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FINAL EVALUATION REPORT

**Pashmina Enhancement and Trade Support (PETS) Project
(IB41 - NEP/4B/04A, Tier 2 Enhanced Integrated Framework)**

NEPAL

Report of the Evaluator

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ACRONYMS

ADB	Asian Development Bank
CP	Chyangra Pashmina
DF	Donor Facilitator
EC	Enterprise Competitiveness Section
EIF	Enhanced Integrated Framework
ES	Executive Secretariat
FP	Focal Point
GI	Geographical Indication
GIZ	Gesellschaft für Internationale Zusammenarbeit
GON	Government of Nepal
IEU	Independent Evaluation Unit
ITC	International Trade Centre
MIE	Main Implementing Entity
MOAD	Ministry of Agricultural Development
MOALMC	Ministry of Agriculture, Land Management and Cooperatives
MOC	Ministry of Commerce
MOCS	Ministry of Commerce and Supplies
MOICS	Ministry of Industry, Commerce and Supplies
MOI	Ministry of Industry
MOLD	Ministry of Livestock Development
MOU	Memorandum of Understanding
NCFT	Namuna College of Fashion Technology
NBSM	Nepal Bureau of Standards and Metrology
NIA	National Implementation Arrangements
NIU	National Implementation Unit
NPIA	Nepal Pashmina Industries Association
NSC	National Steering Committee
OAP	Office for Asia and the Pacific
OECD-DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
PETS	Pashmina Enhancement and Trade Support
PSC	Project Steering Committee
SC	Sector Competitiveness Section
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprise
SWAp	Sector-Wide Approach
TC	Technical Committee
TEPC	Trade and Export Promotion Centre
TFM	EIF Trust Fund Manager
TOR	Terms of Reference
TRTA	Trade-Related Technical Assistance
TS	TSI Strengthening Section
UNOPS	United Nations Office for Project Services
UNDP	United Nations Development Programme
WTO	World Trade Organization

EXECUTIVE SUMMARY

CONCISE SUMMARY

Description of the object of evaluation

1. International Trade Centre (ITC) implemented the Pashmina Enhancement and Trade Support (PETS) project in Nepal under the funding from the Enhanced Integrated Framework (EIF) Trust Fund. The project was implemented from 20 November 2013 to 18 October 2017 with a budget of USD 1,861,603 from EIF and USD 200,000 equivalent contribution in kind from the Government of Nepal (GON) and the two project partners – Nepal Pashmina Industries Association (NPIA) and Namuna College of Fashion Technology (NCFT).
2. A project steering committee chaired by the Secretary, Ministry of Commerce (MOC) provided overall guidance to three focal points at MOC, ITC, and NPIA. A midterm evaluation of the project took place in 2015. This report is the final evaluation of the project, as set out in the project document. ITC, as the main implementing entity (MIE), was tasked with managing these evaluations.
3. The overall development objective of the project was to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The project was designed to achieve three outcomes: (i) NPIA provides sustainable services to its members and CP stakeholders; (ii) manufacturers increase exports in the target markets due to increased international competitiveness; and (iii) new buyers in priority markets recognize CP label as a niche luxury product.

Evaluation purpose, objectives, and scope

4. The evaluation had two purposes – accountability and organizational learning. It had five specific objectives:
 - (i) Assess the performance and results (including potential impact) of the project, in particular, to support intervention partners and beneficiaries in achieving project outcomes;
 - (ii) Assess the progress of the implementation of the midterm evaluation recommendations that were accepted, or partially-accepted by project stakeholders;
 - (iii) Identify lessons learned that can contribute to building better projects and programmes in the future to be used by the Ministry of Commerce (MOC), GON, the EIF Secretariat at the World Trade Organization (WTO), and ITC;
 - (iv) Generate findings, recommendations, and lessons useful to the MOC, GON, the EIF Secretariat at the WTO, and ITC, for ongoing and future projects and programmes that are designed and funded by, or in partnership with, third-party funders; and
 - (v) Provide recommendations for any future project in Nepal, including possible areas of interventions, building on the achievements realized and the stakeholder consultations carried out.

Evaluation methodology

5. The evaluation adopted a mixed method approach comprising both qualitative and quantitative analysis. It was carried out in four stages. The first stage comprised of an inception report, which involved a document review, development of a detailed methodology, the design of field data collection tools, and a tentative mission plan. The second stage involved the field mission to Nepal for additional data collection using primary and secondary tools for obtaining data and information from NPIA, other relevant organizations, and key informant interviews with stakeholders and pashmina enterprises. In all, 38 enterprises participated in a survey and provided their candid perspectives on the state of their businesses and the sector as a whole including key actors. The evaluation triangulated data and information obtained using multiple sources where feasible. The evaluation applied the UNEG Norms and Standards and applied OECD-DAC evaluation criteria of relevance, effectiveness, efficiency, impact, and sustainability and followed ITC's evaluation policy and guidelines.

The major findings of the evaluation

6. The evaluation findings cover five key dimensions of project performance evaluation based on available facts and figures. Data limitation did not permit adequate quantification of project impact in all areas. **Overall**, the evaluation concludes that the project was **moderately satisfactory**.¹
7. **Relevance:** The project relevance was **moderately satisfactory**. It addressed the critical needs of pashmina sector particularly in supporting forward linkages in terms of capacity development of NPIA, NCFT, and to some extent MOC. It targeted pashmina small and medium enterprises (SMEs) which provides employment particularly to the economically disadvantaged women and youth in Nepal. The project was aligned with Nepal Trade Integration Strategy, and it was consistent with ITC's mandate to support export oriented SMEs. The required support for backward linkages did not materialize in the project design based on the decision taken at a stakeholder meeting held in July 2012 and no other tangible support came to fruition. As a result, it continued to remain neglected. The project design, however, accommodated PSC's recommendation to conduct limited activities with Chyangra farmers in Upper Mustang. While the project did not have an explicit theory of change, its result framework was consistent with ITC's results framework and result-based management project design. On the other hand, an incomplete value chain analysis also meant that since a major chunk of key stakeholders were not included. Implying that the project resource allocation and technical assistance were non-optimal. A full-fledged value chain analysis could have strengthened the project design with due emphasis on critical needs thereby directly supporting poverty alleviation and developmental outcomes.
8. **Effectiveness:** The project effectiveness was **moderately satisfactory** in achieving project outputs and outcomes. The stated three outcomes were partly achieved. Due to lack of data and reluctance in reporting business-related information, the evaluation could not quantify project effectiveness. Secondary data shows that the aggregate value of related exports declined during the project period by 2.2 to 5.7% and the magnitude of decline varied by data source and type of products exported. This was, however, to a lesser extent compared to overall decline of 15% to 16.7% in the national exports. The turnover of the pashmina businesses on the other hand reported an increase of 11% on an average. NCFT trained 34 individuals who received internship placements at 15 pashmina factories and 11 of them were retained by the internship providers. Others opted for alternate employment opportunities. The evaluation estimates that due to product and market diversification, the sector would have created 672 new jobs (40% women) which can partly be attributed to project interventions. The participation of pashmina entrepreneurs in trade fairs had led to exposure to new business contacts and prospects of business growth for some of the SMEs. Overall, training offered by the project were considered useful barring language constraint for some of the participants. The size of project funding was relatively small and insufficient to address the sector's demand. Most of the SMEs did not adhere to effluent and waste management, and only 10% of the survey respondents has some form of measures in place. The government, NPIA, and ITC accorded high priority for the project in the implementation process and the private sector took keen interest in several project activities.
9. **Efficiency:** The project efficiency was **moderately satisfactory** in delivering planned outputs and outcomes towards the anticipated project goal. While NPIA's contribution for the project with office space of the project secretariat was cost-effective, several stakeholders felt that it should have been a neutral venue to facilitate the work of three locally recruited ITC staff engaged in the project. The work planning and budgeting process led by ITC was satisfactory. However, even if all three focal points jointly elaborated the budget, which was subsequently approved by the PSC, and jointly approved all implementation activities, some stakeholders expressed that the project was not transparent in communicating about the use of the project budget. Almost all core project activities were implemented by ITC in collaboration with pashmina enterprises, NPIA and NCFT. NCFT provided training in product design to trainees and two ITC consultants imparted market-specific product development to selected NPIA member enterprises. The project accepted nine of the 10 recommendations of the 2015 midterm evaluation of the project. In all, the project implemented 24 actions associated with these nine recommendations. The project suffered in implementation due to external and internal factors. The external factors were beyond the project's control and included trade and transit obstructions, fuel shortage, and the two major earthquakes

¹ ITC Evaluation Guidelines of February 2018 uses a six-point scale to assess the project performance. Moderately satisfactory signifies that the project had a clear preponderance of positive results (i.e. it may exhibited some minor shortcomings though these were clearly outweighed by positive aspects).

in 2015. Internal factor related to was the slow decision-making process. Although the PSC attempted to speed-up decision making process by empowering the three focal points, some improvement was observed only at the levels of day-to-day decision making on activities. The focal points could decide on the implementation of activities that were explicitly stipulated in the workplan. However, major issues still had to be tabled at the PSC meetings

10. **Impact:** The project impact was assessed as ***moderately satisfactory***. The project contributed to enhancing NPIA, pashmina enterprises and NCFT's institutional capacity development and to a limited extent to the Chyangra farmers' cooperative society. About half of the NPIA members have had an opportunity to participate in international trade fairs, which provided access to market information, market linkages, and additional export opportunities for some of the SMEs. The pashmina enterprises did not provide adequate attention to environmental management, as reflected in the enterprises' survey which indicated that only 14% of the pashmina SME manufacturers had some form of effluent and waste disposal arrangements. All others opted to drain effluents in open drain or municipal sewerage. The survey feedback also indicated that the project benefits were skewed in favour of relatively larger SMEs and those serving the NPIA's board.
11. **Sustainability:** The benefits and results of the project were ***moderately satisfactory***. There is still considerable gap capacity building needs including that of NPIA, product design and innovation, market strategy, market research and development, and business communication. The benefits are less likely to sustain without continued support.

Lessons learned and good practices

12. A number of lessons have emerged from the design, implementation, and completion of the project which would be useful for ITC and national stakeholders in the future while supporting similar projects. Key lessons are:
 - (i) The project management in the Asia and the Pacific region from ITC headquarters is challenging.
 - (ii) At the time of project design, it is crucial to conduct a full value chain analysis comprising both backward and forward linkages and map out key actors and their roles and responsibilities.
 - (iii) The project stakeholders have recognized that Chyangra Pashmina (CP) has a large potential to become a recognized quality Trademark through branding efforts if all relevant stakeholders work together and complement each other's efforts.
 - (iv) The project's learning and ability to adapt to identified and felt needs by using national and regional expertise whenever possible can make capacity development more targeted and effective.
 - (v) Export product and market diversification reduces business risk.
 - (vi) For successful niche product export, if branding and trademark are traceable, there is a greater possibility of successful sustainable export and commanding premium prices.
 - (vii) There is a need to adhere to the industry's code of conduct and NPIA's regulations as well as national environmental policy for safe management and disposal of pollutants including chemicals used by pashmina industries. NPIA may need to work with its members in raising awareness about the effluent management practices.
 - (viii) In designing projects, it is important to make provision for safeguarding against potential obstructions in project implementation, either a natural disaster or human-made.
 - (ix) There is a need for a continued knowledge transfer framework and mechanism so that direct project beneficiaries are able to pass on new learnings to their peers and other relevant stakeholders.
 - (x) ITC need to regularly assess the capacities of NPIA (or other trade associations) to equitably distribute the benefits of the projects, especially when it comes to the possibility of participating in international trade fairs.
 - (xi) Project implementation becomes effective under the guidance of a PSC with delegated

authority to a technical committee for day-to-day decision-making.

13. Four good practices that can be applied are:

- (i) Strong support from the government is needed for effective project implementation.
- (ii) When projects are adversely affected by natural disasters or trade and transit obstructions, project implementation can progress if additional time is provided.
- (iii) It is important to build synergies and foundation for larger projects for better developmental outcomes.
- (iv) Transaction costs in project implementation are relatively lower if the project team remains stable.

Recommendation and conclusions, including implications to ITC of the evaluation.

14. The project evaluation based on findings and lessons offers a set of recommendations for the government, NPIA, ITC and EIF. These are:

For the Government of Nepal

- (i) In order to provide a momentum to the initiatives launched under the project, the Ministry of Industry, commerce and Supplies (MOICS) should constitute a Pashmina Sector Development Committee comprising representatives from MOICS, Trade and Export Promotion Centre (TEPC), Nepal Bureau of Standards and Metrology (NBSM), and NPIA so that it can address emerging challenges, including any actions needed by the government. The committee should be charged with first formulating a national pashmina sector development strategy in collaboration with other concerned agencies.
- (ii) To maintain the consistency in the quality of exported pashmina products, the MOICS should strengthen the capacity of NBSM with the support of NPIA so that NBSM is able to review the quality testing regime for both imported pashmina yarns, exported pashmina products, and conduct random checks of pashmina products sold in the local markets. Furthermore, with an agreement on the definition of “pashmina” reached, the government needs to formulate legal and regulatory framework and operational guidelines so that the footprint of poor quality and fake pashmina products can be minimized.
- (iii) NPIA should seek active collaboration with MOICS and MOALMC (the executing agency for implementing the World Bank financed project) and jointly prepare a strategy and action plan for (i) promoting and expanding Chyangra pashmina wool, (ii) enhancing the role of newly formed Chyangra and Pashmina Farmers Association in the Upper Mustang by supporting it. The strategy and action plan should be consistent with the national development priority by reducing total reliance on imports of pashmina yarns for production.
- (iv) MOICS should proactively promote the role of TEPC in pashmina trade promotion initiatives in close coordination with NPIA and require to publish disaggregated sector-specific import and export data of raw materials and export products.

For NPIA

- (i) While CP label refers to an attempt to assure quality assurance, NPIA should review its branding, labelling and marketing strategies in the national interest and avoid potential reputational risk. Product traceability is vital for promoting pashmina in export markets. In addition, The use of term “Chyangra” in the CP label in Nepal’s pashmina exports could become a reputational risk for the pashmina sector as some local stakeholders have not fully understand the meaning and regulation behind the CP trade mark label and communicate differently about it. As almost all manufacturers use imported pashmina yarns from overseas having no traceability to Nepal’s Chyangra wool production areas, this needs to be clearly communicated to potential buyers.
- (ii) NPIA should review its medium-term strategy and assess if the strategy meets its members’ requirements. It needs to integrate a strong market research component in its work plan. The revised strategy should also need to be linked to achievable road map and action plans.
- (iii) NPIA should launch a membership drive to attract new members and retain current members. The new drive should clearly outline the benefits from the membership. Also, NPIA should

consider introducing associate membership status for new and smaller enterprises. It should also consider increasing the membership fee in return for better services such as market research information, industry outlook, and technical expertise in key areas such as raw material sourcing, export management, and business communication. It should also maintain a pool of experts in wool technology, fashion design, export promotion and market development and trade facilitation and link these experts to its members so that they can access credible services.

