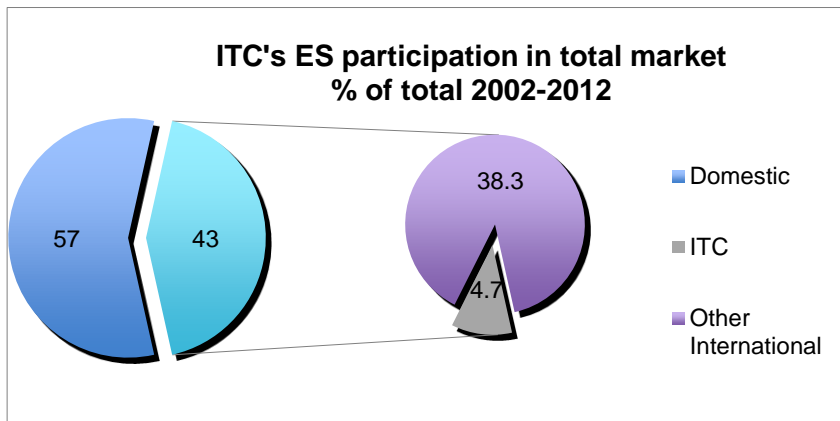
ES Direct Intervention assessment includes an evaluation of the relevance, effectiveness and efficiency of ITC ES initiatives in Strategy Formulation (Pre-Engagement, Inception, Design and Implementation Management). The Section is structured around three areas: ES market presence, ES intervention (offering, methodology and thought leadership) and direct outputs resulting from its interventions.

#### 4.3.1 Market presence

##### 4.3.1.1 Market Participation

The Export Strategy Function at ITC delivered (or is currently delivering) a total of 52 initiatives since its inception in 2003. The research carried out by ITC ES Section to integrate trade related strategies in the StrategyMap database identified a total of 893 Trade Related Strategies developed during that time in all of ITC focus countries. During the same period, ITC ES delivered 42 initiatives, which would then represent a 'share' of the market of 4.7% for that period.

**Figure 20: ITC ES market participation**



Source: ITC Strategy map: [www.intracen.org/export-strategy-map/](http://www.intracen.org/export-strategy-map/)

However, not all these Strategies were developed with International Technical Assistance. Figure 20 distinguishes the portion of the total market that was associated with Domestic

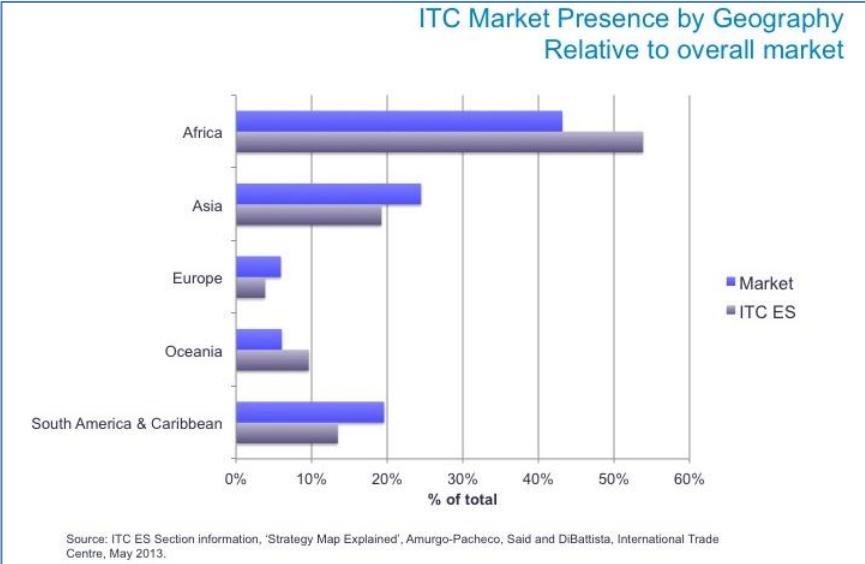


initiatives (57%) from the one related to International Technical Assistance (43%). In this view, ITC ES's 4.7% represents 1 in 4 of the Strategies supported by International player.

4.3.1.2 ES Initiatives by geography

Geographically, almost all of these initiatives were located in developing countries in Africa, Caribbean, Asia and the Arab Countries<sup>29</sup>

Figure 21: ITC ES market presence by geography



<sup>29</sup> Romania is an exception, with two initiatives taking place in that country between 2005 and 2009.

**Figure 22: ITC ES Presence by Market Segment**

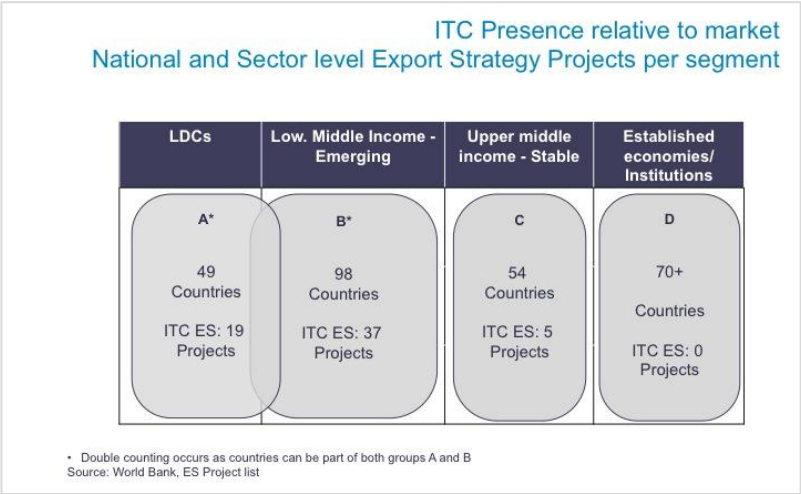


Figure 22 further explores this reasoning, categorizing ITC’s market penetration relative to the socio-economic development segments presented in the market overview part of this document (Section 3.3.2 p.41). It shows that, of the 52 ITC ES initiatives, 19 were focused on LDCs, 37 in Low-Middle Income Economies and only 5 were carried out in Upper-Middle Income Economies<sup>30</sup>.

Relative to the number of developing countries in each group, ITC ES appears to have concentrated its efforts in LDCs and in Low-Middle Income Emerging Markets. This is in line with a market characterized by a heavier presence of international technical aid in strategy formulation in these countries (such as DTIS, PRSPs, UNDAF, ITC’s ES), and higher demand for ITC’s approach, type of support and donor funding opportunities. A heavier concentration on LDCs and Lower Income is also in line with ITC’s mission, priorities and expend pattern<sup>31</sup>.

**4.3.2 ES Offering**

4.3.2.1 ES Offering: Process - The Four Phases Approach

The ES process is implemented through four phases, from a pre-engagement phase of defining scope and securing a formal request followed by the inception, design and an implementation management phase.

<sup>30</sup> 12 Initiatives and countries are double counted as recipient countries belong to more than one category.

<sup>31</sup> 59% of the total ITC’s extrabudgetary spend in 2012 was focused on LDCs, LLDCs, SIDS, and SSA.

**Figure 23: National Export Strategy Phases**



Source: 'National Export Strategy; Building an Export Culture', ES ITC 2010

Figure 23 illustrates the direct intervention activities, grouped in four phases of a National Export Strategy Process. The process starts with a formal request from the beneficiary country, a defined scope and a focal organization appointed.

The pre-engagement phase finishes with a formal agreement between ITC and the beneficiary that sets out the process going forward, the expected outputs and respective commitments.

During the inception phase the formal structures to manage the initiative are set-up. These include the appointment of a local 'navigator' or day-to-day manager of the initiative, along with a core team for the duration of the project. Baseline audits (Trade Competitiveness, TSI baseline and Existing Initiatives) and a communication plan are formulated at this time and two Stakeholder Consultations are held to assess the current and future options and to identify priority sectors and cross-sector functional priorities.

"ITC designed and facilitated a very inclusive and effective process. It is not that often that Public and Private Sector engage in a productive dialog in this area. This, in itself, is significant success."

Ghana, Private Sector Leader

The design phase then sets out to work in specialized teams on the selected sector and cross-sector functional areas, designing an Export Strategy and documenting this analysis in an output document that is then shared with other stakeholders in a third Stakeholder Forum after which endorsement is sought from the government.

Then the final direct intervention phase is focused on setting up the management structures and processes to support the implementation phase of the strategy. This includes setting up a NES Secretariat, Export Council and a monitoring process. There is also a resource mobilization symposium aimed at structuring projects for future funding in support of the



Source: 'National Export Strategy; Building an Export Culture', ES ITC 2010

In the current structure, ITC's involvement ends at the point of initiation of the NES Implementation Management phase, when it is up to the local structure to provide implementation follow-up and monitoring to the agreed upon Strategy<sup>33</sup>. It was observed in many interviews that the support to design a Strategy, although very valuable, was deemed, especially in several LDC countries, insufficient to ensure the successful implementation of the strategy. This topic is further addressed later in this report. Also it was felt that clearer direction could have been provided which would guide local stakeholders in the execution of the implementation phase. In effect they wanted a "roadmap" to see this phase come to fruition.

#### 4.3.2.2 ES Offering: Process - Specific Processes

As part of the four phases approach (pre-engagement, inception, design and implementation management) several processes are generally proposed to beneficiary countries to support the strategy inception and design process. These include a 'pre-engagement protocol' to secure stakeholder involvement and consultation, a process to involve donors, another one to select priority sectors and one for setting up the management and communication aspects of a strategy definition initiative. Most of these activities are well-accepted components of ITC ES interventions and were supported by consulted stakeholders during the field interviews. In particular, beneficiaries appreciate the increasing attention that donor involvement has received in more recent initiatives.

*"ITC provided good teachers and has a good reputation. The UN connection was important. ITC was the best actor in the domain, acting as an external catalyst with consistency."*

National Export Council  
Representative, Romania

One area, however, where there were less unanimous positive responses was regarding the Sector Selection process. This is often a controversial part of defining priorities for the National Export Strategy and one where interests can be divergent among participants, donors and different types of stakeholders.

#### **Sector Selection Process**

The NES Strategy includes a process to select sectors on which to focus the analysis and the Export Strategy formulation. The selection of 6-8 Sectors is done by participants based on criteria such as trade performance, supply capacity, value creation, employment, income

---

<sup>33</sup> In some recent cases, ITC ES's involvement has been extended past this point and into supporting the implementation management but this is still the exception and not the norm mainly due to resource constraints

generation potential and market demand. In many cases, this process works smoothly and identified sectors are broadly supported by participants. In several interviews with stakeholders, however, there were questions expressed on three areas: 1) the level of specificity of the sector, how specific should the selection be, ex. Fish and seafood vs. seafood vs. molluscs; 2) the source of information to make the decision, where some stakeholders felt that it was done 'too quickly influenced by who was in the room at the time'; 3) the relevance of certain sectors, where what could have been priority sectors were not included and, on the other hand, sectors with very limited potential had been included.

Sector Analysis and Selection process was sometimes controversial and, in these cases, the results didn't seem to be supported by key stakeholders. Two examples can be mentioned where this issue came up during the field interviews. In the first, during a discussion during the field trip with a donor representative the donor, a major multilateral, had undertaken intensive research and analysis of potentially viable SME activity and had identified two strong areas. In the view of the donor, one of these areas was rejected by the beneficiary who wanted, instead, 'a sector clearly in its twilight years with no possibility of surviving global competition'. In another example, one donor questioned the exclusion of tourism that, according to all their analysis had a very strong potential in this sub Saharan African country. The donor said that 'the sector was initially considered but then, as they didn't find enough interest or a leader for the team, it was dropped'. In other cases, beneficiaries felt that internal lobbying and pressures weighted the Sector Selection process to the more powerful Sectors in the country rather than the most promising. In other cases, it meant that the number of 'priority' sectors was expanded to accommodate additional perspectives.

Selecting sectors to focus on requires a balancing act between the data analysis, the development objectives of the country and balancing interests of the multiple stakeholders involved in the process. A question arising from this analysis is if it still makes sense at all to 'select' winners or not. Broad and generic approaches, beyond Sectors and without the 'hold' on Sector specific data, can run the risk of also giving generic or superficial results. But there may be other processes for selecting focus areas or even example areas that could be explored. For example in Colombia, an Export Development Process (non ITC supported) had left the sector selection very generic, capturing de facto most of the economy and focused on the cross-sector issues and in facilitating specific interested sector groups to develop their own processes with a 'sponsorship' from the process. In others, sectors are taken as examples or first successes rather than as a priority list. In an interview with representatives of the Uganda private sector<sup>34</sup> this was highlighted as an attractive way to

---

<sup>34</sup> Private Sector Foundation, Uganda, March 2013

avoid 'hand-picking' winners and to save resources, as first successes would lead to quick imitation and replication.

#### 4.3.2.3 ES Offering: Tools

As part of the National Export Strategy<sup>35</sup> methodology development The ES team has developed over the years a significant number of tools and approaches. The 'Four Perspectives Framework' and the 'Four Gear Issue Analysis' frameworks were methodological innovations in this field when they were introduced in 2003. They were designed to support the identification of key issues and opportunities from alternative development, competitiveness, institutional, and client perspectives as well as the main border-in, border-out, border and development issues encountered by exporters in the beneficiary country<sup>36</sup>. Alongside proprietary tools, other industry tools have been extensively used in ES Initiatives This is the case of Value Chain Mapping and Management Scorecard among others, complemented by specific processes proposed by the team and by a set of 'lenses' that were used to address specific sustainability or inclusiveness issues.

The review of these tools and of the output generated by their use in documents from completed National Export Strategies suggest that, although these tools are well developed and effectively utilized to assess weaknesses and identify needs, they are less strong in the area of uncovering new market or product alternatives or to sufficiently consider opportunities outside the current productive structure of the country. This is further expanded in Section 4.3.4 reviewing the output documents from 19 National Export Strategies Initiatives.

#### 4.3.2.4 ES Offering: National, Sector, Regional, Cross-Sector Focus

All Export Strategies supported by ITC ES generally followed a similar process, including the four phases approach, the use of proprietary tools and frameworks and the inclusion of Sector Export Strategies and Cross-Sector Functional Strategies as part of the scope of the project.

There were also 21 initiatives that focused on a single Sector in a country and 6 that addressed a single Sector but from a multi-country or Regional perspective.

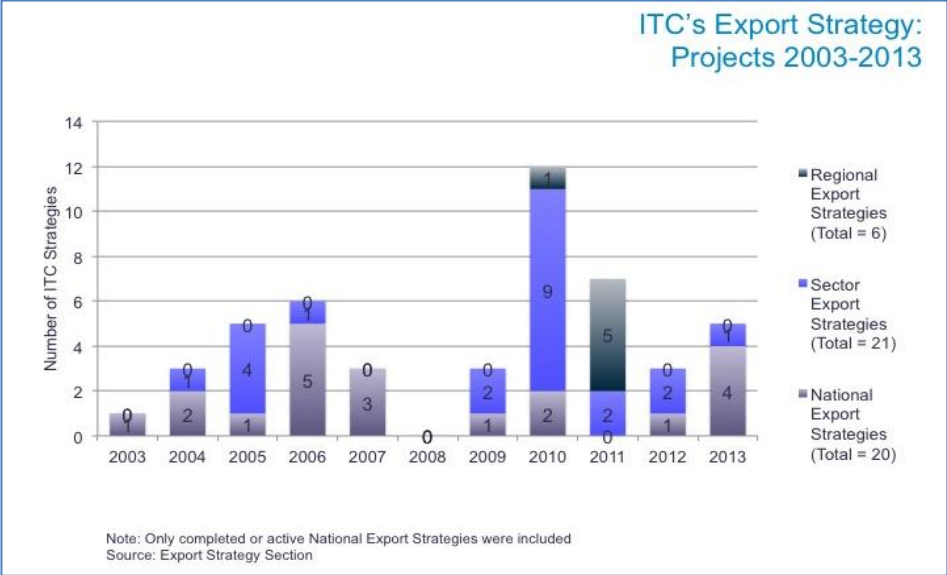
---

<sup>35</sup> The evaluation focused the assessment on the standard version of National Export Strategy as it has been implemented since its inception. New formats such as 'NES Express' and 'NES Plus' were not formally reviewed, as they have not been fully implemented in the marketplace. Still, Appendix 7.11.3 includes a series of observations on these variations

<sup>36</sup> Please refer to Appendix 7.11 for a summary view of ES frameworks



**Figure 25: ES Initiatives**



Source: Own illustration based on ESS information

Figure 25 presents the relative weight of Sector, Regional and National across all 51 Export Strategy initiatives completed or active during the period analyzed.

Sector Strategies, single country and regional sector, represented over half the total efforts of the ITC ES team. In many cases, these were part of broader initiatives that included both a Strategy definition phase and an implementation phase. This was notably the case of 13 Sector initiatives, 3 Regional ones included in the ‘All ACP Agricultural Commodities Program, and 3 Regional initiatives that were part of the PACT II project’. In these cases, efforts were coordinated between different Sections at ITC to transition the initiatives from Strategy definition to Strategy implementation. These efforts were considered successful in many instances, for example in the case of the Cotton initiative in UEMOA<sup>37</sup> though in others some beneficiaries expressed concern about the management and transitioning of the project, for example in the Cassava Sector initiative in Zambia.

Though the concept of integrating strategy formulation and implementation in a single program is a positive feature, it also implies a more intensive coordination, from the onset of the initiative, between the different internal actors involved at any point in time. An additional difficulty lies in the coordination of internal planning and resource allocation. In some of the cases reviewed, local or ITC related circumstances forced the initiative to extend beyond the time initially estimated. By the time the transition between strategy definition and

<sup>37</sup> The European Union provided €11 million towards the implementation of this Strategy, including € 2.3 million to ITC (Source: ITC ES Section Managemnt).



implementation was ready to occur, the resources that were originally assigned to the implementation were deployed elsewhere and not available immediately, generating new delays and a sense of frustration from some beneficiaries

Another area that could be further analyzed refers to cross-sector or functional focused strategies. So far, these are only undertaken as part of broader National Export Strategy initiatives but they could also become products or offerings in themselves. The same applies to sustainability focused or inclusiveness (ex. gender, youth) centered strategies for which there appears to be an increased demand from beneficiaries and that could be further explored in the future. ES has already taken a lead on incorporating some of these topics to National Export Strategy initiatives, notably on youth strategies (ex. in Kyrgyzstan, Palestine) and gender, first introduced in NES projects in 2005.

Although attractive spaces for ITC ES, the time and resources involved in specific issues, functions or sectors could amount to almost half of those needed for a full-fledge National Export Strategy. In this case, it is worth reflecting on the relative value of dedicating resources and time to specific areas vs. focusing on larger cross-sector, cross-function types of projects where ITC ES Section strengths can be more strongly used and that could also offer stronger leverage opportunities for ITC as a whole.

#### 4.3.2.5 ES Offering: Export, Trade, Trade and Investment focus

Export Strategy, as indicated by its name, has been mainly focused on supporting countries develop exports in trade and services. Still, many projects also addressed the role of imports, especially as it referred to the insertion of companies in global value chains. This expansion in focus was a natural evolution of the progress in thinking around trade and development and it may be beneficial to 'formally' include it in the thematic focus of ITC ES offering.

Interviewed beneficiaries also offered several suggestions on how the NES process could have increased its effectiveness by stressing the need for attracting investments as a pre-condition to upgrading the effectiveness of the country's export sector. The suggestion was that the NES could have included more on the subject of attracting foreign investment into the export sector as a means of increasing the productivity of the export sector<sup>38</sup>.

#### 4.3.2.6 ES Offering: Perspectives on Sustainability and inclusiveness

A scan of the appendices of NESs will confirm the inclusiveness of the NES process. The backgrounds of those assigned to a National Export Council or its equivalent, the list of participating businesses, representatives from Ministries, NGOs, the private sector and

---

<sup>38</sup> An investor and donor scoping tool was recently piloted in Ghana and Zimbabwe's Sector Strategies

industry groupings and in general a good gender balance confirm the inclusive approach. On the latter point it is instructive to note that both of the CEOs of the principal beneficiary agency interviewed during the field trip were women. Many of the NESs were undertaken on a Public Private Partnership basis and there was a high level of inclusiveness in the process.

Inclusive processes generally take longer to execute but result in more acceptable and lasting outcomes. There is also some evidence to suggest that decisions taken by inclusive groups generally have better results than those taken by more monolithic groups<sup>39</sup> The only thing worse than not getting your own way is not to be included in the decision at all.

As noted in the previous sub-section, a relatively recent innovation of NES has been to take this concept one step further and include specific methodologies for specific groups, such as the gender-sensitive strategy developed in 2005 and an environmentally sensitive strategy process in 2010.

Although attention to these inclusiveness aspects of a Strategy is innovative and can contribute significantly to the impact of a Strategy process, it is important to distinguish when it should be a 'lens' or 'criteria' by which any NES or SES is assessed and developed to include vs. when it should be more of a stand-alone effort. The arguments for separating it generally have to do with raising awareness and developing effective solutions in these important areas. Against making stand-alone strategies are the arguments of duplication of efforts and potential disconnection between the various strategies.

A more general question on the Sector Focus relates to if and how should ITC ES team prioritize its involvement between National, Sector and Functional efforts. Although the professional team at ES has been growing over the last two years, there are only so many initiatives that can be undertaken at the same time. The question is then if National Export Strategies, combining Sector and Cross-Sector Functional issues should be given priority over single sector single country efforts.

#### 4.3.2.7 ES Offering: Thought leadership

The ability to provide thought leadership<sup>40</sup> and to act as a convener of trade development communities is valued elements in technical aid to developing countries. ITC, as a '100% aid for trade' organization, is well positioned to actively play these roles in the area of Export Strategy. This can be done through multiple ways, including innovations in methodology,

---

39 Myers Briggs on Group Decision Making

40 A thought leader is recognized as an authority in a specialized field and whose expertise is sought and often rewarded. Kurtzman, J. (2010) Common Purpose: How Great Leaders Get Organisations to Achieve the Extraordinary,

strategy definition or measurement tools, specialized publications and events.

Back in 2003, the process and tools proposed by ITC to support countries develop a participatory and inclusive National Export Strategy was innovative and positioned ITC as a thought leader in this field, especially in developing countries. ITC also presented itself as a natural convener of the export strategy technical community by hosting specialized meetings such as the Executive Forum (later WEDF), hosting consultations and publishing research on innovations in export strategy.

Over time, however, the initial advantage that ITC had has been progressively eroded due to both internal and external factors. Internally, reduced staffing, a shift of the Executive Forum to serve broader ITC goals led to a shift in focus from innovation and communication towards implementation. The tools that had already been developed needed to be applied in the field and the focus was probably on optimizing the use of these tools before creating new ones. Externally, as the role of Trade was increasingly recognized as an important tool in development, large organizations and specialized consulting firms dedicated efforts to develop their own analytic tools and processes.

The 'Innovations in Export Strategy' series of consultations and publications that ES had introduced in 2004 were also discontinued in an effort to integrate and coordinate ITC's events and publications. This, along with the broadening of the scope of the World Export Development Forum, limited the opportunities that the ES team had to nurture and to leverage the interest that had been consolidated in the first three or four years of activity. Financial and human resources were also at their lowest between 2009 and 2010.

Over the last two years, however, increased efforts have been made by the ES Section to re-position ITC in the thought leadership and convener arenas. A recently launched database, Strategy Map<sup>41</sup>, compiles strategy papers that have a significant trade and development component in different countries and sectors, a first time that a systematized effort to bring together these kinds of documents has taken place.

Other innovations include the development of new tools to help prioritize issues and possible solutions. There are also new developments in producing a more precise and relevant trade situation assessment through the use of new statistical techniques and applying new developments in trade literature.

These innovations have been welcomed by beneficiaries and stakeholders and should be pursued further if possible.

---

<sup>41</sup> <http://www.intracen.org/export-strategy-map/>

### **4.3.3 ES Intervention outputs**

The analysis of the completion of activities covers the entire process of intervention and includes intermediate outputs<sup>42</sup> such as preparatory analysis, workshop delivery and communication as well as final outputs of initiatives such as the National Export Strategy document and the establishment of follow-up institutional frameworks. Intermediate outputs, or outputs that serve as inputs to other phases of ITC's intervention, have been covered under a previous heading (see 4.3.2.2). This Section will then focus on final outputs of the initiative during ITC's direct intervention period.

Final outputs stated in the ES logframe include the NES document as well as advisory and technical backstopping services to establish and organize National Export Council and an Executive Secretariat. The 2009-2012 logframe included the formal endorsement of the Strategy as a final output, which is implied in the newer logframe through the inclusion of the NES implementation in the national budget.

### **4.3.4 NES Output Document**

All 14 available National Export Strategy Output documents of completed initiatives were reviewed as part of this evaluation<sup>43</sup>. A subset of Sector Export Strategy Documents was also analyzed. The main aspects considered in the review of documents were: a) areas covered, and b) quality of the analysis.

---

<sup>42</sup> In the UNDG's Results-Based Management Terminology, Outputs are defined as 'the products and services that result from the completion of activities within a development intervention', <http://www.undg.org/index.cfm?P=224>

<sup>43</sup> Documentation for 2 of the 16 completed National Export Strategy initiatives were not available for review.

**Figure 26: NES Output Document Review**

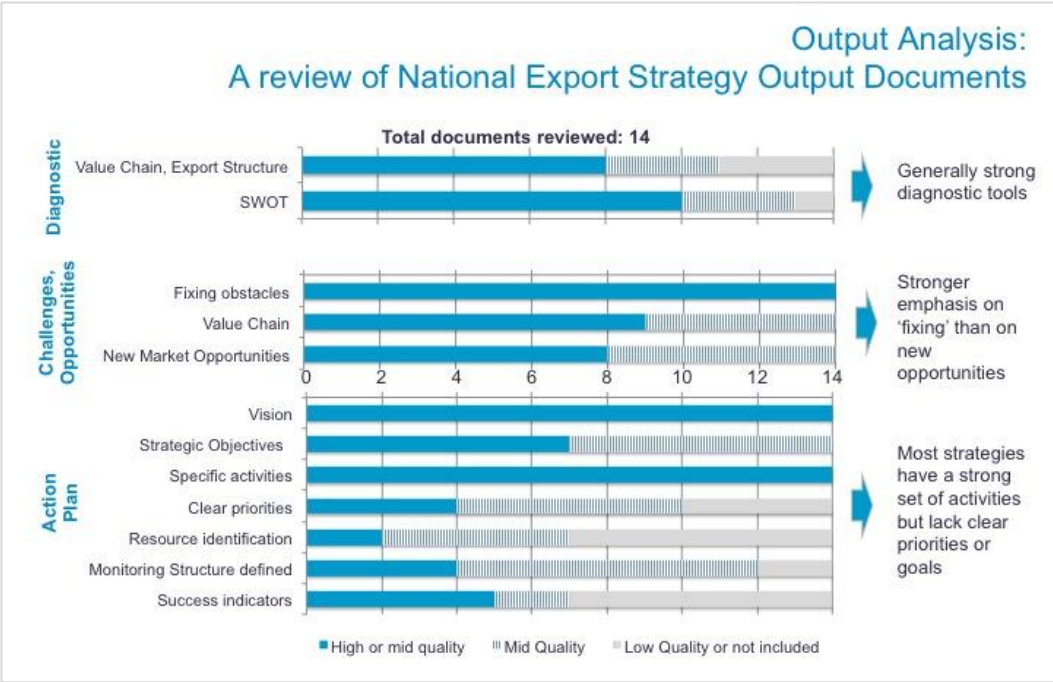


Figure 26 summarizes the findings of the review. The documents were generally of good quality and covered the main aspects of strategy: diagnostic analysis, opportunity assessment and strategy definition. There were, however, a broad range in the extent and the quality of coverage across the different documents.

In terms of diagnostic, most documents included a SWOT view (13 documents) and/or a value chain analysis (11 documents). These diagnostics were of good quality and reasonably covered the relevant issues under these topics. The tools were generally well integrated with the document and the analysis generally contained a combination of rich data as well as shared views among participants.

Market related challenges and opportunities as well as domestic matters such as policy or infrastructure issues were also covered by most documents reviewed. Among these, identifying specific challenges and fixing obstacles was well covered in all 14 documents reviewed. Value Chain challenges and opportunities were better covered among the more recent strategies. Of the 14 documents, all addressed to some extent new opportunities, and 8 of these documents the output reflected a higher new opportunity assessment analysis. In general, new market opportunities or value chain attractive spaces were generally less well addressed relative to fixing obstacles.

The third area assessed in the documents was its Action Plan and how well it responded to the questions of where to play, how to win and what it will take. The documents were also reviewed to assess the enhancers and inhibitors to 'implementation' that could be considered from the documented action plan.

All document Action Plans included a clear and well-formulated vision for the Export Strategy. For example, Mozambique NES states that 'The National Export Strategy strives to

achieve sustainable economic development and equitable prosperity for Mozambicans through a globally competitive export sector, characterized by innovation, diversification, quality and value-addition'. All documents also included between six and ten Strategic Objectives. All Strategies also had a detailed list of specific activities, in many cases exceeding 300 actions (the average number of activities among the 14 documents was 262). Though this aided in the specificity and clarity to engage later into implementation, these activities did not appear to be clearly prioritized. There was also a perceived 'gap' in several documents between the detailed activities and its indicators and the overall strategic priorities. Broader quantified goals for the Strategy as a whole might have made it easier to share, to communicate and to track the key progress indicators.

Even with the limitations stated above, the output document, in itself, has been very useful for many countries independently of Strategy implementation going forward as planned or slowing down. For example, a contact made with a senior official with the government of an SID country, which had signed off on their NES in 2004 revealed that, though there had been an impression that their NES had stalled in the implementation phase, the official referred in very positive terms to the NES output document, describing it as "a vital document which gave the country a more comprehensive approach to the development of their export sector, including the service and tourism industries" The official went on to say that the NES had "come in very handy as a medium term policy and had been an important document to refer to in their discussion with donor agencies, particularly with the EU in defining their own interventions". In discussions in an African beneficiary country with a senior officer it was also noted that the "NES has come in very handy as a medium term policy tool and a vital document to refer to in discussion with donor agencies"

It is important to note that the documentation of strategies has received more attention from the ES team over the last years. Editing and publishing the output document is now explicitly considered as part of the strategy definition process and, in many cases, ITC offers to include the editing of this document as part of the services included in the technical support. As these official papers tend to be accessed later by people not originally involved in the process, supporting this process has resulted in increased quality and readability of the documents.

**4.3.5 Direct Intervention: Key Findings**

Findings, Problems/Issues	Evidence
<p>In the past 10 years, ITC has successfully developed an active presence in the Export Strategy Market and is a recognized provider with a comparative advantage in particular in terms its participatory approach.</p>	<ul style="list-style-type: none"> <li>• Among interviewed beneficiaries, 40 out of 53 considered ITC ES process was well designed and superior to competitors in time investment and results achieved</li> <li>• A third (8 out of 25) of the countries that developed a National Export Strategy with ITC ES over the past ten year have already re-approached ITC ES seeking support in a new NES initiative.</li> <li>• Competitors' facilitated strategies developed with consultation but (not yet) significant participation</li> </ul>

Findings, Problems/Issues	Evidence
<p>ES offer has a strong positioning based on country-owned participatory approach and its focus on public and private sector.</p> <p>ITC's comparative advantage as a trade specialist is not fully leveraged in ES Offer.</p> <p>Market is increasingly demanding action and impact orientation in technical aid.</p>	<ul style="list-style-type: none"> <li>• Majority of beneficiaries interviewed (40 out of 53) considered ES Offer was superior to competitors and highlighted importance of country-ownership.</li> <li>• Lower awareness but high interest among interviewed beneficiaries of ITC's unique role in technical assistance world as 100% Aid for Trade focus.</li> <li>• Low ratio of successfully implemented strategies</li> <li>•</li> </ul>
<p>Export Strategy is increasingly integrated to broader Trade or Trade and Investment Strategy.</p> <p>ES current Offer has included Trade and Investment on several initiatives but it is not yet part of core approach.</p> <p>ESS has introduced innovations in youth and gender strategies that have been well received in the marketplace.</p>	<ul style="list-style-type: none"> <li>• Increasing role of value chains and connection between investment and trade in developing countries.</li> <li>• Interviewed beneficiaries felt a greater focus on building capacity on attracting investment would have benefited process and implementation</li> <li>• ITC ESS has developed innovative approaches on youth and gender and is considering developing a sustainable development approach.</li> </ul>
<p>ES approach was considered 'radically' innovative when originally designed and has evolved gradually since then.</p> <p>A series of Strategy practice innovations in the academic and practitioner community can provide new avenues for Strategy development practice in Trade.</p>	<ul style="list-style-type: none"> <li>• Platforms and processes for best-practice sharing and intellectual exchange (ex. Executive Forum or Consultations) discontinued after 2008</li> <li>• Incremental innovations (products and process) introduced in every initiative: New tools such as value chain analysis, problem and solution tree, baseline audits, etc. introduced over time.</li> <li>• ES Section has also recently added team members almost exclusively dedicated to Research and Development</li> </ul>

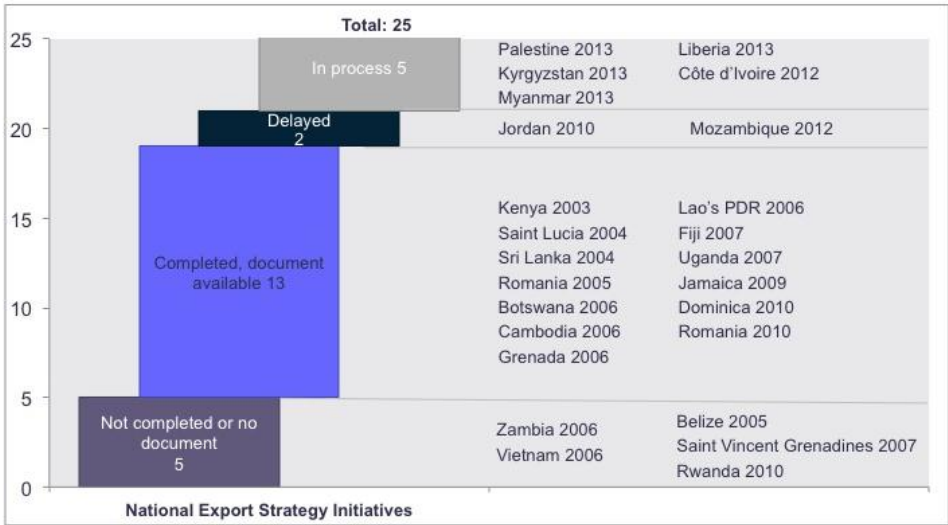
#### 4.4 Indirect intervention

The evaluation made a distinction between the direct and the indirect effects of the ITC ES Function. This was intended to distinguish the 'elements for which the ITC Export Strategy function has no formal mandate for and control over follow up or implementation in the country at the post-design stage'. Although these areas are not formally part of the mandate of the ITC ES Function, as part of an evaluation it was considered highly relevant to assess the effects of ITC support in three specific areas: the degree to which the designed strategies had actually been implemented, the effectiveness of the post-design monitoring and implementation management structures, and evidence on outcomes and impacts associated with the initiative.