- (iv) NPIA should collaborate with NCFT and engage winter fashion design experts and technologists and organize fashion exhibition events at regular intervals so that the industries are kept up to date with emerging fashions and design. Within the framework of the existing memorandum of understanding between NCFT and NPIA, NCFT should develop advanced training curricula relevant to the pashmina industry that is demand-driven and keeps pace with fashion designs and offer such training to aspiring students based on cost-recovery basis.
- (v) To ensure more supply of quality pashmina fibre from within the country, NPIA should proactively engage with MOALMC particularly on the World Bank funded project and strengthen pashmina value chain.
- (vi) NPIA should continue to promote pashmina in local markets on a regular basis by organizing fashion shows in collaboration with its members and NCFT as it was initiated and implemented under the project.
- (vii) To promote cross-learning, NPIA should continue organizing experience sharing events soon after the participants' return from each trade fair and invite other members to participate in the event. This should be an opportunity to share good practices of mutual interest.

For ITC

- (i) To keep pace with current trend, ITC should continue to facilitate access to new fashion and designs to NPIA for distribution to the wider membership. ITC may consider an assess the effectiveness of a resource centre set up at NPIA with project support which provided access to fashion magazines and fashion rend publications as well as membership of the US based fashion organizations. Consideration should also be made to identify proper home for the resource centre, including NCFT.
- (ii) To strengthen the pashmina sector further, ITC should develop a new funding proposal for support from prospective development partner(s)/donors. The proposal should be based on a robust analysis of both backward and forward linkages of pashmina value chain. In consultation with the World Bank Nepal Office and MOALMC. It should also harmonize with the Nepal Livestock Innovation Project so that any duplications are avoided.

For EIF

- (i) EIF should consider providing support for the next phase of the project with an innovative approach based on adequate use of local and regional expertise.

Conclusions

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

Implications for ITC

16. ITC should design a project based on full value chain analysis of the pashmina sector and seek funding support from EIF and other funding agencies. In doing so, ITC needs to build a complementary alliance with other technical assistance specialized agencies relevant to pashmina wool production and marketing. The funding proposal may also provide serious consideration to introducing an ITC module to strengthen NPIA's performance and ensuring regular performance monitoring. Furthermore, there is also a need to assess feasibility of ITC's positioning with respect to the work of other development partners such as the World Bank and the government's ongoing programme and activities under different agencies such as Trade and Export Promotion Centre (TEPC), and the Ministry of Livestock Development (MOLD).

Summary table of findings, supporting evidence and recommendations

Findings: identified problems/issues	Supporting evidence/examples	Recommendations
For the Government of Nepal		
<p>The Pashmina Enhancement and Trade Support (PETS) project played an important role in providing a platform for all pashmina stakeholders to come together and discuss sector issues. The completion of the PETS project has left a vacuum in this regard and The benefit from the PETS project cannot be sustained without giving continuity. The Nepal Pashmina Industries Association (NPIA) capacity has improved but it required further support including market diversification in other markets. The completion of PETS project has left a vacuum and there is no mechanism to provide continuity to the project after its completion.</p>	<p>The stakeholder groups have realized that since the completion of the project, there is no mechanism to coordinate pashmina sector related activities by involving relevant agencies. They would like to see an active entity that serves the national interest.</p>	<p>1. In order to provide a momentum to the initiatives launched under the project, the Ministry of Industry, Commerce and Supplies (MOICS) should constitute a Pashmina Sector Development Committee comprising representatives from MOICS, Trade Export Promotion Centre (TEPC), Nepal Bureau of Standards and Metrology (NBSM), and NPIA so that it can address emerging challenges, including any actions needed by the government. The committee should be charged with first formulating a national pashmina sector development strategy in collaboration with other concerned agencies.</p>
<p>The quality of pashmina products sold in the local market as well as exported varies substantially and the prevalence of fake labels and inconsistent composition of raw materials poses major challenge to the pashmina sector.</p>	<p>There is no mechanism for monitoring and regulating the quality of pashmina products in the market and the national entity NBSM does not have required work force to conduct tests of an adequate number of samples of imported yarn and export of products.</p>	<p>2. To maintain the consistency in the quality of exported pashmina products, NPIA should coordinate with the Ministry of Industry, Commerce and Supplies to strengthen the capacity of NBSM with the support of NPIA so that NBSM is able to review the quality-testing regime for both imported pashmina yarns, exported pashmina products, and conduct random checks of pashmina products sold in the local markets.</p>

Findings: identified problems/issues	Supporting evidence/examples	Recommendations
<p>The volume of production of Nepal's Chyangra pashmina wool is very small (less than five tons) compared to the requirements of pashmina manufacturers (about 150 tons). Actual production level and potential has not been firmly established. Chyangra farmers are exploited by the Chinese traders and are offered very low prices. Research, extension and production in Chyangra farming for pashmina did not attract adequate external funding and government support until the World Bank approved USD 80 million loan for Nepal Livestock Sector Innovation Project in January 2018. The project includes pashmina wool development as one of the three key livestock commodities.</p>	<p>There is a strong demand for sourcing raw material from domestic sources from the pashmina manufacturers. The sector is entirely dependent on imported yarns and have to face a high degree of volatility in the raw material prices which squeezes their profit margins. According to the World Bank project document of the Nepal Livestock Sector Innovation Project, pashmina wool production is expected to double from the current level.</p>	<p>3. NPJA should seek active collaboration with MOICS and Ministry of Agriculture, Land Management and Cooperatives (MOALMC) (the executing agency for implementing the World Bank financed project) and jointly prepare a strategy and action plan for (i) promoting and expanding Chyangra pashmina wool, (ii) enhancing the role of newly formed Chyangra and Pashmina Farmers Association in the Upper Mustang by supporting it. The strategy and action plan should be consistent with the national development priority by reducing total reliance on imports of pashmina yarns for production.</p>
<p>The project tried to include TEPC more actively in its activities but was advised by the PSC not to do so. TEPC is a national body under MOICS with a mandate to promote export. However, it did not have significant role except participating in the PSC meetings. The project did not exploit the Centre's competency. The pashmina trade statistics rely on data from DOC which cannot be triangulated with industry's data due to enterprises' reluctance to share their business data and information.</p>	<p>According to the Centre's representative interviewed, TEPC has supported Nepal's pashmina industry from time to time and it also publishes trade statistics. It has potential to play an important role in promoting the pashmina sector in overseas market.</p>	<p>4. MOICS should proactively promote the role of TEPC in pashmina trade promotion initiatives in close coordination with NPJA and require to publish disaggregated sector-specific import and export data of raw materials and export products.</p>

Findings: identified problems/issues	Supporting evidence/examples	Recommendations
For the Nepal Pashmina Industries Association (NPIA)		
<p>The use of term “Chyangra” in the Chyangra Pashmina (CP) label in Nepal’s pashmina exports poses a reputational risk for the pashmina sector because almost all manufacturers use imported pashmina yarns from overseas having no traceability to Nepal’s Chyangra wool production areas. Chyangra is a term specific to the mountain goats in Nepal. The promotional video used for promoting CP label shows Nepal’s mountain terrain.</p>	<p>According to the interviews with 38 pashmina enterprises, only two manufacturers use a small quantity of Nepali Chyangra pashmina wool in their export products and all others rely on imported yarns. The use of CP label has drawn a mixed response and several manufacturers have expressed reservation on the ground of inability to prove product composition traceability.</p>	<p>1. While CP label refers to an attempt to assure quality assurance, NPIA should review its branding and labelling strategy in the national interest and avoid any reputational risk. Product traceability is vital for promoting pashmina in export markets. This may require rebranding pashmina products made in Nepal but identifiable for its quality. The CP label could be used only in the products containing at least some quantity of Chyangra fibre.</p>
<p>With the rapid changes in production and information technology, the needs of Nepal's pashmina industries are also changing. There is a need for rigorous market research for pashmina products to expand and diversify export destinations, new designs and design technologies, and enhanced capacity of the enterprises in raw material sourcing, export management, and business communication.</p>	<p>Majority of pashmina enterprises follow design patterns provided by their clients and are prone to business risks in changing commercial environment. Data on export destinations show significant variations from one year to another.</p>	<p>2. NPIA should review its medium-term strategy and assess if the strategy meets its members’ requirements. It needs to integrate a strong market research component in its work plan. The revised strategy should also need to be linked to achievable road map and action plans.</p>

Findings: identified problems/issues	Supporting evidence/examples	Recommendations
<p>NPIA needs to become a viable organization. Current membership size and revenue stream are inadequate to sustain the association. Several members have either left, contemplating to leave or remain passive members in the association.</p>	<p>According to key informants, the number of members in NPIA has declined from around 120 to around 72. The NPIA Souvenir-2017 lists 98 members, NPIA provided a list of members which contains listing of 81 enterprises. The NPIA voter list in 2016 had 62 names. The membership fee is set at a fixed amount of NRs 5,000 per enterprise, irrespective of size. Other fees collected by NPIA include contributions from the trade fair participants.</p>	<p>3. NPIA should launch a membership drive to attract new members and retain current members. The new drive should clearly outline the benefits from the membership. Also, NPIA should consider introducing associate membership status for new and smaller enterprises. It should also consider increasing the membership fee in return for better services such as market research information, industry outlook, and technical expertise in key areas such as raw material sourcing, export management, and business communication. It should also maintain a pool of experts in wool technology, fashion design, export promotion and market development and trade facilitation and link these experts to its members so that they can access credible services.</p>
<p>The project has set the foundation for better cashmere design capacities for the future. However, the NPIA members largely depend on designs offered by their buyers. Very few enterprises have design innovation in their production processes. The collaboration of NPIA with Namuna College of Fashion Technology (NCFT) was promising but the continuation of NCFT training activities initiated under the project came to a halt due to the lack of funds but the curriculum developed under the project has been integrated into their four-year bachelor level programme</p>	<p>NCFT has adequate infrastructure for offering training in fashion design and it retains a pool of lecturers, both in house and on contract basis. Its collaboration with pashmina enterprises has been promising but limited due to perceived costs associated with the placement of its interns. Of the 34 trained individuals, 11 have found jobs in pashmina industries.</p>	<p>4. NPIA should collaborate with NCFT and engage winter fashion design experts and technologists and organize fashion exhibition events at regular intervals so that the industries are kept up to date with emerging fashions and design. Within the framework of the existing memorandum of understanding between NCFT and NPIA, NCFT should develop advanced training curricula relevant to the pashmina industry that is demand-driven and keeps pace with fashion designs and offer such training to aspiring students based on cost-recovery basis. NCFT need to continue to use the curriculum with needed adjustments.</p>

Findings: identified problems/issues	Supporting evidence/examples	Recommendations
<p>There is a continued need to further develop a domestic CP value chain as the PETS project was not mandated to do so. The backward linkages in the pashmina value chain are not developed.</p>	<p>The price and quality of imported yarns varies widely between the years and suppliers tend to be unstable. There is strong demand from the pashmina manufacturers for quality wool from within the country as revealed during the interviews with stakeholders.</p>	<p>5. To ensure more supply of quality pashmina fibre from within the country, NPIA should proactively engage with MOALMC particularly on the World Bank funded project and strengthen pashmina value chain.</p>
<p>While the PETS project did promote CP products in the domestic market and among tourists, no organized and centralized efforts to promote CP products exists in the country.</p>	<p>There size of domestic market (including sale to the tourists) for pashmina products is largely unknown but according to the key informants it is assumed to be as much as export volume. Past efforts of promotion through exhibitions and fashion shows have been successful.</p>	<p>6. NPIA should continue to promote pashmina in local markets on a regular basis by organizing fashion shows in collaboration with its members and NCFT.</p>
<p>While Ministry of Commerce (MOC) and NPIA organized experience sharing events after each trade fairs, some participants in the dissemination workshops found the information of little use for their businesses.</p>	<p>According to the interviews conducted with the NPIA entrepreneurs who attended the dissemination workshops reported that the events were too broad and less informative.</p>	<p>7. To promote cross-learning, NPIA should continue to organize experience sharing events soon after the participants' return from each trade fair and invite other members to participate in the event. This should be an opportunity to share good practices of mutual interest.</p>
For the International Trade Centre (ITC)		
<p>While the PETS project provided the CP sector with access to information on new and evolving fashion and designs as well as cutting-edge fashion and design technology, there is no mechanism to provide this on a continuing basis</p>	<p>Majority of the pashmina enterprises are small and medium enterprises having limited exposure to international trade. They tend to rely on one or few clients for their businesses because the buyers provide specific design for production and export. These enterprises have very limited access to new fashions and designs.</p>	<p>1. To keep pace with current trend, ITC should continue to facilitate access to new fashion and designs to NPIA for distribution to the wider membership. ITC may consider an assess the effectiveness of a resource centre set up at NPIA with project support which provided access to fashion magazines and fashion rend publications as well as membership of the US based fashion organizations.</p>

<p>While NPIA's capacity has improved to some extent due to project support, there are still substantial gaps in equipping pashmina enterprises for competing in international market and promoting Nepali pashmina products as niche products overseas. In addition, the project design was based primarily on strengthening the forward linkages in the value chain. It would have been useful to conceptualize a theory of change and conduct a robust full value chain analysis capturing both backward and forward linkages and key actors in the chain.</p>	<p>The Chyangra farmers and NPIA require capacity development with substantial support to strengthen the value chain. The funds allocated for supporting pashmina enterprises' attendance at the trade fairs was limited and it constrained the participation of large number of enterprises. Furthermore, the assumption that other projects would support backward linkages proved over ambitious. The assumption that other development partner(s) would address backward linkages was over optimistic. The donor coordinator's advice of not addressing backward linkages overlooked local needs of Chyangra farming community.</p>	<p>2. To strengthen the pashmina sector further, ITC should develop a new funding proposal for support from prospective development partner(s)/donors. The proposal should be based on a robust analysis of both backward and forward linkages of pashmina value chain. In consultation with the World Bank Nepal Office and MOALMC, It should also harmonize with the Nepal Livestock Innovation Project so that any duplications are avoided.</p>
<p>For the Enhanced Integrated Framework (EIF)</p>		
<p>The limited preparatory work for project design and inadequate funds for the project support constrained the completion and achievement of all desired activities.</p>	<p>The pashmina sector has tremendous potential to contribute to the national economy, both in terms of gross domestic product, employment, and savings in foreign exchange reserve from partial pashmina wool import substitution.</p>	<p>1. EIF should consider providing support for the next phase of the project with an innovative approach based on adequate use of local and regional expertise.</p>

INTRODUCTION

17. The International Trade Centre (ITC) implemented the Pashmina Enhancement and Trade Support (PETS) project in Nepal under the funding from the Enhanced Integrated Framework (EIF) Trust Fund.² The project commenced on 20 November 2013 and received USD 1,861,603. All planned activities were completed on 18 October 2017. The project account is scheduled to close on 30 April 2018 following five amendments to the project completion date with a 16-month extension to the original closing date.³ ITC and the Ministry of Commerce and Supplies (MOCS)⁴ of the Government of Nepal (GON) signed a letter of agreement, and the Nepal Pashmina Industries Association (NPIA) was designated as the project implementing partner.

A. Background and Context

18. The project responded to Nepal's trade-related development priorities in line with Nepal Trade Integration Strategy (NTIS) and aimed to strengthen the institutional capacity of pashmina sector and competitiveness of associated pashmina products entrepreneurs in the value chain and export promotion of Chyangra Pashmina (CP) trademark in priority markets. At the time of project formulation, the support to backward linkages (e.g., Chyangra mountain goat farmers) was considered but it was deemed difficult at the time, and it was expected that another government project High Mountain Agribusiness and Livelihood Improvement (HIMALI) supported by the Asian Development Bank (ADB) would extend some support to the farmers. The ITC support to the pashmina sector was seen strategically important because the export of pashmina products from Nepal dropped from USD 82 million in 2001 to USD 30 million in 2010 due to competition from low-quality imitation products from other countries.⁵ Nepal's Chyangra pashmina was seen as a high-value premium product (made from the fine hair of mountain goats) in overseas luxury fashion markets.
19. Pashmina⁶ is Nepal's third largest export commodity after readymade garments and hand-knotted woollen carpets, and hence it is strategically important for the country.⁷ The main raw materials used for producing pashmina products are 'Pashmina Yarn' and 'Silk Yarn' plus dyes and chemicals. Nepalese Pashmina industries require importing all these raw materials. Nepal imports Pashmina Yarn and Silk Yarn from China, India and Mongolia, and chemicals and dyes from Europe and India. It can be made of pure Pashmina yarn or by using both Pashmina yarn and Silk yarn in a certain proportion (normally in the ratio of 70:30), depending upon the demand of the buyers. Fineness, softness, warmth, lightness, durability, and artisanship are its inherent features. The production of pashmina items requires strong backward and forward linkages due to requirements of weaving, dyeing, processing, fringing, tassels, embroidery, beadwork, printing, packaging, etc.
20. The overall development objective of the project was to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The project was designed to achieve the following three outcomes:

² The EIF Trust Fund was managed by the United Nations Office of Project Services (UNOPS).

³ There were 5 amendments to the project period: (i) 1st amendment until the original project end date 17 June 2016. At the time of signing the initial MoU with UNOPS their mandate as the Trust Fund Manager (TFM) for the EIF was only valid until 31 December 2015; (ii) 2nd amendment was for three months until 18 September 2016; (iii) 3rd amendment for 10 months from 19 Sep 2016 to 18 July 2017; (iv) the 4th amendment was for three months from 19 June 2017 to 18 October 2017; and (v) 5th and final amendment until 30 April 2018 was granted to ensure completion of the final evaluation. The project extensions did not incur additional costs to ITC or EIF.

⁴ The government designated MOSC as the executing agency for the project and MOSC became the MOC after the signing of the Letter of Agreement and the MOC continued to serve as the main focal point for the project in the Government. In 2018, the government merged Ministries of Industry, Commerce and Supplies into a single Ministry of Industry, Commerce and Supplies. Since the project was completed under MOC, the reference to MOC has been maintained.

⁵ ITC. 2018. Pashmina Enhancement and Trade Support Project – Final Report, Geneva.

⁶ Pashmina is the finest inner wool that grows as a layer at the very bottom of a thick and coarse fibre of Himalayan goat, locally known as Chyangra (*Capra Hircus*), living above 2000 meter from the sea level. Each Chyangra does produce 90 grams of pashmina once a year. It is extracted from its body either by combing or by cutting during January to February. Pashmina is one of the finest, softest, warmest and lightest wool found in nature. In fact, it is the best wool in the world. Pashmina is known by different names like "Diamond Fibre" and "Soft Gold of High Asia". It is unparalleled in uniqueness and elegance to any other fibres. (http://www.tepc.gov.np/major_products/full_content/pashmina-products)

⁷ http://www.tepc.gov.np/major_products/full_content/pashmina-products

- (i) NPIA provides sustainable services to its members and CP stakeholders;
 - (ii) CP manufacturers increase exports in target markets due to increased international competitiveness; and
 - (iii) New buyers in priority markets recognize CP label as a niche luxury product.
21. Almost all of the Pashmina industries are concentrated in the Kathmandu Valley, quite far from potential Chyangra wool production areas in high altitude areas of Nepal and limited infrastructure facilities. There are about 67-72 active manufacturers and exporters of pashmina products. The industry is highly dependent on export market and hence the quality of pashmina products, including colour and design, play a major role in the revenues for the actors in the value chain. Major export markets are USA, Italy, Canada, UK, France, Japan, Germany, and India, but it is also exported to 32 other countries. Hence, there is tremendous potential for the industry's growth with conducive policy support and interventions.
22. A midterm evaluation was commissioned in 2015, as set out in the project document, which recommended a one-year no-cost extension to the project to allow the completion of ongoing project activities until 18 July 2017. Since some of the planned activities could not be implemented during the first 12 months of extension, it was further extended until 18 October 2017 at the request of NPIA which was endorsed by the MOC and EIF.

B. Purpose and Objective of Evaluation

23. The final independent evaluation of the project was an integral part of project design and it was identified in the project document. The Compendium of EIF (page 93) also makes it explicit that the final evaluation is expected to commence before the project is concluded.⁸ The Independent Evaluation Unit (IEU) of ITC managed the final evaluation of the project accordingly. The evaluation report is a forward-looking document, and it is expected to provide guidance to EIF and ITC management for future support to Nepal and other countries confronting similar challenges. It will be made available by ITC to the Executive Secretariat for the EIF (ES), the EIF Trust Fund Manager (TFM), the EIF Donor Facilitator (EU), and the EIF Focal Point (FP) who will share it with the Project Steering Committee (PSC) for subsequent submission to the National Steering Committee (NSC).
24. The overall purpose of the evaluation included (a) accountability by taking stock of results achieved over the four-year project implementation period and (b) organizational learning for improvements in ongoing and planned ITC projects. The final evaluation had five specific objectives:
- (i) Assess the performance and results (including potential impact) of the project, in particular, to support intervention partners and beneficiaries in achieving project outcomes;
 - (ii) Assess the progress of the implementation of the midterm evaluation recommendations that were accepted, or partially-accepted by project stakeholders;
 - (iii) Identify lessons learned that can contribute to building better projects and programmes in the future to be used by the Ministry of Commerce (MOC), GON, the EIF Secretariat at the World Trade Organization (WTO), and ITC;
 - (iv) Generate findings, recommendations, and lessons useful to the MOC, GON, the EIF Secretariat at the WTO, and ITC, for ongoing and future projects and programmes that are designed and funded by, or in partnership with, third-party funders; and
 - (v) Provide recommendations for any future project in Nepal, including possible areas of interventions, building on the achievements realized and the stakeholder consultations carried out.

C. The scope of the Evaluation

25. The terms of reference (TOR) for the evaluation (Appendix 1) specified the above five key points, it also required the evaluation to assess all elements of the project design, implementation, and

⁸ EIF. 2011. Compendium of Documents: A User's Guide to the EIF, Geneva

management, including processes, operations, and results. It also emphasized the evaluation of processes including management of project cycle in relation to project delivery and timeliness while considering roles, responsibilities, and decision-making processes. Additional dimension required in the coverage included the broader roles of ITC in supporting the identification of trade priorities, capacity building, and transfer of knowledge. The evaluation covered the entire project duration from November 2013 to October 2017. Since the backward linkages of pashmina industry were not the part of the project, it was not assessed in this evaluation.

D. Methodology Used for the Evaluation

26. To address the above-stated purpose, objective and scope, the evaluation process adopted the OECD-DAC criteria,⁹ the United Nations Evaluation Group (UNEG) Norms and Standards,¹⁰ and Integrating Human Rights and Gender Equality in Evaluation – Towards UNEG Guidance human rights and gender equality.¹¹ The primary focus of the evaluation was on the project's relevance, effectiveness, efficiency, impact, and sustainability. The evaluation was consistent with ITC's Evaluation Policy 2015.¹²
27. Although inherent assumptions of the theory of change were incorporated into the project's result framework, it did not have an explicit theory of change. The evaluator constructed an ex-post theory of change for the project. This formed a basis for addressing the evaluation questions under the respective criteria and for formulating an evaluation matrix. The inception report for the evaluation contained detailed methodology including evaluation questions and evaluation matrix (Appendix 2). The evaluation matrix was used for crafting data collection instruments for the evaluation.
28. The evaluation design applied a mixed-method approach using a combination of qualitative and quantitative techniques. The qualitative techniques comprised key stakeholder interviews and focus group discussions with relevant stakeholder groups. Similarly, the quantitative data sources included secondary database maintained by the project, project finance data maintained by ITC Headquarters and Trade Export and Promotion Centre of MOC (TEPC), and a survey of 38 pashmina manufacturers and exporters. The survey included a combination of closed and open-ended questions (Appendix 3), and an additional list of questions (Appendix 4) was used as guiding questions during key informant interviews. The assessment followed ITC results framework for coherence and validity. To the extent possible, the evaluation triangulated information from at least two to three sources for consistency and credibility of the data/information obtained.
29. The evaluation surveyed pashmina enterprises covering a wide array of topics related to PETS project's performance to complement the data collected by the project. The evaluation contacted 50 enterprises¹³ from a list of NPIA's 98 members, and 38 responded to the survey with a response rate of 76%. Not all respondents responded to all questions, and several of them did not want to divulge commercially sensitive information, particularly on production, exports, revenues, income, and their list of clients. The evaluation respected the respondents' position and recorded responses to the questions to which they felt comfortable. In all cases, the enterprise owners took part in the survey. A handful of them sent the completed questionnaire by email and others took part in face-to-face interviews.
30. The evaluation collected documents and data first from the secondary sources (ITC project management [documents, reports, project finance, outputs produced under the project], and NPIA membership list for surveys and list of non-NPIA members in 2018)). Data was subsequently collected from primary sources through face-to-face interviews with 36 pashmina products manufactures and exporters, two pashmina yarn traders, and other key stakeholders related to

⁹ Organization for Economic Cooperation and Development. DAC Criteria for Evaluating Development Assistance, Paris. Available at: <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

¹⁰ United Nations Evaluation Group (2016). Norms and Standards for Evaluation, New York. Available at: <http://www.unevaluation.org/document/detail/1914>

¹¹ United Nations Evaluation Group (2014). Integrating Human Rights and Gender Equality in Evaluation, New York. Available at: <http://www.uneval.org/document/detail/1616>

¹² ITC. 2015. Evaluation Policy available http://www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/How_ITC_Works/Evaluation/ITC-Evaluation-Policy-2015-Final.pdf

¹³ NPIA initially provided a list of 42 enterprises. Some of the enterprises were not available for interview and hence the evaluation contacts additional 20 enterprises from the membership list of NPIA published in NPIA Souvenir 2017.

pashmina industry in both public and private sectors (Appendix 5). The interviews with pashmina manufacturers and exporters focused on project effectiveness and efficiency.

31. While conducting the evaluation, the evaluator faced some challenges. For example, there was a need for repeated contacts with the manufacturers and exporters and in some cases repeat visits. It was difficult to gain the trust of non-NPIA members since some of them were neither familiar with PETS project nor NPIA. Some of the survey respondents had limited knowledge about the PETS project and hence expressed their reluctance in responding to the survey.

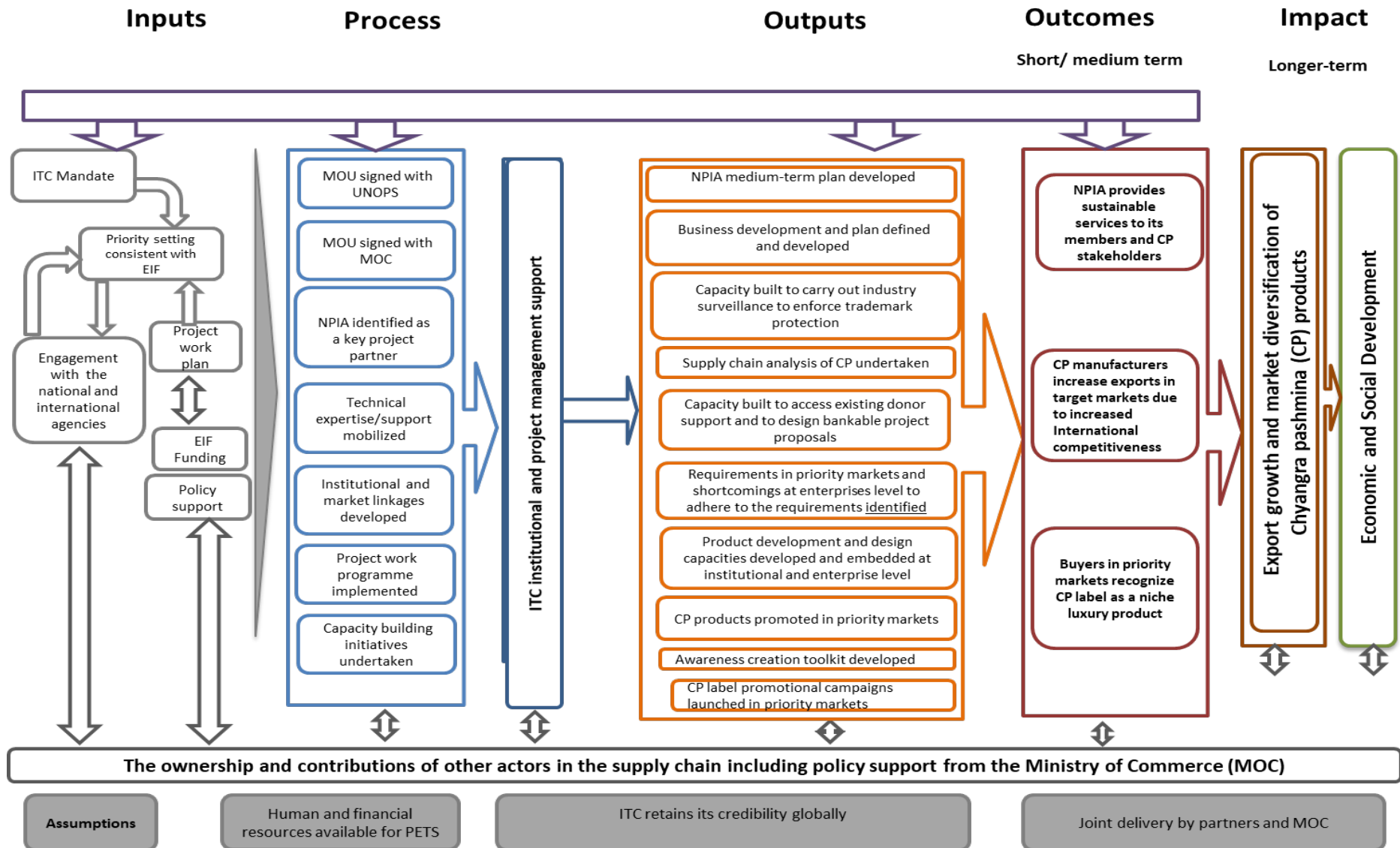
E. Project Theory of change

32. The project document did not contain an explicit theory of change (TOC), but it had outlined a results framework and presented logical framework along with a set of risks and associated risk mitigation measures. An ex-post overall TOC was constructed based on available information and is presented in Figure 1.
33. The **development objective** of the project aimed to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The achievement of the objective rested on two key assumptions: adequately stable business and political environment; and (ii) proactive participation of the exporters, producers and trade support institutions, demonstrated by their commitment to project activities through in-kind contributions and active follow-up on project leads after the project ended. The project envisaged the achievement of the development objective would be realized through export growth and market diversification of CP products as indicated in Figure 1 (far right under impact) and demonstrated by increase in profitability from CP trade and increase in the number of decent jobs and higher wage rates of workers engaged in CP value chain.
34. The project planned to achieve the above stated development objective through the attainment of three specific **outcomes**:
 1. *NPIA provides sustainable services to its members and CP stakeholders.* It was expected that NPIA's capacity will improve both in terms of services it would offer to its members and CP stakeholders involved in CP value chain comprising both backward and forward linkages. Proactive measures to strengthen branding (CP trademark) was considered as one of the key measures to ensure *niche* comparative advantage of CP products in the international market. NPIA was expected to play a major role in this endeavour. Furthermore, one of the other key assumption *de facto* was that the pashmina fibre producers in Nepal, that is, Chyangra farmers, would be able to obtain better price for their fibre than those from local intermediaries and/or traders from across the border by proactively engaging in quality fibre production and supplying raw material to the CP industries in Nepal. As stated earlier, while project support for the Nepalese Chyangra farmers was not in the project design, the PSC recognized the need to support them by carrying out some selected activities. The project was expected to support value chain development through NPIA by linking farmers in the high altitude areas with the pashmina product manufacturers, based in the Kathmandu Valley.
 2. *CP manufacturers (in Nepal) increase exports in target markets due to increased international competitiveness.* The project was expected to help CP industries by supporting product and design development, market development, trade promotion, quality assurance, and CP products export expansion in key markets. The NPIA was assumed to be used as a mechanism to achieve this outcome. The achievement of the outcome rested on a set of factors including adequately stable business and political environment, stable exchange rates, no downward shift in global pashmina markets, no organized labour actions (e.g. strikes) in CP industries, and availability of reliable testing facilities.
 3. *New buyers in priority markets recognize CP label as a niche luxury product.* This outcome was to be achieved through an effective marketing and promotion of CP trademarks in key target markets where buyers are willing to pay a premium for the quality product. The project expected this to be ensured through adequate availability of testing laboratories for quality consistency, continued interest and commitment of CP production and export stakeholders, and no economic downturn in target markets.
35. The project document outlined four **external and three internal risks**.¹⁴ The external risks identified included (i) less conducive business environment for investment and economic activity