**4.4.1 Implementation**

The record on actual implementation of Export Strategies designed with ITC ES support is mixed. In several cases, ITC’s ES facilitated processes went on to a successful implementation phase and eventually improvements in the trade structure of the country, sector or region. But in many cases the Export Strategy encountered, to varying degrees, difficulties at the time of implementation<sup>44</sup>. Even in successful examples, having a seamless transition into the implementation phase appeared to be almost a universal issue with most beneficiaries.

**Figure 27: National Export Strategies**



Source: ITC ES Section interviews, ES Documents

Based on the information available, Figure 27 classifies the National Export Strategies initiatives between 2003 and 2012 according to their degree of completion. Of the 25 NES Initiatives, 5 were either not completed or the document was not finalized. There were 13 initiatives completed for which the document was available, while further 2 were delayed and 5 were still in progress by mid 2013.

Information about the degree of implementation was hard to come by. Of the 13 initiatives that were completed, there was evidence of 4 Strategies having been successfully executed<sup>45</sup> while 9 more initiatives<sup>46</sup> evidenced partial or fragmented execution of the

<sup>44</sup>For example: Uganda NES 2007, Mozambique NES 2012, Cassava Zambia SES 2010

<sup>45</sup> Successful execution is considered when it is estimated that over 60-70% of the Plan was executed. This is the case of Romania 2005 and 2009, Laos 2006 and Fiji 2007



Strategy or deficient monitoring and lack of communication with ITC.

One example of successful transition to Strategy was found in Romania, where the National Export Strategy designed in 2005 with the support of ITC was an important element in preparing the export sector for Romania's accession to the European Union (EU) in January 2007. The government supported the creation of the recommended National Export Council that, in turn, facilitated the integration of the different activities involved in executing the Strategy. The institution and the participative Strategy proved resilient to several changes of leadership. The Council had representatives from the public and private sector and met regularly to review and monitor progress. According to this Council, it is estimated that approximately 70% of all initiatives in the plan of action of the NES were implemented over the following four years<sup>47</sup>.

*'In retrospect, it would have been useful to have a more clear roadmap on how to proceed with implementation'.*

*Senior Public Officer, St. Lucia*

Several Sector and Regional Export Strategies were also successfully phased into implementation, For example, the UEMOA Regional Cotton Strategy (2010) was part of the All ACP Agricultural Commodities Program that took place between 2007-11 and integrated from its inception both a Strategy and an Implementation Formulation component. From ITC, the initiative was carried out in coordination between the ES Section and the Sector Competitiveness (SC) Section. Plans have been made to set up a Steering Committee to oversee the execution of the Strategy and Development agencies referring to the strategy and the Coordination committee included: EC-Delegation, WB, FIDA, UNIDO, AFD, USAID, EIF, ACP Secretariat<sup>48</sup>. The implementation activities included supporting the set-up of the institutional framework, training and coaching events (including South-South Cooperation activities with China and Turkey), facilitating new market linkages, strategic diversification, improved operations and manufacturing or logistic efficiencies, and increasing transparency in trading operations.

Several Export Strategy initiatives, however, encountered difficulties at the time of implementation. In Uganda, while there has been some modest up-take on the NES, the ambitious plans and strategies have not taken off and the momentum has been lost. While

---

<sup>46</sup> Partial execution is considered when it is estimated that 20-60% of the Strategy was executed. Kenya 2003, Saint Lucia 2004, Sri Lanka 2004, Botswana 2006, Cambodia 2006, Grenada 2006, Uganda 2007, Jamaica 2009, Dominica 2010

<sup>47</sup> 'Romania's National Export Strategy', Case Study, International Trade Centre, 2011

<sup>48</sup> ITC's AACP Report, February 2012, p. 33

there was monitoring of this NES, the high level management and sponsorship of the program seemed to fade away and the unified and national strategy started to fracture into isolated strategies lacking cohesion.<sup>49</sup>

**Figure 28: Outcome Assessment: Stakeholder views**



Figure 28 presents the responses of beneficiaries regarding their views on the effectiveness of the ES process. Overall, respondents believed that the ES approach was very well integrated with Trade Policy. They also supported the view that capacity building was an important result of the process. There were concerns, however, in the effectiveness of transitioning the formulated strategy to the implementation phase and the relative weakness of follow up management and monitoring mechanisms.

As a result of the interviews with stakeholders and related to research on strategy, five factors were identified influencing the transition to implementation: 1) identification and completion of post-design initiative formulation, 2) design issues such as choice structuring, prioritization or communication, 3) Degree of high level public (including donor) and private sector investment interested in funding the recommended sectors and industries, 4) level of adequate monitoring, weak post-formulation high-level leadership and support and, 5) the existence (or not) of a 'local champion' occupying a position of certain authority to drive the

<sup>49</sup> Field discussion in Uganda, March 2013

process through its post-design phases.

In some cases, notably in larger initiatives like the AACP Sector Strategies, the Strategy Formulation and the activities related to supporting execution of these strategies, has been integrated from the beginning. Some of the more recent NES initiatives (i.e. Palestine, Kyrgyzstan, Myanmar) include a component to support the follow up on activities identified in the Strategy Design phase. However, a certain level of donor and recipient country resistance to 'commit before seeing the results' or the need to concentrate on facing the challenges associated with the design phase can tend to decouple the Strategy Design phase from actual public and private initiative formulation activities. This was highlighted in several field interviews with stakeholders, with multilateral organizations and with ITC professionals that consistently suggested that increased efforts should be made to connect the NES with anticipated funding for an export related program or initiative – perhaps funded by a major donor and to align the NES as much as possible to business plans emerging from the private sector. It was also suggested in field interviews with donors that early engagement with possible funding sources and attracting their interest in funding export activities identified in the NES could help add fillip to the implementation phase. This has been done since 2005 in Romania and more actively pursued recently, for example in the Palestine NES<sup>50</sup>. Involving donors and international organizations, however, needs to be done with caution to ensure that input is received from all stakeholders but that the Strategy remains clearly 'country owned'.

Another area where improvements could be sought to facilitate the transition to implementation is through better prioritization. As was mentioned before, many Strategies included a large number of activities and this in turn created challenging management and coordination issues for NES executing committees. Discussions on this matter with beneficiaries indicated that several were in the process of reducing priority areas (in the case of Uganda from 12 to 5) or narrowing focus (Jamaica had rationalized its approach). It is a difficult balance, and the danger of having such broad appeal is that it becomes difficult (certainly politically) to say no and not be inclusive. But to prioritize everything is simply not to prioritize anything.

Linked to this issue, for many Strategies it was difficult to integrate the overarching goals of the Strategy in a way that would be easy to communicate and to track by broader audiences in the country or when changes in leadership took place. As was mentioned in Section

---

50 Discussions with the Ministry of National Economy, March 2013

4.3.2.2, recent initiatives<sup>51</sup> have increasingly included a communication component that has contributed positively in this respect

Lack of upfront budgeting for implementation: Most NES programs are budgeted until the Document completion and endorsement phase but do not explicitly include resources to extend support beyond that. Also, most budgets appear to be approved year by year so the ES team may be limited in confidently engaging in multi-annual initiatives.

Limited upfront resource involvement and initiative development: Efforts have been made to include a more efficient employment of resources from other parts of ITC and to involve donors in the planning phase to facilitate a smoother transition into implementation. These efforts need to be further pursued and encouraged as transitions between planning and implementation have been very uneven leading to duplication of resources or gaps in delivery.

The so called 'implementation trap' is an important issue for Export Strategy going forward as, without a successful implementation, the usefulness of the significant resources and efforts involved is limited...

*"NES implementation marks a fundamental departure from NES formulation. While a suitable document may be deemed a necessary condition for a smooth transition to the implementation phase, it is certainly not a sufficient condition. Indeed if this new implementation phase is not successful then the human and financial resources allocated to the NES initiative so far would have been wasted"*

*Dr. John Colin McIntyre, Minister of Employment, Trade, Industry and Diaspora Affairs, Government of the Commonwealth of Dominica*

#### 4.4.1.1 Monitoring and Follow-up Institutional Structures:

A significant difficulty encountered in the course of this evaluation was the lack of systematic data on the initiatives beyond the official output document. Even though the NES methodology includes setting up follow-up and monitoring structures and systems, there is no formal mandate or resources to ensure this occurs and monitoring generally not been successful at the national level in most beneficiary countries. According to the partial data available, only four countries appeared to set up a monitoring system and set-up effective National level Institutions that at least to some extent tracked and reported progress on the Strategy. For most, even though the structures and systems were to some extent detailed in the output document, and there was a strong recommendation by ITC professionals, there

---

51 For example Jamaica NES2009, Kyrgyzstan NES 2013, Palestine NES 2013, Ghana Yam 2012

appears to have been very limited formal follow up of activities realized or goals achieved. The Institutions set-up in some cases also lacked the resources or the authority (either formal or informal) to act as custodians of the Strategy. In Uganda for example, implementation was monitored by a unit within a unit that had no authority and little influence over the diverse network of stakeholders.

The high-level leadership and endorsement, present at the launch of the all Strategy initiatives undertaken was not, however, always maintained through the process. This made it difficult for lower level officers in charge of the monitoring or transition to implementation to enforce the implementation of the strategy. Though the reasons for this perceived lack of interest might be due to a number of factors such as turnover, other political or economic issues, etc. the process would benefit from increased support to this phase and more focus on the re-engagement of top leadership.

Besides these being important elements challenging the viability of the Strategy after ITC’s direct intervention, it also means that there is no repository of data on completion of activities and thus, awareness on the level of implementation. It is mostly based the perception of stakeholders after the event that might overstate or understate what actually took place.

*“Most agencies didn’t have the resources to mainstream the implementation of the NES, and the coordinating agency didn’t have either the resources or the power to do much about it.”*

*Public Sector representative in a NES recipient country*

**4.4.2 Outcomes**

The short-term effects can be more closely linked with the recent intervention while some of the outcomes occur sometime after the intervention has taken place<sup>52</sup>. The evaluation assessed the effectiveness of ES Strategy to contribute to short and medium term outcomes. ES current logframe identifies three Outcomes, each qualified with a series of indicators and a means of verification. These are:

1. Public and Private stakeholders are enabled to formulate a strategic vision and identify priorities to support export development and competitiveness.
2. Public and Private stakeholders are enabled to conduct a dialogue supporting the mainstreaming of trade and the development of a national export culture.
3. Public and Private stakeholders are enabled to manage export development

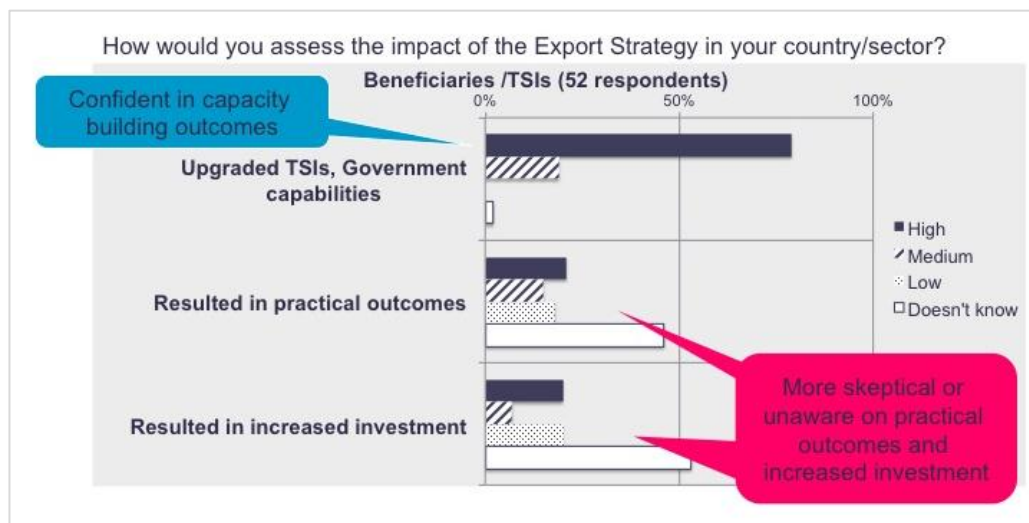
---

<sup>52</sup> Outcomes, defined as the “the intended or achieved short-term and medium-term effects of an intervention’s outputs”, OECD,Development Co-operation Directorate Evaluation Guidelines, <http://www.oecd.org/dac/evaluation>

strategies that receive and effectively utilize Aid for Trade to support the development and competitiveness of the export sector.

The evaluation analyzed evidence for these outcomes occurring from the implementation of Sector and National Export Strategies. Limited documentation was identified on tracking results at outcome level. The information for this part of the analysis was mainly based in semi-structured interviews in the field and conversations with ITC professionals involved in these initiatives.

**Figure 29: Beneficiary views on Export Strategy outcomes achieved**



Source: Field and phone interviews

Figure 29 incorporate views of 52 Trade Support Institutions and other beneficiaries on outcomes achieved by ES intervention. A majority of respondents felt that the Strategy had been appropriately integrated with national and development strategies, a relevant and positive assessment as this is linked to one of the principal thrusts of the Paris Declaration<sup>53</sup> and a major objective of ITC and ES's work. It was also highlighted that the process that it had resulted in a strengthened local capacity in the area of formulation and dialog on Export Strategy. However, a significant number of people also expressed concerns about the transitioning of the Strategy to implementation and to the effectiveness of follow-up institutions, including monitoring capabilities. The effectiveness of follow-up institutions has been already discussed so the next sections address the area of capacity building as an outcome of ITC ES interventions.

<sup>53</sup> The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, <http://www.oecd.org/dac/effectiveness/43911948.pdf>

#### 4.4.2.1 Capacity building: Strategy Formulation and Dialog on Priorities

The participatory approach of the NES is an effective capacity building tool given that local beneficiaries engage in its writing and formulation. It also increases its level of local ownership and chances of implementation. This knowledge and skills stay independent of other outcomes of the strategy. Even in cases where the implementation phase had stalled, the NES continued to be a useful source of information and guidance. In discussion in Uganda with a senior official it was noted that the “NES has come in very handy as a medium term policy tool and a vital document to refer to in discussion with donor agencies”<sup>54</sup>

Replication of the process is probably the best indicator of this outcome being achieved and in several field interviews this was noted as a realized outcome of the Strategy. For example, the Strategy process followed in Zambia’s cassava sector was replicated successfully (and in a shorter timeframe!) in a regional set-up by COMESA secretariat that had been involved in its development.

#### 4.4.2.2 Capacity building: Receive and Effectively utilize resources

The ES logframe states the desired outcome of public and private stakeholders being enabled to receive and effectively utilize Aid for Trade support. This is an important outcome as these types of initiatives are generally an important linkage between Strategy design and implementation. LDCs with a large dependency on foreign aid are particularly sensitive to this process working effectively. Only anecdotal and not always consistent evidence exists as to the level of success in achieving this outcome. Building this capacity is an explicit objective of the ES process, and it is a highly valued one in beneficiary countries. By design, donors have always been involved in some capacity in ES initiatives and in most initiatives these players have been integrated since the launch of the design process. However, by the end of the initiative the integration is not always as clear and there seems to be a gap in many initiatives between the end of the design phase and the translation of these activities into actual initiatives. This has been identified as a priority for the ES team and in initiatives such as Palestine in 2012 and in Myanmar 2013 linkages with bilateral and multilateral organizations has received even more attention than in previous initiatives.

A note as well should be made as to the relevance of integrating not only donor and public financial players through the all phases of the initiative but also to more actively involve the role of private investment and to attract national and foreign investment to support the

---

<sup>54</sup> Discussions with the Uganda Export Development Board, March 2013

development and competitiveness of the export sector<sup>55</sup>.

#### 4.4.3 Impact

As noted in the Methodology for undertaking this Evaluation<sup>56</sup> assessing impact is important but attribution remains a challenge where in “a globalized trading world change and opportunity come from many sources”. As such, it is impossible to isolate the effect of National Export Strategies from other interventions in the ultimate results and impact on export competitiveness and sustainable and inclusive development over time. It is also difficult to assess the period of time that should be considered for making such measurements and the appropriate indicators that should be used to do so.

Still, difficulties in measuring or discussions on attribution do not take away the importance of identifying valid mechanisms to increase the understanding on the effects of development interventions. On a very practical level, impact assessment can provide valuable indicators to guide actions in the future, modify programs, understand connections between direct and indirect interventions and, overall, provide a direction for designing future interventions.

The Program logical framework states as the impact or long-term outcome objective of the intervention to ‘contribute to develop exports and enhance their competitiveness, which in turn will drive employment creation, income generation, in particular improving livelihood of women and youth and the overall socio-economic development of the country’. The key indicators to measure this are:

- Country’s export performance in terms of product base and destination markets
- Improved trade balance
- Improved business environment ranking
- Socio-economic effects of exports (contribution of exports to GDP, employment rate in export sectors; share of women and youth in labor force in export sectors, etc.)

This set of indicators is similar to the ones defined in the logical framework in use between 2010 and 2012. Indicators are generally based on publicly available statistical data.

Although the indicators are specified, no evidence on systematic measurements of these on past initiatives was found, either on the part of the beneficiary country or as part of ITC’s monitoring process.

---

<sup>55</sup> Initial steps in this direction have been taken in some initiatives such as the NES in Grenada and the Yam Sector Strategy in Ghana

<sup>56</sup> Evaluation of the Export Strategy Function in ITC, Proposed Methodology, Gold and Alvarez, January 7, 2013



In some cases, such as Uganda, the Uganda Export Promotion Board (UEPB) has carried out some monitoring of NES activities, but these have not been linked to any broader indicators or impact analysis. In discussions with Jamaican officials<sup>57</sup> it was indicated that they were devising a survey to determine the socio-economic impacts of the NES.

More generally, it is not possible in this evaluation to make a direct logical connection between these indicators and the interventions, which have been made under the ES program. As has been previously noted there has not for the most part been a systematic monitoring during the implementation phase of these programs. The linkage between actions, outcomes and impact is therefore very difficult to determine.

As mentioned before, planning and reporting systems were not originally set up for this program to define, much less to monitor relevant impact indicators. It should, however, be considered a priority element to take into account for the future and included as a longer term tracking mechanism of the long-term effects of the contribution of ITC's intervention towards the long-term impact of the program.

Beyond the usefulness of identifying and tracking indicators in specific initiatives, there is also a 'market gap' in this area. Interest has surged over the last decade on indicators on areas such as ease of doing business, competitiveness, environmental footprint and others. Even though a number of isolated indicators can be tracked, there is not, to our knowledge, an integrated tool to measure and track progress on 'sustainable trade competitiveness'. This may offer an opportunity for ITC to strengthen its thought leadership position.

Indeed, ITC is in a very good and relatively unique position to lead in the field of impact indicators related to trade and development. Additional ideas on this are explored in the 'Looking Forward' section of this document and in Appendix 7.12.3, p.187.

#### **4.4.4 Sustainability**

Concerning the NES it is legitimate to ask how long the Strategy will be in use, what aspects of the intervention will remain over time and which are less sustainable in the medium and long term.

Capacity building and participative processes have been proven to have some of the most long lasting effects of successful interventions. The ES process is strongly based on these principles and has successfully executed initiatives in this respect. As such, this is a strong and positive factor in support of sustainability.

---

<sup>57</sup> Telecom with JAMPRO official March 2013

The output documents have been refined from one initiative to the next and, in many cases, even independently of its direct level of implementation and become important reference documents for national and international actors. Because the document reflects the participatory approach this enforces the principle of ‘partner countries exercising effective leadership over their development policies’<sup>58</sup>

The process facilitates a dialog between Public and Private sector. This is still, in many countries, very challenging, as public administration and private sector enterprises are often very disconnected from each other. Successful dialogs facilitated by this process appear to have continuity beyond the formulation of NES.

On the other hand, there are also two factors that limit the effects of the NES intervention over time:

- The difficulties in transition to implementation experienced in several countries makes the NES less visible and risks becoming ‘just a document’, quickly replaced by the next cycle of planning or a donor facilitated large-scale program.
- Implementation management structures can be relatively fragile in terms of resources and decision-making power. This puts them at a risk of being more easily discontinued when changes in leadership occur.

**4.4.5 Indirect Intervention: Key Findings**

Findings, Problems/Issues	Evidence
<p>Capacity building is built-in to the overall process and has been recognized as a strong outcome of the program.</p> <p>Implementation and replication of Export Strategies are complex and necessitate a critical mass of competent people in public and in private sector.</p> <p>Current processes may not be sufficient to ensure this critical mass is developed.</p>	<ul style="list-style-type: none"> <li>• Among interviewed beneficiaries 40 out of 53 expressed high praise for the relevance and capacity building effects of the ES strategy process.</li> <li>• Strategy Process replicated successfully in new sectors, geographical regions and at national level by participants in ITC-ES led initiatives.</li> <li>• Number of beneficiaries in strategy capacity building focused on navigator, team leaders (10-15 people). To some extent, participants (150-200 people).</li> <li>• In addition to ‘implicit’ capacity building by participating and sharing leadership in the process, some beneficiaries expressed interest in more ‘explicit’ training activities.</li> </ul>

---

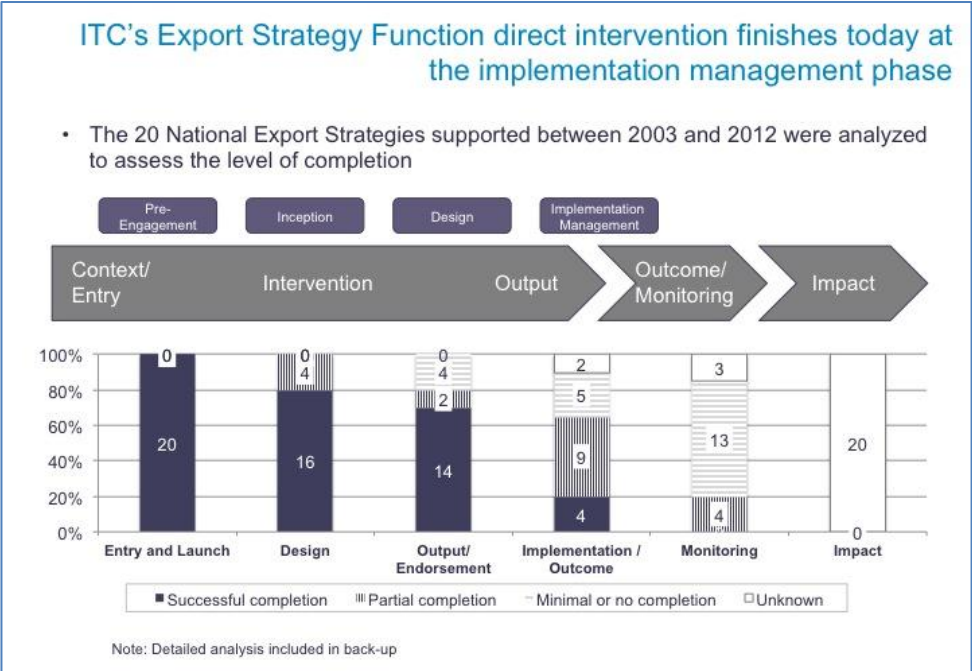
<sup>58</sup> Paris Declaration, OECD/DAC 2005, p.3

<p>The effectiveness of the offer brought by ITC in the field of Export strategy design has been often compromised after the intervention by lack of strategy implementation.</p>	<ul style="list-style-type: none"> <li>• There is evidence on only 3 out of the 14 completed initiatives successfully implemented. Other 10 initiatives considered to have been only partially implemented and there is no information on 1 initiative.</li> <li>• Limited or no evidence in most countries of public reporting on Strategy goals or indicators after Strategy Launch.</li> <li>• Among interviewed beneficiaries, 24 out of 53 thought there had been low results translating the strategy into action. Further 21 (40%) were unaware of major implementation actions as a result of the strategy.</li> </ul>
<p>Minimal monitoring and unclear accountability within ITC on results of Export Strategy in beneficiary countries makes it difficult to assess results and impact of intervention.</p>	<ul style="list-style-type: none"> <li>• Formal reporting systems include outputs but no process in place in ESS to track results over time.</li> <li>• Information post-intervention is mostly based on personal communication and ad-hoc sharing of information.</li> </ul>

**4.4.6 Direct and Indirect Intervention**

Figure 30 summarized the observations on the National Export Strategy projects and classifies the initiatives supported by ITC regarding their level of successful completion of the different steps.

**Figure 30: Direct and Indirect Intervention - Degree of completion**



Source: Own analysis based on ES data and interviews

Of the 20 Strategies initiated, all of them had successful launches and 16 also successfully finished the design phase, with the remaining 4 being stalled or discontinued due to local context issues. Of these, 14 were considered to have been successfully endorsed and

launched. From then on, however, initiatives appear to face increased difficulties in translating the strategy thinking into strategy action. A majority of these Strategies encountered difficulties in the implementation phase. Monitoring and follow-up were also problematic in most initiatives and, partly as a result of this limitation; there is no available information on the impact these strategies have had in the beneficiary country and its international competitive position.

#### *4.5 Operations and delivery model*

##### **4.5.1 Delivery model and Efficiencies**

As part of the evaluation, the assessment process analyzed the delivery process and the extent to which it was delivered efficiently in terms of the use of resources, including financial, staffing, time and synergies with other operations and activities, both within ITC and from other organizations<sup>59</sup>.

The main areas covered in this section are:

- NES direct, indirect and other costs: What staffing and expenses are involved in each process and are there opportunities for better leveraging these resources
- Time: How is an NES process delivered in a country over time? Are there opportunities for improvement?
- Overall resource efficiency: To what extent the process as a whole is efficiently managed? Are there areas that could benefit from efficiency improvements?
- Coordination and synergies: Are programs well integrated with other TRTA and with other national initiatives? Are there opportunities for improvement?

###### 4.5.1.1 Overall resource efficiency

The interactive and facilitated nature of the NES process makes it relatively intense in the use of human, financial and time resources. By its nature it cannot be compared directly with other Export Strategy processes that are developed with less consultation and participation or those that are driven exclusively by the Public Sector. Still, even though a local navigator plays a significant role in the process, the program relies heavily on international consultants and Geneva based staff managing the process, making it more expensive than a more locally sourced management base. In addition to the navigator appointed locally, ES has recently started to rely more on local paid resources to manage sector strategies or as

---

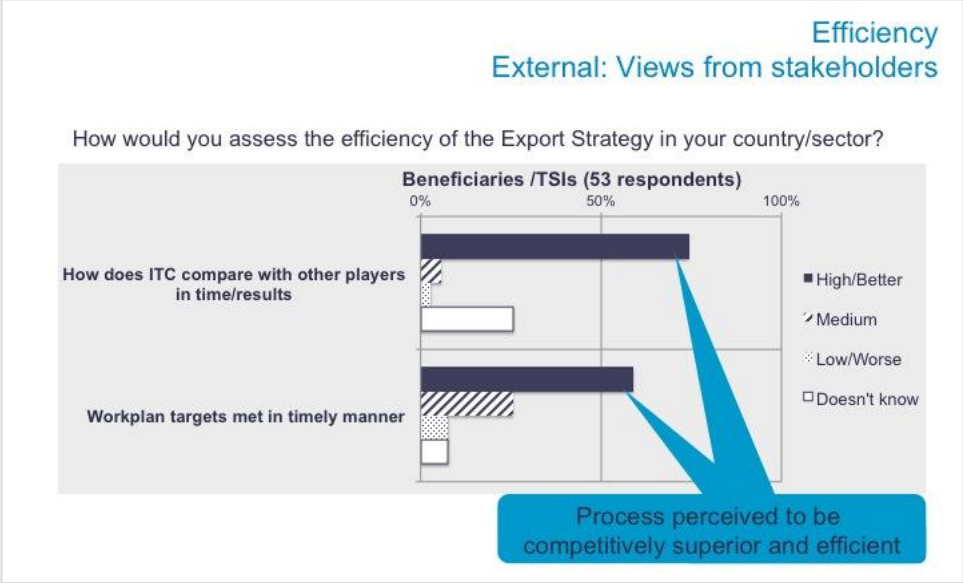
59 The analysis on efficiency assesses NES in its current format and did not assess the NES express, NES Plus or earlier programs (before 2010).

coordinators of the process<sup>60</sup>. This has had positive results with increased commitment and quality of output at a very reasonable cost. ES has also on some initiatives interacted with other international organizations that had a local presence on a cost-sharing basis. For example, this was the case in the Yam Sector Strategy initiative in Ghana with the International Institute of Tropical Agriculture (IITA), and with FAO, World Bank, Common Fund for Commodities (CFC) and UNCTAD in several AACP initiatives. This is very positive and it should be pursued more intensely in the future for similar initiatives as it increases local presence, brings in complementary expertise and is a resource efficient alternative. Increasing partnerships with local or regional consulting companies or NGOs should also be explored as they can represent a powerful way to multiply and localize ITC efforts.

4.5.1.2 Time Efficiency:

As presented before in this document, in a typical NES initiative ITC’s direct intervention can last about 14 months (including the pre-engagement phase). Overall, the process appears to be comparable to those of other international organizations (ex. DTIS, PRSP), although they were in general longer than other participatory strategy processes (ex. consulting companies, national driven processes).

**Figure 31: NES Efficiency: Stakeholder Views**



Source: Field and phone interviews

As presented in Figure 31 interviewed beneficiaries were in general satisfied with the efficiency of ITC ES process. A majority of respondents perceived ITC to be more efficient in

60 ES has always relied on Local Team leaders but in 2009 these leaders were paid fees to increase sense of accountability.

the use of time and meeting work plan timelines than other organizations and international programs.

In reviewing the four phases in detail, however, some opportunities for increased efficiencies in delivery surfaced.

The time is distributed in the following way:

- Pre-Engagement & Inception: Month 1-2
- First Consultation: Month 4-5
- Second Consultation: Month 8-10
- Validation Workshop: Month 13-14
- Starting Implementation (Beyond ITC ES current scope): Month 14 onwards

Although there is activity in between the main consultations, NES processes are marked by these milestones occurring in periodic intervals and coinciding with ITC representatives' field missions.

One general observation is that opportunities should be sought to bring the milestone events closer so that the total process could be deployed in 8-10 months instead of the 14 months it now takes to complete this process. This is not easy to do and the ES team has often tried but has been delayed by local dynamics, holiday seasons and other context factors that may be difficult to change. If this were not possible, another option would be to re-think some of the sub-phases and milestones of the current process to intensify and thus shorten the design phase while significantly extending direct and indirect support in the problematic implementation phase.

In reviewing each of the phases, the following observations can be made:

**Pre-engagement and inception:** A successful Strategy Development necessitates the endorsement and high-level leadership both at the Public and Private Sector. Although this is structured to last between 1 and 2 months, in many circumstances the process can take up to 3-6 months as it also, in many circumstances, involves the securing of funding. It is also important to invest the time in the beginning to ensure that the high level endorsement and political will exists that will improve the chances of the strategy being successfully implemented later. Interviewed participants were also comfortable with the time invested before the first consultation.

Still, the process might benefit from a more in-depth pre-launch analysis phase. This can include tools developed by ES such as the baseline analysis indicators as well as increasing the use of other tools developed in ITC such as NTMs Survey and by other programs, most notably EIF's DTIS in LDCs. More intensive up front analytic work on the NES may also produce a more strategic document that could ultimately assist in identifying key challenges and new opportunities. Beyond specific tools, greater efficiency and comprehensiveness of up-front analysis could also be achieved by closer cooperation and use of in-house resources. These include closer communications and information with the geographic programs, technical expertise in both Sector and Enterprise Competitiveness and Market

Analysis and Research.

**Strategy Formulation (First, Second and Third Workshop):** The main phase of the Strategy tends to take between 11-13 months to complete. As presented before interviewed beneficiaries were generally satisfied with the timing and delivery with the various consultations, workshops and seminars and with the efficiency of staff performance.

This view, however, was not uniformly held. Several stakeholders interviewed expressed a degree of frustration about the length of the process. In one sector development case, the counterpart said 'it was too long, I replicated the same process later for other countries and did the whole thing in just 3-4 months'<sup>61</sup>. Of course replicating a process for a single sector is much less complex and time intensive than a full NES with several sectors and cross-sector areas.

Even under these considerations, there may well be additional opportunities to increase the efficiency of the Strategy design phase. A participatory process requires sector and geographic representation, which all take time, but the strategy definition period could be compressed through increased upfront planning and commitment at the national level. For example, a six months design process with one consultation scheduled every two months would leave enough time for the work between the consultations but would also cut the current timing by half. If well planned, this should be sufficient time to define the Strategy. It might also help maintain momentum more effectively and allow more time and resources for the pre-engagement analysis phase and to ensure a good transition into implementation.

**Implementation management:** This is the area that receives the least time and budget attention and where probably there is the more to gain from increasing attention.

As it was analyzed in the end of the Direction Intervention review (Section 4.4.1, p. 71), the transition to implementation appears to be the most challenging aspect of the process. It is also one that could be significantly strengthened through increased advisory support in the post-design phase. Some implications of this are:

- The need to strengthen local presence post-design: ITC or Partner based local presence is key to support this transition in order to maintain the high level support on one side and to provide advice on the follow-up organization of the implementation phase.
- Formulating private and public investment and aid project proposals could be built into the process and structured as a post-output session with a reduced group of

---

<sup>61</sup> Anonymous interviewee referring to a Sector Export Strategy for one crop, March 2013

stakeholders/participants.

- The international and national network needs to be further strengthened and leveraged to ensure the strategy is well entrenched in local and international budgeting, planning and execution processes.
- Even when further leveraging partnerships and local resources, the initiatives will inevitably be more expensive and take a longer time. This needs to be built-in from the beginning of the initiative rather than negotiated after the design phase is finished.

#### **4.5.2 Cost efficiency**

The resources involved in an NES or SES initiative have evolved significantly over time. When the program started in 2003, each initiative was priced at around US\$50K. This involved mainly the recruitment of an international consultant and travel costs, with an allocation for coordination from Geneva based ITC personnel. From this small structure the program and ITC's involvement expanded to reflect innovations introduced in the process. By 2009, the price tag for a National Export Strategy initiative was estimated to be about US\$150K. New ITC processes, increased staffing, new tools and strengthening the quality of the delivery have again resulted in higher costs, and in 2012-13 each NES initiative was priced US\$ 280-US\$300K.

The main cost drivers for each initiative are: ITC personnel and consultants, travel expenses, local facilitators team and materials as well as ITC's administrative sundry costs.