due to political transition, (ii) potential recession in priority markets and downward demand for quality CP products from Nepal, (iii) reduced competitiveness of exporters due to less stable macroeconomic policy (e.g. exchange rate, inflation etc.), and (iv) continued infringement of the CP trademark by major exporters. Similarly, the internal risks identified were: (i) weak institutional capacity of NPIA and trade facilitation institutions in Nepal, (ii) inadequate design schools or institutions with textile design subject and lack of design innovation, and (iii) lack of collaboration from CP producers and stakeholders. Six of the seven risks outlined were deemed to have low impact on business profitability and one associated with potential recession in export market as a medium risk. The project document recognized that the impact of these risks on project results to vary (one low, four medium and two high). The document also outlined risk mitigation strategies.

36. In the process of the approval for the project, EIF recommended a more thorough analysis of risks related to the possible challenges to integration in value chain should be performed and submitted in the context of relevant work plan (Recommendation 7).
37. The project document outlined a sustainability strategy based on (i) strong institutional anchor with the NPIA - building its capacity, ensuring the NPIA's commitment through cost-sharing, further proposal development by NPIA and charging its exporters a fee for their services; (ii) a market oriented approach, working with major potential buyers from the beginning to ensure and improve competitiveness and market access, including cost-sharing with beneficiary CP manufacturers and access to training materials for the project partners; and (iii) developing of low-cost promotional materials and other trademark marketing support tools.

Figure 1: Theory of Change – Pashmina Enhancement and Trade Support Project in Nepal



EVALUATION FINDINGS

38. The findings are organized in this report along the five key evaluation parameters. These follow the methodology outlined in paragraphs 26 to 31 and include the document review, secondary data analysis, primary data collection through focus group discussions, key informant interviews, and the analysis of responses from 38 pashmina enterprises as discussed in the approved inception report and consistent with the TOR for the evaluation. The assessment of each evaluation parameter is based on a set of evaluation questions derived from the theory of change outlined in Figure 1.

A. Relevance

39. The evaluation assesses that the project relevance was ***moderately satisfactory*** at the time of project design and it continued to be relevant during implementation and completion.

A.1 ***Are the project objectives and design relevant to the development needs of the country and consistent with priorities of country primary stakeholders and the needs of targeted beneficiaries?***

40. The project design responded to Nepal's trade-related development priorities in line with Nepal Trade Integration Strategy (NTIS) and aimed to strengthen the institutional capacity of pashmina sector and competitiveness of associated pashmina products entrepreneurs in the value chain and export promotion of Chyangra Pashmina (CP) trademark in priority markets. At the time of project formulation, the support to backward linkages (e.g., Chyangra mountain goat farmers) was assessed and it was proposed but during a stakeholder meeting it was decided to drop it. As a result, the backward linkages component was excluded from the project. One of the reasons mentioned were, at the time, already started HIMALI Project with which synergies could have been envisaged. The support to the pashmina sector was seen strategically important because the export of pashmina products from Nepal dropped from USD 82 million in 2001 to USD 30 million in 2010 due to competition from low-quality imitation products from other countries.¹⁴ Nepal's Chyangra pashmina was seen as a high-value premium product (made from the fine hair of mountain goats) in overseas luxury fashion markets.
41. Most of the pashmina enterprises at the time of project design comprised small and medium enterprises (SMEs) with limited access to information on fashion and design technology and market for the pashmina products overseas. Furthermore, the institutional capacity of NPIA was deemed weak and needed external support. The association did not have tangible support from other development partners prior to the project and most of the enterprises had to find market information on their own. Most of the enterprises had not participated in international trade fairs and exhibitions and had limited exposure to evolving fashion and winter product designs. The pashmina sector was also strategically important for providing employment opportunities, particularly for youth and women workers mostly from disadvantaged backgrounds.

A.2 ***Are the project objectives and design in line with ITC's Results Framework?***

42. The project objectives and design were consistent with ITC's mandate of supporting the internationalization of SMEs ITC's result frameworks based on result-based management system. The logical framework for the project was well developed with clear indicators and associated targets for the envisaged outcomes. While there was no explicit theory of change for the project, the results framework was adequate to guide the project management during implementation. The three inter-linked project outcomes (i) NPIA provides sustainable services to its members and CP stakeholders; (ii) CP manufacturers increase exports in target markets due to increased international competitiveness; and (iii) new buyers in priority markets recognize CP label as a niche luxury product were relevant for strengthening the forward linkages in the sector leading towards the achievement of the project goal of contributing to the economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal.

¹⁴ ITC. 2018. Pashmina Enhancement and Trade Support Project – Final Report, Geneva.

A.3. Do the intervention results respond to the needs of all stakeholders (including women and youth) as identified at the design stage?

43. The employment in the pashmina sector tends to be dominated by women and youth who have relatively high aptitude for learning and translating learning into product development and marketing. The project also foresaw collaboration with a credible design institute for producing skilled graduates who could gain knowledge and experience in fashion design and technology. The project design interventions focused primarily on forward linkages in terms of capacity development of NPIA and its members, trade promotion, and export market development. It did not cover adequate analysis of backward linkages of the sector from and within Nepal and it relied on ITC's 2009 study which was somewhat dated with data from 2007. It relied to source raw materials, technology, and technical know-how primarily from India and China. The pashmina manufacturers have had strong interest in using Chyangra pashmina fibre from Nepal to complement the almost exclusive use of imported pashmina yarn. However, the lack of required analysis and support measures for pashmina wool production in Nepal hindered them to source local fibres. While a small quantity of high quality Chyangra pashmina wool was produced in Nepal (less than 5 tons) annually, there was no organized market and processing facility. As a result, farmers had no option other than selling their wool to the Chinese vendors from across the border.

A.4. How well has the management response addressed the problems identified in the midterm evaluation?

44. The midterm evaluation of the project identified 10 issues based on project performance at midterm. Table 1 summarizes these issues and provides an assessment at project completion.

Table 1: Issues Identified by Midterm Evaluation and Their Progress at Project Completion

Issues Identified by Midterm Evaluation	Status of Issues at the Final Evaluation
Outcome 1: NPIA provides sustainable services to its members and CP stakeholders	
1. The 'Supply side review and domestic market review in Nepal of the Chyangra Pashmina' report do not cover detailed assessment of NPIA's capacity to carry forward the project.	<ul style="list-style-type: none"> No further analytical work has been undertaken with the exception that the project supported linkage between NPIs and the Chyangra Pashmina Farmers' Association, registered in Upper Mustang in 2017.
2. Most of the CP entrepreneurs import the material from China, India or Mongolia and a few purchases the raw material from Nepalese farmers.	<ul style="list-style-type: none"> Two diagnostic studies were conducted in Mustang and one in Manang. The findings from these studies have not contributed to policy formulation.
3. Non-participants in trade fairs have not benefitted from the knowledge gained by those who participated under the project. The dissemination is not useful.	<ul style="list-style-type: none"> While major efforts were undertaken to disseminate findings and recommendations from trade fair participations and other project activities, many members did not actively participate in these events to gain further insights, despite their "complaining" of not being informed. Thus, NPIA has yet to develop a dissemination plan that actively engages all members.
Outcome 2: CP manufacturers increase exports in target markets due to increased international competitiveness	
1. The entrepreneurs have limited resources and manufacturing capacity to cater to the orders and compete in International market.	<ul style="list-style-type: none"> The pashmina sector has undergone some changes but lack of data does not permit quantification. Some of the manufacturers have become traders and new entrants are limited. There are no collective efforts in the

	procurement of raw materials for the use by the factories.
2. The NCFT interns do not have satisfactory results. Most of the interns are passive observers.	<ul style="list-style-type: none"> Eleven of the 34 students trained by NCFT obtained employment with the pashmina enterprises. While some of the enterprises view the engagement of interns as an added cost to their business and were reluctant to sign up to support the internship initiative, the more successful companies actually recruited some of the former interns. While project supported interns' placement costs, the enterprises perceived that looking after the interns amounted to time away from regular production work.
3. The entrepreneurs work on a very small scale with basic technology for manufacturing. Innovations are rare in the products manufactured locally. Also, at times when the entrepreneurs get any large size order from international clients, it becomes challenging for the entrepreneurs to collect resources and credit for servicing the order.	<ul style="list-style-type: none"> NPIA members do not have a collective strategy and as a result the clients tend to move to other suppliers. There is no empirical evidence of business consolidation.
Outcome 3: New buyers in priority markets recognize CP label as a niche luxury product	
1. The manufacturers do not have high quality fibre testing machines in their premises for ensuring quality assurance.	<ul style="list-style-type: none"> Some innovative manufacturers have established their own high quality fibre testing machines but most of the others do not have the facility. Testing done at NBSM is inefficient due to lack of trained human resources and funds.
2. NPIA lacks certain capacity to ensure sustainability.	<ul style="list-style-type: none"> NPIA lacks a sustainable business model.
3. The focal points at MOC and NPIA do not have adequate authority to take decisions and they have to consult with their senior management.	<ul style="list-style-type: none"> There is no change from the status quo. Key decisions are taken at the PSC meetings only.
4. The knowledge exchange between NIU and other projects' activities is limited.	<ul style="list-style-type: none"> A mechanism for knowledge sharing across the projects and NIU is yet to emerge.

Source: Midterm Evaluation Report of PETS and the final evaluation assessment.

A5. What is the extent to which the theory of change and results framework of the intervention integrated human rights and gender equality?

45. The project design results framework did not have an explicit focus on gender aspects, although it envisaged at least 30% of the participants to be women.¹⁵ It also stated that gender dimension of the project should be highlighted in the communication strategy. Furthermore, the project document did not contain any statement on human rights. The project logical framework, however, sought gender disaggregated data on the number of participants. There was no mention of how gender disaggregated data would be used by the pashmina stakeholders.

¹⁵ Project document, p. 22.

B. Effectiveness

46. The evaluation rates the project effectiveness to be **moderately satisfactory** based on an assessment applying five key evaluation questions.

B.1. To what extent has the intervention fulfilled the project objectives and outcomes?

B.1.1 Achievement of objectives

47. The developmental objective of the project, as stated in the ex-post theory of change in Figure 1, was to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The logical framework contained three specific indicators and their targets to be achieved.

48. **Exports:** The project envisaged that it would lead to at least a 30% increase in the value of CP exports. Industry-wide data collected and reported by TEPC and UN/ITC TradeMap are presented in Table 2 and Table 3 for both knitted and woven products provides somewhat different picture which may be due to a combination of product and market diversification. The export value of knitted products increased from NRs 282.9 million in 2013/2014 to NRs 474.5 million in 2016/2017 fiscal year, with about 40% increase just between 2013/2014 and 2014/2015 and by another 19% between 2014/2015 and 2015/2016. On the other hand, the value of export of woven products declined by 12.8% between 2013/2014 and 2016/2017 with some fluctuations across the years.

49. The collective export value of knitted and woven products remained stagnant on average with inter-year variations, peaking in 2015/2016. The TradeMap paints somewhat different picture with about 94% increase in the value of knitted woollen products export and 19% decrease in the export value of woven woollen products between 2013/2014 and 2016/2017. The collective value of exports was only 2.2% decline. The evaluation particularly finds substantial inconsistency between the two sets of data, particularly for knitted woollen products. Nevertheless, the difficult economic environment as a result of fuel shortage, trade and transit obstructions, and two major earthquakes have had substantial impact on export like other commodities.

Table 2. Cashmere exports from Nepal using all relevant categories (Based on TEPC Data)

HS Code	Products	Values (NPR) inthe Year				TOTAL of 4 Years
		2070/71 (2013/14)	2071/72 (2014/15)	2072/73 (2015/16)	2073/74 (2016/17)	
	A : Pashmina Knitted Products					
61044100	W&G dresses, wool or fine animal hair, knitted	-	1,404,544	4,961,644	177,156	6,543,344
61046100	W&G trousers, bib and brace overalls, breeches and shorts of wool or fine animal hair	1,439,563	-	-	513,905	1,953,468
61101200	Jerseys, pullovers, cardigans, waistcoats and similar articles of kashmir (Cashmere) goats	268,035,979	389,045,383	461,710,489	461,537,139	1,580,328,990
61159400	Panty hose, tights, stockings, socks and other hosiery of wool or fine animal hair	13,413,516	4,966,034	4,439,848	8,223,060	31,042,458
	TOTAL (A)	282,889,058	395,415,961	471,111,981	470,451,260	1,619,868,260
	B : Pashmina Woven Products					
62011100	M&B overcoat, raincoat, carcoat, capes, cloaks and similar articles of wool or fine animal hair	7,818,916	46,302,392	16,123,330	8,273,308	78,517,946
62031100	M&B suit of wool or fine animal hair	1,616,171	9,142,787	10,744,600	11,051,720	32,555,278
62033100	M&B jacket and blazers of wool or fine animal hair	152,536,772	70,875,510	170,240,000	157,168,711	550,820,993
62142000	Shawls, scarves, mufflers, mantillas, veils and the like of wool or fine animal hairs	2,821,450,514	2,645,919,055	2,885,388,657	2,441,746,638	10,794,504,864
	TOTAL (B)	2,983,422,373	2,772,239,744	3,082,496,587	2,618,240,377	11,456,399,081
	GRAND TOTAL (A+B)	3,266,311,431	3,167,655,705	3,553,608,568	3,088,691,637	13,076,267,341

Table 3. Cashmere exports from Nepal using all relevant categories (UN/ITC TradeMap Data)