Although each initiative is designed and budgeted for separately, recent initiatives (2012 and 2013), have involved the following resources:

Staff ITC:     1 team leaders (P4 or P5)  
                  1 support professional (P2 or P3)  
                  Occasional additional support (Administrative, Top Management)

Other staff:    1 local initiative leader (sometimes partially funded by initiative budget)  
                  5-6 Sector leaders (idem)  
                  Other additional support

Travel Costs:  12 Missions (2-3 People, Pre-Engagement, Consultations, Other)

Other:           Communication, Translation, Meeting facilities

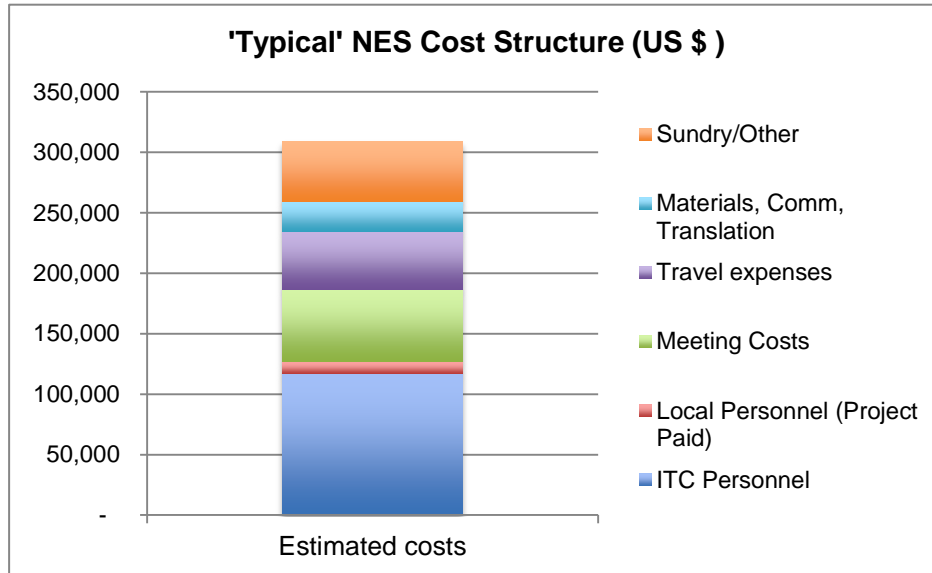
There are three main observations regarding the total costs for each initiative: 1) the budgeted amount appears to be in line with that of other comparable products, 2) the use of resources are heavily concentrated in the strategy design phase and, 3) the actual use of resources, including the cost of time of additional ITC involvement and in-country leadership and participants involvement, represents significant resources or invested in each initiative. These observations are expanded below.



#### 4.5.2.1 National Export Strategy Budget

Figure 32 displays the components of the NES cost structure. Almost 40% of the total budget is dedicated to funding the ITC personnel dedicated to the project and an additional 3-5% is allocated to local personnel (contribution to team leaders' income).

**Figure 32: NES Cost Structure**



Source: Own calculations based on ITC budget costs and ES Team interviews

Besides personnel, the project pays for most of the logistical costs of holding the meetings that represents about 20% of the total budget. Travel expenses account for 15-20% and materials and communication can add up to 5-10%, ITC's Sundry costs are also accounted for in the budget.

Although it is hard to come by comparable costs by competitors, the price of an NES Strategy seems to fall in line or lower than other technical assistance projects of related focus. For example, a DTIS study, carried out by The World Bank or a consultant, can cost anywhere from U\$300K to U\$500K<sup>62</sup>. It is, however, also true that private sector, regional consulting companies tend to present lower bids for similar initiatives<sup>63</sup>.

#### 4.5.2.2 National Export Strategy Budget phase distribution

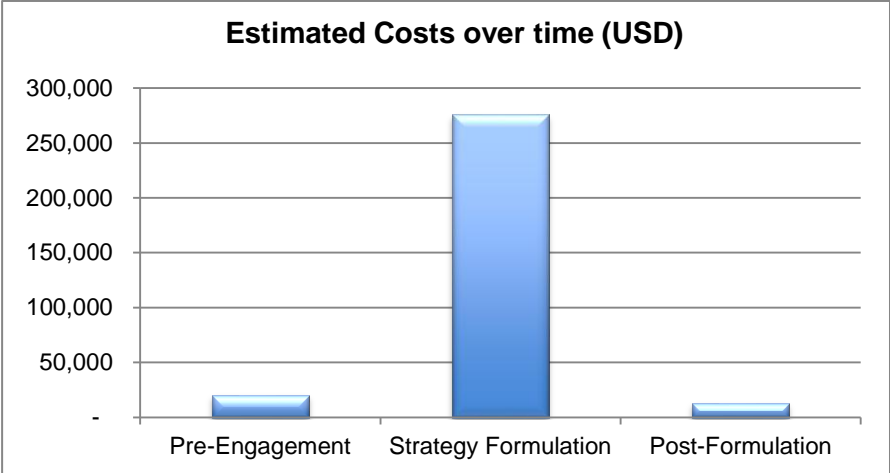
The current use of resources is aligned with the different phases of the program. As such, most of it is concentrated on the Strategy design part of the process, with a limited amount of

<sup>62</sup> This figure is based on conversations with ITC ES Team

<sup>63</sup> Imani Development, amount of bid not known but believed to be significantly lower than ITC's.

the budget allocated to pre-engagement and, following the limited mandate, almost no resources after the design phase is concluded.

**Figure 33: Estimated costs and phases**



Source: Own calculations based on ITC budget costs and ES interviews

Figure 33 illustrates the distribution of costs along time, illustrating the heavy concentration of the resources around the Strategy Formulation phase. This concentration is partly due to design of the initiatives. Currently, the mandate of the team (and the budget) finishes at the end of the design phase, with very little or no provision of budget beyond that. As for the pre-design phase, some of the budget might not be considered as part of the initiative budget itself but as part of marketing or general expenses, before the project was officially approved and these are not allocated directly to each initiative.

4.5.2.3 Total use of resources

In addition to analyzing the 'price tag' of ES initiatives, the evaluation also assessed the level of resources involved from a total cost perspective. This is an analysis of the direct resource costs used in the initiative as well as the indirect ones and the implicit costs of time and in-kind contributions that are often not accounted for in traditional reporting formats.

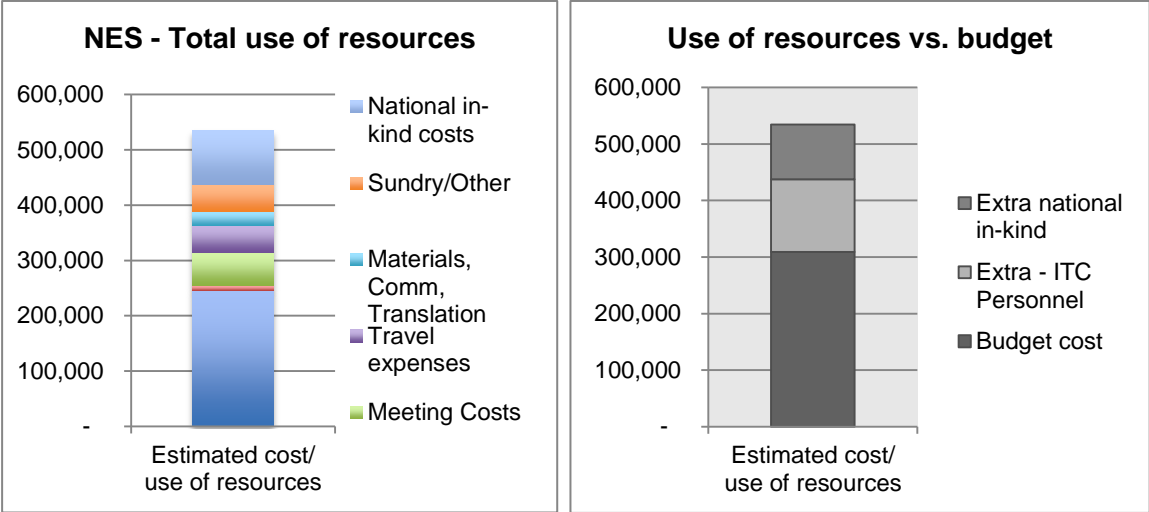
In most cases, resources involved in the marketing or pre-engagement phase are not accounted for in the initiative budget. There are also other resources that are dedicated to the initiative that are not allocated to the budget, such as additional time/resources from other members of the ITC team spent supporting this project<sup>64</sup>. One could also consider the

---

<sup>64</sup> The budget for each project generally includes one team leader for three work months and one team member for four work months. Interviews with ES team suggested that the actual time (in work days) spent in each initiative generally surpassed the time budgeted for it. In recent initiatives there was also relevant time involvement from other ES Section

time invested by NES participants in the country as resources allocated to the project even if they are not part of the monetary calculations of project costs.

**Figure 34: Total use of resources and budget**



Source: Own calculation

Figure 34 estimates a monetary value to the total use of resources when accounting for these ‘hidden’ costs that wouldn’t otherwise be considered. When accounting for these, the ‘total’ costs of each initiative could increase to over USD 500’000. Although this is not a ‘real’ figure in terms of monetary value, it is indicative of the total resources involved and high cost of opportunity that is involved in developing a National Export Strategy.

**4.5.2.4 Opportunities for Efficiency**

Opportunities for increased resource efficiency could be explored by further leveraging national resources and national consulting services. In the past, ES has identified and trained international consultants to support processes. However, these efforts were discontinued, as it was difficult to manage the timing of engagements and continuity for consultants. Still, it would be worthwhile to explore again an increased decentralization of initiative expertise that could allow ES to scale up activities at the same time as reducing costs.

Beyond specific tools, some suggestions were made that greater efficiency and comprehensiveness of up-front analysis could also be achieved by closer cooperation and use of in-house resources, as mentioned before in this document (see Section 4.3.2).

**4.5.3 Partnerships**

---

team (R&D, leadership) members that was not allocated systematically to each initiative.

Particularly in more recent implementations of NES, synergies and coordination with both internal and external partners has been actively sought out. Externally, comparatively speaking, the NES process has been effective in attracting other donor interest and even participation in the NES consultations.

There has been extensive cooperation with the Commonwealth, particularly in the Caribbean, with the EU in Africa and Palestine and in attracting funding for the implementation phase for the NES in Uganda<sup>65</sup>. For example, in Palestine an expert in trade law funded by the EU was actively participating in an ITC working group on Information Technology.<sup>66</sup>

There has also been an active and positive collaboration with IITA in agricultural strategy development in Sub Saharan Africa. Still, this is an area that would still benefit from increased attention as, in many cases, there seems to be a wide gap between the formulation of the Strategy and the translation of this strategy into actionable initiatives aimed at national, donor and private sector funding.

Internally at ITC, Table 1 shows an example of this type of internal partnership, identifying the areas that had been identified as possible synergistic components in NES strategy in the case of Palestine. These complementary activities can significantly enhance both the value and quality of the NES as well as ITC’s overall contribution to the development of the country.

**Table 1: Palestine NES - Opportunities identified for ITC arising from NES design**

Section	Work achieved or planned
DMD/MAR DMD/TIS	<ul style="list-style-type: none"> <li>• Trade information network and training institutions in data collection and analysis</li> </ul>
DMD/SC	<ul style="list-style-type: none"> <li>• Implementation of sector-specific activities</li> </ul>
DBIS/TS	<ul style="list-style-type: none"> <li>• Institutional strengthening and institutional capacity-building</li> </ul>
DBIS/BE	<ul style="list-style-type: none"> <li>• Implementation of activities to enhance access to finance</li> <li>• Implementation of activities to enhance trade facilitation</li> </ul>
DBIS/EC	<ul style="list-style-type: none"> <li>• Implementation of activities to improve packaging</li> <li>• Implementation of activities to enable quality management</li> <li>• Implementation of activities to favor enterprise development</li> </ul>
DCP/BTP	<ul style="list-style-type: none"> <li>• Implementation of activities to review and enhance trade policies (part of a TPSP initiative)</li> <li>• Implementation of activities to enable institutions or the NEC to advocate</li> </ul>

<sup>65</sup> The Netherlands have picked up the Coffee Sector Strategy and Ireland has also funded a program emerging from the NES.

<sup>66</sup> NES Palestine, Design Phase, March 2013

Section	Work achieved or planned
	for policy reforms.
DCP/OAS	<ul style="list-style-type: none"> <li>• Identification and mobilization partners and resources for implementation of NES activities.</li> </ul>
DCP/ES	<ul style="list-style-type: none"> <li>• Implementation of management support to NEC and other relevant national stakeholders</li> <li>• Identification and mobilization of partners and resources for implementation of NES activities</li> </ul>

Source: Initiative Plan National Export Strategy of Palestine, ES Section, 2012

As has been noted before, there have also been very successful connected or joint initiatives in the area of Sector Strategy in collaboration with Sector Competitiveness section (for example in Cotton and Textiles and in Fruits and Vegetables). But this smooth and productive interaction has not always been the case. There have also been several occasions when these synergies were not exploited or where there were gaps or absence of transition between strategy formulation and other initiatives (for example Cassava SES in Zambia). There are several possible reasons for this but some of the most often alluded to by both internal and external stakeholders were:

1. Program Budgeting and budget control: In some cases large multi-intervention programs have centralized budgets while in others the budget seems to be decentralized and each initiative tries to secure its own resources. Although this supports each Section proving its own value independently, it can also create difficulties as some areas can have a certain degree of overlap that is challenging to manage in this way (for example Sector Competitiveness and Export Strategy in Sector specific Strategy development and implementation).
2. Section Specific priorities and timelines: Even when there are the best intentions and the budgets are appropriately allocated, each Section has its own objectives, key initiatives and use of resources, making it difficult to integrate on a short notice other requests or priorities.

Because of the integrative nature of an NES, a broader coordinating role of ITC interventions in countries supported by NES development should be encouraged. The integration of activities, follow-up and integration across different functions and budgets could make a more effective and efficient delivery of ITC services to selected countries.

Within ITC there has been some observation that the formulation and execution of the NES could be more inclusive and with more effective communication at the beginning of the process. It was also noted that country managers should also proactively approach ES Section more often than it currently occurs. As noted before it has been suggested that greater efficiencies could be achieved through greater coordination within ITC and sharing of expertise. It is broadly recognized that there are budgetary considerations and it is recognized that there are difficulties within bureaucracies regarding sharing and acquiring resources and attending to sectional priorities. It has also noted however, compared to other organizations, an apparent weakness of team approaches which in other organizations are

compulsory.

#### *4.6 Organization and Staffing*

##### **4.6.1 Organization**

As part of the evaluation process, an assessment of the organization was carried out with regards to the overall staffing levels, the skill base of the team and the activities carried out by this team. This was mainly focused on the current staffing (after 2012) and assessed relative to current product offering.

The Export Strategy Section was set up as a Section in 2007. Before that time, the 'Executive Forum'/'WEDF' Team assisted countries in developing their National Export Strategies using the tools that had been developed for this purpose. The team was also responsible for the annual organization of ITC's flagship event, the Executive Forum on National Export Strategies / WEDF. Indeed, this event absorbed a considerable amount of the team's time and efforts, but had also been key to develop the thinking behind the Export Strategy concept and the tools used for this purpose.

Following a review of the program and organizational changes at ITC, in 2007 Export Strategy was set up as a Section (ESS) in the Bureau of Policy and Programmes (later the Division of Country Programs). The rationale behind this move included the need to centralize export strategy support for beneficiary countries and the need to strengthen the program delivery part of this unit. That same year, the Executive Forum was renamed 'World Export Development Forum' and the organization of the event was transferred to another Section at ITC in 2009, freeing up the resources in the newly formed Section to be fully dedicated to National and Sector Export Strategy programs.

##### **4.6.2 Staffing and Resources**

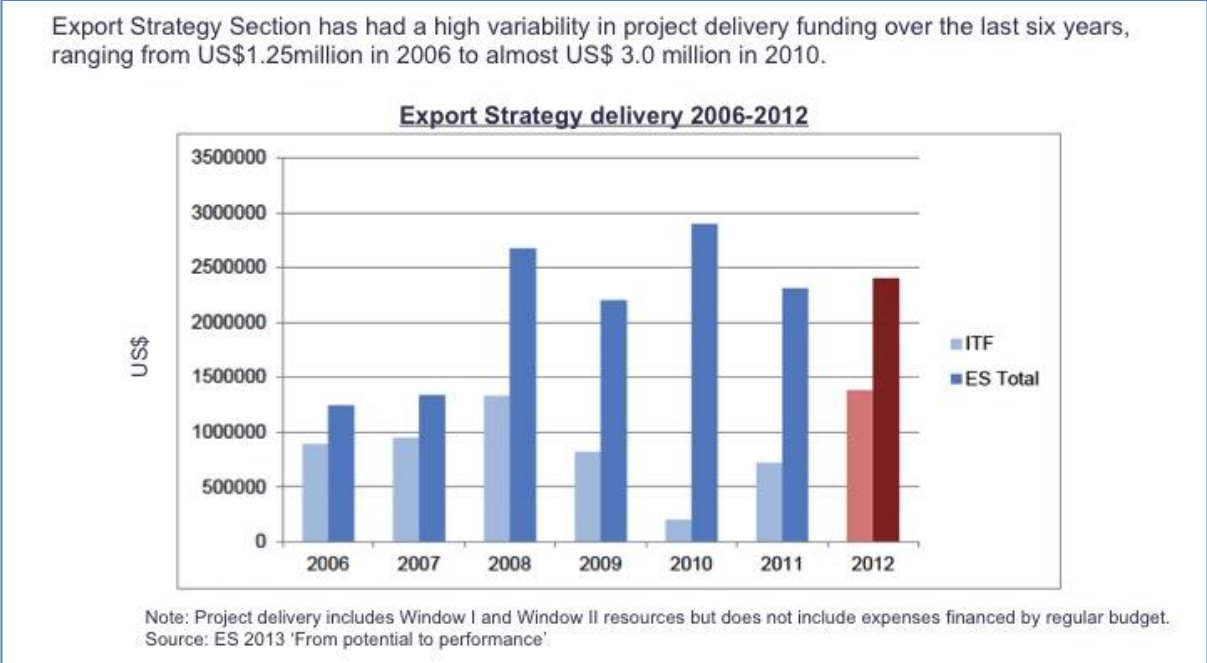
The organizational changes in 2007-08 were also reflected in the resources allocated to the Export Strategy Function. Up until that time, most of the initiative funds used by the unit were allocated from the International Trust Fund (Window I). These funds were reduced for 2009 and then further for 2010 meaning that the Section's Initiatives were funded primarily through Initiative specific allocated resources through Window II (see Figure 35). The effect that this had was that ES was unable to invest in research and innovation, or to respond to country requests for assistance in export strategy as these arose. The section staffing was reduced during 2008 and 2009. According to a report<sup>67</sup>, 'ES started 2010 with a Chief of Section, two

---

<sup>67</sup> 'Export Strategy 2013 : From potential to performance', op.cit.

short-term P-posts and a short-term G-post. Following serious concerns on ES’s ability to deliver, a push for recruitment and increased Window I funding were pursued. By 2012, the Section had six fixed-term professional posts, five headquarters-based consultants and two G-posts.”

**Figure 35: ES Resources 2006-2012**



Source: ES (2013), 'From Potential to Performance'

In terms of overall staffing levels, and as mentioned in Section 4.6.1 (p.93), ES Section today has the following staff:

- 1 Section Chief
- 6 Fixed-term professional posts
- 5 Geneva-based consultants
- 2 Administrative Support Positions

Most professionals are regularly assigned to two or sometimes three initiatives simultaneously with the exception of two research professionals that support the development of new tools. It is expected that each initiative leader or consultant work simultaneously on more than one initiative and the target is that each professional would tend three initiatives each year.

Each initiative is generally staffed by a team leader (P4) and one support professional (P2 or P3). They also receive support on a case-by-case basis from research professionals, administrative staff or the Section Chief.

An important implication of this is that the team leader and support professional are expected to have a strong varied skills set, covering facilitation, political engagement, trade specialist knowledge, communication and writing skills.

The team has performed very well in executing the combined set of tasks. The dedicated research professionals have also started to bring new perspectives tools and raised the thought leadership potential of the team. The local team and local Sector/Cross-Sector leaders have also helped leverage headquarters based staff. This evolution could still continue, whereby tasks like report writing and communication might be further 'outsourced' to local or regional specialists, allowing the team leader to become more of an 'orchestrator' than a 'multi-instrument' player.

Overall, feedback from beneficiaries, document reviews and interviews with the staff members themselves all suggest that the team is a very strong group of professionals with a high level of skills in complex areas and that the staffing training efforts carried out in 2011-12 were very successful. This team represents a very strong asset for ITC and open up choices for strengthening ITCs position in supporting countries in this important field.

### **4.6.3 Processes: planning, reporting**

ITC ES Function has progressively evolved from a relatively 'ad-hoc' activity under the umbrella of the Office of the Executive Director to an independent and more permanent part of ITC's portfolio, being constituted as a Section and establishing its own planning and performance monitoring systems.

This has also happened in parallel with a move in ITC (and the development community) towards Results Based Management and increased attention to Monitoring and Evaluation processes.

Still, as was mentioned at different points in this evaluation document, internal planning and monitoring processes, while formally complete, do not always provide enough information on the strong and weak aspects of each initiative implemented so far. This situation made the data collection process for this evaluation very difficult and time consuming. More importantly, deficiencies in these processes have a strong negative effect on the ability to efficiently manage resources, to adapt the offering and delivery model based on learning from past initiatives and to develop an institutional memory.

#### **4.6.3.1 The Logical Framework**

The two logframes contained in appendix 7.4 contain much valuable information and serve as a useful guide in progressing the activities to achieve higher-level outcomes. However they could benefit from adopting a more standard approach, particularly along the horizontal axis that would more clearly distinguish inputs from outputs and in particular outputs from outcomes.

It is recognized that since the inception of the LFA in the early 70s, spearheaded by Leon Rosenberg of Practical Concepts Incorporated for use by USAID that there have been modifications in the design and application of this concept. However, the four by four matrix remains sacrosanct and it is helpful to clearly identify the logic flowing upward from input to output, output to outcome at the purpose level and finally outcome at the goal level. If this is done with a degree of rigor, it becomes an invaluable input into Results Based Management



exercises and can serve as the basis for program evaluation and monitoring.

It would be helpful if the logframe consistently labeled the horizontal axis beginning (at the bottom) with Input, then proceeding upwards to Output, then on to Purpose Outcome and finally Goal Outcome. The key distinction in this exercise is to maintain a clear separation of output from outcome. The project has influence, if not control over producing outputs. It has no control over outcomes. Outcomes are **beyond** the managerial control of project authorities. The logic train is that if you produce outputs that the project can control, and if your assumptions are correct, outcomes will result.

Both the current and previous logframes tend to have outputs stated as outcomes. Statements such as “public and private stakeholders are enabled to formulate a strategic vision”, “preparatory work completed”, “measureable plan of action delivered”, “increased capacity”, “improved policy framework”, “empowered national stakeholders” are all results of project inputs such as advisory services and workshops. It is recognized that the beneficiary plays an active role in producing these results but the production of these types of results is still largely within the control of project managers. The project can create capacity. What happens after is an outcome. An outcome would be the actual production of follow up strategic plans by the beneficiary under new circumstances and without outside advice. Such purpose level outcomes would see effective and functioning export officials and institutions mainstreaming trade, guiding export growth through the promotion and execution of effective policy and programs and facilitating exporters with new and relevant programs. It would be more than just having the capacity to do so; it would be actually doing so.

An advantage of maintaining this clear distinction between outputs and outcomes is that it enables more precise targeting of evaluation results. Some international organizations<sup>68</sup> focus their evaluations by having “output to purpose/outcome reviews”, thereby targeting efforts which would provide a clear indication of success at the outcome level. It is results at this level that governing bodies have an interest and confirm that the basic assumptions and logic of the project are valid.

---

<sup>68</sup> DFID has adopted this practice

#### 4.6.4 Organization: Key Findings

Findings, Problems/Issues	Evidence
<p>Successful cases of ES Section coordination with external organizations (donors, multi-lateral organizations) and with other ITC sections, especially Regional Offices and Sector Competitiveness.</p> <p>Important complementarities with local actors and external organizations are not being sufficiently leveraged.</p> <p>Uneven ITC-wide effectiveness to secure internal coordination, knowledge exchange and collaborative culture.</p>	<ul style="list-style-type: none"> <li>• Currently limited internal and external coordination in multi-year, multi-initiative programs across multiple aspects such as design, execution planning, hand-offs, client relationship, follow-up, monitoring and evaluation.</li> <li>• Uneven internal coordination evidenced by successes such as coordination in Palestine initiative with multiple ITC Sections and in Cotton initiatives with Sector Competitiveness, but also evidence of lack of successful coordination in cases such as Cassava Sector Strategy in Zambia.</li> <li>• Trade competitiveness indicators appear to be developed simultaneously in MAR Section and in ESS.</li> </ul>
<p>ES Offer is efficient in the use of resources relative to other players. Still, significant resources involved in developing an Export Strategy.</p> <p>Opportunities for higher efficiency and increased role in implementation in modifying program structure to further leverage local resources.</p> <p>Comparatively, high use of resources and lower ESS differentiation in specific sector strategies relative to National Export Strategies.</p>	<ul style="list-style-type: none"> <li>• NES initiative support currently priced at around US\$300'000. Sector Strategy priced at around US\$ 150'000.</li> <li>• Total resources involved in NES increases to US\$ 500'000 if monetary value is also assigned to cost of opportunity of time of participant involvement.</li> <li>• Sector Strategies require strategy process input but are more directly connected with Sector expertise.</li> </ul>
<p>Internal planning and reporting mechanisms not yet well adjusted to facilitate decision making</p> <p>Full value of ITC's intervention is limited by lack of analysis of causal linkages Strategy-Impact.</p> <p>Strong trend among development community towards results-based and impact driven management. ITC is moving towards this goal.</p>	<ul style="list-style-type: none"> <li>• Fragmented information about degree of implementation of ES initiatives. Post-engagement information sporadic, relying on personal contacts</li> <li>• ES Section logframe well reflects priorities and inputs/activities. Outcomes and outputs, however, are not clearly distinguished.</li> <li>• Impact indicators are included in logframe but limited or no reporting on these indicators up to date.</li> <li>• ES Section has strengthened its planning and reporting processes but the organization relies on more personal rather than institutional memory</li> <li>• Momentum around results based management program being currently implemented at ITC</li> <li>• Positive evolution of planning processes: For example recent innovations on ITC budgeting processes to be aligned with outputs.</li> </ul>

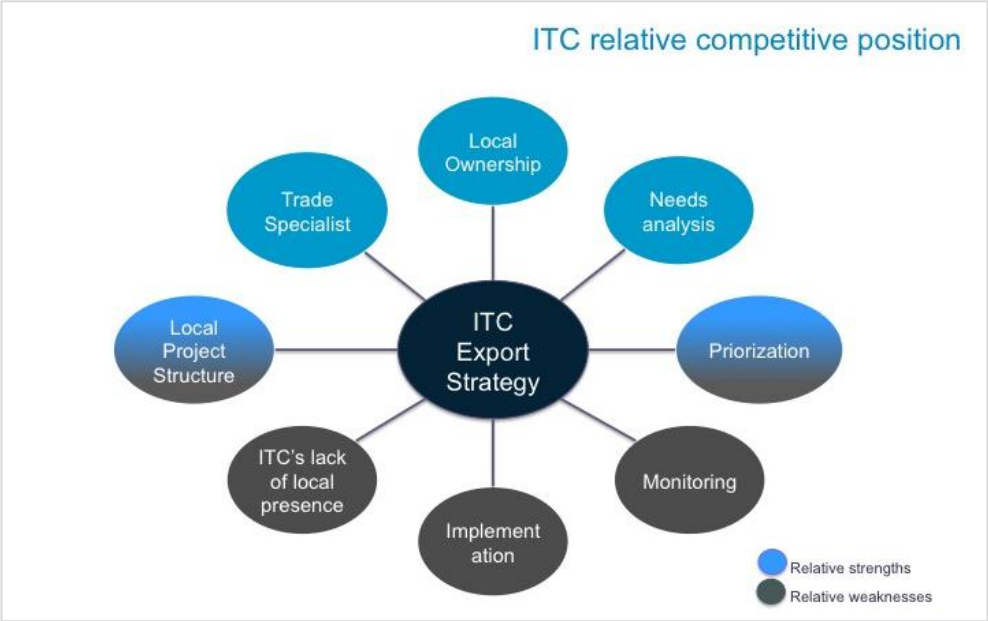
#### *4-7 Looking Back - Summary: ES offering Strengths and weaknesses*

This section integrates and summarizes the key competitive strengths and weaknesses identified in the 'looking back' part of this evaluation. These take into account the market

needs, offerings by other players and ITC ES products and services.

**4.7.1 Market Position**

**Figure 36: ITC Offering - Competitive position**



Source: Own analysis

Figure 36 presents ITC's competitive strengths and relative weaknesses. ES participatory and locally owned approach is probably the most differentiating factor of ES methodology and a very valued feature among beneficiaries. This is also supported by the positive perception of ITC as a facilitator of a Trade Strategy Design Process. Tools developed by ITC ES over the years also present a superior offer, especially in the area of needs assessment and Value Chain analysis. Taking a broader perspective of ES position, ITC's reputational value as a trade expert, along with the perceived neutrality of the UN body are both strong positive factors supporting an advantageous competitive position of ITC.

Three areas –lack of local presence, difficulties in implementation and insufficient follow-up and monitoring structures- were identified where ITC is at a certain disadvantage compared to other players.

ITC's lack of direct local presence puts it at a disadvantage in terms of the possibilities of supporting beneficiaries before and after the design stage. In the beginning of the process, lacking a pre-existing local presence can make it more difficult to understand the environment, identify key stakeholders and assess formal and informal power structures in the country. In the end of the process, after the design phase has finished, the implementation follow-up relies heavily on the local counterpart. The implementation, management and monitoring set-up is an integral part of the process and, as has been highlighted in the respective sections, is not always to the level it would be desired. Monitoring structures and processes, though systematically defined in the process and as part of ITC recommendations are not always operationalized. Often, these structures do not

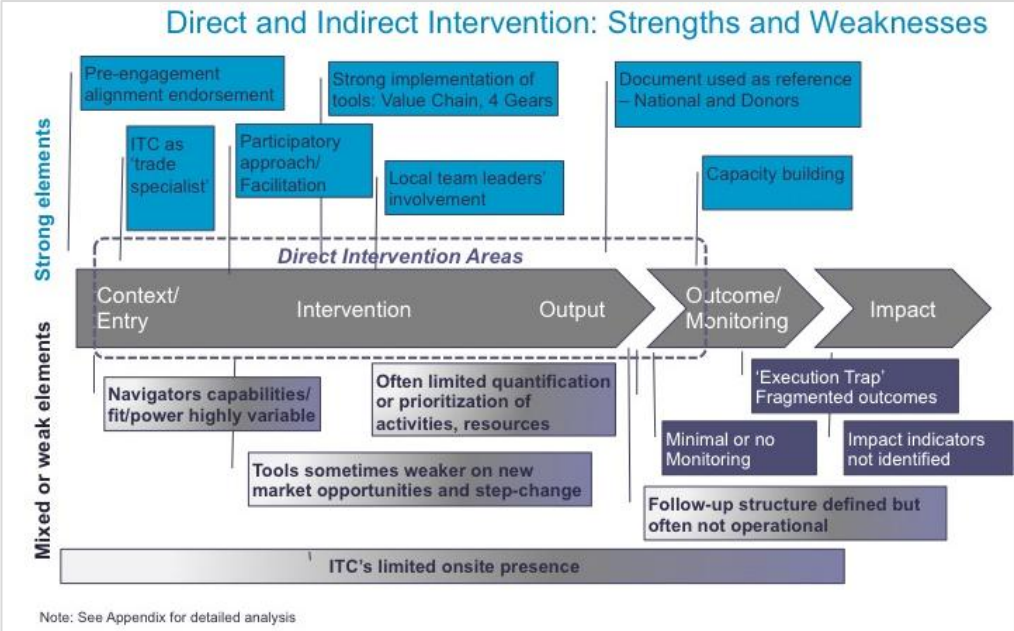
completely consolidate by the time ITC ES has to disengage from the process. In these cases, the risk of fragmented or limited implementation increases. This issue becomes particularly challenging in LDCs and Lower Income countries that tend to have more fragile institutional structures to rely on to carry out large initiatives such as a National Export Strategy.

Lastly, in two areas ES approach has been at par with other players' offerings. The local project structure helps ITC leverage its resources. This is an advantage relative to international players in a similar situation to ITC but not relative to the national, regional and international players more entrenched in the beneficiary country. Finally, clear prioritization of sectors or initiatives or geographies can be controversial and difficult to set up in many national initiatives. The multiple interests, lobbying opportunities, political and economic drivers all create challenges to a successful and practical prioritization process to maximize the use of scarce resources.

**4.7.2 Direct and Indirect Intervention**

Taken as a whole, ITC ES's supported initiatives have been successfully designed through a very powerful and disciplined process. The direct intervention has been successful and recognized as valuable in most initiatives reviewed for the purposes of this evaluation. However, many of these initiatives went on to encounter difficulties in the implementation phase, after the direct intervention phase had concluded.

**Figure 37: Direct and Indirect Intervention: Strengths and Weaknesses**



Source: Own Analysis

Figure 37 summarizes strengths and weaknesses of the process in each of the phases identified in Figure 30 summarized the observations on the National Export Strategy projects and classifies the initiatives supported by ITC regarding their level of successful completion of the different steps.

Figure 30. As it can be seen in the picture most of the strengths of the program are associated with the approach and the elements in the direct intervention phase. But these strengths have not systematically resulted in all the expected direct results after the intervention concludes. A complete summary of the ES Function evaluation by the evaluation criteria can be found in Appendix 7.5, p.150.

The review of strengths and weaknesses offers a perspective on the relative position, opportunities and challenges for the ES Function in the future generating questions such as:

- What is the expected 'impact' model? What is the associated 'change model' for the beneficiary and, in which ways, should ITC ES support this process?
- What is the role of ITC ES in the marketplace? What is its role as part of ITC?
- What is the right scope of intervention? How long should the direct intervention last?
- How could design be improved to increase the rate of successful implementation?
- How could ITC better leverage resources? What are possible partnership models?
- What is expected of ITC ES in the future?

These questions are explored in the Looking Forward Section of this report. Taking into account projected market trends and ITC priorities, a series of recommendations and choices for ES future are then presented.

## *5 Looking forward: ITC's export strategy future*

The market review indicated that Trade Strategy is highly relevant for developing countries and that it represents an opportunity of up to \$350 million in technical assistance per year. This in turn provides the framework for up to \$7billion in program implementation.

The findings of the evaluation characterize ITC ES as a program recognized by beneficiaries and by ITC as making a positive contribution to developing countries in promoting a public-private dialog on trade related needs and opportunities and defining Export Strategy. The program is also well aligned with ITC's mission, occupies a relevant position within ITC and has been integrated with programs and Sections on specific interventions. The evaluation, however, also showed there are areas that need increased attention. In particular, to increase probability of success in beneficiary countries there appears to be a necessity to take a more active role in supporting the 'Strategy and into Action' focus, supporting implementation management process beyond the definition of priorities and action plans.

Looking towards the future, there is currently an important opportunity to reflect on the role that ITC in general and the ES Section in particular could play in supporting developing countries in the area of Trade Strategy. For this, numerous options exist on how to take the program forward depending on the objectives pursued, answering key questions such as: 'What would ITC want to achieve through ES?' Should this type of program consist of specific initiatives, one of the business lines of ITC connected with other initiatives but somewhat independent from other programs? Or should Export Strategy be used as a 'red thread' for a series of initiatives offered by ITC in specific countries? Or could/should it do

both? Should Export Strategy focus mainly on large multi-sector, multi-function and sometimes multi-country programs? Or should it be more of ‘a la carte’ with narrower defined strategy projects are also part of the mandate? Again, could it be both?

These questions are explored below and a set of recommendations on future options is presented along four ‘dimensions’ of Strategy: a) Role of Export Strategy within ITC; b) Market Positioning, Offers and Customers; c) Operations and Activities; and d) Organizations, Processes and Systems. In addition, as illustrated in Figure 38, it is important to note that choices in each of these four areas need to be aligned with consistent choices in other areas, resulting in an integrated strategic view of ITC’s Export Strategy function going forward.

**Figure 38: Strategy choices**



*5.1 ITC’s role in supporting strategy processes*

From ITC’s perspective, Export Strategy (ES) is one of the five core business lines. The program is also relevant in the achievement of ITC’s mission ‘to foster sustainable economic development and in contributing to achieving the Millennium Development Goals in developing countries and countries with economies in transition through trade and international business development’<sup>69</sup>.

---

69 ITC Annual Report 2012



Export Strategy support, as a program or business line in itself represents an attractive opportunity. High demand and strong positioning can provide significant opportunities for ITC to leverage the strengths, to continue building tools and methodologies that increase its effectiveness, address market needs. If the program’s current limitations are overcome, Export Strategy could continue growing and establish itself as a ‘jewel in the crown’ of ITC’s products and services.

But by supporting public and private sector players in developing countries define their own trade-related priorities and establish a path going forward, ITC also has a broader potential to influence trade and international business development. Realizing this potential would imply strongly linking Trade or Export Strategy initiatives to the overall priorities and programs carried out by ITC in a more integrated and broader reaching ITC-wide effort across all business lines. ITC could actively take more of a leadership role in ‘accompanying’ certain countries in the definition and implementation of trade development strategy, playing more of an integrator role in technical aid. ITC could consider the opportunity of Export Strategy becoming a ‘lead’ product that supports a smaller group of countries more intensely and over time, integrating a longer cycle of technical aid services, from needs assessment to strategy definition to overseeing implementation initiatives. Though this option is attractive in terms of market opportunity and possibilities for impact, it also has significant implications in terms of scope, and especially in terms of organization and budgeting processes.

Although both choices are viable and attractive, they do have different implications. Making an explicit choice with regards to the role of Export/Trade Strategy in ITC being a more narrow and specific or broad and integrative would benefit the organization in providing clarity as well as aligning the operations and organization to accomplish this role. As such the following sections on market, operations and organization address some common implications and, when appropriate, distinguish between the narrow or broad role of Export/Trade Strategy in ITC.

The options regarding ES role within ITC are summarized in Table 2:

**Table 2: Role of ES in ITC - Options**

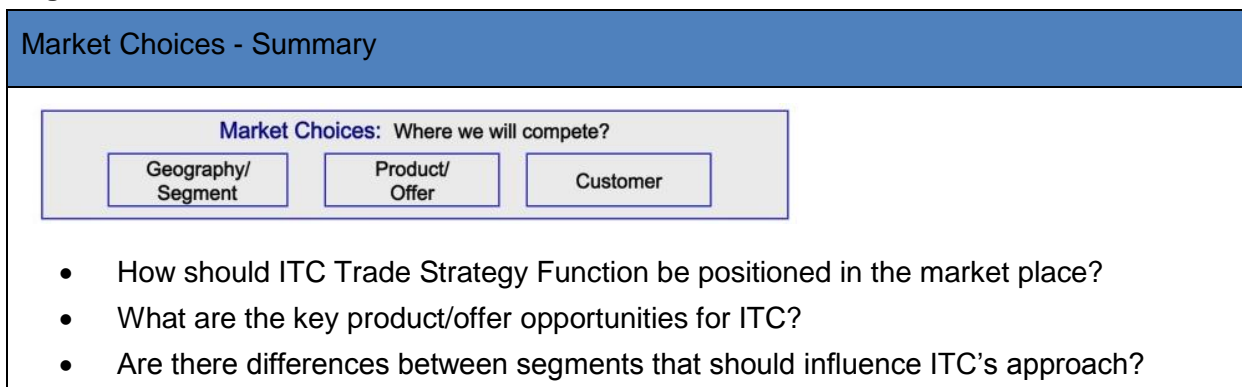
Area	Options	Findings Support (Reference Section in Report)
Role of ES in ITC	<ul style="list-style-type: none"> <li>• In terms of the operational and organizational implications, ITC should opt between the two main options that were raised during the evaluation process:</li> <li>• <b>ES Function as a connected but independent business line or Section</b>, focused on Strategy design and Implementation Management</li> <li>• or</li> <li>• <b>ES Function as ITC-wide mechanism</b> to support countries in design, implementation management, implementation of technical aid, beyond current ES Section.</li> </ul>	<ul style="list-style-type: none"> <li>• Linkages between Trade Strategy design and Trade Strategy Implementation (3.1)</li> <li>• Strong market trend towards action and impact oriented programs (3.5)</li> <li>• ITC has active presence in market but large expansion opportunities (3.4)</li> <li>• Uneven track record of successful ITC-wide collaboration, with important successes but also limitations (5.4).</li> </ul>

## 5.2 Market

Significant opportunities exist in the market today for ITC to strengthen and expand its role in the Trade Strategy market. These choices will be influenced by the overall role that ITC defines for the Trade Strategy function. Conscious of that, a series of market oriented recommendations and options are presented below.

These recommendations and options are grouped in three areas: market positioning, specific target market segments, and offer or product (Figure 39). The recommendations offered in this Section are based on market intelligence, competitive activity and an analysis of ITC's current strengths and weaknesses covered in the respective sections in the 'Looking Back' part of this report.

**Figure 39: Market Choices**



### 5.2.1 Market positioning

As was presented in Section 3, demand for Trade Strategy support is growing in developing countries. The Export Strategy Section research has estimated that trade related strategies could have increased almost tenfold over the last ten years<sup>70</sup>. The trend towards a more structured approach to defining trade related priorities was also evident in the research conducted as

"It is commonly held that strategy is distinct from execution, but this is a flawed assumption. The idea that a strategy can be brilliant and its execution poor is simply wrong."

Roger Martin, 'The Execution Trap', Harvard Business Review, 2010

---

<sup>70</sup> ITC Strategy Map, op.cit.



part of this study.

But evidence also points to an evolution in the type of strategy efforts. Following trends both in corporate strategy and in development cooperation, the shift of emphasis towards 'implementable' or 'action oriented' or 'impact driven' strategies is much more present today than it was just five years ago.

This represents a new set of demands, i.e. demonstrating rather than implying the actual results achieved by a strategy. But it also presents new opportunities, as the linkages between strategy formulation and strategy action are relatively weak among development cooperation agencies and consulting companies dedicated to this type of projects.

For ITC, these circumstances represent an opportunity to establish itself as a leader in the '**Strategy into Action**' area in Trade Strategy. To do this, ITC needs to look beyond the current Export Strategy Section as it involves not just the formulation of sound and achievable strategies but also the linkages with internal and external organizations that can support a country beyond formulation and into trade development as a whole.

As the only agency totally dedicated to Aid for Trade, ITC can also leverage its dedicated focus on trade in development to actively participate and lead technical cooperation in this area. Another advantage that ITC can strengthen and leverage is its emphasis on a **country owned and inclusive approach**, which gives it a distinct advantage vis a vis other bilateral development agencies as well as private sector consulting companies. This could be stressed further in the positioning of ITC relative to its competitors and 'complementors' differentiating ITC's approach as a participatory and 'building together' approach rather than a consultative or 'checking' approach adopted by other players in this field.

However, the relative smaller size of the organization and the limited local presence makes it challenging to establish this presence alone. Rather, ITC can position itself as the 'specialist' to be called upon when the specific issue is related to trade and frame its interventions in broader development programs as a **trade specialist** supporting trade strategy development in developing and emerging economies.

Finally, and as it refers to the ES Section in particular, it might be worth considering further focusing on the **larger national, inter-national or regional trade strategy** initiatives rather than single sector or single function or single lens (such as youth, gender, sustainability). Even though the strategy perspective and process is applicable both to a large national project and to a single sector one, the specific advantages of the team and approach (consultative, complex, multi-stakeholder, linkage with larger development initiatives) are better leveraged in larger national or international level initiatives. On the basis of how the intervention is structured it is also more cost-effective to carry out National rather than Sector or Function specific strategies.

## **5.2.2 Market Segments**

As was presented in Section 3.3, the market for Trade Strategy support can be viewed according to different lenses such as geographic, development level and occasion specific

segments.

Among ITC's core customers, differing contexts and development level appear to significantly influence the effectiveness of interventions in Strategy development support through the country's ability to self-initiative, organize and follow up on identified priorities.

ITC's product is relevant and can be effective across the spectrum of developing countries, from LDC's to Low and to Middle Income countries. There are, however, specific circumstances and context conditions in different segments that could be further taken into account to customize the approach, not only with the country itself but also with other actors involved. For example, it is recommended to **consider developing a customized solution for LDCs. This might include further integrating program approach with EIF and DTIS.** Beneficiary countries would benefit to more proactively link ITC's Trade Strategy Support with the EIF approach in LDCs, especially around the DTIS (or DTIS revisions) timing and implementation. Acknowledging that the beneficiary country has the last work on the agency that will undertake the DTIS initiative, ITC should proactively be involved with the beneficiary country and the EIF agencies to ensure integration, avoid overlaps and leverage locally based resources. Coordination with DTIS has been done by the ES Section in the past but it appears it is not possible, at the moment, to do it more systematically, by the nature of EIF and ITC's role in it. In addition to the direct positive results from such an action there would also be positive consequences in terms of implementation management and monitoring support, while saving resources and reducing 'strategy-fatigue' in beneficiary countries.

The second segment worth assessing more in detail is the emerging space resulting from the increased number of **bilateral and multi-lateral trade agreements**. Although the number has increased significantly in the past ten years, there are concerns that these agreements are not leveraged successfully by developing countries and that the benefits of trade policy have not been fully realized. Developing a targeted product to support countries in developing a shared or individual perspective on the possibilities as well as the risks opened by the agreement would be welcomed by governments and private sector representatives in developing countries. ITC in general and ES Section together with Business and Trade Policy Section could jointly develop a relevant and successful offering in this space.

### **5.2.3 Offers**

The 'Export Strategy' program has explored and incorporated elements beyond pure 'exports' in its offers, including the role of value chains from the point of view of imports and investments. As these are increasingly relevant topics for developing countries, ITC should consider incorporating them more explicitly and deeply in its approach, moving from a more 'Export' oriented strategy to a **'Trade and Investment'** oriented one.

The program should also continue and deepen its emphasis on **inclusive and sustainable development areas** such as Gender, Youth, Rural-Urban and Sustainable Development as useful 'lenses' or 'approaches' through which to assess and refine the overall Trade Strategy.

As it has been repeatedly mentioned throughout the report, **post-design support** is a very

important area that needs to be strengthened if ITC's offer is to be relevant in the future. In most circumstances, and especially in market segments such as LDCs and Low-Middle Income countries, the program's chances of success are compromised without at least some form of post-design support. Securing ES Section support after the design phase has increasingly been pursued by the ES Section's funding efforts but these have not always been successful. Not supporting the initiatives past the pure design phase increases firstly and mostly the risk of the strategy not being implemented. But it also indirectly increases the reputation risk of ITC in terms of results achieved over time.

Some of the implementation focus may be achieved through re-thinking the program approach and possibly innovating the process to enhance the possibilities of success. But there will probably be an important remaining factor in increasing the possibilities of success that is related to support beyond the definition of priorities and the actual design of the Trade Strategy. In one way or another, the **program's approach should be modified to systematically include post-design support**:. This should not be optional, it should be included as part of the standard program, albeit adapted to different needs and institutional capabilities in the beneficiary country.

Another aspect that would be worth considering for ITC as a whole is the role played by Trade Strategy initiatives within the overall Trade development and how to **strengthen the linkage with implementation** projects. Some of this has been done in the past by the Section integration with other ITC Sections, for example the integration of the AAACP project with Sector Competitiveness. Still, an integrated ITC's approach to effectively further assess and leverage opportunities of integration across Strategy formulation and Strategy implementation projects could result in an increased area of action for ITC's programs and services.

Most of the products and services offered in the area of Trade Strategy focus on the provision of facilitation and process support. These are sustained in part by a **thought leadership** aspect that provides ITC with the credibility and intellectual leadership in the area of Trade. As presented in the R&D subsection within the Operations section, this function has been recently strengthened in the ES Section and has already started to provide valuable analytic insights to recent initiatives. Going beyond supporting specific processes, ITC's position as a trade specialist can also represent an opportunity to offer research and development activities as a product in itself. For example, ITC could be in a strong position to expand its thought leadership role in areas such as:

- Developing a Trade Competitiveness Impact Indicator<sup>71</sup> (see Appendix 7.12 for further detail)
- Becoming a global repository of Trade Strategy Tools and Resources (building on the current's StrategyMap and other tools)
- Research on relevant or new trade areas: Investment, Inclusiveness, Sustainability, linkages between trade strategy and development, etc.

The market recommendations are summarized in Table 3 below:

**Table 3: Market Recommendations**

Recommendation	
<b><i>Implementation of export strategies</i></b> - ITC's Export Strategy (ES) offer, managed by the Export Strategy (ESS) is highly relevant for developing and emerging countries and ITC is well recognized by its approach. Building on this success, this evaluation encourages ITC to seek for higher results for beneficiaries through better addressing post-design considerations.	
<b><i>Recommendation 1:</i></b> To improve the effects of its interventions, ITC is encouraged to address the challenge of embedding the implementation of Export Strategy within its current offer:	<p>1.1: Leverage participatory approach and systematically include support action orientation and engagement into strategy design.</p> <p>1.2: Systematically include post-design support: Extend core program approach to support fixing the so called 'implementation trap'.</p> <p>1.3: Clarify accountability in ITC for results of Export Strategies and set up monitoring systems and processes to facilitate and track post-intervention results</p>
<b><i>Linkage between implementation and technical assistance</i></b> - Beyond the Export Strategy-specific offer, ITC has a choice to further leverage its participation in Export Strategy market into the broader up to US\$7 billion market in Strategy Implementation Technical Assistance.	
<b><i>Recommendation 2:</i></b> To increase its support to beneficiary countries ITC needs to actively leverage playing a direct or coordinating role in TRTA Export Strategy Implementation projects.	<p><b>2.1:</b> DCP is encouraged to develop post-design support technical assistance which will <b>facilitate beneficiary countries with access to solutions and resources</b> for implementation from suppliers, including ITC's;</p> <p><b>2.2:</b> DCP is encouraged to <b>establish closer linkages with ITC priorities by</b> strengthening linkages with ITC's larger initiatives and multi-year engagement in specific countries focusing pro-active marketing and delivery efforts on best opportunities.</p>
<b><i>Market positioning and marketing:</i></b> Export Strategy Offer is well perceived by beneficiary countries and by donors. As the market develops, ITC could consider proactively expanding its positioning and marketing leveraging its approach, its role as a trade specialist and	

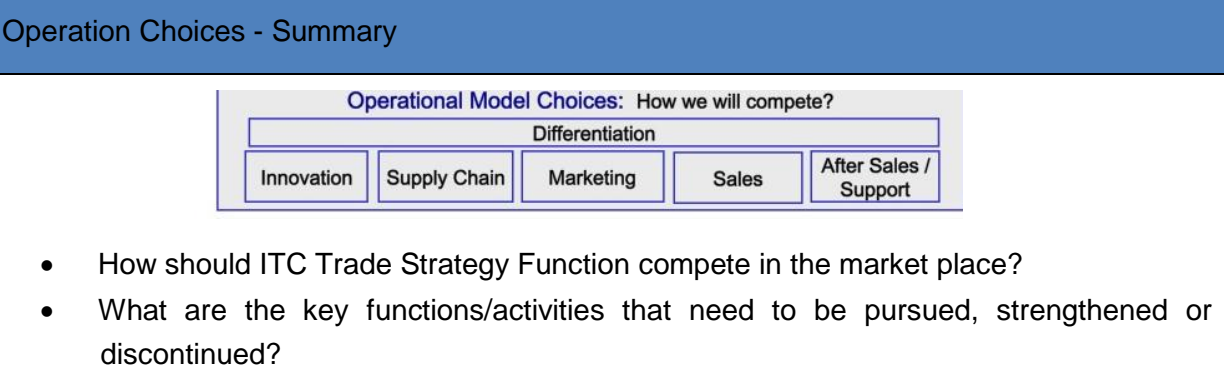
<sup>71</sup> ES Section has been developing a series of trade competitiveness or impact indicators to analyze export performance by country. However, these indicators were not ready for analysis at the time of this evaluation so they have not been included in this review.

<b>developing a competence on results and implementation management support.</b>	
<u>Recommendation 3:</u> ITC should consider to position ES in the marketplace on three differentiating characteristics	<p><b>3.1: Country owned &amp; Inclusive:</b> Build on position of ITC as an informed but neutral facilitator and as a convener for public-private sector productive dialog (based on current strengths).</p> <p><b>3.2: Trade Specialist:</b> Leverage position of Trade Specialist in the Technical Assistance organizations (based on ITC's position).</p> <p><b>3.3: Strategy into Action:</b> Expanding focus of program towards action-oriented design and implementation support (need to build competency).</p>
<b><u>Adapting focus to emerging needs:</u> To adapt to the evolution of the market ITC should continue expanding its thematic focus towards trade and investment, strengthen its focus on inclusiveness and sustainability and expand its reach and effectiveness in capacity building.</b>	
<u>Recommendation 5:</u> to further expand program presentation and offer from Export to Trade and Investment ESS is encouraged to review ES core offer to reflect this evolution:	<p><b>5.1</b> Expand Export Strategy offer to address overall Trade and Investment considerations in Strategy Design.</p> <p><b>5.2: Expand and leverage youth and gender strategy expertise</b> as a lens to be used in National Export Strategy initiatives</p> <p><b>5.3: Develop sustainable development</b> lenses to be included in future programs.</p>
<u>Recommendation 6:</u> ESS is encouraged to deepen and expand <b>capacity building component of programs:</b>	<p><b>6.1:</b> Expand focus on capacity building as an 'explicit' task by incorporating training and coaching step-by-step on process and on content, including 'train the trainers' for cascading or replicating processes.</p> <p><b>6.2:</b> Define 'critical mass' in public and private sector and ensure coverage in capacity building</p>
<b><u>Developing offer according to market segmentation:</u> Export Strategy presence in developing or emerging countries is balanced across different economic development segments but is best suited in its current form for more advanced developing or emerging countries. Export Strategy Offer should further adapt its offer to LDCs. Countries active in new trade agreements would also benefit from a customized ES Offer approach</b>	
<u>Recommendation 7:</u> DCP is recommended to engage in customizing its offer to fit specific segment needs.	<p><b>7.1:</b> The development of a <b>specific offer for LDCs</b> with increased focus on capacity building, coaching, process support and post-design emphasis.</p> <p><b>7.2:</b> The development of a <b>specific offer for trade-agreements strategy development:</b> For a single country or for all countries participating in trade agreement.</p>

### 5.3 Operations

This section frames the key options and recommendations on how ITC's Trade Strategy initiatives can operate and successfully compete in the markets where it will chose to play. As illustrated in Figure 40, this involves areas such as innovation, activities and resources to deliver a specific program, marketing and sales and relationship and support after the direct intervention has ended.

**Figure 40: Operation choices**



**5.3.1 Innovation**

As was analyzed before, the recently **strengthened R&D function** in the ES Section has started to result in positive contributions to projects. It could, as described in the market recommendation section, develop offers based on thought leadership. **These efforts should be further encouraged** although attention should be given to the efficient use of R&D resources across the entire ITC as some of the areas of research overlap across different section’s R&D efforts.

Beyond specific innovations, there may also be value in **experimenting with new models of strategy formulation processes applied to National and International Trade Strategies**. ITC’s ES methodology was recognized as innovative when introduced in 2003. Since then, incremental innovations have been introduced over time, both in the use of new as well as new approaches. Still, the main approach structured around consultations in four phases has remained relatively constant. As strategy and process facilitation has evolved over the last decade, new models have emerged that challenge more traditional methodologies and are credited with increased impact and engagement. After ten years, it might be a good time to ‘start with a clean piece of paper’, and ITC could convene a group of internal and external experts to help ‘think from scratch’ on possible approaches, analyze new trends in Strategy and identify potential ‘step-change’ innovations<sup>72</sup>.

**5.3.2 Marketing and Sales**

As observed in the competitive analysis section (3.4), funding and provider choice have been traditionally ‘bundled’ in much of the technical assistance market. This appears to be

---

<sup>72</sup> Examples of new approaches on integrating strategy design and implementation and on alternative theories of change are included as ‘food-for-thought’ in Appendix 7.6.

changing and beneficiary countries are increasingly more in control of choosing the service provider, independently of the source of funding. This represents a good opportunity for relatively smaller and focused providers such as ITC as more initiatives would be open for all players. But it also implies the need for a more active ‘marketing’ effort to identify and access the right opportunities. Managing well the ‘**marketing funnel**’ by identifying, prioritizing and **proactively** seeking opportunities could become an important advantage for ES and, by tightly integrating with ITC’s overall priorities it could also be a way for ITC to increase its role in targeted countries in larger multi-component programs.

### 5.3.3 Project Team - deployment

In exploring new models for strategy development, it would be worthwhile to experiment with models that experiment with different options on **total time and the phases** that the process could entail. In terms of timing, the extent of ITC ES’s intervention is estimated to last between about 12 months from the moment of inception, with about 2 months prior to this dedicated to the pre-engagement phase. As was mentioned in the report, even keeping to this schedule is not easy to do and the ES delivery team has often been constrained by local dynamics, holiday seasons and other context factors that may be difficult to change. There is, on the other hand, the need to provide increased support beyond the design phase and into the implementation management phase.

To address these constraints, several approaches could be contemplated:

- **Extending the process** to increase presence and support in the crucial **implementation management** phase (covered in the offer section).
- **Re-thinking the overall process and the ‘rigid’ distinction between formulation and implementation management.** For example high-level national priorities and engagement could be followed simultaneously by implementation at one level and multiple cascading efforts on another level, rather than a sequential process.
- **Pre-defining a more intense process:** Although there is activity in between the main consultations, NES processes are marked by these milestones occurring in periodic intervals and coinciding with ITC representatives’ field missions. One possibility would be that milestone events be moved closer so that the total process could be deployed in 8-10 months instead of the 14 months it now takes to complete this part of process.

**Local presence** was also identified in the analysis as a significant factor of success in larger programs. ITC could consider establishing some sort of direct (through a temporary office) or closely integrated indirect presence (for example partnering with an organization such as the EIF focal point or a specialized NGO). Continued interaction and both formal and informal follow up would also significantly enhance the chances of success and could become an important platform for ITC’s continued involvement through multiple implementation projects in selected countries.

Opportunities for increased resource efficiency could also be explored by further **leveraging national resources and national/regional consulting services**. In the past, the ES Section had identified and trained international consultants to support processes. However, these efforts were discontinued as it was difficult to manage the timing of engagements and continuity for consultants. Still, it would be worthwhile to explore again an increased decentralization of expertise that could allow ES to scale up activities at the same time as reduce costs. As other sections in ITC are also making efforts in this direction<sup>73</sup>, a **‘trade support network’** composed of private actors active in consulting, education or facilitation processes could complement the traditional trade support institutions that ITC generally relies on for its programs. The recently introduced CRM database could provide a platform to build on.

**5.3.4 Post-Engagement**

As noted in the overview of Strategy innovations (Appendix 7.6), new approaches to Strategy frequently refer to **‘live strategies’** that are frequently revised and adapted rather than fixed term plans to be followed. This is an interesting area to further develop in ITC’s approach to post-engagement support. It might be challenging to operationalize from a project design perspective but other tools or resources could be explored to potentially address this issue.

ITC could also foster closer relationships with strategy practitioners over the world. ITC played an important role as a convener of trade strategy specialists in the early 2000s, both through the Executive Forum as well as the specialized consultations and publications. This series of events also supported the development of the core program. ES should construct again the role of **ITC as a convener** of the community of practice, promoting innovation, a venue for rich exchanges and furthering ITC’s role as a leader in this field.

Also noted elsewhere in the report, monitoring and evaluation is an increasingly important demand in all technical assistance projects. Setting up the appropriate and enforceable tracking mechanisms at the time of the project remains an important factor to be further developed in future initiatives.

The key operations recommendations are summarized in Table 4, including the main findings supporting these options.

**Table 4: Operation recommendations**

Recommendation
----------------

---

<sup>73</sup> For example MAR’s NTM suppliers, SCM’s network of partner institutions, EC and MAR approved trainers, etc.

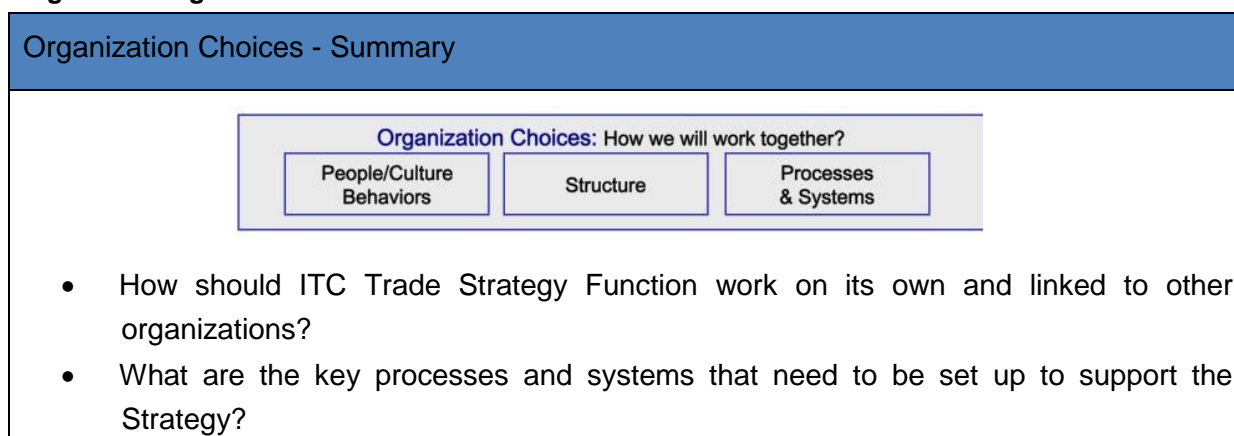


<p><b><u>Market positioning and marketing:</u></b> Export Strategy Offer is well perceived by beneficiary countries and by donors. As the market develops, ITC could consider proactively expanding its positioning and marketing leveraging its approach, its role as a trade specialist and developing a competence on results and implementation management support.</p>	
<p><b><u>Recommendation 4:</u></b> The Division for Country Programs (DCP) is encouraged to increase <b>pro-active focused marketing efforts</b></p>	<p>4.1: Develop ‘opportunity funnel’ and linkage with information on technical aid funding by strengthening linkages with TRTA’s larger initiatives.</p>
<p><b><u>Maintaining competitive edge through innovation:</u></b> ITC Export Strategy (ES) approach and methodology was highly innovative when first introduced in 2003 and incremental innovations have been continuously incorporated over the years. To maintain its innovative edge in the market, ES should continue integrating thinking on new areas such as impact measurement or Strategy into Action. It should also consider a ‘complete re-invention’ exercise to identify potential step-changing innovations that can be applied to Trade Strategy.</p>	
<p><b><u>Recommendation 8:</u></b> ESS is encouraged to continue strengthening analytic input through increased <b>R&amp;D focus</b> to build on approach today.</p>	<p><b>8.1: Refine current methodology:</b> Stress innovations around more action-driven, result-oriented approach, capacity to implement Strategy, engagement, etc.</p> <p><b>8.2: Re-launch ES role as a convener</b> of the trade strategy community</p> <p><b>8.3: Experiment with new models of strategy processes:</b> Analyze opportunities for ‘step-changes’ in the approach to Strategy development.</p> <p><b>8.4: Develop thought leadership as an offer:</b> Opportunity to position ITC as a thought leader in Trade Strategy building on existing and new capabilities.</p>

#### 5.4 Organization

This section frames the key options and recommendations on how organizational implications of the market and operational choices. As illustrated in Figure 41 this involves the people, the internal structure as well as the linkages with other organizations; and the organizational processes and systems.

**Figure 41: Organization Choices**



#### 5.4.1 Core Team (ES Section) and resources

As observed in the segment on organization and staffing (Section 4.6), the Section has rebuilt a strong professional team since the low staffing levels in 2009. Recent Investment in developing and supporting staff has led to the consolidation of a group of highly skilled team leaders, process facilitators as well as the strengthening of research and planning functions. Recent efforts have been made at increasing cross-fertilization across project teams though pressure for short-term delivery and traveling schedules have made this difficult in practice. These internal training and coordination efforts should be prioritized and, ideally, these 'shared learning' sessions should be extended beyond the ES Section to include other Sections in ITC as well as international experts or faculty from relevant Universities.

In any change process, the organizational culture (norms, behaviors, attitudes) is critical to enable change. **The culture of the organization** needs to accompany this process is critical, especially the openness to new ideas and to increased cooperation with other internal and external organizations. Culture change, however, also needs to be supported by the appropriate corporate processes and systems. If 'step-change' potential innovation of the process is considered, as presented in the operations choices presented before.

#### 5.4.2 Structure and Linkages

ITC's ES Section has been quite successful at **linking and integrating with external organizations** in multiple projects. This has benefited the quality of the initiative and has increased the opportunities for follow-up and implementation. These efforts should be pursued and strengthened. As new types of actors can become more relevant in future projects, efforts should be made to **include newer types of stakeholders that had been less present so far such as investors**.

Internally, undertaking larger projects with implementation management support and linked to implementation projects requires the ES Section to be tightly integrated with the country /regional priorities that ITC defines. It also needs to establish stronger linkages with Sections involved in implementation projects, needs assessment and research. As was presented in Section 4.5.3, there have been successful initiatives with strong **linkages between the ES Section and other Sections at ITC**. But the track record is uneven, with duplications, gaps and overlaps that could be avoided with increased coordination and supported by a collaborative culture, processes and systems. Trade Strategy needs to be more effectively integrated with the Section responsible for managing the relationship with the country. **Clear protocols of interaction and processes and systems** that promote collaboration between **ES Section and Regional Offices and between ES Section and other ITC Sections** or Large Project-based teams would enhance the effectiveness of ITC's overall interventions for beneficiary countries.

#### 5.4.3 Processes and systems

As the Strategy model evolves to a more results-driven design, its **measurement, monitoring and evaluation** component of specific initiatives and of the Section as a whole

need to accompany the evolution. The Section currently follows ITC planning and reporting fragmented information. There have also been recent modifications in the reporting system to better reflect linkages between activities and objectives by initiative. But this planning and reporting information is often not sufficient to clearly understand the priorities of the Section, the delivery of results against those priorities. There is also a need to **establish processes and systems to more effectively track initiatives results over time.**

Finally, a review of the **logical framework** is recommended to clearly distinguish inputs from outputs and these from outcomes and impact. In terms of content, the logical framework should also be reviewed as the market, operational and organizational choices are made.

**Table 5: Organization recommendations**

Recommendation	
<b><i>Optimization of the use of resources:</i></b> The ES Section has built a strong team over the last 3-4 years and has increased interaction with complementary internal and with external organizations. There is still a strong need for further improvement in integration with other initiatives, both external and internal. The way of increasing internal integration is also dependent on the choice of ES Function within ITC (as a independent business line or Section or as a ITC-wide mechanism).	
<p><u>Recommendation 9:</u> On the basis of the response to recommendation 2.3, ITC is encouraged to determine type of integration with internal complementary functions and to actively support this cooperation:</p>	<p><b>9.1: Further develop internal protocols of interventions across Sections:</b> aligned with results tracking, budgeting and decision-making processes.</p> <p><b>9.2: Streamline use of shared resources (ex. R&amp;D, Needs Analysis) across sections.</b></p>
<p><u>Recommendation 10:</u> Similarly, DCP is required to strengthen linkages with external organizations complementary to ITC ES Function efforts:</p>	<p><b>10.1.Focus ES Resources on larger programs</b> (National, Inter-National and Regional) that best leverage competitive advantages and multiplication opportunities.</p> <p><b>10.2 Increase use of local regional and international resources:</b> Expand local network and further leverage existing international resources.</p>
<b><i>Planning and monitoring</i></b> - To support expansion and innovation in the program, processes and systems needs to continue evolving towards more systematic and disciplined planning and reporting processes. This will also enable ITC ESS in supporting beneficiary countries in monitoring, adapting and evaluating the results of their Trade Strategy.	
<p><u>Recommendation 11:</u> ITC must develop effective development and control system for ESS:</p>	<p><b>11.1: Implementation of monitoring and tracking mechanisms</b> oriented to measuring outputs, outcomes and impact in Trade Strategy Initiatives.</p> <p><b>11.2: Review of ESS mandate and its logical framework</b> by: (a) Adapting to reflect evolution in ES Strategy; (b) Clarifying outcomes from outputs in framework; and (c) Establishing mechanisms to track results at impact and outcome level.</p>

## 6 Conclusions

### *Strategy Environment*

With the dramatic increase of global trade over the last three decades, there has been a corresponding increase in a variety of trade-related strategies, many funded by donor agencies and designed to enable LDCs and emerging economies to maximize their export potential. Trade related strategies have increased almost tenfold over the last decade with almost 500 such strategies identified. Success of export-led growth approaches in many LDCs has resulted in broad-based donor support under the EIF that provides impetus for LDCs to play a more active role in international trade as a driver for poverty reduction and economic development.

The size of the Export Strategy Market alone is estimated at \$250 million per year when accounting for trade related strategies per se as well as strategy inputs or components such as trade diagnostics or trade potential assessment (that may or may not be part of a more comprehensive strategy) and with cascade or focused strategies such as regional or product type initiatives. Trade Strategy also has the important feature of influencing a much broader market of trade strategy implementation initiatives, estimated to be up to \$ 7 billion per year.

Recent trends in the Export Strategy field include looking well beyond marketing and taking a more holistic approach including designing strategies aimed at creating more internationally competitive export enterprise, attracting inward investment, creation and strengthening of value chains, accommodating an array of bilateral and regional trade agreements and the increasing requirements to measure results given the importance of demonstrating success by achieving more favorable ratings in such reports as “Doing Business Report” by the WB and the “Competitiveness Report” by the WEF.

### *ES Performance*

ITC, with its 100 percent Aid for Trade focus, is well placed to lead and to increase its already significant presence in the field of Trade Strategy support. A major focus of this evaluation was to assess the performance of ES over the 2003 to 2012 review period against the DAC/OECD established criteria aimed at measuring the Relevance, Effectiveness, Efficiency, Impact and Sustainability. A summary of ES results is contained in the Executive Summary. When possible, the analysis distinguished between Export Strategy (ES) as an offer and its management by the ES Section (ESS).

As well as viewing results through the lens of the above criteria, the evaluation also examined the degree to which the ES methodology addressed the expected outcomes of the NES Standard Logframe which focuses on building beneficiary capacity to support export development, create a competitive export environment and mainstream trade and develop a national export culture. In total 45 beneficiaries from 9 countries, and 5 from regional organizations were interviewed as well as 7 from other donor agencies and 30 from within ITC.