HS Code	Products	Values (US\$) in the Year				TOTAL of 4 Years
		<u>2070/71 (2013/14)</u>	<u>2071/72 (2014/15)</u>	<u>2072/73 (2015/16)</u>	<u>2073/74 (2016/17)</u>	
	A : Pashmina Knitted Products					
61044100	W&G dresses, wool or fine animal hair, knitted	15,000	60,000	50,000	243,000	368,000
61046100	W&G trousers, bib and brace overalls, breeches and shorts of wool or fine animal hair	-	21,000	-	52,000	73,000
61101200	Jerseys, pullovers, cardigans, waistcoats and similar articles of cashmir (Cashmere) goats	2,766,000	3,486,000	3,140,000	5,089,000	14,481,000
61159400	Panty hose, tights, stockings, socks and other hosiery of wool or fine animal hair	158,000	141,000	4,000	311,000	614,000
	TOTAL (A)	2,939,000	3,708,000	3,194,000	5,695,000	15,536,000
	B : Pashmina Woven Products					
62011100	M&B overcoat, raincoat, carcoat, capes, cloaks and similar articles of wool or fine animal hair	25,000	202,000	361,000	84,000	672,000
62031100	M&B suit of wool or fine animal hair	17,000	76,000	16,000	87,000	196,000
62033100	M&B jacket and blazers of wool or fine animal hair	1,173,000	1,458,000	776,000	542,000	3,949,000
62142000	Shawls, scarves, mufflers, mantillas, veils and the like of wool or fine animal hairs	21,596,000	22,448,000	20,637,000	18,773,000	83,454,000
	TOTAL (B)	22,811,000	24,184,000	21,790,000	19,486,000	88,271,000
	GRAND TOTAL (A+B)	25,750,000	27,892,000	24,984,000	25,181,000	103,807,000

50. While disaggregated data for CP exports is not available, records maintained by Trade Export and Promotion Centre shows that in nominal terms, value of exports collectively for woollen and pashmina shawls, mufflers, veils, and the like (HS 6 digit 621421), which is interpreted as for the woven products only by ITC and NPIA, declined from NRs. 2,821.4 million in the fiscal year 2013/2014 (the base year for the project) to NRs. 2,442.7 million. It indicates a relatively larger decline (13.5%) although the year-to-year variation was smaller (Table 4). A combination of factors such as fluid political environment, two major earthquakes, fuel shortage, and a trade and transit obstructions collectively contributed to the decline. As a result, the overseas buyers shifted their demand away from Nepal and at the same time, cheap low-quality products flooded the market. The export by destination, however, provides a somewhat different picture. For example, exports to Germany increased by 5.5%, to Italy by 37.1%, and to Switzerland by 12.2%. On the other hand, exports to the United States, France, Japan, and Canada declined by 15.5%, 20.4%, 31.0% and 45.0%, respectively. Overall, the envisaged target has not been achieved. The data in Table 4 are based on customs declarations and excludes products sold to the tourists and Nepalese people in the local markets.

Table 4: Exports of Woollen and Pashmina Products from Nepal (2007/2008 – 2016/2017)

Export to	Woollen and Pashmina shawls, scarves, mufflers, mantillas, veils and the like (HS (6 digits) 621421 by Fiscal Year, NRs '000									
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total	1,206,351	1,818,891	1,317,065	1,635,629	1,908,232	2,179,794	2,821,451	2,645,919	2,885,389	2,441,747
Germany	130,547	385,359	228,870	305,571	401,789	435,043	587,226	593,049	639,022	619,798
U.S.A.	332,456	315,162	229,022	254,005	274,271	310,596	429,364	436,136	471,710	363,020
U.K.	229,187	166,544	173,423	153,446	204,147	312,816	415,140	350,327	390,395	303,043
France	141,191	122,138	129,814	209,072	247,052	301,290	345,274	330,488	323,081	274,832
Italy	63,772	135,327	105,371	138,057	149,168	129,533	129,606	138,624	165,313	175,668
India	NA	194,568	83,887	144,063	55,357	49,234	68,008	62,494	74,559	75,606
Switzerland	21,714	14,779	32,164	33,185	38,882	43,448	65,873	59,789	77,707	73,944
Finland	301	1,839	3,661	3,491	12,864	33,858	44,734	70,463	76,003	61,639
Japan	35,648	43,014	41,639	57,050	82,831	90,259	82,079	68,152	61,447	56,597
Norway	1,802	6,878	7,337	2,084	4,809	22,120	104,499	79,606	86,052	49,901
Canada	48,621	53,837	49,867	22,144	28,782	51,863	80,368	70,632	50,332	44,206
Australia	6,100	38,201	6,129	12,236	5,766	17,789	43,337	35,715	69,608	43,953
Subtotal	1,011,339	1,477,645	1,091,183	1,334,405	1,505,718	1,797,850	2,395,507	2,295,477	2,485,228	2,142,207
Ohers	195,012	341,246	225,881	301,224	402,514	381,944	425,943	350,442	400,161	299,539

Note: F.Y. represents fiscal year. In Nepal, fiscal year commenced on 15/16 July based on lunar calendar.

Source: Trade Promotion and Export Centre, Kathmandu.

51. **Benefits from trade fair participation.** The project completion report indicates that 26 enterprises generated USD 918,000 equivalent of additional exports after their participation in trade fairs. A total of 201 new clients placed orders for Nepali pashmina product (out of 425 contacts with new business clients). The participants sent USD 173,688 equivalent to 4,125 samples to their clients.
52. **Income of manufacturers and exporters:** The project design expected that the CP entrepreneurs' income would increase at least by 10%. Based on the survey responses from the enterprises, their annual turnover had increased on average by 11% (21 responses, of which 10 reported same, eight had realized increase, and three had a decrease in their turnover). When they were asked about their turnover specific to pashmina products, the survey received a response from 14 enterprises comprising eight had experienced no change and six had realized

an increase. Furthermore, 37 enterprises responded to the turnover in pashmina sales in qualitative terms and four indicated no change, nine reported a significant increase and 15 marginal increase. Similarly, four respondents experienced somewhat decrease and six had a significant decrease. The survey also asked the respondents on their perception about changes in their profit margin and of the 36 respondents, five had realized significant increase, 14 marginal increase, eight no change, six somewhat decrease, and two significant decreases.

53. **Creation of new jobs:** The project logical framework envisaged that the project would create 500 new jobs in the CP sector. However, it did not institute a recording system for the job growth. As a result, it is difficult to ascertain actual estimates. The evaluation through the survey of the enterprises collected data on the number of artisans and non-artisan workers in manufacturing/export premises. Based on 30 respondents, the results suggest that these enterprises collectively created 280 jobs (237 artisans [159 male and 78 female] and 43 non-artisan [10 male and 33 female]). The evaluation estimated that there would be about 72 active manufacturers and exporters. When these figures are extrapolated, it is estimated that there would have been 672 new jobs created comprising 569 artisans (382 male and 187 female) and 103 non-artisan (24 male and 79 female). The job creation in the manufacturing and export enterprises would have been as a result of a multitude of factors such as businesses' own initiative including diversification of markets and products based on market demand. The project would have contributed to some extent towards their efforts by facilitating their representation in trade fairs, training, and other capacity building programmes.
54. Under the MoU signed with ITC, NCFT provided training to 34 students (19 in the first batch and 15 in the second), and 15 of them were offered jobs but only 11 accepted the job offer from the pashmina industries.¹⁶ According to NCFT, the students trained at NCFT gained confidence to develop and grasp opportunity to find career in the pashmina sector. It reflected improvement on the midterm evaluation findings that the NCFT interns did not have satisfactory results.
55. **Verification and tracing of Nepalese origin products sold in international markets using the CP trademark:** NPIA provides CP labels to eligible enterprises that have followed code of conduct for the CP label use. However, there is no mechanism to assess how these labels are used. There is no verification and tracking the use of CP labels yet. NPIA provided CP label to willing enterprises and as a result but their compliance had not been followed. NPIA records shows that CP label was the association's initiative that was introduced in 2010 and adopted on a small scale by five factories, each taking 100 labels. The number of factories using the label increased from 3 in 2014 to 11 in 2015, 16 in 2016 and 22 in 2017. The annual distribution of CP labels amounted to 2,600 labels in 2014 increasing to 3725, 8280, and 12783 labels in 2015, 2016, and 2017, respectively. It is noteworthy that only two enterprises have obtained labels in three of the five years and six in two of the five years. Majority of the enterprises have just received only once and they are in the process of testing the market using CP labels. According to ITC, NPIA has a recommendation at hand that they can implement to improve the verification and tracing mechanism and procedures.

B.1.2 Achievement of Outcomes

56. The three project outcomes were (i) NPIA provides sustainable services to its members and CP stakeholders; (ii) CP manufacturers increase exports in target markets due to increased international competitiveness; and (iii) new buyers in priority markets recognize CP label as a niche luxury product. The midterm evaluation of the project. The midterm evaluation reported progress on five outcome indicators associated with the first outcome, that is, NPIA provides sustainable services to its members and CP stakeholders and two had been achieved and three under progress.
57. While the midterm evaluation reported that NPIA's capacity building to carry out the industry surveillance to enforce trademark protection in Nepal was in the planning stage, but it had not been materialized at the project completion. Similarly, it also reported that the target of pilot initiative launched for fibre value addition and for linking Nepalese goat farmers to CP producers was completed. It was based on information that a pilot study and a follow-up study on CP value chain were completed and two CP enterprises had successfully procured raw material from Mustang on sample basis. While the information is correct at the time, there has not been any further progress in terms of expanding the outreach of the pashmina enterprises to source raw

¹⁶ ITC Project Completion Report, para. 11.

material from within the country after midterm evaluation. Moreover, the evaluator interviewed both users of raw materials from Mustang and both reiterated that it was their personal efforts and there was no involvement of PETS project or NPIA in their procurement process.

58. Table 5 provides evaluation assessments against the targets stated in the project logical framework consistent with ex-post theory of change. Overall, the evaluation suggests at the project impact level, there were four targets, of which one was achieved, two were not achieved, and one could not be verified in the absence of data. At the outcome level, there were 16 targets, of which two were achieved, 10 were partly achieved, two not achieved, one was not verifiable, and one was assessed irrelevant in the project context. Similarly, at the output level, there were 37 targets, of which 24 were achieved, four were partly achieved, one was not achieved, four were not verifiable due to lack of data, and four were considered not relevant because PSC meetings had decided to cancel the associated activities. The external factors included two major earthquakes, fuel shortage due to supply disruptions and trade and transit obstructions at major border points.

Table 5: Target at Project Design and Achievement at Project Completion (Impact, Outcomes, and Outputs)

Results Area	Indicator in Logical Framework	Actual Achievement
<p>Overall Goal/Impact To contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal.</p>	<ul style="list-style-type: none"> Increase of CP exports by at least 30% in value 	<p>There are two different estimates on the CP exports: the TEPC and TradeMap data suggest a decline of 7.75% and 2.2%, respectively. The decline was a result of political instability, fuel crisis, trade and transit blockade, and two major earthquakes which adversely impacted export from Nepal (declined by 16.9% and 15.0% based on TEPC and TradeMap data, respectively). Not achieved</p>
	<ul style="list-style-type: none"> Increased income of CP manufacturers by at least 10% 	<p>On average turnover increased by 11%. However, estimates on increase in income are not available. Not verifiable</p>
	<ul style="list-style-type: none"> Employment created in the CP sector (500 new jobs, disaggregated by gender) 	<p>A total of 672 new jobs created (406 male and 266 female) Achieved</p>
	<ul style="list-style-type: none"> CP products of verified and traced Nepalese origin sold international markets using the CP trademark 	<p>The pashmina manufacturers procured 2,600 pieces of CP labels from NPIA in 2014 which increased to 8,593 in 2016 and 12,947 in 2017. There is no data on how many of these labeled items were sold in the international market. The underlying assumption is that all are exported. The use of CP label is considered as a quality assurance mechanism. However, a systematic verification and tracking process is yet to be</p>

Results Area	Indicator in Logical Framework	Actual Achievement
		established. The project gave NPIA recommendation on how to build a verification and tracking system. Not achieved
<p>Outcome 1: NPIA provides sustainable services to its members and CP stakeholders</p>	<ul style="list-style-type: none"> • New enterprises demanding trade- related services of NPIA (new services that fulfil client/member expectations); Target: 30 • Enterprises access improved export development and trade promotion services from NPIA; Target: 100 • NPIA able to and undertakes industry/trademark surveillance in the domestic market • Pilot initiatives launched for fibre value added on, and for linking Nepalese goat farmers to CP processors. • Project documents developed by NPIA are accepted for funding by donors (at least 3) 	<p>There is no systematic system of recording demands for NPIA's trade-related services and hence cannot be verified. Not verifiable</p> <p>A total of 40 pashmina manufacturers/ exporters and 4 NPIA executives participated in trade fairs and this has resulted in new contacts and a total of 751 individuals had received information/support on trade related services. Achieved</p> <p>The PSC first decided to put it on hold and later cancelled. Operationally, the target became irrelevant.</p> <p>The project launched two initiatives in Manang and Mustang, respectively. NPIA conducted a pilot diagnostic value chain study and a follow-up study. The project also helped Chyangra farmers in Upper Mustang to register a cooperative society and a group of farmers visited pashmina industries in the Kathmandu Valley. Functional linkages between the pashmina product manufacturers and the Nepalese goat farmers is yet to be developed. Partly achieved</p> <p>Three proposals were developed under the project by NPIA but only one was funded within the project time frame. Partly achieved</p>

Results Area	Indicator in Logical Framework	Actual Achievement
<p>Outcome 2: CP manufacturers increase exports in target markets due to increased international competitiveness</p>	<ul style="list-style-type: none"> • Increased value (+ 30%) and/or volume of Nepalese CP exports • Assisted enterprises that have been able to become export- ready and transact international business; Target: 40 • Already exporting enterprises have realized additional exports; Target: 30 • Assisted enterprises that have not exported before and started exporting as are result of the technical assistance provided. Target: 10 • A design centre operational that receives designs from selected buyers. • Enterprises create new designs; Target: 10 Increased linkages between design centres and enterprises (regular internships institutionalized) 	<p>Value of Nepalese pashmina export has value and volume continues to remain but variations across exporters is high Partly achieved</p> <p>Most of the enterprises have been in existence since pre-PETS project. About 40 businesses have participated in trade fairs and some have established new contacts and diversified export. Partly achieved</p> <p>Some of the already exporting enterprises have realized additional export. Partly achieved</p> <p>This has not materialized. The project focus has been on pre-existing exporters. Not achieved</p> <p>The project supported the Namuna College which has been in existence for fashion design for a long time and it started offering Bachelor of Fashion Design since 2002. It benefitted from the technical assistance from the project. It has not received designs from pashmina buyers but it rather supports manufacturers on demand basis. The exporters tend to receive designs from the buyers directly. The project capacitated NCFT to provide cashmere-related product development and design capacities, which were not existing before the project. Partly achieved</p> <p>Internships have not been institutionalized. It continues to be on an ad hoc basis. Often manufacturers use design provided by buyers. There are no designated shops that selling project generated designs. However, about 7 interns from Namuna College have been engaged by the</p>

Results Area	Indicator in Logical Framework	Actual Achievement
	<ul style="list-style-type: none"> Increased sales to tourists in re-designed shops 	<p>manufacturers. Partly achieved</p> <p>Sales data from the redesign shops are not available and hence difficult to ascertain. Provisionally assessed partly achieved</p>
<p>Outcome 3: New buyers in priority markets recognize CP label as a niche luxury product</p>	<ul style="list-style-type: none"> CP trademark and label well known in the selected priority markets and distinction made between CP and Nepal and other Pashmina products Increase of sales of CP products increased in the priority markets in the long-run Promotional tools applied in other markets by NPIA, its results analysed by NPIA, and increase in sales detected Increased use of the existing CP label (incl. hologram) as a sign that Nepalese processors see the value of using it (+50%) 	<p>CP trademark has been registered in 47 countries and products are promoted at the trade fairs. The use of CP labels in pashmina items has increased from 2,600 in 2014 to 8,593 in 2016 and 12,947 in 2017. However, it alone is not sufficient to establish that CP products have clear advantage over other pashmina products. There is a need to determine how CP labels are used and marketed. Partly achieved</p> <p>Export data for CP products are not available and sales tend to vary widely across enterprises. Some have captured niche market through their own efforts and cannot be attributed to the project. Partly achieved</p> <p>No data available to substantiate the target. Promotional activities by NPIA are limited. Not achieved</p> <p>The use of CP label has increased from 2,600 pieces in 2014 to 12,947 in 2017. However, there are differing views on the utility of labelling as exports are mostly guided by buyers' specifications. Achieved</p>
<p>Output 1.1: NPIA's medium-term plan developed</p>	<ul style="list-style-type: none"> Medium-term plan 1 inclusive stakeholder meeting/ workshop 	<p>NPIA has developed a medium-term plan. Achieved</p> <p>NPIA organized an inclusive stakeholder workshop with the participation of small, medium and large entrepreneurs. Achieved</p>

Results Area	Indicator in Logical Framework	Actual Achievement
<p>Output 1.2: NPIA's business development portfolio defined and a plan for delivering business development services developed</p>	<ul style="list-style-type: none"> • Inclusive NPIA stakeholders/ members meeting • At least 30% women trained • NPIA service portfolio in place, including a cost structure • Cost structure for the service portfolio according to domestic customs • At least 2 workshops and for on-the-job mentoring to NPIA staff to deliver on the new services 	<p>NPIA has organized meetings of its members around thematic areas. Achieved</p> <p>Data not available and not verifiable.</p> <p>NPIA has a service portfolio in place but it does not have a proper cost structure. Partly achieved</p> <p>Cost structure is yet to develop. Not achieved</p> <p>ITC organized on-the-job mentoring to NPIA staff. Achieved</p>
<p>Output 1.3: Capacity built to carry out industry surveillance to enforce trademark protection in Nepal.</p>	<ul style="list-style-type: none"> • NPIA and other CP stakeholders undertake at least 2 national surveys In the Nepalese tourist market • Infringements detected • Workshop and on-the-job training in tourist areas; Target 2 workshops and 3 on-the-job trainings • Cooperation agreements with other entities in Nepal (e.g. tourism authority, tour operators or hotels. Target 3 • NPIA introduced to WIPO and WIPO TM tools 	<p>Two national surveys were undertaken (beginning of the project and at the end). While tasks accomplished, these do not provide adequate guidance for policy. Achieved</p> <p>The associated activities were cancelled by PSC decision and hence the target remained not relevant.</p> <p>The associated activities were cancelled by PSC decision and hence the target remained not relevant.</p> <p>The associated activities were cancelled by PSC decision and hence the target remained not relevant.</p> <p>Not pursued. Not achieved.</p>
<p>Output 1.4: Supply chain analysis for CP undertaken</p>	<ul style="list-style-type: none"> • Supply analysis undertaken by NPIA In at least 2 defined areas of Mustang • Workshop(s) on value chain analysis conducted; at least 15 NPIA members trained 	<p>NPIA conducted a rapid diagnostic study based on field survey in the Upper Mustang area. Achieved</p> <p>ITC and NPIA organized value chain workshops and more than 30 NPIA members have been trained. Achieved</p>

Results Area	Indicator in Logical Framework	Actual Achievement
<p>Output 1.5: Capacity built to access existing donor support and to design bankable project proposals to develop CP projects along its value chain</p>	<ul style="list-style-type: none"> • At least 3 new project documents business plans developed that follow donor requirements • No. of donors contacted (at least 5) • At least 2 workshops on business plan and project development conducted 	<p>NPIA's business plan and a project document for donor support were developed with the support from ITC. Achieved</p> <p>NPIA has contacted with the World Bank and bilateral development partners for additional support. Achieved</p> <p>NPIA conducted workshops to finalize business plan and proposal development. Achieved</p>
<p>Output 2.1: Requirements in priority markets and shortcomings at enterprise level to adhere to the requirements identified</p>	<ul style="list-style-type: none"> • 2-3 target markets identified by NPIA (i.e. USA, Germany and France) verified and agreed upon (ITC, NPIA) • Report of buyer and client requirements in each identified market (ITC) • Nepalese CP producers identified & selected (10 per market) • Implementation workshop and continuous collaboration with the 20-30 companies that were trained 	<p>France, Germany, Japan, Hong Kong, and USA were identified as the target markets for niche products. Achieved</p> <p>Reportedly reports on buyer and client requirements for the US and Japan markets were undertaken and widely distributed. Partly achieved</p> <p>The selection of the trade fair participants was managed by NPIA based on a set of agreed criteria. The repeat representation of some of the participants led to confusion among the members. Achieved</p> <p>NPIA has been collaborating with its members and has offered training opportunities. Achieved</p>

Results Area	Indicator in Logical Framework	Actual Achievement
<p>Output 2.2: Product development and design capacities developed and embedded at institutional and enterprise level</p>	<ul style="list-style-type: none"> • At least 1 local design centre linked to CP manufacturers • Regular placement of student to selected enterprises: Target 20 • A schedule for product and collection development elaborated by company • At least one new design per enterprise per season developed. 	<p>The project supported link between NPIA and Namuna College of Fashion Technology. Achieved</p> <p>The placement of students to selected enterprises has been challenging. Fifteen gained entry and 11 retained. Moreover, there is no practice of regular placement of students at the enterprises. Partly achieved</p> <p>A number of enterprises developed some new product design and collections that were shown at the trade fairs. Also, the students' design collection were showcased at different event. However, no full repeated schedule were done apart from students schedules. Partly achieved</p> <p>There is no systematic way of capturing product design development. Designs are considered trade secrets by the enterprises. No monitoring mechanism is in place. Not verifiable</p>

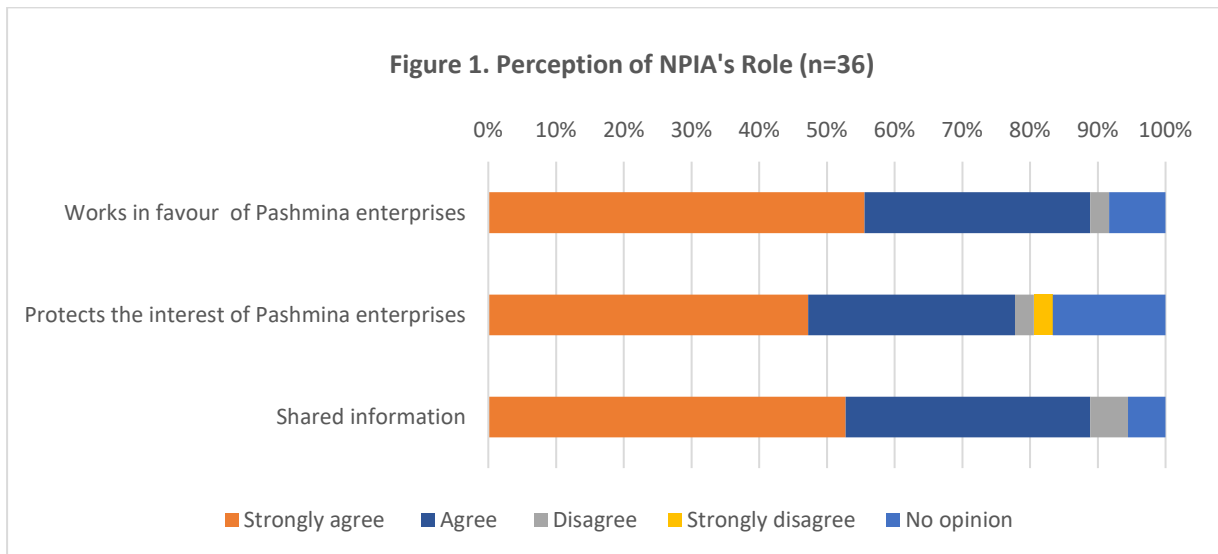
Results Area	Indicator in Logical Framework	Actual Achievement
<p>Output 2.3: CP products promoted in priority markets</p>	<ul style="list-style-type: none"> • Market penetration plan • 1 trade fair participation of selected enterprises organized p.a. • Prospective buyers identified and match-making facilitated • 1-2 meetings with buyers and marketing missions • 1-2 buyer visits to Nepal • 5 shops reorganized 	<p>There is a market entry strategy for the US and Japan but no market penetration plan. The participation in trade fairs provides an opportunity for the enterprises to network in addition to their own personal strategy. Inadequate information to rate the parameter.</p> <p>The project organized enterprises' participation in trade fairs (Magic Fair in 2015 and 2016, Cashmere World in 2016, JFW in 2016 and 2017, and Apparel Source in 2017). Achieved</p> <p>The international consultants engaged by the project identified potential buyers and matched them with exporters at the trade fairs held in France, Japan and the US. Actual achievements from matchmaking has not been documented. Achieved</p> <p>Meeting with buyers and marketing mission held. Achieved</p> <p>Visit by buyers is on a bilateral arrangement between the prospective buyer and exporter/ manufacturer. Several buyers have made such visits. Achieved</p> <p>Cannot be substantiated</p>

Results Area	Indicator in Logical Framework	Actual Achievement
Output 3.1: Awareness creation toolkit developed	<ul style="list-style-type: none"> • Toolkit developed, consisting of promotional materials (e.g. industry brochure, leaflets, industry standard folder A4 mailer, CP display, information board, retail counter cards, email campaigns, advertisements, etc.) as well as a web-portal. • Web-portal of NPIA upgraded as a trademark support tool 	<p>NPIA has developed promotional materials and developed a web portal. Limited promotional activities have been held. As of 15 March 2018, 4,135 visitors have accessed NPIA website. Achieved</p> <p>The website: www.chyangrapashmina.com was developed in line with trademark and branding guideline and used to promote the CP trademark through social media campaign and local magazine advertisements. Achieved</p>
Output 3.2 CP label promotional campaign(s) launched in the priority markets	<ul style="list-style-type: none"> • 1 market campaign per selected priority market • Feedback from the industry and potential buyers • Dissemination workshop on the results • Promotional tools applied in global markets (NPIA) 	<p>Market campaign held in the United States, Japan and France. Achieved</p> <p>Feedback has been lukewarm. Buyers are not enthusiastic about CP label. Achieved</p> <p>A dissemination workshop organized by an ITC branding expert as a part of the final dissemination workshop that discussed the Japan and France trade fair participations, preceding the final closing of the project activities. It was done by videoconference from Geneva by ITC's branding specialist. Achieved</p> <p>CP label has been registered in 47 countries. Achieved</p>

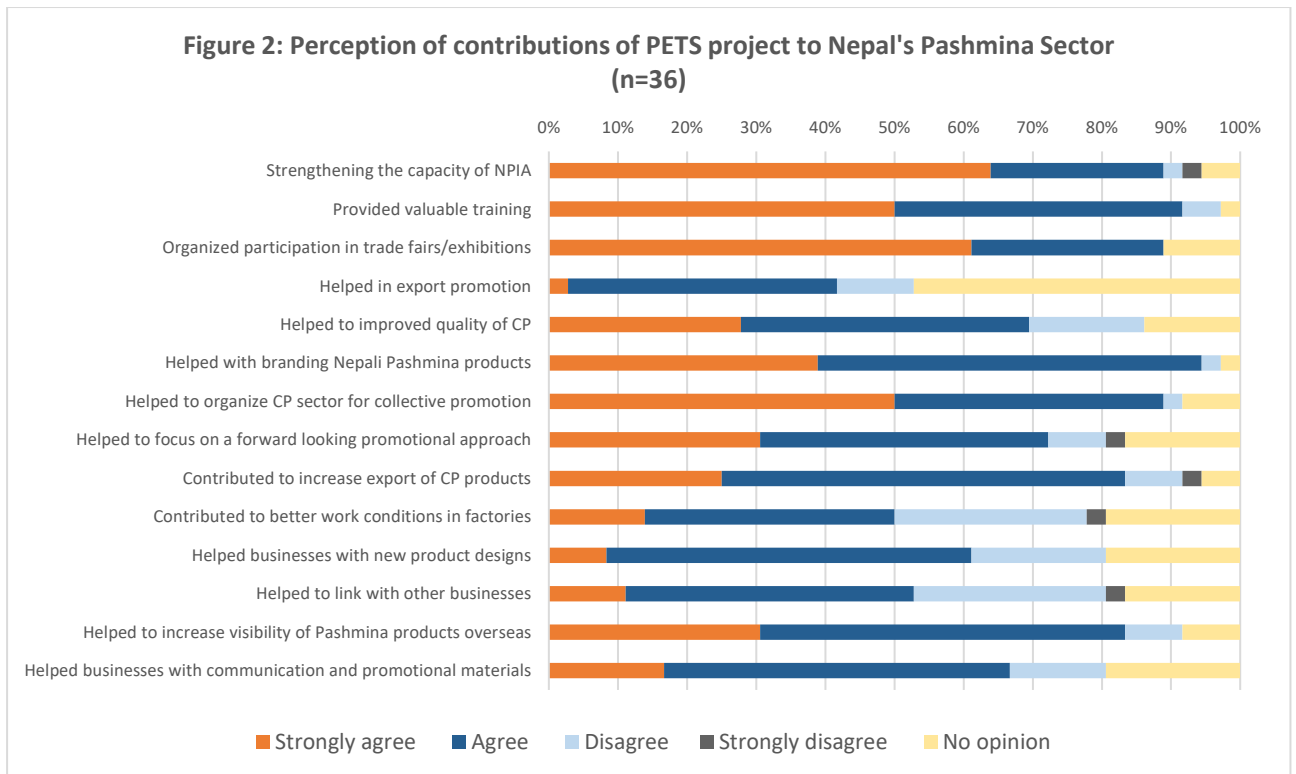
B.2. Do all identified partners and beneficiaries have access to and make use of the project's results available thus far?