Over the review period and in spite of budget and staffing uncertainties, ESS remained a

very productive unit, producing 25 NESs, 21 SESs and 6 RESs. In so doing they have developed a number of tools and approaches and standard methodologies such as the “Four Perspectives Framework” and the “Four Gear Issue Analysis” which have proven to be highly effective in achieving the capacity building goals of the guiding logframe.

Beneficiary response to the ESS interventions noted above was universally highly favourable in regards to building local capacity and favorable comments were also received regarding the process which included representative stakeholders from public, private and NGO sectors. The development and execution of standard approaches and methodologies also created efficiencies in delivery and in all cases, the resulting strategy was rated as “highly relevant”.

While results of the strategy was regarded as strong as it pertained to the logframe outcomes of capacity building, many beneficiaries noted that, once they were in charge of the program’s implementation, the momentum achieved in the design phase tended to stall. Several participating countries, especially LDCs, indicated that they would have benefited from further technical support during this phase, including having more capacity to attract investment. It was also noted that in general there were not adequate monitoring systems maintained at the post-design phase and the high-level leadership and support present during the design phase did not carry forward.

Other comments by beneficiaries expressed a need for greater flexibility in the ES methodology, suggesting a shorter time frame for completion and from those with weaker institutional capacity, a more focused custom-built approach would have been more suitable.

Within ITC, comments of ESS work were generally favorable with suggestions made that a more integrated approach in designing the strategies would benefit ITC generally and that mutual benefit would arise by a more systematic sharing of ideas and experience.

ESS had been aware of the foregoing issues and as evidenced from two ESS produced strategy papers (March 2007 and November 2012), there is a willingness to address these issues through corporate change and program adjustments.

### *Looking Forward*

A number of recommendations are discussed and analyzed in Section 5 of this report and summarized in the Executive Summary. Taking a broad perspective it is clear that ESS is willing and capable of moving forward and accepting innovative change. As noted in the report, feedback from beneficiaries suggest that the ESS team is a very strong group of professionals with a high level of skill in complex areas.

Several areas in particular have been noted both for ESS, for DCP and for ITC as a whole, that would significantly enhance the impact of the strategy. As weak implementation was the most common and notable short-coming of the process, any additional support at this stage to transfer design into action would be welcomed. As suggested this could include strengthening local presence at the implementation phase, either through an ITC advisory role or local partner. As well, during the design phase there could be more capacity building

related to attracting investment as well as more specific targeting of the strategy to private and international donor investment plans.

The experience gained by ES in developing an NES for example, could also assist in developing an ITC plan of action and identify opportunities for other sections of ITC to execute the strategy. Such a plan has been developed as an example for the implementation of the Palestine NES (Table 1). This would also serve to bring continuity and cohesion to ITC's presence in the country and encourage greater coordination of efforts in the earlier design phase.

The experience gained by ESS over the review period related to the development of a participatory and inclusive NES and the current staff strength place ES in a favorable position to provide thought leadership in the trade development community at large. This could take the form of hosting specialized meetings, much like the former Executive Forum, hosting consultations that could include innovations in methodology and publishing related research.

The market for export strategy is expanding and is in high demand. ESS has performed well in delivering this service to beneficiaries and has developed an effective approach to build the required capacity. ESS is a strong team of skilled professionals, willing and capable of innovating and expanding the ES role to meet new requirements.

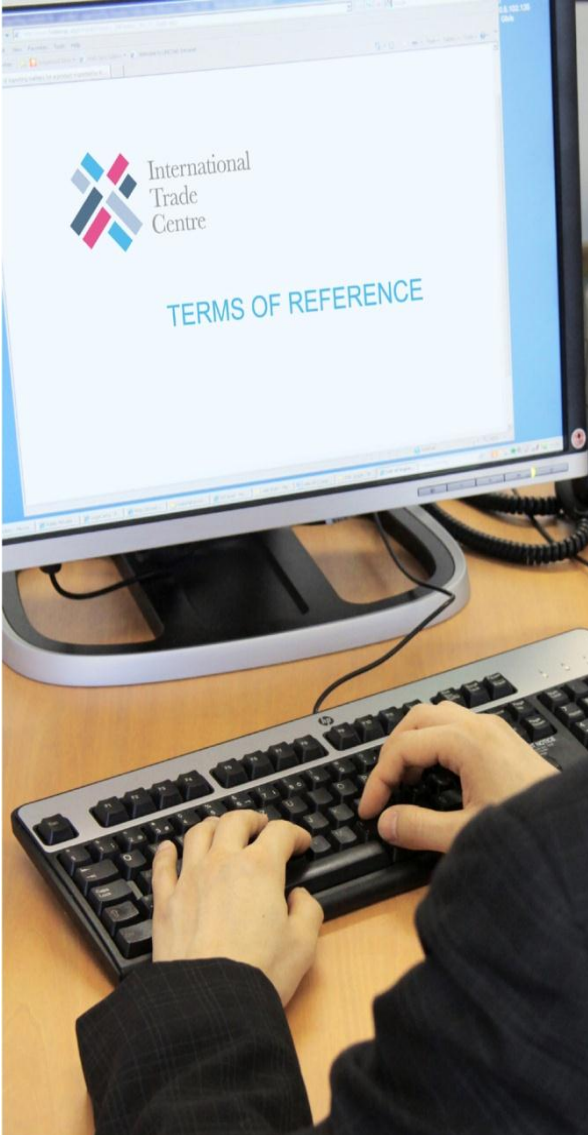


7 Appendices

7.1 Evaluation Terms of Reference

**EVALUATION  
TERMS OF REFERENCE**

**ITC's Export Strategy Function**



## Contents:

1. LIST OF ACRONYMS .....	3
2. EXPORT STRATEGY FUNCTION IN THE ITC .....	4
3. PURPOSE .....	5
4. GEOGRAFICAL SCOPE .....	7
5. EVALUATION QUESTIONS .....	7
Relevance .....	7
Effectiveness .....	8
Efficiency .....	8
Impact .....	8
Sustainability .....	9
6. NORMS AND METHODS .....	9
Desk Research .....	10
Field Missions .....	10
Qualitative face-to-face and phone interviews .....	10
Comparative analyses & questionnaires .....	10
SWOT analysis of the export strategy methodology .....	10
7. PROFILE OF THE EVALUATION TEAM .....	11
Evaluation team leader .....	11
Expert in trade Development .....	11
8. MANAGEMENT ARRANGEMENTS .....	11
9. TIMELINE .....	13
10. DELIVERABLES .....	13



## 1. LIST OF ACRONYMS

CSR	Corporate Social Responsibility
DMD	Division of Market Development
EMU	Evaluation and Monitoring Unit
ITC	International Trade Centre
MDG	Millennium Development Goals
OECD	Organisation for Economic Co-operation and Development
OED	Office of the Executive Director
SPPG	Strategic Planning, Performance and Governance
TOR	Terms of Reference
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNEG	United Nations Evaluation Group
WTO	World Trade Organization

## 2. EXPORT STRATEGY FUNCTION IN THE ITC

ITC's export strategy function operates within the overall mandate of ITC, which focuses on promoting exports in developing countries. Export Strategy function corresponds to one of the five recognised business lines in ITC<sup>74</sup>. ITC traditional approach to export strategy has been to help developing countries to think strategically about their exports, to take advantage of market access opportunities and to enhance the overall competitiveness of their export value-chains. ITC's methodology was first used in 2002 and it was since then further developed, refined and augmented. For the first six years, the export strategy function was incubated within the Office of the Executive Director. IN 2007 Export Strategy was recognised one of ITC's 5 Business Lines. In 2009, a Section in its own right was created and located within the Division of Country Programmes (DCP) which coordinates ITC's projects at the country level and serves as the focal point for coordinating with client countries. Between 2009 and 2012, the Export Strategy Section has been substantially strengthened in terms of resources and budget.

Today ITC's export strategy function develops National Export Strategies [NES], Sector Export Strategies (SES), and regional export strategies as well as cross-sector functional strategies. An ITC-led Export Strategy is a policy and operational decision-making and management framework, which provides comprehensive analysis, strategic objectives and prioritised actions, to develop and/or strengthen export competitiveness of the country or sector. The strategies provide a blueprint for competitiveness and development of a country's export sector. A comprehensive analysis is undertaken at the national and institutional levels to identify priorities for enhanced performance. Anchored in strong public-private dialogue the blueprint strengthens the links between export development, trade policy and performance and socio-economic growth. Outcomes of an ITC-facilitated export strategies include:

- Improved capacity of stakeholders to formulate strategic priorities in export development and to manage their implementation,
- Export Strategy documents, incl. a detailed and prioritised Plan of Action,
- Improved policy and institutional frameworks that support development and competitiveness of the export sectors,

---

<sup>74</sup> ITC Business Lines are available at: <http://www.intracen.org/about/itc-structure/>

- Trade mainstreamed into national policies and planning,
- Formalised platform of stakeholders with influence and interest in the export sector, contributing to building a culture of dialog and trust between the public and private sectors,

ITC has developed a methodology based on a full range of tools and services to enhance the ability of stakeholders to formulate national and sector export strategies following a specifically designed process, which focuses on sustainable export growth and on mainstreaming trade into the broader development framework, including poverty alleviation, empowerment of women and youth and environmental sustainability.

Sound and realistic export strategies are the basis for effective trade-development programmes and for an adequate coordination and alignment of trade-related technical assistance (TRTA) provided by ITC as a whole with country development priorities. An effective functioning and a strategic positioning of the export strategy function in ITC is therefore crucial with in the wider ITC business model and could be used more strategically in ITC programming, drawing on ITC technical competency areas.

### 3. PURPOSE

The present evaluation TOR relate to the evaluation of the export strategy function in ITC.

The evaluation is conducted with two main purposes:

1. Assess the actual effect of the Export Strategy business model on beneficiary countries' export environment and export capabilities. The evaluation will assess the policy and economic effects the programme has generated to improve the performance of Governments, intermediary Trade Support Institutions (TSI) and the business sector in the area of exports generation. The evaluation will in particular, assess the effects on which the programme has had a direct effect:
  - The extent of inclusiveness consultation and relevance of participation in the strategy process;
  - Level of awareness and capacity-building the strategy process generates;
  - The mainstreaming of exports within the national development policy;
  - Design and implementation of trade-development projects and policies to improve the export situation.
  - Good practices included in other related exercises implemented by ITC in particular and by other organizations.

The evaluation will make a clear distinction with those elements for which the ITC Export

Strategy function has no formal mandate for and control over follow up or implementation in the country at the post-design stage. Having this distinction in mind, the evaluation will assess the following indirect effects since the overall impact of the programme very much depends on them:

- The extent to which strategies are formulated and implemented at the country level and in particular the actual use of strategies in improving the competitiveness and development of countries' export sector;
- Effects on the institutional export promotion soft infrastructure at the country level and country ownership and local stakeholder involvement;
- Effects on the quality of the business environment and export friendliness at the country level.

2. Assess and refine the method applied by ITC to develop export strategies. The evaluation will provide a better understanding of trends in demand and supply in the export strategy market. It will analyse ITC's current positioning within this market and will undertake an assessment of ITC's strengths and weaknesses and opportunities and threats. The assessment of ITC's capacity will be conducted on the basis of the following indicative criteria:

- Get things done (Focus on implementation and on building up a system that delivers results);
- Support developing country beneficiaries in adapting to a very fast pace of change;
- Provide clear and rigorous conceptual analysis and intellectual approach (Focus on enabling better conceptual understanding about issues to pave the way for orientation to address them and to policy/actions to solve them)
- Partner with, develop and empower people's energy and talent and develop country ownership;
- Facilitate cross-fertilisation on innovative solutions, partnerships public/private sector, to widening views and learning from others' experiences.

On the basis of this analysis, the evaluation will propose concrete initiatives to improve and refine the methodology for export strategy development with the final aim of maximising the support and impact for beneficiary countries. Special attention will be devoted to the issue of integrating the evaluation findings within, and in consultation with, the ES function. Particular attention should be given to the way connection with other ITC business lines is conducted in order to create synergies and assure better impact of ITC's TRTA work in the field.

#### 4. GEOGRAFICAL SCOPE

The evaluation will focus its work on a limited but representative sample of Export Strategies. In addition to geographical balance criteria, the following criteria can be used to define the final list of field missions by the evaluation team in the proposed methodology report. The evaluators will propose four to six Export Strategies, possibly among the following:

1. one recently finished (Mozambique),
2. one old (St. Lucia or Laos),
3. one on-going (Kyrgyzstan and Palestine),
4. one sector (Zimbabwe or Ghana), and,
5. one regional (COMESA or UEMOA).

The final export strategies to be assessed in depth will be selected with the Evaluation Team when presenting and adopting the evaluation methodology for the evaluation.

#### 5. EVALUATION QUESTIONS

In line with DAC/OECD criteria, the external evaluation will assess ITC's Export Strategy function for its relevance, effectiveness, efficiency, sustainability and to what extent it has generated impact for beneficiary countries.

##### Relevance

- Is the export strategy function relevant and in line with ITC's mandate and mission and strategic objectives?
- What are the relevant features for export strategy providers currently required by the market? Who are the competitors? Has ITC offering the capacity to keep adapting to a very fast pace of change in demand? What is ITC's comparative advantage?
- Are Export Strategy methodology and implementation relevant, robust enough and adapted to the specific different cases of countries / sectors?
- What is the relevance of factors determining the mix of export strategies in the portfolio (country/regional, Country/sector, big country/small country, geographical balances)?
- How to improve the relevance of ITC Export Strategy positioning within the context of Aid for Trade?

##### Effectiveness

The evaluation will assess the capacity of ITC to get things done. It will focus on implementation and on building up a system that delivers results:

- Is ITC effective in planning its portfolio of export strategies? How useful and effective is the StrategyMap database for understanding the overall export strategy market and for conducting the planning of activities?
- Are current impact measurement and monitoring practices satisfactory?
- Is the methodology applied for developing export strategies effective for integrating end-market requirements and demand-side opportunities at the very core of its approach?
- Similarly, is it effective in terms of integrating substantive knowledge, in particular trade and marketing intelligence into its methodology?
- How effective has the export strategy function been in mainstreaming the issue of exports development within the national development policy.
- Within the ITC, how effective has been the Export strategy function in producing a basis enabling the work of country offices in DCP?
- How effective has the Export Strategy function been in enhancing the capacity of the organization(s) responsible for developing and/or coordinating the implementation of the export strategy?

#### Efficiency

- What value is the ITC methodology offering compared to methodologies applied by other agencies developing export strategies?
- Have Export Strategies been delivered according to Work Plan?
- What is the assessment in terms of value for money of the ITC export strategy function? What is the full cost of ITC's service in NES (RB/XB)? What is the costs analysis related to the production of export strategies?
- Have the NES, SES and regional and functional strategies been standardized and mainstreamed within ITC's approach with clear monitoring plan to show results?
- Has the ES function determined adequate job profiles for staff working in ES issues to address current and future challenges in export development and promotion issues? Has the right staffs with the right profile and skills been recruited for the ES function and are their skills utilised in an efficient manner?

#### Impact

- How are export strategies being utilized and by whom? What outcomes are ES products and services producing?

- What is the impact of export strategies on improving the institutional soft infrastructure for exports developments and the business/export-friendliness of the business environment?
- Similarly, what is the impact in terms of improving the competitiveness and development of countries' export sector?
- Do export strategies have any unintended impact?

#### Sustainability

- Is the export strategy function providing for institutional and financial arrangements at the country level that enable long-term follow-up and continuous up-dating during the course of ES implementation?
- Have export strategies developed through ITC's support led to trade-development programmes?
- Have the relevant stakeholders been selected at local level for designing, developing and implementing export strategies?
- In the case of LDCs, are export strategies coherent with the UNDAF objectives at the country level?
- What are the major risks the export strategy function in ITC is facing, in particular concerning its long term sustainability?
- Is export Strategy well embedded in ITC's TRTA large programme?

## 6. NORMS AND METHODS

The evaluation of ITC's export function will be undertaken in accordance with the OECD / DAC evaluation standards and guidelines for UN evaluations, as well as ITC's own Evaluation Policy and Guidelines. According to UNEG guidelines, evaluations should be carried out in a participatory and ethical manner, and be implemented in accordance with the ethical guidelines stated in the UNEG Standards and Norms for Evaluation. The evaluation should take account of cultural differences, local customs, religious practices, gender roles and age throughout the planning, implementation and reporting on the evaluation. UNEG also specify that the chosen methodology for an evaluation should explicitly address issues of gender and under-represented groups and be in line with the UN system's commitment to the human-rights based approach.

The export strategy evaluation will apply a triangulation of methods to answer the evaluation questions raised above. This triangulation of methods is selected to ensure the ideal coverage and assessment. The selected consultant will deliver a detailed methodology

report outlining the methodology that will be applied to the evaluation. The methodology report should clearly state what methodology will be applied to measure impact of the export strategies produced by ITC. The methodology should also outline how the impacts of ITC's export strategies are compared to other organisations developing export strategies.

#### Desk Research

The team leader should review all section strategies, policy documents, a geographical representative sample of export strategies and sector strategies and documents and tools developed by the section. The evaluator should ensure that the information collected is valid and reliable. Key findings must be substantiated through a verification process using different sources, and all findings should be validated by the ES section.

#### Field Missions

The team leader should also undertake participatory observations and interview a selection of partners that have used the export strategies. The location for the field missions will be decided by the evaluator when the desk reach has been completed and when the methodology report has been completed.

#### Qualitative face-to-face and phone interviews

Qualitative face-to-face and phone interviews will be conducted with a representative sample of stakeholders in the production and utilization of the export strategies and ITC staff and donors.

#### Comparative analyses & questionnaires

A comparative analysis should be conducted analyzing the impact of ITC's export strategies compared to the impact generated by export strategies developed by other international organizations. Has the situation of the sector/country improved as a result of the export strategy? The evaluators will use objective and internationally recognized indicators such as the World Bank "easy of doing business rankings" and use evaluation tools such as questionnaires to understand the point of view of exporters about this matter

#### SWOT analysis of the export strategy methodology

The evaluation team will also perform a SWOT analysis outlining the Strengths, Weaknesses, Opportunities and Threats to the methodology used by ITC. This analysis will be used to build a strategy for how the methodology applied by ITC for developing export strategies can be refined.

### 7. PROFILE OF THE EVALUATION TEAM

The evaluation team for the export strategy evaluation will be recruited in accordance with UN rules. The qualifications required for the selected consultants are the following:



#### Evaluation team leader

- Advanced university degree in Economics, Business Administration, Trade or Development studies,
- Excellent drafting abilities in English
- Expertise in TRTA evaluations and impact assessments,
- Expertise in quantitative and qualitative data collection and analysis methodologies,
- Proven experience in conducting high-quality evaluations for international organisations.
- Experience developing methodologies for impact evaluations

#### Expert in trade Development

- Advanced university degree in Economics, Business Administration, Trade or Development studies,
- Experience working for Trade Promotion Organisations
- Expert in Trade Development
- Hands on experience facilitating change in international organizations.
- Experience in providing guidance in methodology development for Aid for Trade projects

#### MANAGEMENT ARRANGEMENTS

The export strategy evaluation will be managed and controlled for quality, diligence and timeliness by the Monitoring and Evaluation Office (EMU) in ITC, with support and guidance from the export strategy team in ITC. The export strategy team will provide documentation and will assist with drafting the TOR's for the evaluation. The selection process of the independent consultant will also be managed by EMU. The administrative Assistant in EMU will manage all travel and logistical arrangements for the evaluation consultants. There will be established a very close working relationship will be established between EMU and the export strategy function during the evaluation in order to ensure that the evaluation is undertaken in an inclusive and participatory manner. EMU will ensure that the evaluation is undertaken, in due respect of the ITC Evaluation Policy and the UNEG guidelines and OECD/DAC guidelines. EMU will share with and make available to ES in due time drafts of the evaluation report and the draft final report including all its annexes.

#### TIMELINE

The export strategy evaluation will be launched on the 1<sup>st</sup> of September 2012 and will be concluded at the latest on the 31/05/2013. A detailed work plan outlines timing of key

milestone and expected deliverables, as well as an overview time line for the export strategy function evaluation process can be found below:

<b>Deliverables for export strategy evaluation</b>	<b>Deadline</b>
<b>Draft TOR, design work plan and develop budget</b>	15/10/2012
<b>Desk research and delivery of methodology report</b>	31/12/2012
<b>Geneva mission (10-14 December)</b>	14/12/2012
<b>Field missions</b>	01/03/2013
<b>First draft provided and debriefing to export strategy evaluation management team</b>	01/04/2013
<b>Comments to the report by the evaluation management team</b>	15/04/2013
<b>Final draft provided</b>	01/05/2013

## DELIVERABLES

The export strategy evaluation team leader should provide a substantial methodology report outlining the evaluation methodology to the evaluation management team, describing the chosen methodology. This will include a motivated and final selection of country destinations for conducting the field missions. The document will ensure proper interpretation of the Terms of Reference and clear agreement of the evaluation scope and work plan. The evaluation methodology report should include survey methods and a detailed research plan for how all evaluation questions will be answered.

The core products of the export strategy evaluation process will be a final evaluation report. The final report should highlight the purpose, scope and limitation of the export strategy evaluation, and should contain a description of the applied methodology, evidence-based findings, conclusions, lessons learned and recommendations (ITC 2008e). The analysis should highlight constraints, strengths on which to build on, and opportunities for the export strategy function in ITC. The evaluation should also come up with practical recommendations for how ITC can refine its methodology for creating Export Strategies.

The evaluation team should ensure to be in direct dialogue with the Export Strategy function to ensure that all recommendations are practical and achievable.

Additionally, in order to ensure wider usage and learning from the evaluation findings, the evaluation team leader will be required to deliver an oral debriefing to the export strategy function team and EMU prior to delivery of the final evaluation report. This debriefing will ensure that factual errors, mistakes and misunderstandings can be corrected before the evaluation team starts drafting the evaluation report. The debriefing will also ensure that the Export strategy Team can immediately include lessons learned from the evaluations in planning of the activities for the export strategy function. The draft final report including all its annexes will be shared, presented and discussed with ES team for effective feedback, comments and corrections prior to its finalisation and formal submission to EMU.

## 7.2 Methodology

### 7.2.1 Evaluation Framework Matrix

**Table 6: Evaluation Framework Assessment Matrix**

Determining Relevance

Key Issues/Questions	Indicators	Methods/Sources
To what extent is the export strategy function relevant to ITC's mandate and mission?	Adherence to ITC 7 principles Consistent with ITC strategic objectives	ITC Policy and Strategic papers ITC Annual Report Field trip interviews with beneficiaries Results of beneficiary response to surveys
What are current market requirements for national exporters? Does the program address that need?	National trade regulations ITC program compliance with requirements	WTO regulatory framework Program reports, monitoring, assessments ITC produced trade and economic stats
How well does this program align with sector and national objectives?	Beneficiaries' sector and national objectives supported by program activities	Initiative monitoring and progress reports ITC Sector reports Measure against log frames Direct interviews and surveys
Could you recommend any adjustments to the program that would make it more relevant to your requirements?	ITC flexible in approach, changes feasible and budgets and time allocated adjusted to achieve greater relevance	ITC initiative documents confirming flexible approach and capacity to accommodate Beneficiaries interviews

## Determining Effectiveness

Key Issues/Questions	Indicators	Methods/Sources
Given the range of export strategies how effective has ITC been in achieving an optimum balance?	Choice of programs consistent with beneficiary priorities and national objectives – results met or exceed targets	Monitoring and evaluation reports. Initiative completion results. Beneficiary feedback.
How useful is the StrategyMap database for understanding the export strategy market?	Consistent use by beneficiary contributing to export growth	Operational reports, interviews during field missions
Does the methodology developed by ITC for export strategies effectively integrate end-market requirements and demand side opportunities?	Increased export activity in targeted markets, faster pace of export development and investment in affected export industries	National statistics, business export reports ITC trade and market stats Feedback from exporters and TSIs
How well does it integrate substantive knowledge, in particular trade and marketing intelligence into its methodology?	Relevant and up-to-date trade information contained in methodology, consistently updated. Increase in demand for methodology	Review and analysis of strategies, NES, SES and RES Peer review within ITC
Can you provide examples of how the export strategy facilitated the mainstreaming of exports development into the national development policy?	Central ministries have adopted exports as central to national development and prosperity	Ministry of Finance, Central planning statistics National and Trade offices, TSIs

## Determining Efficiency

Key Issues/Questions	Indicators	Methods/Sources
To what extent have strategies (NES, SES and regional and functional strategies) been standardized?	Unnecessary variances kept to a minimum, economies of scale in producing strategies realized	Review common elements of NES, SES and RES strategies, noting to what extent variances are required

How does the ITC methodology compare to those of other donors in terms of time allocated, results achieved?	Impact of ITC methodology compares favorably or exceeds that of those prepared by other donors, timely and cost effective	Interviews with beneficiaries, other donors and competitors. Access descriptions of other methodologies
Have work plan targets related to the implementation of strategies been met?	Outputs delivered on time, variances kept to a minimum	ES annual reports, interviews with staff
Have appropriate HR principles been applied ensuring maximum efficiency in utilizing skills and potential	Staff turnover reduced, staff motivated and productive	Personnel records, ES progress reports Interviews with staff Field trip interviews with beneficiaries Results of beneficiary response to surveys
How would you assess the value for money of strategy development compared to other programs?	Evaluation report and qualitative measurements suggest LT benefits of getting the strategy right	Evaluation and performance reports Interviews with ITC staff Field trip interviews with beneficiaries

#### Determining Impact

Key Issues/Questions	Indicators	Methods/Sources
Can you indicate what practical outcomes have resulted from adopting the strategy?	Improvements in competitiveness rankings, business friendly public policy measures have been taken	WEF Competitive report WB Ease of Doing Business, National statistics and Government documents
Can you provide examples of how the targeted beneficiaries have improved knowledge, performance and cooperation as a result of this program?	Beneficiaries have adopted measures based on strategy recommendations. Exports have correspondingly increased Improved cooperation on ES issues between institutions within the country	Post program audits, country program reviews, evaluations of program measuring impact Direct feedback from beneficiaries during field trip and from survey results
Has the Export Strategy resulted in improved employment opportunities for women, or previously disadvantaged groups?	Targeted beneficiaries employed or benefitting from the Export Strategy program increase as a percentage of workforce related to the programs reach	Labor reports and statistics Government socio-economic statistics, Personnel records

Key Issues/Questions	Indicators	Methods/Sources
Has the Export Strategy upgraded the export support system, including TSIs and related government ministries?	More responsive and comprehensive support to private sector exporters from the TSIs	TSI annual reports, business feedback Field interviews
Has the Export Strategy had any unintended positive or negative impacts?	Unexpected growth along the value chain, unexpected employment gains	Interviews with business groups, Field interviews in field, with other donors

### Determining Sustainability

Key Issues/Questions	Indicators	Methods/Sources
What financial and institutional measures are/have been taken to assure that local staff have capacity to implement this export strategy program?	Staff in TSIs trained and in position, budgets in place.	Regular follow-up by ES staff Field interviews and other feedback obtained through evaluation process
Have strategies developed under this support led to trade development programs?	Chambers, business groups provide advice based on participation in Strategy Formulation activity. Cascading of strategy formulation and execution activities to local/sector/product level.	Country mission follow-up, TSI and Chambers annual reports
For LDCs, are export strategies applied under this program consistent with the UNDAF at the country level?	Strategies support attainment of objectives under UNDAF agreement with country.	Current UNDAF agreement and those components which the strategy affects
How have targeted stakeholders received the export strategy program? Is there evidence that they will continue their participation? The number of beneficiaries will increase?	Demand for additional export strategy formulation and execution at different levels (local, national, sector) increases as a result of positive response. Continued participation in export strategy processes viewed in their self-interest.	Direct feedback from beneficiaries during field trip and from survey results Strategies following principles and process of initial Export Strategy.
What risks are associated with the long-term	Risks minimized as results become financially	Regular contact and program development

Key Issues/Questions	Indicators	Methods/Sources
sustainability of this program?	and institutionally sustainable.	missions confirm.



### 7.3 List of people and organizations interviewed

Field/Phone interviews			
Uganda			
Uganda Export Promotion Board	Florence Kata, Executive Director Paul Gita, Senior Officer Simon Peter Okiring, Senior Officer William Babigumira, Senior Officer	Nucafe (Private Sector)	David Muwonge, Deputy Executive Director
Uganda Coffee Trade Federation	Simon Emong, Manager	Uganda Coffee Development Authority	James Kizito-Myanga
Ministry of Gender, Labour and Social Development	Magara Cornelius, Principal Women in Development Officer	National Planning Authority	Othieno Odoi, Director
Private Sector Foundation	Moses Ogwal, Director of Advocacy		
Zambia			
COMESA	Thierry Kalonji, Director Fred Kongongo, Coordinator Angela Mulenga, Manager, Initiatives Nicholas Mudungwe, Coordinator	Zambia Development Agency	Glyne Michelo, Director Miyoba Lubembas, Manager Export Market Development Charles Mulombwa, Senior Export Promotion Officer
Authentic Foods, (Private Sector)	Emmanuel Chileshe, President		
Palestine			
Paltrade	Hanan Taha-Rayyan, CEO Samir Maree, NES Specialist Nahid Qudsi, Asst. Navigator, NES Shawqu Makhtoob, Trade Policy Manager Osama Abu Ali, Export Development and Trade Information Manager Mayada Diab, Program	Palestine Economic Policy Research Institute	Ahmed Qubaja, Research Associate

	Coordinator Younes Yameen, Team Coordinator, NES		
Private Sector	Laith Kassis, Founder, Managing Partner, Enter Venturas  Ahmed Safadi, Coordinator Quality Management Sector Study  Hannes Schloemann, Director WTI Advisors	Ministry of National Economy	Manal Farhardi, NES Navigator
CIDA	Pierre-Yves Monnard, First Secretary	Commonwealth	Ram Venuprasad, Director, Office of the DSG  Stephen Fevrier, Trade Advisor, Economic Affairs Division  Anuja De Silva, Charge d'Affaires
Jamaica			
JAMPRO	Marjorie Straw, Manager Special Initiatives		
Mozambique			
IPEX	Jose Jossias, Senior Advisor	INIP	Ana Paula Baloi, National Director
CEDARTE	Evaristo Madime, Director	EU	Myriam Sekkat, Private Sector and Trade Officer
Giz	Svenja Paulino, Economic Programme	EIF	Steffen Grammling, Donor Facilitation
Kyrgyzstan			
Department of Tourism	Sergey Magai	Public Union "For quality"	Giulnara Jusupjanova, Chairperson
Cameroon			
Ken Atlantic Company	Caroline Sack, President		
Ghana			
Federation Association of Ghana Exporters (FAGE)	Frederick Ayeh, Second Vice President  Mr. Sikkpa, President	Ministry of Trade	Mr Adwenti
Romania			
National Export Council	Costin Lianu		
Colombia			
Proexport	Cesar Vallejo	Colombia	Amalia Vazquez

	Pilar Lozano Ma Cecilia Obando	Representation in Geneva	
--	-----------------------------------	-----------------------------	--

ITC			
OED	Patricia Francis Said Khalid Scharaf	OED	Jean-Marie Paugam Francesco Geoffroy
EMU	Miguel Jiminez-Pont Maria Riiskjaer	DCP	Friedrich von Kircback Rajesh Aggarwal Raimund Moser
MAR	Mondher Mimouni Olivier Marty Olga Solleder	SC	Robert Skidmore Olivier Naray
EC	Jacky Charbonneau	DMD	Anders Aeroe
ES	Anton Said Eric Buchot Darius Kurek Charles Roberge Rahul Bhatnagar Alberto Pacheco Amurgo Attilio di Batista	ES	Jeanette Sutherland Hernan Manson Roberta Lascari Alexandra Golovko Mehdi Chaker Sophien Hanouz
OAS	Ashish Shah		
OA	Silencer Mapuranga Constantine Bartel	Business and Trade Policy	Rajesh Aggarwal
BE	Angela Strachan		

## 7.4 NES Program Logframe

### 7.4.1 Current ITC ES Section Logframe (2013)

Objectives	Indicators	Means of verification	Risks/assumptions
Export development and competitiveness for overall socio-economic development	<ul style="list-style-type: none"> <li>Country's export performance in terms of product base and destination markets (value and volume of exports, increased number of products and services; increased number of export markets; increases market share in export markets;</li> <li>Improved trade balance;</li> <li>Improved business environment ranking in "Doing Business"</li> <li>Socio-economic effects of exports (contribution of export sectors to GDP; employment rate in export sectors; share of women and youth in export sectors' labour force)</li> </ul>	<ul style="list-style-type: none"> <li>Business ranking reports</li> <li>National statistics - WB, IMF, WEF, UN reports</li> </ul>	<ul style="list-style-type: none"> <li>Political stability</li> <li>Macro-economic stability</li> <li>NES implemented and resources allocated for implementation</li> </ul>
Public and private stakeholders are enabled to formulate a strategic vision and identify priorities to support export development and competitiveness	<ul style="list-style-type: none"> <li>Number of trade development strategies</li> <li>Number of cases where strategic priorities have been successfully identified by national stakeholders</li> <li>Cost-sharing arrangement applied in the strategy process</li> </ul>	<ul style="list-style-type: none"> <li>NES with sector and functional strategies.</li> <li>Plans of Action of the NES and individual strategies</li> <li>Financial agreements and reports</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholders (private and public) take ownership of the NES process, share information and complete necessary steps</li> <li>Adequate and sufficient resources at the national level (human, institutional, technical) are allocated to the NES design process.</li> </ul>
Preliminary audits, analysis	<ul style="list-style-type: none"> <li>Preliminary audits and baseline</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary audits</li> </ul>	<ul style="list-style-type: none"> <li>Availability and adequacy</li> </ul>

Objectives	Indicators	Means of verification	Risks/assumptions
and preparatory work completed, jointly with national stakeholders, and presented in the “Response/Priority Paper”, and the initial briefing documents for the sector/functional strategies.	<ul style="list-style-type: none"> <li>• analyses adequately completed</li> <li>• One 1 workshop to analyze export performance, initiate sector selection process and strategic orienting completed</li> <li>• Response Paper completed and delivered</li> <li>• Level of engagement of sector and cross-sector team leaders</li> <li>• Sector/functional profiles completed</li> </ul>	<ul style="list-style-type: none"> <li>• documents and reports</li> <li>• Workshop reports and attendance sheets</li> <li>• Response paper</li> <li>• Sector/functional profiles</li> </ul>	<ul style="list-style-type: none"> <li>• information</li> <li>• Willingness to share information</li> </ul>
Communication efforts and awareness-raising meetings held to share the results of the strategy design process and mobilize partners	<ul style="list-style-type: none"> <li>• Communication plan completed, jointly with partner, and implemented by stakeholders</li> <li>• Relevance and diversity of national public and private stakeholders targeted by communication plan</li> <li>• Number of meetings and consultations held with potential partners</li> <li>• Number of media reports</li> </ul>	<ul style="list-style-type: none"> <li>• Communication plan</li> <li>• Reports of bilateral and multilateral meetings</li> <li>• Press and media reports</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources at the national level (human, institutional and financial) allocated towards promoting and communicating the results of the NES</li> <li>• Relevant stakeholders and opinion leaders targeted</li> </ul>
A NES document with a specific and measurable plan of action delivered and endorsed	<ul style="list-style-type: none"> <li>• Two (2) workshops completed with the logistical, substantive and participation requirements according to requisite specifications</li> <li>• NES documents (NES, sector/functional strategies) delivered</li> <li>• Quality, scope and comprehensiveness of NES documents (NES, sector/functional strategies) and plans of actions according to ES requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Workshop reports and attendance sheets</li> <li>• Evaluation sheets</li> <li>• NES documents</li> </ul>	<ul style="list-style-type: none"> <li>• Preliminary stakeholder analysis performed (TSI Mapping), and relevant stakeholders participate in workshops and consultations</li> <li>• Political championing and sensitization in favor of the NES effectively achieved</li> <li>• Baseline analyses (national, sectorial, functional) are adequately completed</li> <li>• Sector/functional teams actively</li> </ul>