59. The list of project partners comprised MOC, ITC, NPIA and NCFT and the primary beneficiaries were NPIA member enterprises and their staff, students enrolled at NCFT and workers involved in the pashmina enterprises. The evaluation collected opinions and perceptions about the project from enterprises and key informants. The findings are summarized and discussed next.
60. **NPIA's role in supporting the sector.** In overall, the pashmina enterprises had a positive perception of the role NPIA in supporting the sector. Based on responses from 36 enterprises, 89% of the respondents strongly agreed or agreed that NPIA works in favour of pashmina industry and 78% of them strongly agreed/agreed that the association protects the interest of the pashmina enterprises. Similarly, 89% of them also agreed that the organization shared information with its

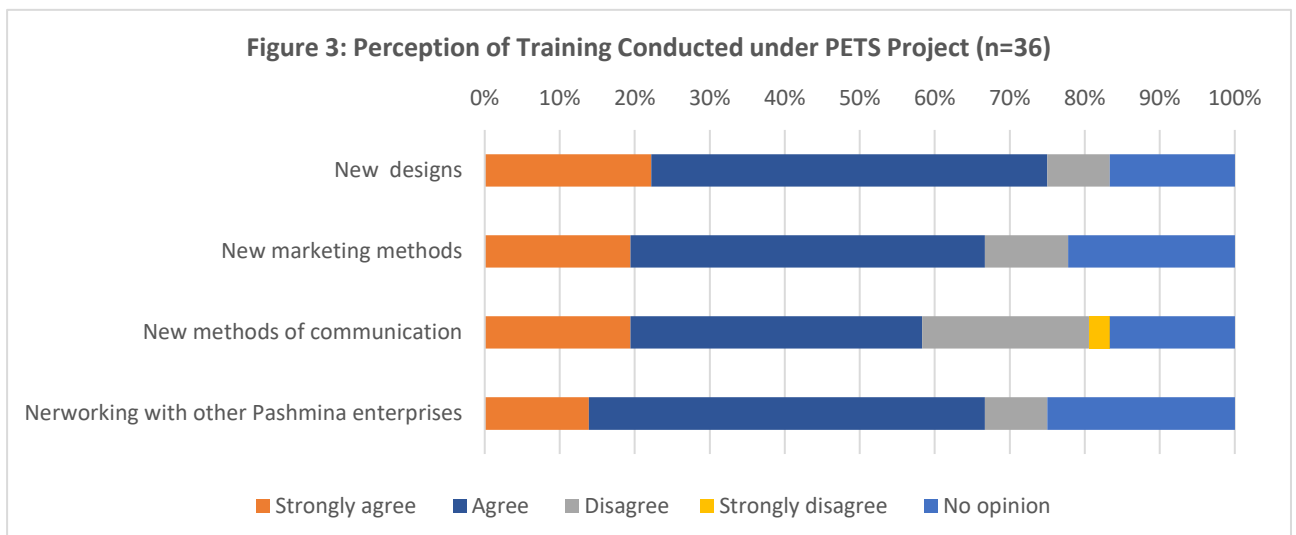
members (Figure 1). However, only 44% of the respondents strongly agreed/agreed that NPIA has adequate capacity to support the pashmina sector in Nepal.



61. **Project's role in supporting pashmina sector.** The survey asked the enterprise respondents to reveal their level of agreement or disagreement with respect to 14 different statements (Figure 2). The results show that more than 80% of the respondents strongly agreed or agreed that the project: (i) strengthened the capacity of NPIA, (ii) provided valuable training, (iii) organized participation in trade fairs and exhibitions, (iv) helped with branding Nepali pashmina products, (v) helped the pashmina sector to collectively promote the products, (vi) contributed to the export of Chyangra pashmina products, (vii) helped to increase the visibility of pashmina products overseas, and (viii) helped pashmina enterprises to promote Chyangra Pashmina labels. At least two-thirds of the respondents also strongly agreed/agreed that the project (i) helped to improve Nepali pashmina quality, (ii) helped to focus on a forward-looking promotional approach, and (iii) helped pashmina businesses with communication and promotional materials. Similarly, the respondents agreed that the project contributed to better work conditions in pashmina factories (50%), (iii) helped the enterprises to link them with other enterprises (53%), and (iii) helped businesses with new product designs (61%).

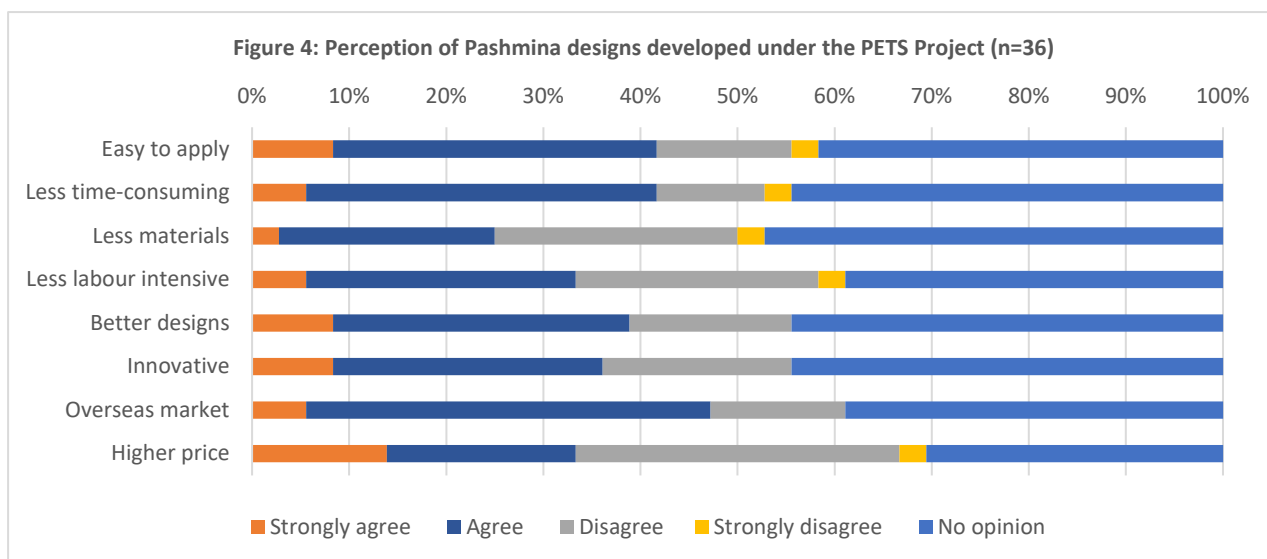


62. **Training conducted under PETS project.** The project conducted a number of training activities and the enterprise survey asked the respondents' opinion about four specific types of training (Figure 3). Three-fourths of the respondents strongly agreed/agreed that the project organizes training which taught new designs and two-thirds strongly agreed/agreed that the project training helped with new marketing methods and networking with other pashmina enterprises. Fifty-eight percent of the respondent enterprises also strongly agreed/agreed that the project training helped with new methods of communication with their clients.

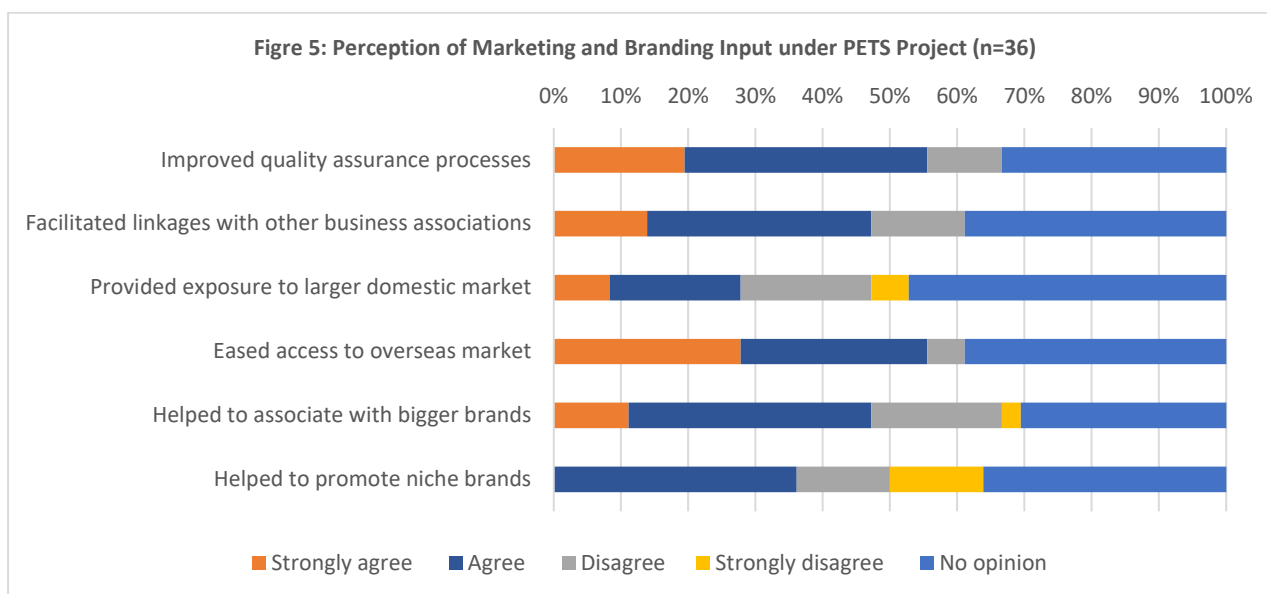


63. **Pashmina product design.** The second area of project support was product design. The respondent enterprises expressed their level of agreement/disagreement with respect to seven statements associated with product design (Figure 4). Slightly less than half of the respondent enterprises (47%) strongly agreed/agreed that the design inputs from PETS can be sold to the customers from multiple countries Slightly more than two-fifths of them strongly agreed/agreed that PETS project design inputs were easy to apply and were less time consuming compared to regular product designs and 39% strongly agreed/agreed that customers appreciated PETS

project design inputs. Only less than two-fifths agreed that PETS design inputs were innovative (36%), less labour intensive and fetched higher prices than traditional designs (33%), and PETS design inputs required fewer materials in the production process (25%).

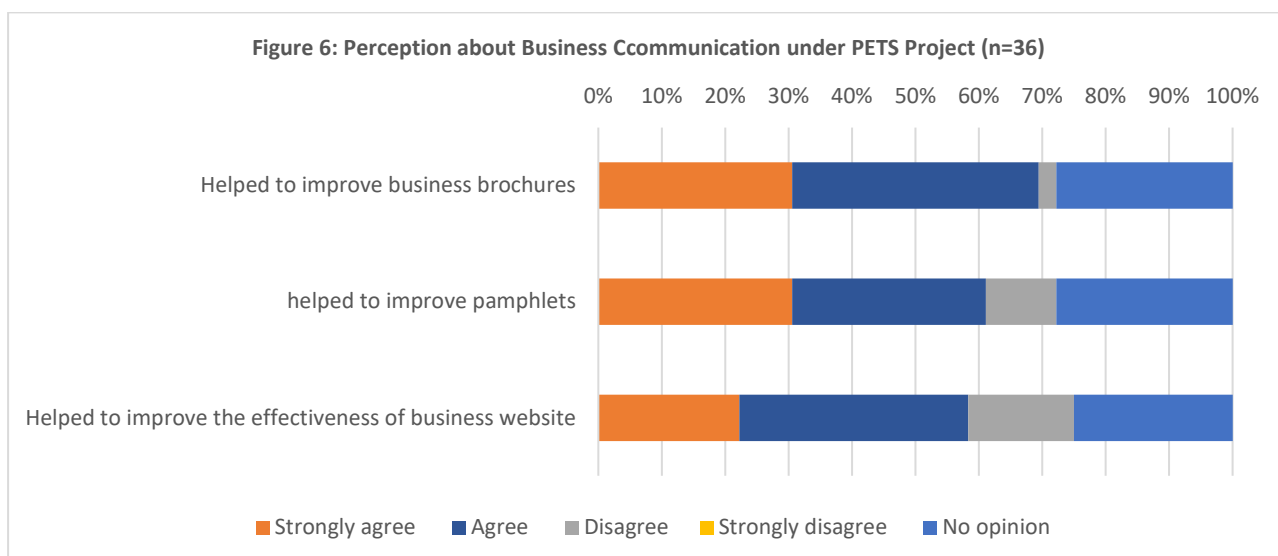


64. Marketing and branding pashmina products. The third area of support from PETS project covered marketing and branding of pashmina products. The survey respondents expressed their level of agreement/disagreement with six statements on PETS project's contribution in terms of marketing and branding (Figure 5). About 56 of them strongly agreed/agreed that marketing/branding support from PETS improved the quality assurance process and it eased access to the overseas market. Similarly, 47% of them strongly agreed/agreed that the project facilitated with other business associations and helped pashmina enterprises to associate with bigger brands. Likewise, 36% respondents strongly agreed/agreed that PETS marketing and branding input helped to promote the product in niche markets and 28% at least agreed that the project's marketing and branding input provided exposure of Nepalese pashmina to larger domestic markets. About 86% of the enterprises also strongly agreed/agreed that their participation in trade fairs was useful for their businesses and 56% strongly agreed or agreed that CP label added a premium for their products compared to traditional pashmina products.

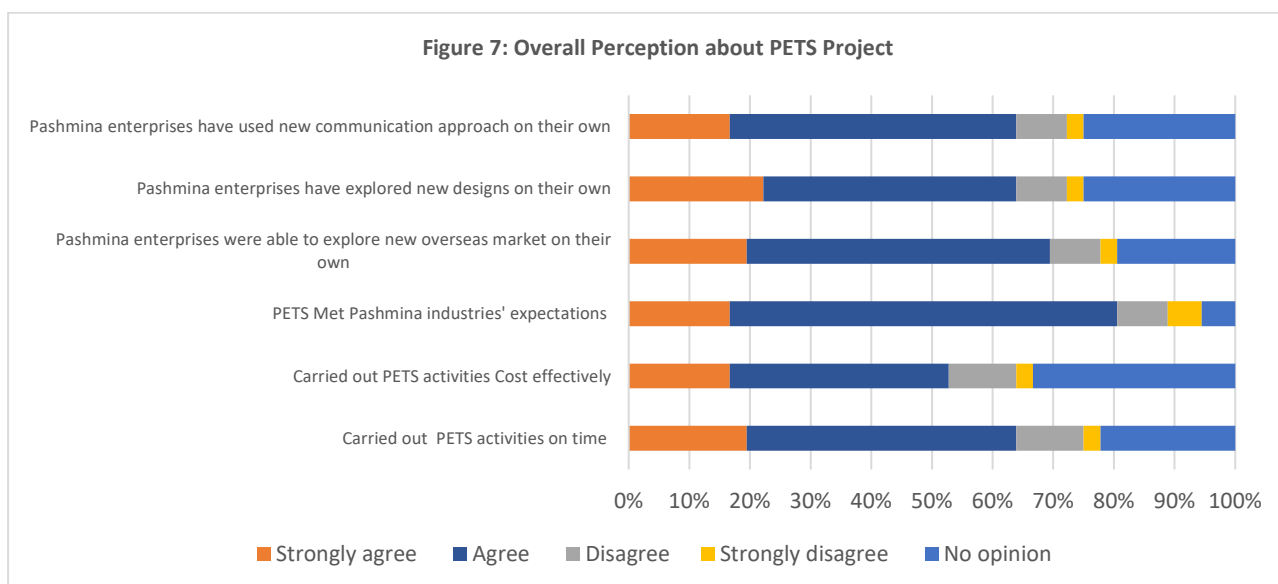


65. Business communication. The pashmina enterprises related three dimensions of PETS support to improve their communication with their respective buyers (clients). Figure 6 shows that the respondents strongly agreed or agreed with the statement that PETS support for three basic

business communication for improving: (i) brochures (69%), (ii) pamphlets (61%), and effectiveness of enterprise website (58%) (Figure 6).



66. **Overall impression of PETS project.** The survey contained five summary statements about the respondents' level of agreement with respect to six statements (Figure 7). Overall, 81% of the respondents strongly agreed/agreed that the project met their expectations and as a result of PETS support to the pashmina industry 69% agreed that they were able to explore new overseas market on their own. Similarly, 64% of the respondents also agreed that despite implementation delays encountered by the project as a result of multitude of factors, they agreed that the project carried out planned activities on time, the enterprises are now able to explore product design on their own, and they have new communication approach in communicating with their buyers/clients. However, only 53% were in agreement that the project was implemented cost-effectively partly because they were not aware or had no information on how project funds were utilized by ITC, although ITC project management worked closely with NPPIA.