Objectives	Indicators	Means of verification	Risks/assumptions
	<ul style="list-style-type: none"> <li>• Number and quality of stakeholders contributing to the analysis and participating in workshops of the NES</li> </ul>		<ul style="list-style-type: none"> <li>• contribute to strategy design process and provide quality inputs</li> </ul>
<p>Public and private stakeholders are enabled to conduct a dialogue supporting the mainstreaming of trade and the development of a national export culture</p>	<ul style="list-style-type: none"> <li>• Number of trade policy proposals presented by TSIs to policymakers number of country networks generating multilateral trading system activities.</li> <li>• Number of country negotiating positions enabling decision-makers to integrate business dimensions into trade negotiations</li> <li>• NEC and its Executive Secretariat established and operational</li> </ul>	<ul style="list-style-type: none"> <li>• Resources and operational reports of the NEC</li> <li>• Media reports and coverage of NEC establishment</li> </ul>	<ul style="list-style-type: none"> <li>• There is expressed political and private sector willingness to support the NES, its Plan of Action and the NEC.</li> <li>• There is political willingness to collaborate with the private sector</li> </ul>
<p>Advisory and technical backstopping services provided to establish and organize the National Export Council and its Executive Secretariat</p>	<ul style="list-style-type: none"> <li>• NEC ToRs and institutional anchoring effectively completed</li> <li>• Resources effectively allocated for operationalization of NEC and its Executive Secretariat</li> <li>• Work plans, roles and attributions of NEC and its Executive Secretariat fully completed</li> </ul>	<ul style="list-style-type: none"> <li>• NEC ToRs</li> <li>• Political/formal decree for establishment of NEC</li> <li>• Annual financial reports</li> <li>• Operational reports of NEC and Executive Secretariat</li> </ul>	<ul style="list-style-type: none"> <li>• The NEC structure is endorsed by national government and authorities at the highest possible level</li> </ul>
<p>NEC and its Executive Secretariat enabled to advocate in favor of the NES with relevant government bodies, key implementing partners, donors and the private sector to ensure it remains visible in the</p>	<ul style="list-style-type: none"> <li>• Quality of the advocacy plan</li> <li>• Number and quality of bilateral and multilateral meetings and consultations held</li> </ul>	<ul style="list-style-type: none"> <li>• Advocacy plan</li> <li>• Meeting and consultation reports</li> </ul>	<ul style="list-style-type: none"> <li>• Political will</li> <li>• Adequate or sufficient national resources are allocated to NEC and Executive Secretariat to conduct advocacy actions</li> </ul>

Objectives	Indicators	Means of verification	Risks/assumptions
national planning and policy frameworks			
Public and private stakeholders are enabled to manage export development strategies that receive and effectively utilize national resources and Aid for Trade to support the development and competitiveness of the export sector	<ul style="list-style-type: none"> <li>• Number of trade policy proposals presented by TSIs to policymakers</li> <li>• Number of trade development strategies</li> <li>• Number of country networks generating multilateral trading system activities</li> <li>• Negotiations</li> <li>• NES implementation included in national budget</li> </ul>	<ul style="list-style-type: none"> <li>• Project proposal documents</li> <li>• Meeting reports</li> <li>• Monitoring reports of NES implementation</li> <li>• Operational and financial reports of NEC</li> </ul>	<ul style="list-style-type: none"> <li>• There is expressed political and private sector willingness to support the NES, its Plan of Action and the NEC.</li> <li>• Mandate/authority of implementing partners inadequate or insufficient to perform implementation of activities</li> </ul>
Workshops and advisory services provided to public and private stakeholders on strategic programming, prioritization, implementation of action plans, and monitoring and evaluation.	<ul style="list-style-type: none"> <li>• NES implementation monitoring and coordination framework is operational</li> <li>• Recommendations flowing from monitoring reports elaborated by the NES secretariat and submitted to NEC for action</li> <li>• NES plan of action adjusted to guarantee the best alignment of priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation monitoring and progress reports</li> <li>• NEC meeting minutes</li> <li>• NES Plan of Action</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources at the national level (human, institutional and technical) are allocated to the coordination, monitoring and planning of NES implementation</li> <li>• Implementing partners share information with NEC and NES secretariat about progress of project/activities implementation based on NES Plan of Action</li> </ul>
Workshops and advisory services provided to public and private stakeholders, NEC and Executive Secretariat members on resource mobilization	<ul style="list-style-type: none"> <li>• Resource mobilization plan complete</li> <li>• Number and diversity of bilateral and multilateral meetings lead by the NEC.</li> </ul>	<ul style="list-style-type: none"> <li>• Resource mobilization plan</li> <li>• Meeting reports</li> </ul>	<ul style="list-style-type: none"> <li>• Sustained interest and awareness by donors and international agencies is generated by the NEC to effectively support NES implementation</li> <li>• Sustained interest and awareness by national agencies (Government, TSN) is generated by NEC to</li> </ul>

Objectives	Indicators	Means of verification	Risks/assumptions
			support NES implementation <ul style="list-style-type: none"> <li>National resources are allocated to NEC and Executive Secretariat to conduct resource mobilization activities and elaborate project proposals</li> </ul>
Workshops and advisory service provided to public and private stakeholders and NES Secretariat members on project design	<ul style="list-style-type: none"> <li>Project design workshop completed</li> <li>Adequate participation of NES Executive Secretariat, mandated resource mobilization members of NEC and other key stakeholders</li> <li>Number and quality of project proposals elaborated by the NEC and NES secretariat</li> </ul>	<ul style="list-style-type: none"> <li>Project proposals</li> <li>Attendance sheet</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate or insufficient capacity of stakeholders to elaborate quality project proposals</li> </ul>



## 7.4.2 Previous Logical framework (2009-2012)

Indicative National Export Strategy design and management Logframe (v.1)

The development of the NES elaborates priorities agreed on the basis of public and private consultations, resulting in a plan of action and an implementation management framework that are adopted by the Government.

OBJECTIVES AND ACTIVITIES	PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<b>IMPACT</b>			
<ul style="list-style-type: none"> <li>Contribute to the country's export development and competitiveness in global markets, as to contribute to employment creation, income generation and the overall socio-economic development of the country.</li> </ul>	<ul style="list-style-type: none"> <li>Shares of the country's exports in global markets.</li> <li>Ranking of the country in « Doing Business » indicators.</li> <li>Socio-economic impacts of exports in terms of poverty reduction, employment creation, environmental sustainability and gender equality.</li> </ul>	<ul style="list-style-type: none"> <li>WB, IMF and UN development reports.</li> <li>MDG reports.</li> <li>Trade development reports.</li> <li>“Doing Business” ranking.</li> <li>National statistics.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<b>MEDIUM TERM OUTCOMES</b>			
<ul style="list-style-type: none"> <li>An improved policy framework to support the development and competitiveness of the export sector with positive human development impact.</li> <li>An increased capacity of private and public institutions to support and stimulate exports through</li> </ul>	<ul style="list-style-type: none"> <li>Number of policies having been introduced or modified in support export development.</li> <li>Optimization of trade support resources available in the country through reduction of duplications.</li> <li>Reduction of duplications and gaps in TSIs work.</li> <li>Number of exporters receiving relevant assistance from TSIs.</li> </ul>	<ul style="list-style-type: none"> <li>Adopted trade and export policies.</li> <li>National budget allocations for trade and export development.</li> <li>Trade development reports.</li> <li>TSI strategies and reports.</li> <li>NES revision reports.</li> </ul>	<ul style="list-style-type: none"> <li>The NES plan of action is implemented in the country</li> <li>There is political stability in the country.</li> <li>There is macro-level economic stability in the country.</li> <li>There are national and/or donors' resources allocated for the implementation of the NES plan of action.</li> <li>NEC and NES Secretariat continue to function effectively to manage the implementation of the NES plan of action and</li> </ul>

OBJECTIVES AND ACTIVITIES	PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>the provision of relevant and accessible trade support services.</p> <ul style="list-style-type: none"> <li>• A strengthened capacity of the country's policy makers, TSIs and enterprises to formulate and manage export development strategies that are relevant and realistic.</li> </ul>	<ul style="list-style-type: none"> <li>• Ability of stakeholders to keep the NES updated.</li> </ul>		<p>revise and update the NES.</p> <ul style="list-style-type: none"> <li>• Stakeholders collaborate to the implementation of the NES plan of action and at keeping the NES updated.</li> </ul>
<b>SHORT TERM OUTCOMES</b>			
<ul style="list-style-type: none"> <li>• Empowered national stakeholders capable of contributing to export development activities.</li> <li>• Improved public and private dialogue supporting the development of a national export culture.</li> <li>• Enhanced awareness of available options for export</li> </ul>	<ul style="list-style-type: none"> <li>• Number of stakeholders participating in activities organized by the NES secretariat or the NEC.</li> <li>• Number of public and private sectors statements in support of export development.</li> <li>• Number and quality of trade policies proposed to government.</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance list to NES or NEC organized events</li> <li>• Media articles</li> <li>• Government statement</li> <li>• Laws</li> <li>• EIF and A4T reports</li> </ul>	<ul style="list-style-type: none"> <li>• The NES plan of action is implemented by the country.</li> <li>• There are national and/or donors' resources allocated for the implementation and management of the NES plan of action.</li> <li>• NEC and NES Secretariat function effectively and manage the implementation of the NES plan of action.</li> <li>• National stakeholders take ownership of the NES plan of action and work toward its</li> </ul>

OBJECTIVES AND ACTIVITIES	PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>development and how to mainstream trade into national planning and policies.</p> <ul style="list-style-type: none"> <li>Improved ability of the country to receive and utilize Aid for Trade.</li> </ul>	<ul style="list-style-type: none"> <li>Amount of A4T received and disbursed for export development activities.</li> </ul>		<p>implementation.</p> <ul style="list-style-type: none"> <li>There is a continued expressed political and private sector willingness to support the NES plan of action and implementation management phase.</li> </ul>
<b>OUTPUTS<sup>75</sup></b>			
<ul style="list-style-type: none"> <li>Governance structures for NES design process established and NES preliminary audits completed.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage/Number of TSIs mapped at the national level.</li> <li>Navigator appointed.</li> <li>Core Team established</li> <li>Need for NEC determined.</li> <li>Quality of the preliminary audits.</li> </ul>	<ul style="list-style-type: none"> <li>NES templates and checklists.</li> <li>TSN mapping document.</li> <li>Preliminary audits report.</li> <li>Navigator and core team profile</li> </ul>	<ul style="list-style-type: none"> <li>Focal Point organizations and Navigator assume responsibility for pre-engagement work and championing the NES process.</li> <li>There are available, able, resourced and empowered individuals willing to participate for the entire duration of the NES process.</li> <li>The TSN is willing to share information and participate in the NES process.</li> <li>The data available for the preliminary audits is adequate.</li> </ul>
<ul style="list-style-type: none"> <li>Baseline analyses of country's trade</li> </ul>	<ul style="list-style-type: none"> <li>NES templates, checklists and tasks completed by Navigator</li> </ul>	<ul style="list-style-type: none"> <li>NES completed templates and checklists.</li> </ul>	<ul style="list-style-type: none"> <li>Governance structures are properly established and preliminary audits properly</li> </ul>

<sup>75</sup> Outputs are interlinked in a methodological process and all need to be achieved in order to create the outcomes.

OBJECTIVES AND ACTIVITIES	PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>performance, exports potential and opportunities and main trade/export issues over the past five years completed.</p>	<p>and NST.</p> <ul style="list-style-type: none"> <li>Confirmed NST members (with the right capacities and in a balanced ratio between private and public sectors) allocating the necessary time to collaborate in the NES process.</li> <li>Quality of the baseline analyses.</li> </ul>	<ul style="list-style-type: none"> <li>“Response Paper”</li> <li>NST members profile.</li> </ul>	<p>conducted.</p> <ul style="list-style-type: none"> <li>Adequate national resources (human, institutional and financial) are allocated to the NES inception phase.</li> <li>The data available for benchmarking the country’s export, imports and investment performance, main markets and competitors is adequate.</li> </ul>
<ul style="list-style-type: none"> <li>Scope, strategic objectives and priority sectors and cross-sectoral functions to be addressed by the NES identified.</li> </ul>	<ul style="list-style-type: none"> <li>NES templates, checklists and tasks completed by Navigator and NST.</li> <li>Number of stakeholders at NES consultation on scope and priorities of the NES.</li> <li>Number of stakeholders and NST members’ contributing to the defining of realistic objectives and priorities to be addressed by the NES.</li> <li>The quality and comprehensiveness of the “Response Paper”</li> </ul>	<ul style="list-style-type: none"> <li>NES templates and checklists.</li> <li>Syntheses of the consultations.</li> <li>“Response Paper”.</li> <li>Stakeholders’ attendance list at consultations and contributions to the NES during consultations.</li> </ul>	<ul style="list-style-type: none"> <li>Baseline analyses are adequately completed.</li> <li>There is a representative and active stakeholders’ participation during the various priority setting activities.</li> <li>The data available for identifying priorities and scope for the NES is adequate.</li> </ul>
<ul style="list-style-type: none"> <li>Sectoral and cross-sectoral strategies with corresponding plan of action completed.</li> </ul>	<ul style="list-style-type: none"> <li>NES templates, checklists and tasks completed by Navigator and Specialized Teams.</li> <li>Number of stakeholders at capacity building consultations on value-chain diagnostics and strategy design.</li> </ul>	<ul style="list-style-type: none"> <li>NES templates and checklists.</li> <li>Syntheses of the consultations.</li> <li>Completed value-chains diagnostics.</li> <li>Completed sector and cross-sector level strategies.</li> </ul>	<ul style="list-style-type: none"> <li>The “Response Paper” is adequately completed.</li> <li>There is a representative and active stakeholders’ participation during the sectoral and cross-sectoral strategies design process.</li> <li>Adequate national resources (human, institutional and financial) are allocated to the</li> </ul>

OBJECTIVES AND ACTIVITIES	PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none"> <li>• Number of confirmed Specialized Team members (with the right capacities and in a balanced ratio between private and public sectors) allocating the necessary time to collaborate to the sector and cross-sector level strategies design process</li> </ul>	<ul style="list-style-type: none"> <li>• Completed plans of actions.</li> <li>• Stakeholders' attendance list at consultations and contributions to the NES during consultations.</li> </ul>	<p>NES design phase.</p> <ul style="list-style-type: none"> <li>• The Specialized Teams are adequately involved of completing value-chains, designing sector and cross-sector level strategies and plans of action.</li> <li>• The data available to specialized teams for developing sector and cross-sector strategies is adequate.</li> </ul>
<ul style="list-style-type: none"> <li>• A consolidated, coherent and comprehensive National Export Strategy document composed of sectoral and cross-sectoral strategies, a plan of action and an implementation management framework completed.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of participants at capacity building consultations on strategic planning, prioritization and strategy management.</li> <li>• Quality of NES document, its plan of action and implementation management framework.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• NES document.</li> <li>• Syntheses of the consultations and completed documents.</li> <li>• Stakeholders' attendance list at consultations and contributions to the NES during consultations.</li> </ul>	<ul style="list-style-type: none"> <li>• Sector and cross-sector strategies are adequately completed.</li> <li>• The Navigator and Core Team are adequately involved in synthesizing priorities, targets and plan action in a consolidated manner.</li> </ul>
<ul style="list-style-type: none"> <li>• National Export Strategy document endorsed.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of public and private sector participants and representatives at the NES launch event.</li> <li>• Number and quality of public statements concerning the NES.</li> <li>• A written endorsement of the NES signed by a senior government representative in opening pages of the NES</li> </ul>	<ul style="list-style-type: none"> <li>• National media articles.</li> <li>• Government's public statements.</li> <li>• NES document.</li> <li>• Attendance list at NES launch event.</li> </ul>	<ul style="list-style-type: none"> <li>• NES document is adequately completed.</li> <li>• Adequate national resources (human, institutional and financial) are allocated toward communicating the NES design and management process to stakeholders and the general public.</li> </ul>

OBJECTIVES AND ACTIVITIES	PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
	document. <ul style="list-style-type: none"> <li>• Formal adoption of the NES by the government.</li> </ul>		
<ul style="list-style-type: none"> <li>• Operational public-private dialogue platform focusing on export development and competitiveness (e.g.: National Export Council-NEC), and supportive NES secretariat established.</li> </ul>	<ul style="list-style-type: none"> <li>• A formal NEC or equivalent is established/reinforced, operationalized and given a defined mandate.</li> <li>• NES Secretariat is established.</li> <li>• Representativity of TSN on NEC.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Public to Private ratio in the NEC.</li> <li>• Public statements of both the private and public sector about the NES.</li> <li>• NEC statutes, membership, financial reports and supporting policies and laws.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholders take ownership of the NES.</li> <li>• There is an expressed political and private sector willingness to support the NES, its plan of action and implementation management framework.</li> <li>• There is a continued political willingness to collaborate with the private sector.</li> <li>• NEC is supported by an enabling law or government decision.</li> <li>• Adequate resources (human, institutional and financial) are allocated to the NEC for executing the NES.</li> </ul>
<ul style="list-style-type: none"> <li>• Implementation management phase initiated*.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of participants at the capacity-building consultation on strategy implementation, coordination and management.</li> <li>• Number of potential national and international donors at a resource mobilization symposium.</li> <li>• Coordination and management of NES plan of action and monitoring progress by NES Secretariat.</li> </ul>	<ul style="list-style-type: none"> <li>• NES templates and checklists.</li> <li>• Stakeholders' attendance list at consultation and contributions to the NES during implementation management consultation.</li> <li>• Completed management scorecards.</li> <li>• Symposium report.</li> <li>• Yearly progress reports.</li> </ul>	<ul style="list-style-type: none"> <li>• NES Secretariat is operational.</li> <li>• NEC is enabled through NES secretariat for day-to-day operations.</li> <li>• There is sustained interest by national agencies (Government, TSN) to support the NES.</li> <li>• There is sustained interest by donors and international agencies to support the NES plan of action.</li> </ul>

\*: Applies only to NES Design and Implementation Management initiatives

## 7.5 Strategy Implementation - Technical Aid Market

### 7.5.1 Trade Strategy Market – Methodology

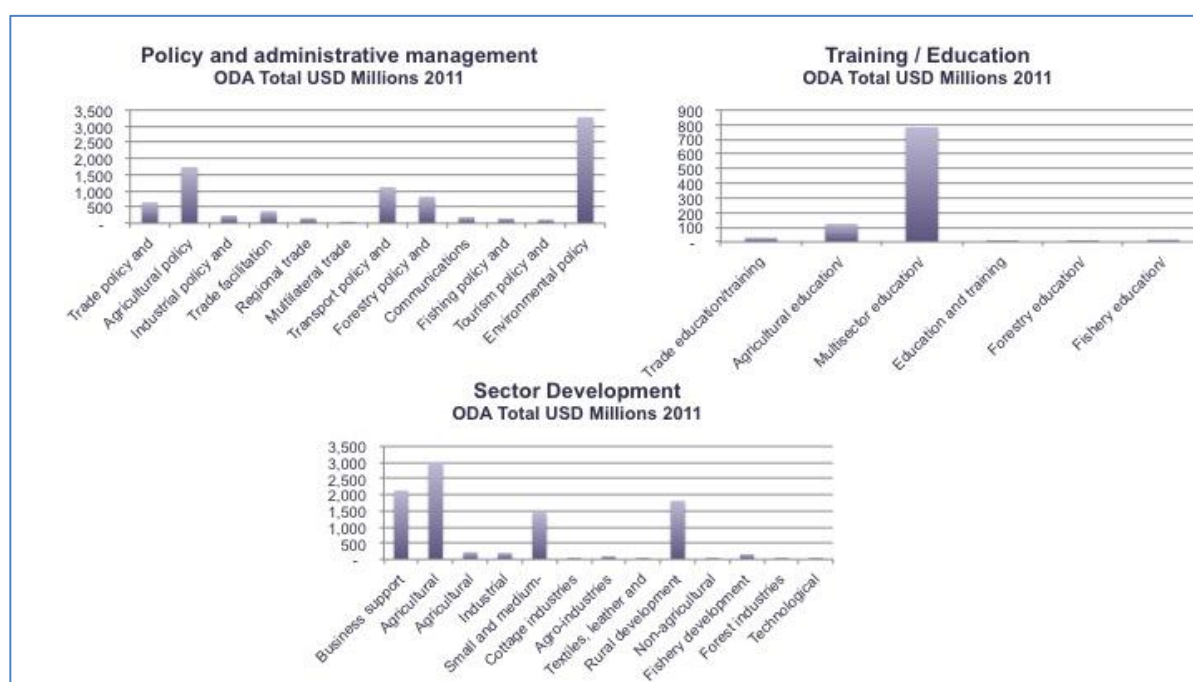
#### Trade Strategy Market size: A bottom-up estimation

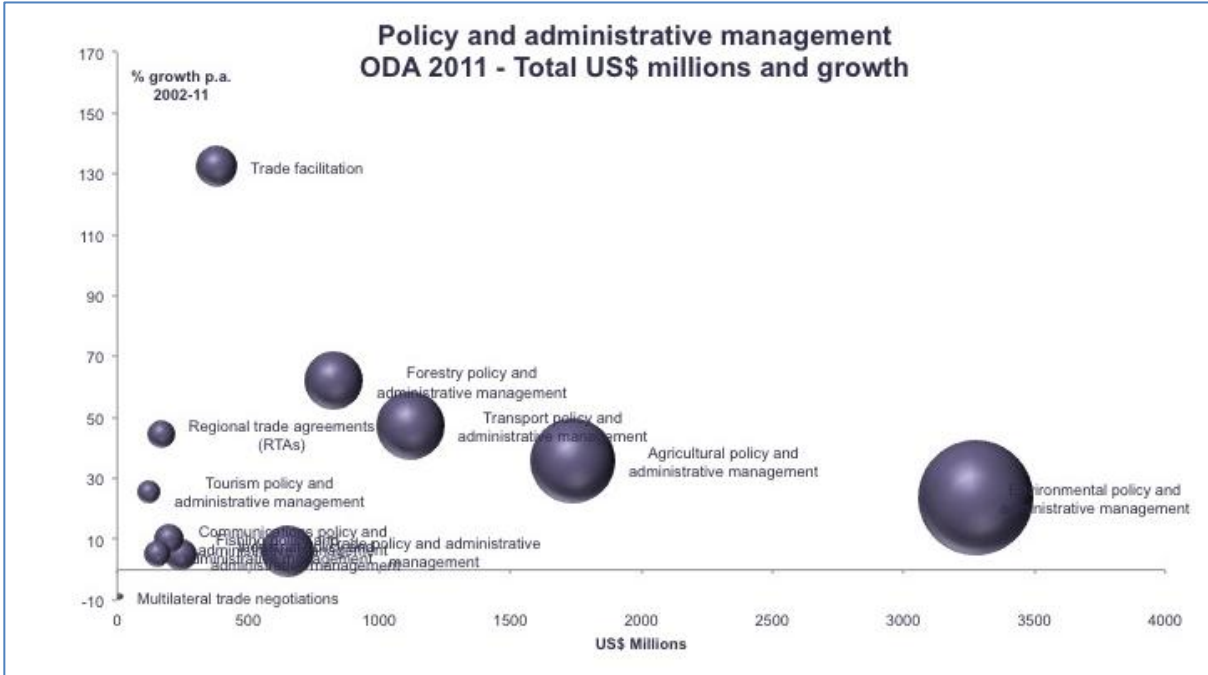
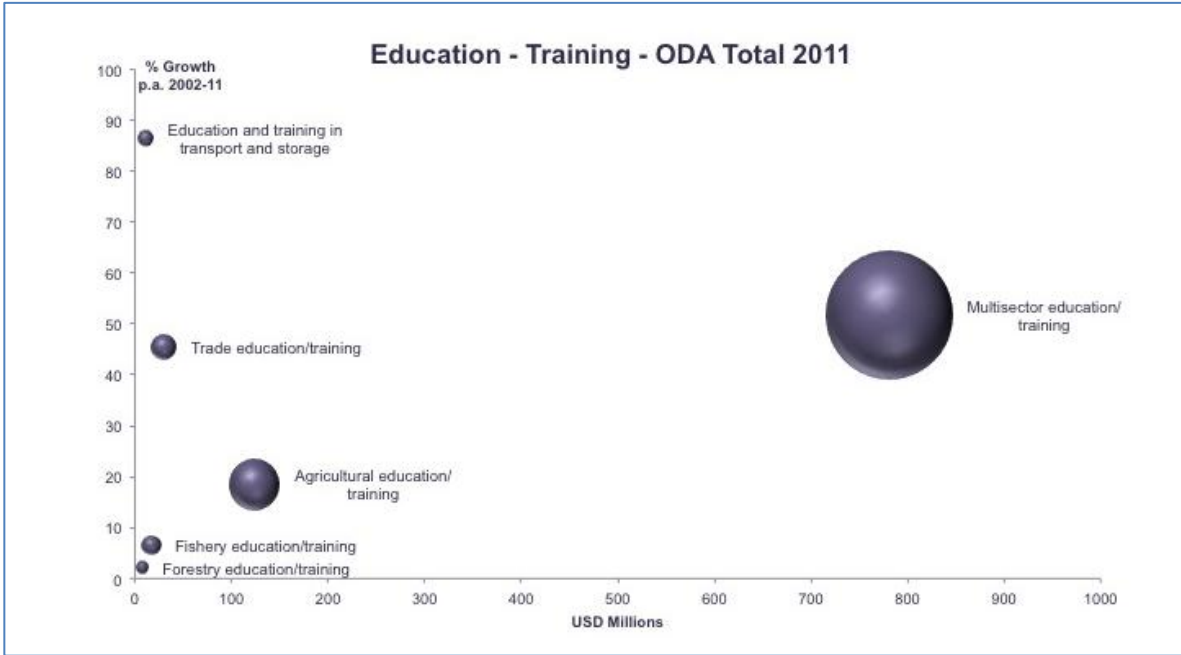
Type of Strategy	Countries	Frequency (Number of strategies per year)	Budget	Potential market size (\$ per year)
National/ International Strategy	160	0.5 - 0.75	350'000-500'000	\$28M - \$ 60M
National/ International Strategy Input or component	160	3.0 – 4.0	150'000-400'000	\$72M - \$ 256M
Sector / Product Strategy	160	3.0 - 4.0	60'000-300'000	\$29M - \$192M

Source: Own calculation based on number of countries, calculations on frequency of Strategy initiatives based on Strategy Map estimates and interviews, budget estimated based on public information on TRTA.

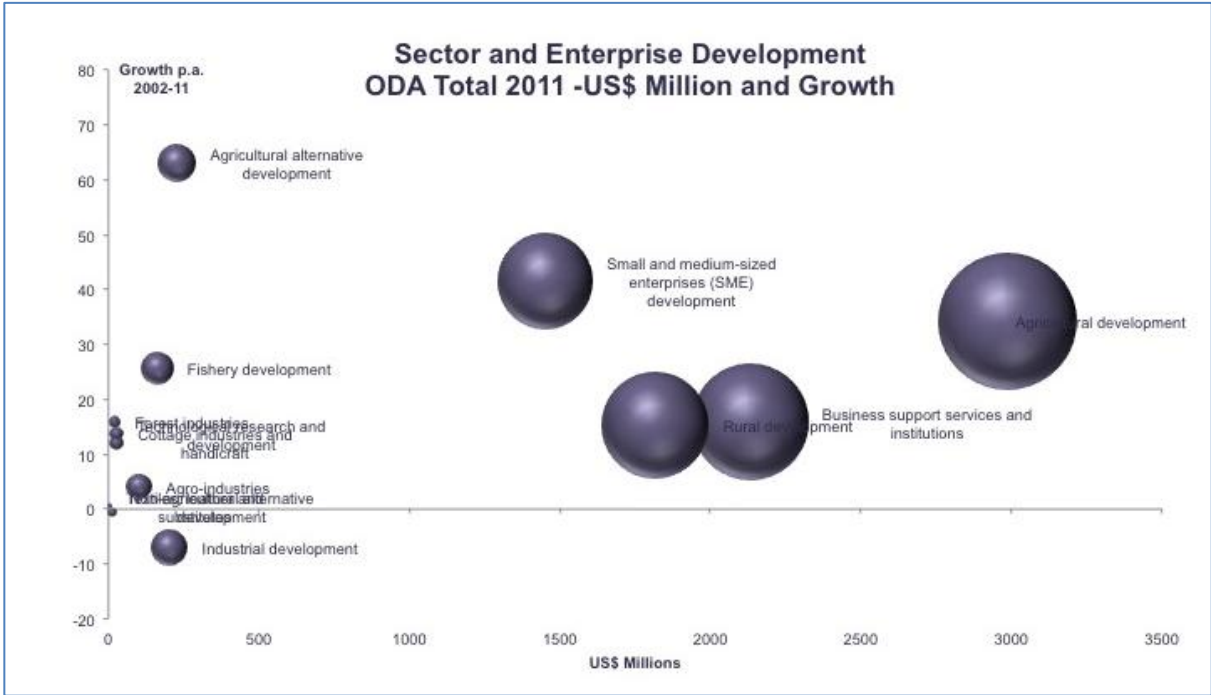
### 7.5.2 Trade Related Technical aid

Analysis based on ODA statistics:









## 7.6 Strategy Approaches

### 7.6.1 Theory of change

#### What is Theory of Change?

Theory of Change can be defined as a way to 'describe the set of assumptions that explain both the mini-steps that lead to a long term goal and the connections between these activities and the outcomes of an intervention or programme'<sup>76</sup>. Theories of change grew out of evaluation planning techniques, such as logic models. They were originally used by community development charities, designed to help in planning complex interventions in a causal model to explain why a certain intervention will eventually lead to impact.

#### Theory of Change and Logical Framework Approach

The Theory of Change Method and the Logical Framework Approach share a systematic approach to creating a results model as well as the fact that they both measure success by means of indicators. The main difference lies in that the Theory of Change method can be more open, with more intermediate steps and there can be connections established between these at different levels.

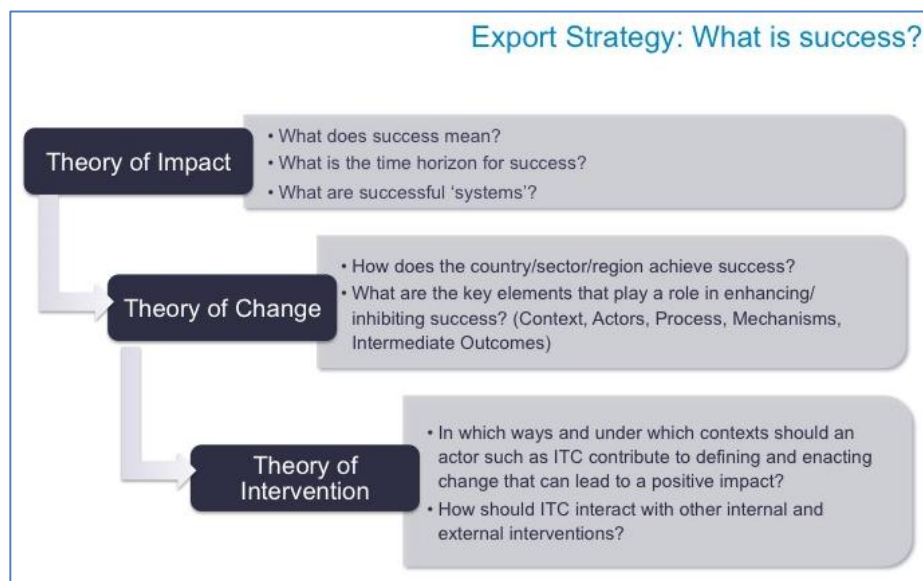
#### Theory of Change and Export Strategy

For purposes of this evaluation, Theory of Change has been defined at three levels: 1) Theory of Impact, or what is the effect, the change that is expected to occur; 2) Theory of Change, what is the logical sequence of steps and systemic interactions that we believe will make impact happen, and 3) Theory of Intervention, that is, in which ways does the intervention of a specific agent, in this case ITC, supports or deters the change occurring. These three levels are represented graphically in Figure 42.

---

<sup>76</sup> Anderson, A. (2004). Theory of Change as a Tool for Strategic Planning: A Report on Early Experiences. The Aspen Institute: Roundtable on Community Change, p. 2.

**Figure 42: Theory of Change in Export Strategy**



Source: Own analysis

## 7.6.2 Strategy into action – Methodology innovations and alternative approaches

The world of Strategy and Strategy tools is a vast territory with new frameworks and approaches being constantly observed by academics, tested out by innovative companies and 'marketed' by consulting companies.

Different periods have been marked by varied priorities, sometimes overlapping. For example, planning tools in the 1960s and 1970s, process and quality was a big priority in the 1970s and 1980s, outsourcing, innovation, value chains and other areas have also become a focus of the strategy community at some point or another.

Two of the areas that have received significant attention lately are that are relevant to ITC's Export Strategy are: Translating 'Strategy into Action' and the view of Dynamic or 'Live' Strategy formulation models. Selected ideas from these research areas (some new, some not...) are presented below as a sample of the type of thinking in Strategy that could be further assessed in relation to Export Strategy processes:

## Strategy into Action

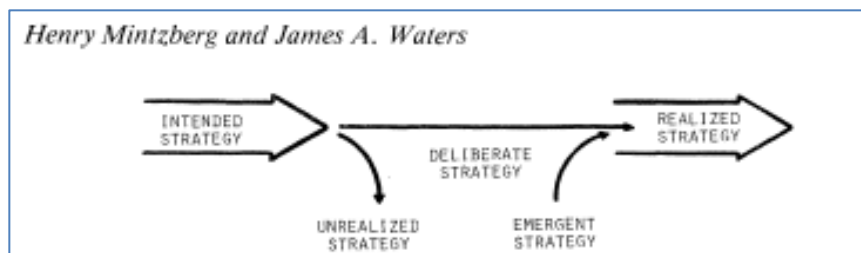
'The Execution Trap Roger Martin'<sup>77</sup>

'It is commonly held that Strategy is distinct from execution, but this is a flawed assumption. **The idea that a strategy can be brilliant and its execution poor is simply wrong.** The metaphor accompanying this viewpoint is that of the human body, with the brain as the 'chooser' and the body as the 'doer'. Translated into the workplace the executive at the top dictates the strategy and expects everyone below him to mechanically carry it out. A better metaphor is that of a white-water river, where choices cascade from the top to the bottom. **In a company those in charge make broader and more abstract 'upstream' choices, and employees downstream are empowered to make choices to best fit the situation at hand.** This results in happier customers and more satisfied employees. To best enable individual decisions, choice makers upstream should set the general context for those downstream. From there employees need to use good judgment to make the best decisions possible.

'The Emergent Strategy of Mintzberg and Waters'<sup>78</sup>

Mintzberg and Waters observed different Strategy Processes according to the level of explicit vs. emergent processes. They concluded that 'deliberate and emergent strategies may be conceived as two ends of a continuum along which real- world strategies lie. But a number of models lie in between, including those planned, entrepreneurial, ideological, umbrella, process, unconnected, consensus and imposed'. The authors compare intended strategy with realized strategy, as illustrated in Figure 43, and distinguish deliberate strategies-realized as intended-from emergent strategies-patterns or consistencies realized despite, or in the absence of, intentions.

**Figure 43: Intended and Emergent Strategy**



<sup>77</sup> Martin, Roger (2010), 'The Execution Trap', *Harvard Business Review*, July-August 2010

<sup>78</sup> Mintzberg, Henry and Waters, James (1985), Of Strategies Deliberate and Emergent, *Strategic Management Journal*, Vol. 6, p. 25-272.

Source: Mintzberg and Waters, 1985

'The fall and rise of Strategic Planning', Henry Mintzberg, xxxx

**'Don't let Strategy become Planning', Roger Martin<sup>79</sup>**: Roger Martin believes that 'To make strategy more interesting — and different from a budget — we need to break free of this obsession with planning'. He goes on to say that Strategy is not planning but 'making of an integrated set of choices that collectively position the firm in its industry so as to create sustainable advantage relative to competition and deliver superior financial returns'. It is one integrated set of choices: what is our winning aspiration; where will we play; how will we win; what capabilities need to be in place; and what management systems must be instituted? This conception of strategy also helps define the length of strategic plans, with five questions that can easily be answered on one page. If it goes beyond, he states, it would mean that the is probably morphing unhelpfully into a more classical strategic plan. The questions — which cascade logically from the first to the last and that need to be consistent with one another and actually reinforce one another:

- What are our broad aspirations for our organization & the concrete goals against which we can measure our progress?
- Across the potential field available to us, where will we choose to play and not play?
- In our chosen place to play, how will we choose to win against the competitors there?
- What capabilities are necessary to build and maintain to win in our chosen manner?
- What management systems are necessary to operate to build and maintain the key capabilities?

Martin also believes that to create a strategy, you have to iterate — think a little bit about Aspirations & Goals, then a little bit about Where to Play and How to Win, then back to Aspirations & Goals to check and modify, then down to Capabilities and Management Systems to check whether it is really doable, then back up again to modify accordingly. Iterating like this, he believe, actually makes strategy easier, saving participants from 'endless visioning exercises, misdirected SWOT analyses, and lots of heroically uninformed big thinking'.

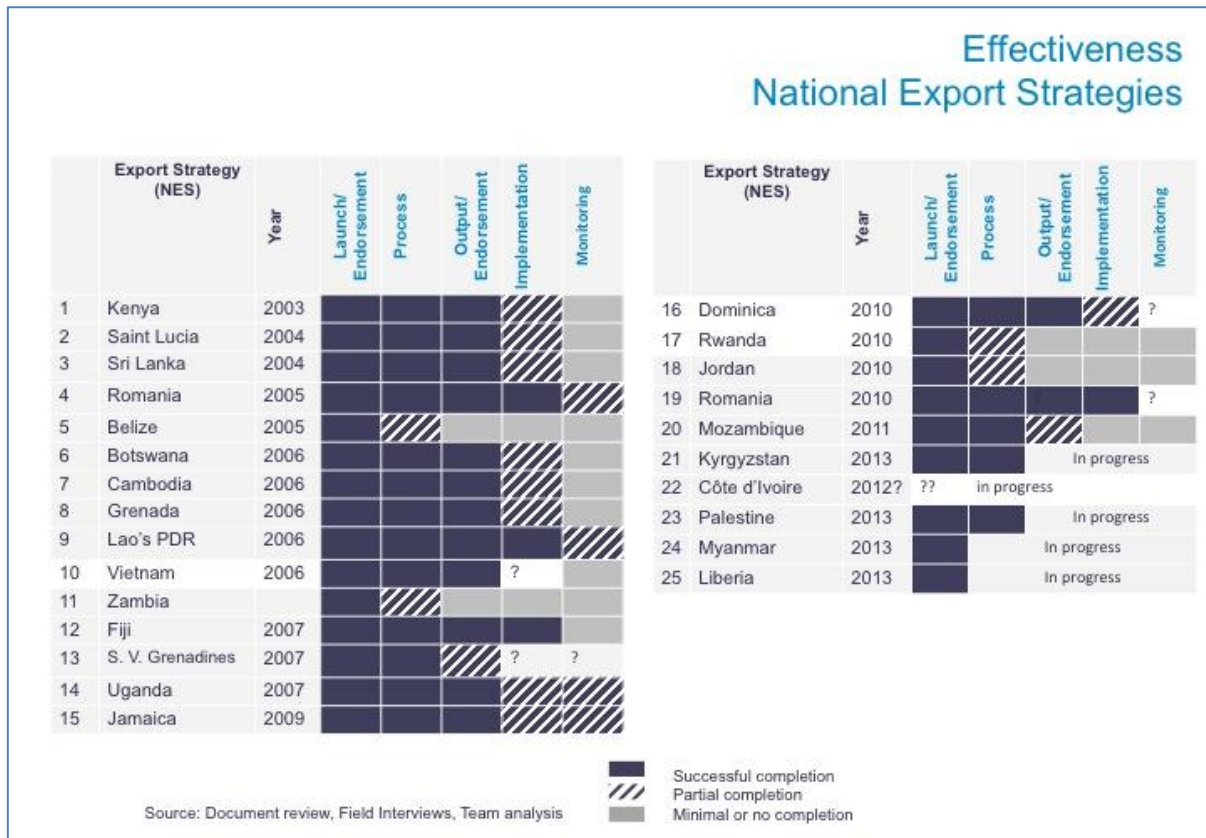
---

<sup>79</sup> Mrtin, Roger 'Don't let Strategy become Planning', Harvard Business Review Blog, February 5, 2013, <http://blogs.hbr.org/2013/02/dont-let-strategy-become-plann/>

7-7 Looking back: Additional information

7.7.1 National Export Strategy – Review by stage of completion

Figure 44: NES by stage of completion



## 7.7.2 Program evaluation summary by evaluation criteria

**Table 7: ES Assessment by key criteria**

Area	Assessment	Key Data	Data Source	Observations
<b>Relevance</b>				
Alignment of ES Technical Support to ITC's goals and focus	Very high	Match with Aid for Trade Objectives	Interviews ITC Annual Report	Its 'integrative' role of ITC support is not exploited to its potential. Consistent with ITC Mission Statement and Strategic Objectives
Relevance of Export Strategy (ES) Technical Support for ITC's focus countries	High	National Export Strategies/Goals Development Strategies/Goals	Interviews – National Documents	Export Strategies and Institutional Structures are often integrated into broader Development or National Plans or Organization.
Higher or lower relevance according to context, scope or other	High	National Export Strategies/Goals Development Strategies/Goals	Interviews – ES Documents	The process is highly adaptable to specific context situations. The current focus on needs assessment/identification of export challenges is well suited to LDCs. Expanding the opportunity assessment and goal setting processes would highly benefit its positioning for DCs.
<b>Effectiveness / Outcomes</b>				
Public and Private stakeholders enabled to formulate strategic vision and identify priorities to support export	High-Medium	Market Opportunity Assessment Tools	Interviews, Reports, Log Frame, Impact model	Needs assessment/Obstacles to trade were well identified in most documents reviewed. Less strong on clearly articulated strategic vision and in the identification or development of new market opportunities.

	development and competitiveness. ES Logframe: Outcome 1				
	Participatory approach and ownership ES Logframe: Outcome 2	High	Participation in dialog and in implementation	Logframe, Reports, Strategy Documents	A strong feature of the ES process is its participatory approach. Even though this means that the process is longer and more complicated to manage, it is a very strong component of the value added by ITC. Still, even though sector inclusiveness is high and geographical representation has been effective in some processes, some have been challenged by the concentration of activities in one or few cities.
	Public and Private Stakeholders engage in productive dialog supporting the mainstreaming of trade and development of a national export culture. ES Logframe: Outcome 2	Very high	Participation in dialog and in implementation	Log Frame, Reports, Strategy Documents	Program has been successful at initiating or promoting dialog between public and private stakeholders, even in contexts not favorable to such type of dialog.
	Best practices, Analog examples and stimulates learning from other experiences	Medium	ES Tools ES Strategy Competitive Activity		Strategy Map is a good initiative to collect and disseminate information, can be successfully leveraged in the future. Network convener role of ES was lost the last 4-5 years. This was an important function that stimulated innovation and sharing of experiences. It also gave ITC a thought leader and convener role.
	Sector selection	High-Medium	ES Tools ES Strategy Strategy Documents	Desk Research Interviews	The sector selection process and outcome has been, in general, appreciated and approved by the stakeholders involved in the consultations. However, in some cases it was considered that not all the information was compiled or that sectors were chosen somewhat arbitrarily. It is also not always clear to what extent the sectors are selected to apply the methodology to specific



					areas, to identify future winners or to strengthen current sectors that may not be well positioned for the future. This part of the methodology would benefit from a review and increased thought leadership.
	Successful implementation of actions.	Medium	Programs, Initiatives (National, ITC related, TRTA)	Interviews Desk Research	Most process encounter difficulties at implementation stage (institutional set-up, monitoring, resource allocation, etc.). Still, implementation activities took place in several cases that were not systematically registered through lack of successful monitoring processes. In other cases, activities took place though not necessarily connected to Strategy (included in other initiatives or plans, could have been initiated by ES Process). In many, even if the implementation was not sufficiently activated, the document is used as a reference in other initiatives.
	Manage export development Strategies that receive and effectively utilize Aid for Trade support Logframe Outcome 3	Medium	Programs, Initiatives (National, ITC related, TRTA)	Logframe Interviews Desk Research	Increasing connection with donors in more recent initiatives show trend to actively involve TRTA from the beginning. Relationship between ES and other ITC programs variable with high success as well as failed coordination among sections in delivering both strategy and implementation support.
	Monitoring	Low	Follow up processes, Balance Scorecard, Other tools and processes	Reports, Interviews	Although monitoring tools have been developed and are promoted, they are not followed up on due to institutional challenges, staffing turnover and financial constraints.
	Competitive advantage of offer	Medium -High	Market Fit relative to competitors	Interviews, Desk Research	Participatory approach, proficiency in the use of certain tools such as Value Chain mapping, perceived neutrality and linkage to donor funds are attractive features of ITC proposal to countries. Weaknesses include lack of domestic presence which can lead to less depth or history in relationships to complement formal stakeholder identification. ITC also has smaller size relative to other agencies which can result in weaker connection with

					implementation and financing.
Efficiency					
	Delivered according to Work Plan	High	Workplan	Logframe	Activities, outputs and outcomes specified in the Logframe were, for the most part, successfully delivered on time and on budget. Even at lowest points of budget and staffing (2006-07) ES Section delivered several simultaneous initiatives (Laos, Grenada, Fiji, Vietnam, etc.).
	Program is staffed adequately to perform at expected levels.	High	Skills, Experience, Culture	Interviews	The drop in budget and resources led to dedicating all resources to delivering programs, at the expense of research and development or other supporting functions.  Recent Investment in developing and supporting staff has now resulted in the consolidation of a group of highly skilled team leaders, process facilitators and the strengthening of research and internal training functions.
	Efficient use of resources (staff, coordination, expenses)	High	Total Budget, Staff budget, Other Expenses	Sample budget, Comparative offers.	Budgets and resources appear to be relatively lean among the international consultants or technical support agencies, though they are more expensive to local options.  Emerging increased use of hired local staff (ex. team leaders in Mozambique, Kyrgyz, Palestine) should be encouraged as it effectively leverages resources, increases commitment and facilitates transition to implementation.  ITC based staff appears to be slightly overstretched and asked to perform a broad range of activities, from high-level interactions with public and private officers, process facilitation, thought leadership, report writing. Some of these activities might be performed more efficiently by specialized resources, allowing the team leaders to focus on leading the processes, facilitating interactions and ensuring follow-up
	Time	Medium	Process flow, Key events	Interviews, Analysis	Countries are usually overoptimistic in the early phases as to the time it would take to accomplish process. Still, pre-engagement investment could potentially speed up process from one year to closer to six months without sacrificing content, scope or participatory approach.  On the other hand, the process would benefit from explicitly including activities after the approval of the Export Strategy, including follow up on

					implementation.
	Internal and external partnerships	Medium			<p>Although there have been significant success in jointly undertaking certain initiatives (ex. UEMOA cotton, Palestine) there is significant opportunity for increased collaboration among Sections at different points in the process. When implemented correctly, ES can act as a strong integrative way for ITC to more holistically support a country across different phases and improve its effectiveness.</p> <p>There is also significant opportunity to expand successful collaborations with other organizations agencies (ex. IITA) that can provide technical assistance complementarity and increased local presence.</p>
<b>Impact</b>					
	Achievement of goals, key objectives stated in Export Strategy.	Medium			Most documents also include a lengthy list of objectives and goals, making it difficult to track progress for the strategy as a whole. Deficient monitoring of implementation of all strategies reviewed do not allow for tracking achievement of goals.
	Increased knowledge and skills for beneficiaries	High	Replication skills		National navigators and key local coordinators often successfully replicated process in other geographic or theme area. Other agencies (ex. CBI, UNIDO, and giz) also apply similar methodologies in participatory approaches and value chain analysis, which creates learning synergies at local level.
	Export Support Institutional strengthening	Medium	Skills, Authority, Resource	Interviews	Variable results. In cases such as Romania, the recently created Export Council was supported and strengthened by process and after ITC intervention finished. Same occurred in Grenada, with the creation of a Ministry of Exports. In some others, however, local export support organization was not in a position of strength to ensure implementation or monitoring of the approved Strategy.
<b>Inclusiveness</b>					
	Improvement employment/income opportunities for women or other special groups	High	Gender Gap, Youth Employment	World Development Indicators, Documents	A welcomed innovation in countries where it was implemented. Results, however, do seem to have been tracked systematically.

				, Interviews	
	Participatory approach and ownership ES Logframe: Outcome 2	High	Participation in dialog and in implementation	Logframe, Reports, Strategy Documents	A strong feature of the ES process is its participatory approach. Even though this means that the process is longer and more complicated to manage, it is a very strong component of the value added by ITC. Still, even though sector inclusiveness is high, geographically processes have tended to be concentrated in the capital cities with less coverage beyond.
	Public and Private Stakeholders engage in productive dialog supporting mainstreaming of trade and development of a national export culture. ES Logframe: Outcome 2	Very high	Participation in dialog and in implementation	Logframe, Reports, Strategy Documents	Program has been successful at initiating or promoting dialog between public and private stakeholders, even in contexts not favorable to such type of dialog.
Sustainability					
	Local capacity and resources to implement, monitor implementation	Low	Skills, Authority, Resources		Tracking progress and monitoring systems are included in methodology and efforts done to secure implementation resources and institutional set-up for implementation. Donors have also been more actively involved in recent programs (ex. Palestine, Kyrgyzstan). Still, for the most part, these efforts and context conditions (turnover, crisis, etc.) meant that institutional, staffing and financial resources were not sufficient to ensure implementation.
	Integration into trade development programs	Medium	Initiatives developed	Interviews, Documents	Some of the Sector Strategies have been well linked to other programs (ex. UEMOA Cotton, COMESA leather, Uganda Coffee). Still, issues with timing, lack of early involvement, budget allocations have prevented a closer linkage to other programs, both ITC and other organizations, including National Private and Public Sector initiatives.  Some NES have also been effectively included in the National Development Plans and National Budget cycles.

	Resource availability to support program	Medium	Budgets	Financial information , Interviews	An important issue contributing to limited sustainability is the lack of visibility into funding opportunities longer than a year. Budgeting cycles of one year are not supportive of this type of program which, to be successful, needs to have a relative high degree of confidence in being able to support the entire cycle and not just the Strategy Formulation phase.
--	--	--------	---------	------------------------------------	---

*7.8 General observation and notes on specific programs*

**Table 8: General observations on ITC intervention and NES development**

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
	+	+ Most successful when sense of need and urgency for developing a NES is driven by top-level country leader.		+ Combination of Sector and Cross-Sector issues addressed. + Participatory approach, facilitation + Appointment of local sector leaders/ core team. + Strong analytic	+ Document generated often becomes a reference on identification of sector and cross-sector issues. + Public/Private networking and capacity building around strategy development. + Core team	+ Public and Private Sector constructive dialog and assessment/ agreement on main issues/ barriers to trade. + Donors are provided with an 'organized' list of issues or areas to support development of	+ Executive Forum Network (EF) + Personal relationship developed with key members of the team, informal continued support provided.	

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
				tools and value chain approach for bottom-up analysis.	members are able to and often replicate process.	export sector		
	-	- Pre-Engagement Formal Process is well executed but doesn't always identify the appropriate level and sufficiently motivated officials.	- Main coordinating partner (navigator or agency) doesn't always have the appropriate level of influence to convene, to align and later to ensure adoption of Strategy.	- Focus on process can lead to rigidity - Sector Selection can be challenging even with agreed-upon criteria. - Outside-independent analysis could be significantly strengthened and used to generate a broader view on opportunities that may not be	- Limited prioritization and choice structuring. - Linkage to action is often difficult or deficient (endorsement, funding, institutional set-up). - Strategies are generally weaker in terms of overriding vision, objectives and	- Linkage to other ITC or other donor programs problematic. - No systematic post-engagement ITC budget or staff to support transition to action. - National Institutions created or designed to monitor and implement Export Strategy are less	- EF discontinued - No systematic monitoring	- No systematic impact analysis.

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
				evident in the bottom-up analysis.	urge for action.	effective due to budget/decision making/leadership constraints.		

**Table 9: Additional comments on specific programs (not comprehensive)**

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
Saint Lucia 2004		<p>+ Sense of urgency: Experienced slow export growth as a result of change in EU export regime, particularly less favorable terms for bananas.</p> <p>+ Relevance: Over reliance on tourism created need for more balanced growth and broader base</p>		<p>+ Process was largely joint effort between St. Lucia Chamber of Commerce and Ministry of Commerce and Industry.</p> <p>+ Core team had good representation from all major goods and services export industries.</p>	<p>+ NES mainstreamed and signed by the PM. + Intervention viewed as “timely” and comprehensive</p> <p>+ NES had “practical advice and spin-offs for the arts and hand-crafts sectors”</p>	<p>+ Feedback indicates that Ministry is pleased that ITC appears willing to revisit the NES with a view to re-activate program.</p>	<p>+ Ministry’s focus on getting support for the implementation phase and to develop better analytic and market analysis tools, a larger web presence and a focus on getting better market information to suppliers</p>	

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
		for exports						
					- To develop some sectors it was necessary to attract investment in order to upgrade facilities and create a more competitive export environment.	- Process essentially stalled at the implementation phase, as there was no “road map” for follow-on activities.		
<p><b>Assessment (St. Lucia)</b> This is one of several NES’s that slowed down significantly at the implementation phase. It proceeded through a broad-based and inclusive inception and design phase and had carefully organized a management structure for the implementation phase. This structure consisted of 4 lead agencies that would manage the execution of the NES in 12 priority sectors and 8 cross sectors. There would also be an 8-member review committee responsible for monitoring progress. In retrospect it was noted that following the more structured inception and design phase there was no clear “roadmap” on how to proceed with the implementation. There was also a realization</p>								



Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
		<p>that to successfully create a more competitive export base additional inward investment would be required and it was felt that the NES could have provided more capacity- building in this area. Given the complexity of the implementation management structure and the extensive need for coordination among the many players involved this would have presented a daunting task to expect without additional resources. As with most other arrangements in similar circumstances no increase in human resources were assigned and the NES basically stalled at this point. They are interested now in co-financing a review of the NES – an updated NES, building on the first one and trying to avoid the problems experienced the first time. This may provide an opportunity to assess what appears to be a common situation for several NES recipients and an opportunity to find solutions that could be replicated in other regions and countries.</p>						
Romania 2005		+ Change of legislation and preparation for EU access– Eliminate tax incentives to exporters, had to find new ways of promoting exports.	+ Export Council newly created by Government Decision, Mandated to develop Export Strategy + Strong sense of ownership by Navigator + When ITC got involved priority sectors and focus of strategy had been chosen.	+ Highly valued process – Value chain approach, participatory process. + Highly valued support from ITC in facilitation and process leadership, also recognized expertise in Export Council organization development.	+ Political endorsement - Strategy was approved quickly by the Council (2005) and 6 months later by Government Decision (Ministerial Council).	+ Increased private financing	+ Process involved setting up a scorecard that was kept for 1-2 years.	

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
				<ul style="list-style-type: none"> <li>- Some sector experts were not as prepared to meet local expectations (culture? Knowledge?)</li> <li>- ITC did not continue active involvement after Strategy was defined. Process would have benefited from continued support from ITC.</li> </ul>		<ul style="list-style-type: none"> <li>. Regional involvement and networks were not maintained as planned. New strategy in 2009 tried to overcome this.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction in resources led to discontinuation of Scorecard.</li> </ul>	
<p><b>Assessment: (Romania)</b> This is a somewhat notable case as Romania was using ITC expertise as part of their accession preparations to the EU. On other occasions member countries are facing similar challenges; Laos acceding to the WTO, African and Pacific countries losing trading privileges and needing a quick solution to their new circumstances. This may present opportunities for a more specialized NES to meet the more urgent requirements presented by these circumstances.</p>								
Fiji 2007		+ Need and Urgency: Erosion of preferential trading arrangements under SPARTECA and less favorable sugar prices from EU	+ Public Private Partnership arrangements. + Consults with ITC and Commonwealth.	+ NES developed through consultative process. + Export Strategy harmonized with National Development Strategy.	+ Detailed implementation + The NES produces realistic budgetary figures			

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
		decreased economic and in particular export growth. + Awareness of need for more attractive business environment and less Government interference.						
					<ul style="list-style-type: none"> <li>- Detailed but not sufficiently prioritized implementation strategies drawn up; 73 objectives, 266 strategies</li> <li>- The required infrastructure costs are estimates and there is no ready source of financing identified.</li> </ul>			

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
<p><b>Assessment: (Fiji)</b> The NES would appear to have a longer-term focus with the majority of its efforts aimed on improving structural issues such as dealing with competitiveness (127 of the 266 activities) and institutional capacity building (82 of the 266 strategies). It may have been a consideration to have had a much less ambitious plan pending more sustained growth in the economy.</p>								
Uganda 2007		+ Government recognized need to improve export performance and to identify key sectors showing promise for efficiency gains and international competitiveness	+ Export Promotion Agency actively sought support from ITC to develop Strategy. President kicked-off NES process.	+ Participatory approach, involving diff. districts. + Donors involved in the process. + High level of public private sector engagement during process. + ITC perceived to guide and suggest but local ownership. + Practical approach, good process.	+ Document and Strategy felt 'nationally owned'. +In 2007 President launched NES as medium term planning framework for export promotion	+ Institutional Strengthening of Export Promotion Board (Capacity Building, National Recognition, etc.) + Donors appreciated document and NES was connected to initiative based donor finance (Netherlands, COMSEC, Ireland). + Increased 'export culture'. + Consistent analytic approach for existing and		

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
						new sectors.		
		<ul style="list-style-type: none"> <li>- Global economic crisis 2008-09 challenged exporters and National and Donor budgets for action.</li> <li>- Influence in government of extractive industries deters attention from non-traditional exports and agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>- Although the President was engaged initially, it was not felt that top level political support was broad/deep enough to ensure follow-through.</li> </ul>	<ul style="list-style-type: none"> <li>- After initial engagement, some institutions in the network started 'doing their own thing'.</li> <li>- Risk Analysis was not considered and timing of Strategy became a significant issue later (2008-09).</li> </ul>	<ul style="list-style-type: none"> <li>- Limited prioritization, quantifiable targets, and accountability.</li> <li>- The NES did not include appropriately how results would be measured.</li> </ul>	<ul style="list-style-type: none"> <li>- Difficult to coordinate different actors actions and accountability.</li> <li>- Coordinating unit did not have enough time/budget/power to follow up effectively on action.</li> <li>- Staff turnover occurred before results were visible.</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation stalled.</li> <li>- NES Monitoring Centre didn't have enough clout to influence ministries or private sector.</li> </ul>	
<p><b>Assessment: (Uganda)</b> This NES process was very well executed and received by the Government. Yet, it lost momentum as the years went by with only modest uptake on the strategies. Several lessons can be taken from this. One is that it is not sufficient to only set up a monitoring process to measure progress on the execution of the NES. What is also needed is a higher-level management oversight – at Ministerial level- to assure that the implementation plans are adhered to. In this case the initial centralized mandate of the NES eventually gave way to a more ad hoc approach by the various trade related ministries and agencies. Another important aspect that was not adequately addressed was the absence of a risk strategy. An NES will require a reliable budget but contingency planning should also be part of the process. Shortly after the finalization of the NES, financial markets failed and Uganda suffered severe losses on its agriculture exports to Europe following a four-day hiatus of flights to and from Europe as a result of the Icelandic Volcanic eruption. There was no contingency plan in place as to what elements of the NES would be cut and by how much. This caused paralysis in its execution. The NES did attract some follow-up funding from the Netherlands and Ireland with the former undertaking a Coffee Sector Strategy Study, with capacity building</p>								

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
components.								
Jamaica 2009		<ul style="list-style-type: none"> <li>+ Builds upon Vision 2030, Jamaica's 25-year National Development Plan which includes International Competitiveness Outcome goals.</li> <li>+ Sense of urgency, recognition of challenge.</li> </ul>	<ul style="list-style-type: none"> <li>+ NES process launched by PM in February 2008.</li> <li>+ Kick-started by Vision 2030 which had already established sector task forces</li> <li>+ Top level engagement and support.</li> <li>+ Involved opposition.</li> <li>+ Private Sector buy-in</li> </ul>	<ul style="list-style-type: none"> <li>+ JAMPRO took lead in strategy design process with key inputs from Jamaica Export Council, Ministry of Industry and Planning Institute of Jamaica.</li> <li>+ Additional funding from EU.</li> <li>+ Exchange with Coordinator of Romania's NES</li> <li>+ Knowledgeable people, active involvement.</li> </ul>	<ul style="list-style-type: none"> <li>+ Jamaica Export Council established as well as National Export Competitiveness Council, chaired by Minister.</li> <li>+ Clear goal, increase non-traditional by 50% by 2012.</li> <li>+ The process included Costing what it would take (95M\$)</li> <li>+ Communication campaign successful to enhance awareness on the role of exports and potential.</li> </ul>	<ul style="list-style-type: none"> <li>+ Exporters now receiving insights into international market conditions, buyer demands, standards and best practices, now incorporated into their operational manuals.</li> </ul>	<ul style="list-style-type: none"> <li>+ Some implementation occurring. Informal feedback from National Exporter Association.</li> <li>+ Published success stories from NES (web?)</li> <li>+ NES Secretariat set-up (hosted by JAMPRO)</li> <li>+ Trade Policy Review makes references to NES, frame policy dialog.</li> <li>+ Jamaica working on a new trade policy document, referring to NES,</li> </ul>	

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
		- Reputation of not being able to have a good dialog Public-Private Dialog.		- Difficult to focus attention of key people involved as there are multiple demands on their time, including Navigator. -Originally wanted to complete it in 3 months but took a year approx.	- Didn't have an elaborated plan of action. Agreed to continue but didn't happen because they also had other priorities. - NES considered too broad by some, need to prioritize more clearly and assign specific responsibilities to various agencies.	- Followed through somewhat piecemeal.	- Was going to help set up a National Export Council but became National Competitiveness Council and Exports become less critical. NES is in the mandate but less big role	
<p><b>Assessment: (Jamaica)</b> This is a good case that demonstrates that the successful completion of an NES requires dedicated effort from both ITC and the beneficiary country. It also demonstrates the fact that those from the beneficiary country who participate, understandably have jobs to do and demands on their time are likely to continue NES or not. This is likely to be more so with private sector participants. This is not to fault the highly participatory process but perhaps the time expectations could be more clearly understood at the outset and agreements struck around this matter. Again, the beneficiary has noted that the plan as devised was too ambitious and had to be cut back. Perhaps some consideration could be given to reduce the scope and complexity of those NES that would draw on considerable human resources to execute in the case of small states with limited bureaucracy.</p>								
Dominica 2010		+ Need: Export Mix narrow and limited to low value products.	+ National Core Design Team established	+ Sector subcommittee consultations held and 6 sectors	+ "NES implementation marks a fundamental	+ NEC and DEXIA to monitor implantation.		

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
		+Sense of urgency: Large trade imbalance as a result in reductions in concessions and trade liberalization leading to recognition of need to transform export sector	PPP approach.	+ Capacity building in DEXIA in trade information services and promotion.  + Quality management and standards capacity building in relevant Ministries. NEC established	departure from NES formulation” Dr. John Colin McIntyre, Minister of Employment, Trade and Industry GOCD.  +Budget and potential financing options estimated for Year 1.			
					- Large number of objectives and strategies, limited prioritization.			
<p><b>Assessment (Dominica):</b> The NES was established on a very well coordinated PPP and in view of limited financial and human resources established realistic targets. The NES had several appealing features including a focus on realistic capacity building using existing public and private facilities. It also recognized the urgent need for more inward investment and features the creation of a national investment strategy. The focus on providing more timely market information to exporters as well as upgrading products to meet international standards are also very appropriate targets.</p>								
Mozambique 2011		+ Five-Year National Plan includes need of developing an NES.	+ Export Promotion Institute pushed to change the	+ Engaged local experts as core team leaders. Good facilitators and good knowledge.	+ Document integrated covering sector and cross-sector issues	+ Core team consultants have replicated methodology		



Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
			EU-UNIDO intervention so as to include a National Export Strategy Process.	<ul style="list-style-type: none"> <li>+ Highly regarded participatory process.</li> <li>+ Involved input from different regions.</li> </ul>	<ul style="list-style-type: none"> <li>referred to as 'complete' and 'thorough'.</li> <li>+ Capacity building of core team.</li> <li>+ Some sectors (creative arts) networked for the first time in the context NES.</li> </ul>	in other products/ sectors.		
				<ul style="list-style-type: none"> <li>- Language was a barrier in some presentations/ meetings that involved ITC experts (including Program Launch).</li> <li>- Some donors and key stakeholders felt 'left out' not sufficiently or timely consulted about inputs or outputs.</li> <li>- Some also felt that the list of participants and invitations was not well designed or carried out</li> </ul>	<ul style="list-style-type: none"> <li>- Language an issue as translations and re-translations resulted in delays and mistakes in final document.</li> <li>- Delayed and uncertain approval of Strategy led to lowered energy level around implementation.</li> <li>- Limited prioritization of issues</li> </ul>	<ul style="list-style-type: none"> <li>- Very limited action by 2013. Still waiting for document to be approved.</li> <li>- Actions that did take place were often attributed to other programs.</li> <li>- Lacked leadership at the right level to enforce document adoption and</li> </ul>	<ul style="list-style-type: none"> <li>- No monitoring process established. EU, as donor, currently reviewing the initiative.</li> </ul>	

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
				(representation, planning, etc.) - Concerns about specificity of Products vs. Sectors selected (ex. molluscs or fish & seafood). . Participants felt that an important sector, tourism, was dropped too early. - Limited analysis of new opportunities and private sector funding options.		subsequent action.		
<b>Assessment: (Mozambique)</b> The experience of this NES provides some very important lessons on potential difficulties in conducting an NES. However there are also some very constructive measures taken in this process including hiring locals as core team leaders. This practice worked very well in Palestine. The language issue may have exacerbated the communications problems and led to misunderstandings. This is an issue that is shared by other donor agencies including the Commonwealth. As noted earlier in this report, despite all the challenges involved in the execution of this NES, in the end Mozambique is likely to be better off with the NES than without it.								
Kyrgyzstan 2013			+ Strong leadership from Prime Minister for launch and during NES formulation process.	+ Highly regarded capabilities of ITC team. + High appreciation for sector selection methodology and process. + Highly participative	+ Trade Promotion Organization created, State Enterprise and Single Window efforts. + Follow up	+ Public Sector more aware of 'main issues from Private Sector perspective'. + National stakeholders		

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
				<p>approach.</p> <ul style="list-style-type: none"> <li>+ Active involvement of donors in process.</li> <li>+ Identification of bottlenecks seen as very useful.</li> <li>+ Problem tree methodology allowed for prioritization of issues.</li> </ul>	Secretariat set-up with small budget.	<ul style="list-style-type: none"> <li>feel owners of the Strategy</li> <li>+ Generated engagement from donor community, even before Strategy formally approved.</li> </ul>		
				<ul style="list-style-type: none"> <li>- Participation of Public Sector was not as strong, although representation of top leadership was there.</li> <li>- ES less strong on vision, objectives of strategy and new opportunities (this was an explicit decision of the process)</li> <li>- Language was an issue as there were many documents and meetings occurring in English</li> </ul>				

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
				rather than in local language.				
<p><b>Assessment: (Kyrgyzstan)</b> The positive reactions emerging from this NES stand in stark contrast to the responses from the participants and stakeholders of the Mozambique NES. The event of an NES can also lend support to the permanent creation of trade support institutions such as in this case, the creation of The Trade Promotion Organization. As was the case in Uganda with high profile leadership and launching, the NES raises the national profile of export development.</p>								
Palestine 2013		+ Sense of need: Government sees overcoming export constraints represents area of potential national growth	+ Government confirmed full support of NES. + NES part of larger four part EU TA comprising; Trade Corridor Facilitation, NES, Trade in Services, Quality Framework.	+ Strong support of key local institutions Paltrade and Ministry of National Economy (MONE) + Highly participatory process with Sector groups chaired by local champions. + EU and CIDA funded experts also involved thereby leveraging ITC input.	+Plans of Action for sector and cross-sector strategies developed +Consolidation of plans being integrated into a coherent NES			
		- Current political, economic constraints restricted expansion of						

Strategy	+ / -	Context	Entry	Intervention	Output	Monitoring	Outcome	Impact
		exports and private sector initiatives focused on domestic market						
<p><b>Assessment (Palestine)</b> This NES is now in the Design phase and expected to be launched in June/July 2013. It has had overwhelming endorsement from all levels of Government and has been executed on a timely basis. There has been some very strategic moves including having potential donors included in information sessions with another such session scheduled near the launch. The NES has used local champions as coordinators of the sector committees and has drawn in expertise from other divisions of ITC (MAR) to provide advice to the working groups. It will be instructive to observe how the momentum will carry on during the implementation phase.</p>								

## *7.9 Notes on Selected Market Players*

### **7.9.1 EIF and DTIS**

The Enhanced Integrated Framework (EIF) is a multi-donor program focused on supporting LDCs play a more active role in the global trading system and make trade a driver for development. With development interventions in 49 Least Developed Countries (LDCs), the program bases its initial interventions in a country on a Diagnostic Trade Integration Study (DTIS). The DTIS is a comprehensive analysis of an LDC's economic and trade environment and aims at identifying constraints to competitiveness, supply chain weaknesses and sectors of greatest growth and/or export potential. Each DTIS contains an Action Matrix that outlines priority reforms to be conducted in a certain order to alleviate most binding constraints to greater trade competitiveness.

### **7.9.2 UNDAF**

The United Nations Development Assistance Framework (UNDAF) is a physical document with supporting results framework, signed by member-state governments and the United Nations Country Teams. It is also a strategic planning and implementation process that extends over several years.

The framework was developed in 2007, after a triennial comprehensive policy review (TCPR) encouraged the UN development system to intensify its collaboration at the country and regional levels towards strengthening national capacities, in support of national development priorities. It also recognized the potential of the UNDAF and its results matrix as the collective, coherent and integrated programming and monitoring framework for country-level contributions. Some form of UNDAF is now mandatory in all programme countries, unless the government states otherwise or the UN's presence is limited. Based on 2009 expenditure data, the UN currently has developmentally related operational activities in operational activities for development in 148 countries, and UNDAFs or their equivalent cover 145 of these countries in 2011<sup>80</sup>.

A recent evaluation of UNDAF processes concluded that, although the UNDAF had been generally successful in its alignment with national priorities and progress has been done in increasing inter-agency integration from the UN side, a lot could yet be done on this

---

<sup>80</sup> Bologun (2012), 'The relevance, effectiveness and efficiency of the United Nations Development Assistance Framework (UNDAF

respect<sup>81</sup>.

### **7.9.3 Poverty Reduction Strategy Papers**

Poverty Reduction Strategy Papers (PRSPs) represented 80 of the 367 international strategies identified in ES Section research<sup>82</sup>. These are documents required by the International Monetary Fund (IMF) and World Bank before a country can be considered for debt relief within the Heavily Indebted Poor Countries (HIPC) initiative. PRSPs are also required before low-income countries can receive aid from most major donors and lenders.

#### *7-10 New Opportunity areas*

ES could further explore new segments to serve. Two attractive segments are recommended to analyze further. The first one relates to policy-driven segments, mainly to the signing of bilateral and multilateral trade agreements. The second one is driven by geographic characteristics of segments that share special needs in relation to trade, in particular, two such segments were identified: Small Islands and Land Locked Countries.

#### **Trade Policy driven segments: Translating trade agreements into action**

As was discussed in the market overview section (3.3.3 see p. 43), trade agreements have increased significantly over the last decade. However, these government negotiations have not always resulted in increased trade across countries or into integration of their value chains with stronger players in the world. ITC could provide a focused service to two or more countries that have signed or are in the process of assessing the value of a preferential trade agreement. The format could be similar to that followed in more traditional National Strategies but particularly applied to the new challenges and opportunities arising from a policy driven decision.

#### **Geographic – landlocked and small island segments**

ITC in general and ES function in particular, have significant experience in specific issues, challenges and opportunities related to the geographical location of a country. Small islands share certain location, access and size characteristics that benefit them on one side but also pose additional difficulties in others. Regional interventions (such as the one to be initiated in

---

<sup>81</sup> Bologun (2012) op. cit.

<sup>82</sup> 'Strategy Map Explained', Amurgo-Pacheco, Said and Di Battista, International Trade Centre, 2012

the Caribbean Countries) can be further leveraged in other similar regions. Similarly, countries without direct access to ports face additional challenges in their transport costs and logistics that require different approaches. ITC has experience in these environments that could be further leveraged and where ES could have significant demand and expansion opportunities.

#### 7.10.1.1 LDCs product offering and EIF-DTIS

The advantages for LDCs to develop strong trade strategies is very clear, as is the need for these strategies to reflect the country's own priorities and views. But, along with these needs is the fact that these countries have weaker institutional and management capabilities, creating numerous challenges for the implementation of large scale plans and strategies.

Partly in response to this situation, the Enhanced Integrated Framework operates as a multi-donor program supporting LDCs to be more active players in the global trading system by helping them tackle supply-side constraints to trade. The DTIS, implemented in all LDCs, is a fundamental part of this program, aimed at identifying the constraints that each LDC faces, conducts a deeper analysis and suggests a series of actions to be implemented through national development plans as well as with international cooperation partners. Many of the topics covered are similar to those in the National Export Strategy (Macroeconomic Environment, Trade Structure and Patterns, Foreign Direct Investment, Trade Policy and Institutions, Trade Agreements and Market Access, etc.) although the DTIS extends beyond these topics to cover infrastructure and other areas not necessarily addressed in NES. The process is also different from the NES in that the public consultations are done to validate rather than to generate the concepts.

One important element of DTIS is that, being part of a broader EIF program, there is the potential to mobilize more attention and support being placed in the country for the Action Plan to be implemented.

There may be an opportunity for ITC to play a larger role contributing to identifying key needs and objectives for participating countries. There could also be synergies in leveraging the EIF framework to secure implementation.

Recommendation: ITC, already a member of EIF, should consider strengthening its participation in the area of DTIS and Export/Trade Strategy Development.

### *7.11 ITC ES Approach*

#### **7.11.1 Four Gears Framework**

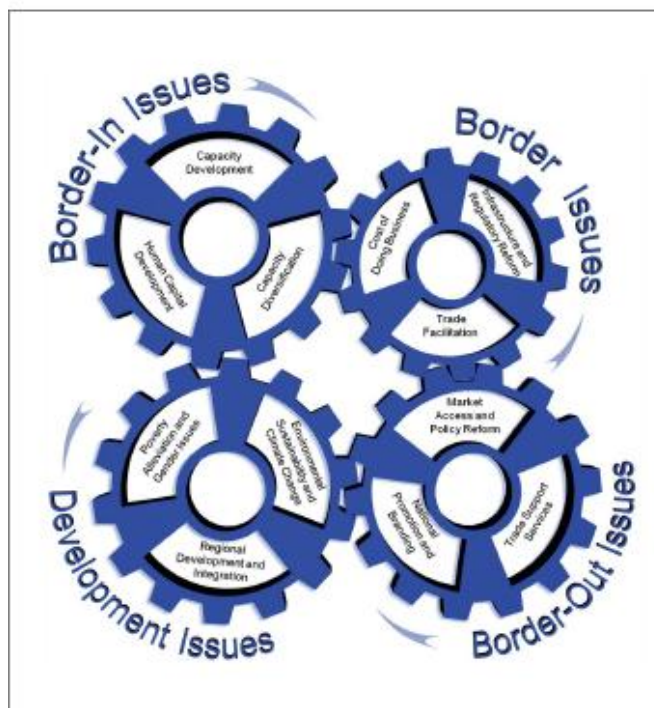
The scope of the Strategy and issues addressed are defined within the context of the ITC Four Gears of Strategy as follows:

**The Border-In Gear** addresses capacity development, capacity diversification and human capital development issues



The **Border Gear** addresses infrastructure, trade facilitation and cost of doing business

The **Border-Out Gear** addresses market access, in-market support services, and national promotion.



Source: ITC (2010) National Export Strategy, Building an Export Culture

### 7.11.2 Four Perspectives Framework

1. **The Development Perspective** which deals with employment, poverty alleviation, development of disadvantaged groups, gender equality, and environmental sustainability
2. **The Competitiveness Perspective** which covers the supply side, referred to as the Border-in Gear, the Border Gear, and also addresses the Border-out Gear referred to as the demand side.
3. **The Client's Perspective** highlights the sector and client's focus and discusses business competency, trade information, trade finance, quality management, and labeling and packaging.
4. **The Institutional Perspective** discusses the Strategy Support Network (SSN), and the Service Delivery Network (SDN)

The institutional perspective addresses establishment of a management framework, which ensures that implementation of the NES, is effectively managed and coordinated and importantly, ensures that the necessary resources will be allocated for its implementation. A detailed plan of action that specifies measures and targets to assess impacts as well as a

management matrix will be included in the NES.

### 7.11.3 NES, NES Express, NES Plus

The NES to this point has been largely standardized. In reviewing available NES documents it was clear that with some minor exceptions, the standard Four Gear NES was applied to each country contained within four phases; pre-engagement, inception, design and implementation/management. The Four Gears contain four inter-locking subsets of issues; Border-In (e.g. human capital development), Border (e.g. cost of doing business), Development (e.g. sustainability, poverty, environment) and Border-Out issues (e.g. trade support and market access) This has generally been an efficient approach that has minimized unnecessary and time-consuming variances and is generally well received by beneficiaries. The phased approach also maintains a momentum and enables a systematic approach with a checklist of activities to be undertaken at each phase.

However, this standard methodology has also invited some comment within ITC, with recipient countries and, to some extent the donor community, suggesting that the approach could be somewhat rigid in scope and length and could benefit from developing tools to fit more specific needs in different situations. As it will be reviewed later in this report, the current format has suffered from shortcomings in countries that didn't have the appropriate local resources and institutional strength to monitor the implementation of the strategy and, in many cases, to carry the strategy to full implementation.

ES team's analysis of this topic has led to proposing an extension and diversification of the ES product portfolio, with a focus on achieving greater flexibility and covering a broader segment of the strategy market<sup>83</sup>. The proposal of the team is to create three distinct products as summarized in Table 10.

**Table 10: NES product portfolio – Key characteristics**

Product	Key characteristics
NES Express	<ul style="list-style-type: none"> <li>• Maintains principles of country ownership and inclusive participation.</li> <li>• Process lasts approximately three months, comprises of two national consultations.</li> <li>• Modular format, addressing specific areas.</li> </ul>
NES Standard	<ul style="list-style-type: none"> <li>• Current format but adapted to specific country needs, times and other processes.</li> </ul>

---

<sup>83</sup> ES Strategy' From Potential to Performance', November 2012

Product	Key characteristics
NES Plus	<ul style="list-style-type: none"> <li>Expanding NES services to include more attention to the transformation of strategy into action.</li> </ul>

Observations on product offering:

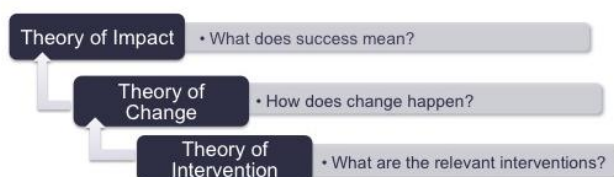
- NES Express includes valuable products and services, but cannot be presented as a full National Export Strategy:** Modular components of the current approach of NES, in particular needs assessment, value chain analysis and dialog on priorities between public and private sector, are very valuable elements of NES. Market demand should be solid for such an offering as they represent a good starting point for any strategy formulation process. The risk, however, is to confuse these elements with a complete National Export Strategy, which requires additional content and process elements. (The Express could be used for more advanced LDCs with stronger institutional capacity or those countries needing an update or fine-tuning of their NES?)
- NES Standard has a better fit with countries with higher institutional development but it might not be enough for many LDCs:** The current approach and delivery format of NES Standard takes a ‘hands-off’ approach to the implementation and monitoring of the Strategy. The process assumes that once the Strategy has been endorsed and accompanied by capacity building efforts in Strategy, the country will assume the implementation and monitoring of the Strategy from there onwards. This has proven to be the case in countries with more solid institutions and level of development (for example Romania), but has been much more challenging for countries with weaker institutional environments (for example several LDCs) that have faced significant difficulties in the post-design phase.
- NES Plus could significantly enhance the value of ITC ES offering and increase the chances of a successful implementation in countries with weaker local institutions: Expanding the services offered to extend beyond the formal endorsement of the Strategy can have a very positive effect on these countries’ chances of successfully implementing their own Export Strategy. This would involve framing specific aid and investment initiatives, maintaining the momentum and the high-level leadership support required, following up on the monitoring and management structures, etc. As it will be expanded on later, this represents a significant increase in the cost and resources needed to implement such an initiative and the role of partnerships and organizational arrangements is critical for this type of offering to succeed.

## 7.12 Impact Indicators: A practical application

### 7.12.1 What is ITC's Export Strategy Change model?

#### What is ES implicit Theory of Change?

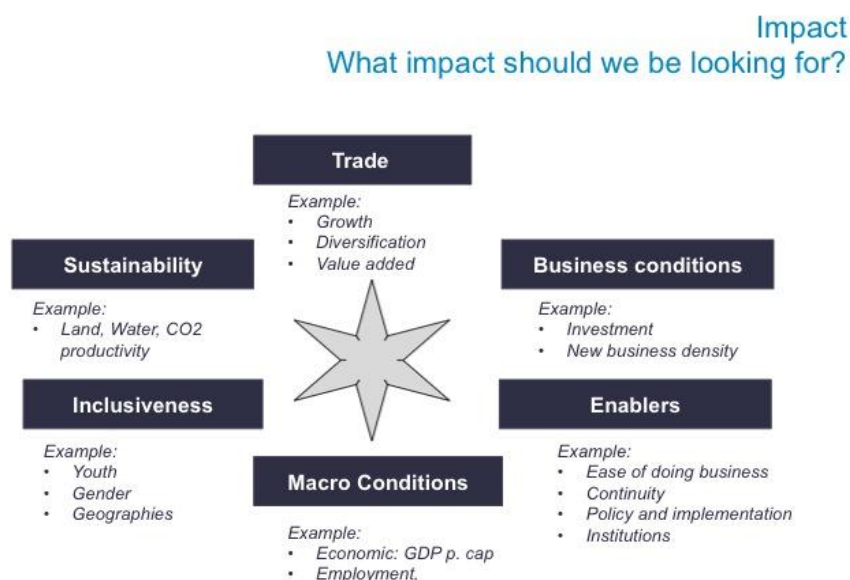
...“A Theory of Change (TOC) is the causal pathway of what change we think will occur from our action. It is a specific and measurable description of a change initiative that forms the basis for planning, implementation and evaluation”.



### 7.12.2 Starting with impact...

What are the relevant indicators that need to be tracked? Figure 45 proposes one system that includes the impact indicators stated in the current ES logframe as well as proposed measures for additional areas such as Sustainability and Enabling conditions.

**Figure 45: Impact indicators –Sustainable Trade Competitiveness System**

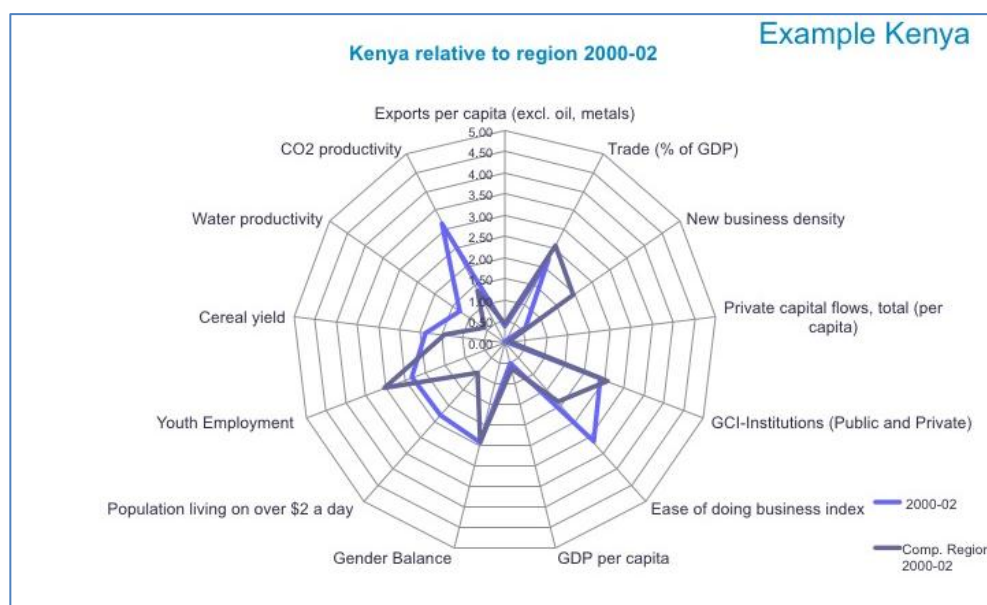


### 7.12.3 Impact Indicator System: The opportunity to define (and track!) Success

Even with all the limitations involved in assessing areas of impact, it might still be valid to observe, independently from any attribution discussion, how countries where there have been interventions have fared over time.

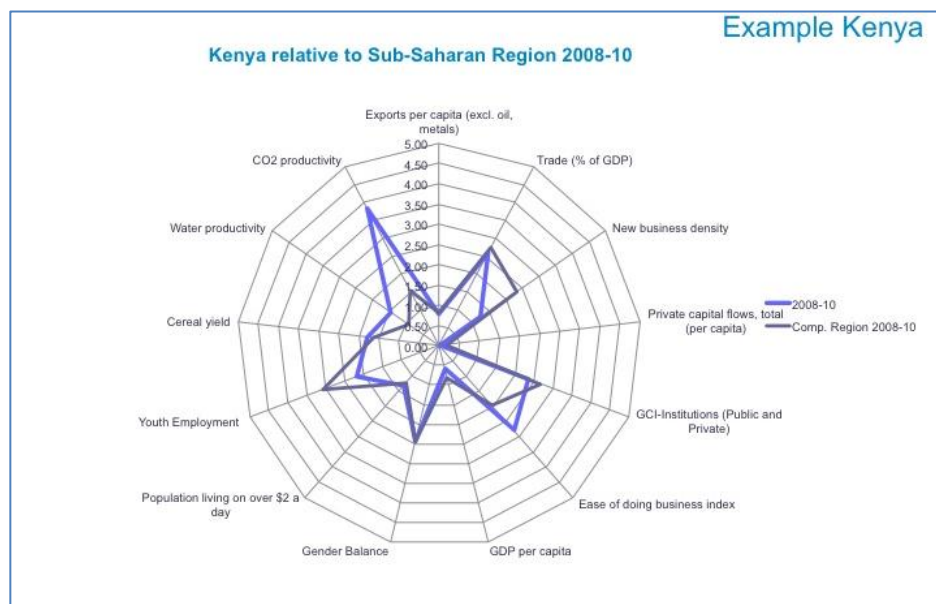
One example is developed here, analyzing the evolution of Kenya's Export System over time, the first country where NES was implemented. The results are presented below using a combination of indicators that can be associated with the Sustainable Trade Competitiveness System. The indicators were defined based on a view of ITC's impact model. Results for these indicators were taken from publicly available data and, to make representation easier, each indicator was indexed from 0 to 5 where 0 is the worst performing and 5 is best performing. Using the method describe above, Figure 46 and Figure 47 represent a snapshot of Export System indicators for Kenya, both in the early 2000s (2000-02) and in the late 2000s (2008-2010)<sup>84</sup> and its performance relative to the Sub-Saharan region.

**Figure 46: Kenya - Trade Competitiveness System 2000-02**



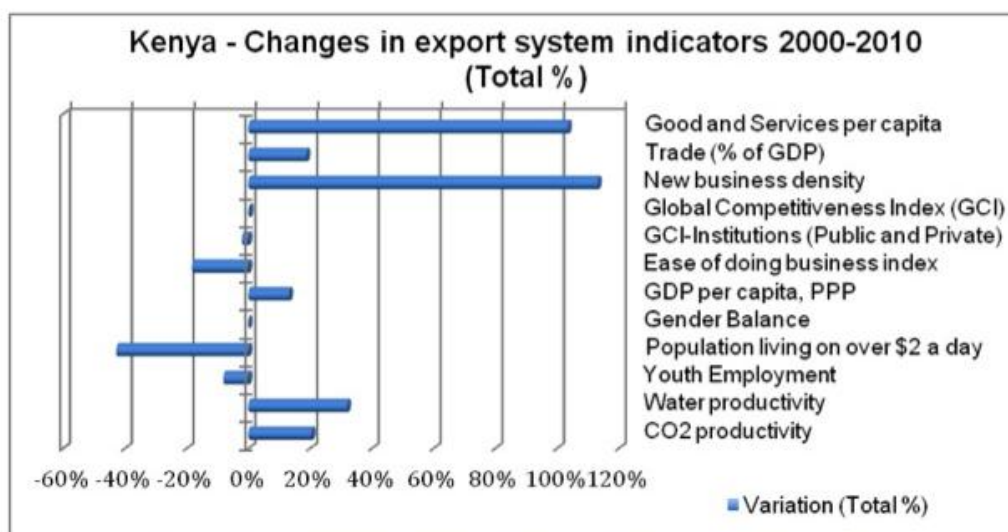
<sup>84</sup> Not all the indicators' data available for all periods.

**Figure 47: Kenya Trade Competitiveness System 2008-10**



**Figure 48: Kenya - Change in indicators 2000-2010**

Impact: Change in indicators



Source: WDI, WEF, World Bank, Food and Agriculture Organization, AQUASTAT data, and World Bank and OECD GDP estimates, Carbon Dioxide Information Analysis Center, Environmental Sciences Division, Oak Ridge National Laboratory, Tennessee, United States

Figure 48 illustrates the changes in indicators during the period in terms of percentage variation. During the period, Kenya increased exports as percentage of GDP from 2.0% in 2000 to 2.6% in 2010, although the region's (Sub Saharan Africa) exports as percentage of GDP remained stable over the same period. Kenya also experienced high entrepreneurial activity during the period and became more environmentally efficient (in terms of CO2 productivity). However, this growth appears to not have been sufficient or balanced from a

social perspective as the same period saw a reduction of people living over the line of poverty and a reduction in youth employment index.

Kenya's Exports per capita (excluding oil and minerals) were still relatively modest in 2010 with an estimated US\$ 205 per person. This is slightly higher than the average for Sub Saharan Africa of US\$ 195 but significantly lower than other low-income economies such as Cambodia US\$ 450 or some Sub-Saharan countries such as Botswana (US\$ 2040). Still, this figure, in constant dollar terms, has almost doubled from the beginning of the decade. There has also been an increase of new businesses being created with new companies being started at double the rate by the end of the period. Trade as a percentage of GDP has also increased during the period from slightly over 2% to 2.6%. The Global Competitiveness Index, calculated by the World Economic Forum<sup>85</sup>, remained relatively constant during the last part of the decade<sup>86</sup>, while other comparative indicators as 'Ease of doing business', compiled by the World Bank<sup>87</sup> indicates that Kenya has been, compared to other countries, deteriorating its business environment conditions over the last ten years. Similarly, even though GDP per capita has slightly increased, the limited data available on poverty indicators<sup>88</sup> would suggest deteriorating conditions. On the positive side, environmental indicators<sup>89</sup>, imply an efficient economy with respect to CO<sub>2</sub> and a positive evolution both in water and in CO<sub>2</sub> productivity.

As noted in the beginning of this section, these indicators are just to be considered a reference point and not directly an impact assessment. Figure 49 - Figure 54 illustrate other examples using the proposed Trade Competitiveness System Indicators.

---

85 <http://www.weforum.org>

86 This indicator has only been published since 2006.

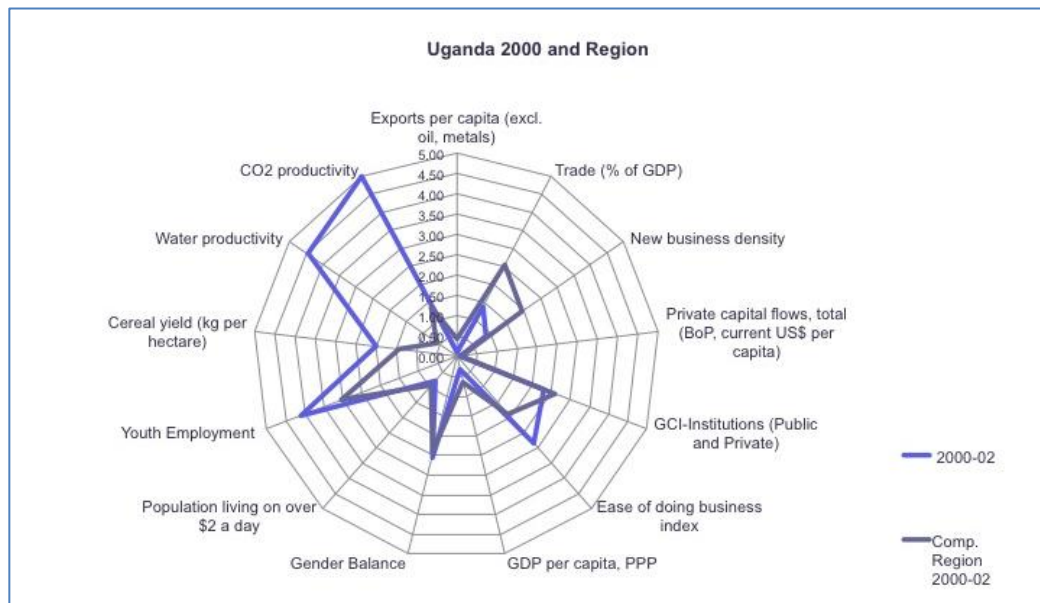
87 <http://www.doingbusiness.org/rankings>

88 Calculation, based on WDI data, only compares 1997 to 2005

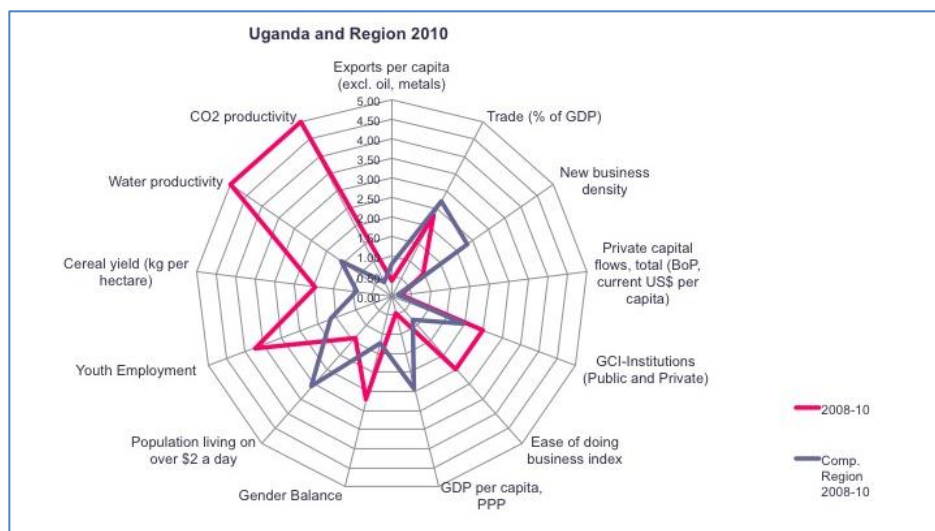
89 WDI data based on Food and Agriculture Organization, AQUASTAT data, and World Bank and OECD GDP estimates, Carbon Dioxide Information Analysis Center, Environmental Sciences Division, Oak Ridge National Laboratory, Tennessee, United States



**Figure 49: Uganda Trade Competitiveness System compared to region 2000**

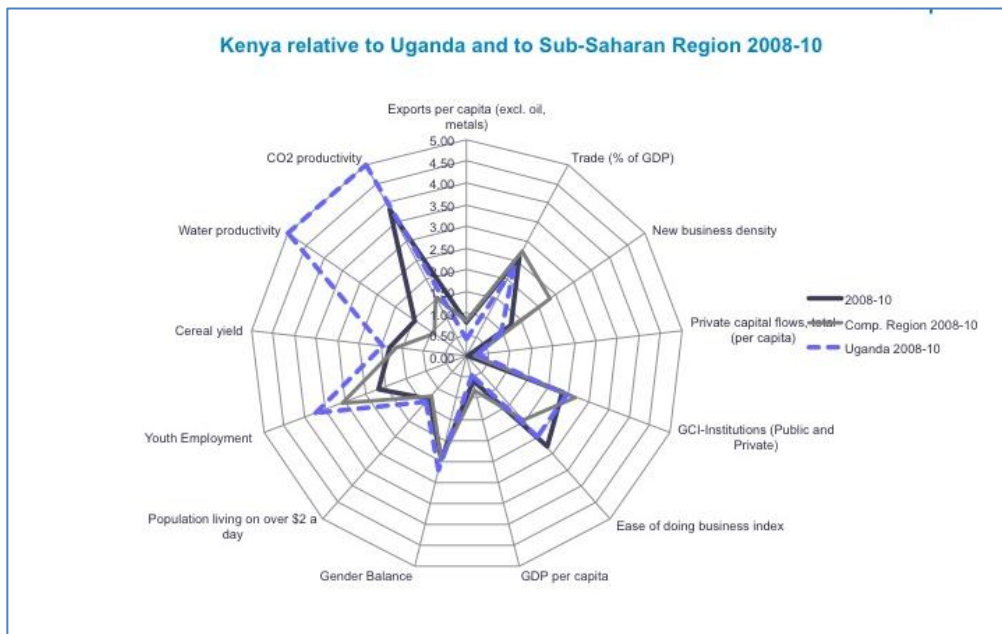


**Figure 50: Uganda Trade Competitiveness System compared to region 2010**

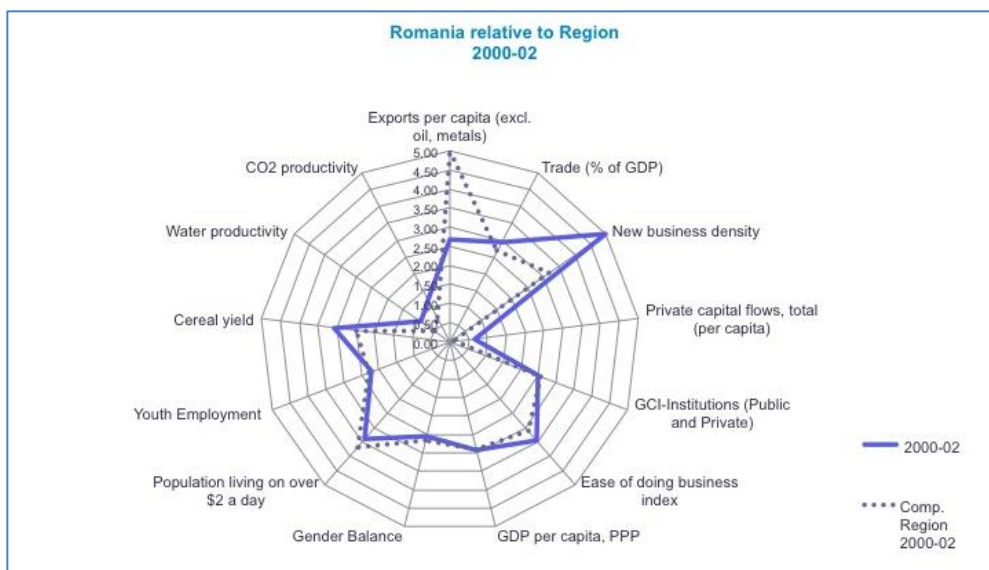




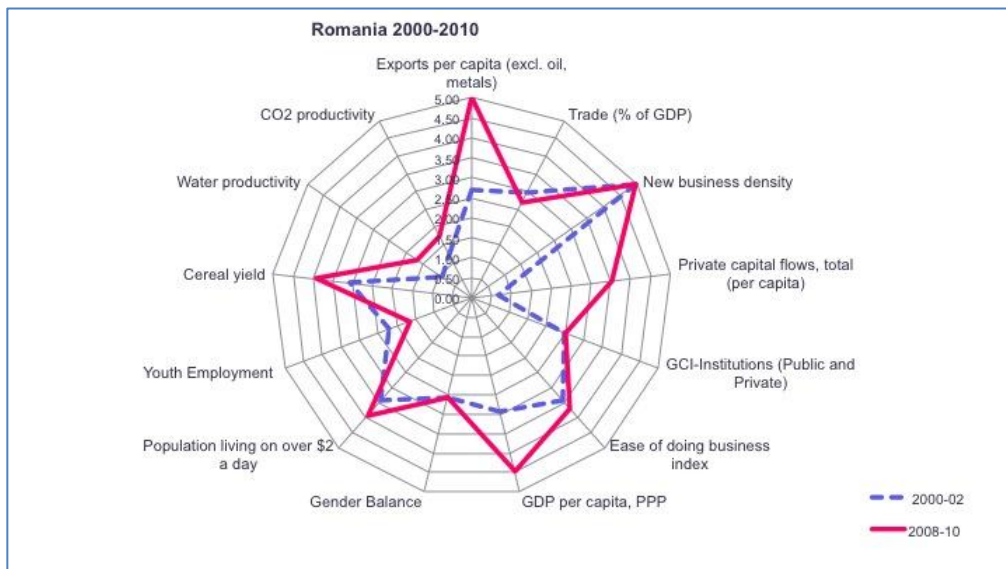
**Figure 51: Kenya compared to Uganda and Sub-Saharan Region 2008-10**



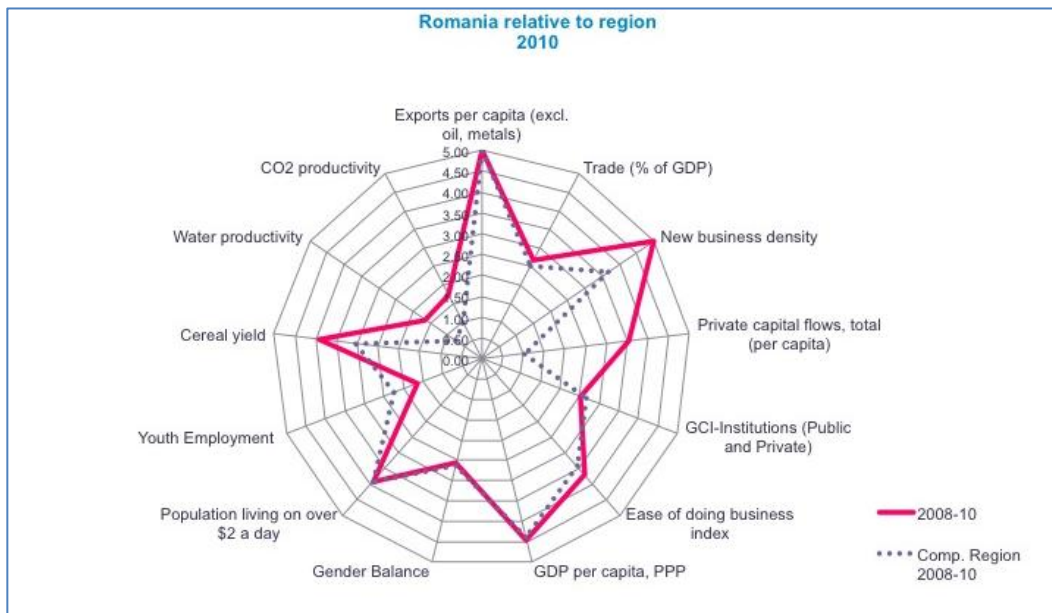
**Figure 52: Romania Trade Competitiveness System compared to Region 2002**



**Figure 53: Romania Trade Competitiveness System 2000-10**



**Figure 54: Romania Trade Competitiveness System compared to region 2010**



© International Trade Centre 2013

The International Trade Centre encourages the use, reproduction and dissemination of material in this document. Except where otherwise indicated, material may be copied, downloaded and printed for private study, research and teaching purposes, or for use in non-commercial products or services, provided that appropriate acknowledgement of the International Trade Centre as the source and copyright holder is given and that the International Trade Centre's endorsement of users' views, products or services is not implied in any way. All requests for translation and adaptation rights, and for resale and other commercial use rights should be addressed to [registry@intracen.org](mailto:registry@intracen.org).