B.3. To what extent was the project able to integrate gender and human rights during implementation?

67. **Gender integration:** The project did not have specific focus on gender and human rights. Women's share in additional jobs created stood at around 40% and the rest for men. Women had very low representation in international trade fair participants (only 10%). At the time of evaluation, NPPIA did not have any female staff. Under the project funding, one female finance assistant was recruited by ITC through UNDP under a service contract. She assumed a consultant role at

towards the end of the project. The evaluation did not come across any incidence or reporting on gender-based violence at the pashmina enterprises. In general, the employers adhered to equal pay to men and women for similar level of job responsibility. The enterprises encountered relatively high turnover in their workers, particularly with skills in demand.

68. **Human rights:** The evaluation did not come across either in any written document or in interviews about human rights violations in the pashmina industries. No incidence of forced labour or child labour. Majority of the employers adhered to eight hours a day work schedule but according to some of the enterprises, working hours ranged between 10 to 12 hours particularly in factories located in relatively distant locations but within the Kathmandu Valley.

B.4 To what degree were the results achieved equitably distributed among the targeted stakeholder groups?

69. The data available from the project and key informant interviews suggested the project provided equal opportunity to the NPIA members in training and workshop programmes offered with the project support. The participation in trade fairs was, however, reported to be capitalized by NPIA board members and their close associates. More than two thirds of the NPIA enterprises interviewed for the evaluation expressed that the selection process for the trade fair participants was biased and several of them wanted to take part but could not on the ground of funds limitations. Few members got multiple opportunities. While the participation in trade fairs was on cost-sharing basis, PETS project sponsored participants could get visa for Europe and the United States easily compared to the normal channel of visa applications.

B.5 What were the major factors (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, earthquake, etc.) influenced the achievement or non- achievement of the project objectives?

70. Five key factors posed significant challenge in project implementation. These included the two earthquakes in 2015, trade and transit obstructions (border blockade), shortage of fuel, reduced electricity supply and a high turnover of MOC Secretaries who served as PSC Chairpersons. The high turnover of the PSC Chairpersons created extra work as new Secretaries had to be familiarized with the project since they also wanted to participate in as many as possible project activities. While this was very positive, it was nevertheless a challenge for the project's implementation as it consumed efforts and time of the NPC, the assistant and the project manager apart from NPIA staff. The enterprise survey asked the respondents to highlight key success and factors and challenges and their responses are outlined next. That created

71. **Success factors:** Of the 38 respondents who participated in the survey, 17 enterprises cited that the leadership of ITC in project management, support extended in product design and close interactions with designers, opportunities for their participation in trade fairs and exposure to trade shows, funding support from ITC, product branding exercise, the cooperation from the NPIA members, and ability to link directly with overseas buyers, collectively contributed to the success of the project.

72. **Challenges:** Thirty-one of the 38 respondents to the survey cited one or more challenges they had encountered in their business over past four years but the industry does not have adequate capacity to address the challenges. These were:

- In the domestic market, there is no legal and regulatory mechanism for quality control. The use of fake labels has created stiff competition among the shopkeepers. According to one key informant, the same product can be sold in the market from NRs. 500 to NRs. 3,500 if the buyers are not aware of the quality and price variations. A legal definition for pashmina was agreed by all stakeholders and it is awaiting gazetting. The definition alone will not suffice quality control unless legal and regulatory mechanism are enacted and enforced.
- In the international markets, it is difficult to compete with the exporters from China and India because of their lower cost structure and larger volume production;
- There is a severe shortage of skilled workers, particularly for the knitted products and product development based on new designs. The entrepreneurs have no option other than trying out different workers. A high mobility of the trained workers puts extra pressure

on the enterprises and squeezes their profit margins.

- The manufacturers face large fluctuations in the price and the quality of pashmina yarns imported from overseas (primarily China). At present, there is no established mechanism for quality adequate assurance of imported yarns. The operational capacity of the Nepal Bureau of Standards and Measurement (NBSM) is constrained by inadequate number of technical staff which limits the number of samples that can be tested in their laboratory. Moreover, while NBSM has its limitation it could be better utilized by manufacturers that use imported yarn. If enterprises want to avoid any risk, they need to start using NBSM more often and regularly (or send sample to Hong Kong for testing). With increased demand, NBSM could make a business case with the government to upgrade and expand its capacity. Nevertheless, a quality assurance mechanism would go long way in sustaining the industry.
 - The enterprises lack proper waste disposal from their factories.
 - The local Chyangra pashmina farmers do not have adequate skills for increasing their production of pashmina fibre and they lack proper marketing arrangements, which force them to sell their fibre to the Tibetan traders. For Nepalese enterprises, the transport and processing costs tend to be high which could be reduced if the local farmers are trained in spinning fibre with the supervision support from the local manufacturers thereby adding value to their produce.
 - The low volume of production of fibre within Nepal is low and its prospects for substantial growth continues to remain limited unless new initiatives to revive Chyangra farming for pashmina wool production are undertaken under a public-private investment programme.
73. When asked what other ways could the PETS Project helped the sector, there were a number of reflections from the respondents such as:
- The government should have helped Chyangra farmers with technical advice, marketing arrangement and partial processing facilities created;
 - The government should have controlled the products with fake labels in the market by regular market monitoring by an appropriate government agency;
 - The Government should have introduced tax incentives to the manufacturers during a difficult period when export was hard hit due to unfair competition;
 - The financial sector should have been encouraged to provide access to finance on a systematic basis because current export refinancing is not effective;
 - The enterprises should have been offered tax deductions for research and development work in coming up with a marketable product with high-value addition;
 - The process of receiving the refund of value-added-tax (VAT) should have been simplified; and
 - A number of businesses should have been given opportunities to participate in trade fairs and exhibitions.

C. Efficiency

74. The evaluation assesses project efficiency in delivering outputs and outcomes was **moderately satisfactory**. The assessment is based on four key questions.

C.1. Did the project governance and results monitoring systems facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities of all parties involved?

75. **Governance:** The institutional and management arrangements for the project was based on wider consultations and felt-needs of the pashmina industry. The government recognized ITC's competencies and designated it as an implementing agency for the project while the MOC served as an executing agency on behalf of the government. ITC and MOC signed a Letter of Agreement

on 20 November 2013. The formation of a project steering committee (PSC) chaired by the MOC Secretary with the membership of relevant agencies such as ITC, MOC, Ministry of Agricultural Development (MOAD), Ministry of Industry (MOI), Trade and Export Promotion Centre (TEPC), donor facilitator, EIF National Implementation Unit, and the NPIA was appropriate. The project document outlined roles of all stakeholders. MOC also invited representatives of other agencies as well at PSC meetings as deemed appropriate including the Ministry of Livestock Development (MOLD), NBSM, and the Project Manager of ADB-supported HIMALI Project. During the project life, PSC met seven times. The Chairperson of the PSC changed three times with altogether four different Chairpersons. That posed additional challenges to the Focal Points and the ITC project management team in Geneva and Kathmandu as each new one needed to be brought up to speed. The PSC also designated the ITC (represented by PETS Project Manager), the MOC (an Under-Secretary) and the NPIA (Vice President) as focal points which met based on need and undertook key project management decisions.

76. The NPIA provided office space for the project within its premises for a National Project Coordinator (NPC), Capacity Development Advisor (CDA), and an Administrative Assistant contracted by the ITC for day-to-day operation and coordination of the project related activities. The NPC was tasked with organizing events, collecting nominations for the participation in trade fairs and exhibitions, coordinating with concerned agencies for consultation meetings, and other duties as assigned by the ITC Project Manager, based at the ITC Headquarters, Geneva. The Capacity Development Advisor was responsible for organizing and imparting training to the representatives of NPIA members and other events as required.¹⁷ While the project team members had their detailed job descriptions outlined, their roles largely were to implement project activities approved by PSC in close consultation with the three focal points.
77. The evaluation, based on a field mission, found that the project relied on PSC for most decisions. The focal points had to seek approvals from their respective supervisors. According to ITC and NPIA, the changes in the PSC Chairpersons (MOC Secretaries) four times required extra efforts on the part of the project team to fully familiarize the Chairpersons on project activities. The PSC meetings took place more or less on time. The challenge was rather the implementation modality, which was intended to build collaboration and transparency, yet evolved into management of decisions related to day-to-day activities. The PSC delegated certain implementation-related decisions strictly as per the approved workplan to the Focal Points. However, apart from the ITC Focal points both the NPIA FP needed to get approval from its Board and mainly from the Vice President. Likewise, the MOC FP needed to get approval for each decision from his hierarchy for implementation related decisions. As the process was that ITC submitted decisions proposals first to NPIA and then to MOC, it took quite a while to get decisions done (due to the cumulative time of decision-making at NPIA followed by MOC). Such level of consultation process contributed to delays even if attempts were made to put time limits for approval in order to speed-up decision-making process. The MOC focal point on the ground that the MOC focal point continued to remain throughout the project period, which helped to facilitate communication smoothly. A high level National Steering Committee was formed in the beginning which approved the project and endorsed its submission to the EIF Secretariat. The National Steering Committee met at least two times and reviewed project progress. However, evaluation did not find any record of the meeting decisions in the set of documents received. The project's collaboration with other development partners and stakeholders appeared to be limited,¹⁸ particularly with regard to their attendance at the PSC meetings. The evaluation did not find any concrete examples of tangible collaboration with other development partners at the project implementation level. The evaluation also found that the mobilization of the three focal persons was a good initiative, but these representatives did not have adequate authority and had to rely on PSC for several operational decisions. At the same time, since the ITC Project Manager was based in Geneva, there were several instances of communication gaps leading to delays in decision-making. The PSC took some of the key decisions and decided to cancel some of the activities stated in Table 5, which did not permit fulfilment of some of the key outcomes and outputs.
78. The project stakeholders also felt that NPIA premise was not a neutral venue for the placement of NPC and other two consultants at NPIA. There was an inherent perception that NPC was

¹⁷ All appointees had individual terms of reference.

¹⁸ The project tried to collaborate with ADB-supported HIMALI Project and with EU-supported SWITCH Project with their participation in project's PSC meetings. However, the project was not invited by other development partners' PSC meetings. The project supported farmer groups to develop project proposal for funding from the HIMALI Project, which, however, could not be attained due to the complicated application process.

serving NPIA and followed the guidance from NPIA. The evaluation noted that this was NPIA's contribution to the project and hiring a neutral venue for two or three project consultants would not be cost-effective and the consultants may not have direct contacts with pashmina manufacturers and exporters without going through NPIA. Since the project's mandate was to support pashmina industry, the evaluation concludes that the placement of the consultants at NPIA premises was appropriate at the time even if they had preferred a neutral venue.

79. The evaluation found that backstopping from ITC Headquarters for project activities was satisfactory even if some communication gaps had occurred. ITC Project Manager was proactive in communicating with MOC and NPIA and tried his best to address issues. ITC also facilitated the participation of pashmina entrepreneurs in trade fairs supported the promotion of Nepali pashmina products. Furthermore, ITC's support in design technology was highly appreciated by Namuna College of Fashion and Technology (NCFT). Likewise, NCFT got opportunity develop linkage with the Pashmina industry by conducting training sessions.
80. **Implementation of activities:** ITC implemented project activities in Nepal in close consultation with the focal persons at MOC and NPIA under the guidance of PSC. Broadly, project activities covered five areas: (i) institutional strengthening of NPIA; (ii) workshops, coaching, and training (including design of products and shops); (iii) export promotion and trademark protection; (iv) dissemination and (v) supply analysis of Chyangra pashmina wool within Nepal. ITC had enabled the stakeholders to acquire visas for Europe and the United States, which would have been difficult otherwise. As mentioned earlier ITC facilitated the attendance of the pashmina product manufacturers, exporters and MOC staff at the trade fairs in France, Hong Kong, Japan and the United States. The MOC staff did not participate in the trade fair held in France due to election code of conduct at the time. In Hong Kong, selected project stakeholders also participated in an international conference on cashmere and promoted the CP trademark label. The opportunities of trade fair participation helped the exporters to network with overseas clients and learn about new fashions and product designs.
81. The stakeholder's feedback indicates that they were satisfied with ITC's arrangement with various pashmina promotion events including trade fairs, training, and workshops. The NCFT had benefitted from equipment grant and technical expertise from ITC. The evaluation found that the promotion of pashmina products in overseas markets at different events to be satisfactory, yet the follow-up dissemination workshop for the purpose of sharing of lessons learned from such promotional events was considered by some of the workshop participants to be limited in terms of providing any new insights. For the first time, the project enabled a group of 11 Chyangra pashmina farmers from Upper Mustang region to visit some of the pashmina factories in Kathmandu and learn about the kind of wool required by the industry. In all activities, NPIA had played an active role with the support of MOC. However, the evaluation noted that it did not adopt the results of a rapid diagnostic study on the status of Chyangra farming. The study was carried out by one of the ITC national consultants.
82. The project management prepared work plans in consultation with NPIA and MOC, and the PSC endorsed them for implementation. The evaluation was advised that the budget for the workplan was jointly elaborated by the three focal points (MOC, ITC and NPIA) which was also approved by the PSC. The project management also officially provided a financial report on EIF format along each six-month progress report that was subsequently discussed and approved by the PSC. While some of the stakeholders also expressed their concerns about the lack of full transparency in communicating about the use of the project budget (particularly amount spent by ITC from the headquarters), the three focal points were responsible to explain the budget to their colleagues. As all implementation decisions were made jointly, the focal points should have had a good overview of the expenditure progress made. The budget was jointly amended and updated every six month along with the workplan. The work plans underwent periodic changes due to unforeseen events such as the two earthquakes in 2015, and trade and transit obstructions, and fuel shortage, which adversely affected several activities, planned earlier including PSC cancelling some of the key activities. The Project Manager provided periodic updates at the PSC meetings. The selection of participants in overseas trade fairs was left to NPIA but some of the stakeholders reiterated that the selection process was not transparent and particularly smaller businesses did not get the opportunity to take part due to the ceiling in the number of participants.

C.2. Did the project receive adequate political, technical and administrative support from its national partners?

83. The project received strong support from MOC and NPIA. Four different MOC Secretaries chaired seven PSC meetings during project implementation period and MOC provided venue for conducting the meetings. MOC also assigned a dedicated official as a focal point for the coordination and facilitation of the project implementation who worked under the guidance of NIU Chief/MOC Joint Secretary. Similarly, NPIA provided office space for the project team of three ITC consultants. NPIA also facilitated project's access to NPIA members while conducting training, workshop and knowledge sharing events. NCFT also actively participated in project activities under a separate MoU with ITC.

C.3. What is the rate of implementation of midterm evaluation recommendations?

84. The 2015 midterm evaluation of the PETS project had offered 10 recommendations. The project management including NPIA and other stakeholders had fully agreed to seven of the recommendations, partly agreed to two, and rejected one. The tripartite stakeholders (MOC, ITC and NPIA) proposed and agreed to 24 actions associated with the implementation of the nine recommendations. The project implemented all nine agreed recommendations as reflected in the updated status of their implementation (Table 6). The implementation of these recommendations streamlined work plan for the project for the remaining duration of the project period and provided guidance to implement planned project activities. The stakeholders initially rejected the recommendation that Chyangra pashmina entrepreneurs should collaborate for the sale of products as well as procurement of raw materials from Nepalese Chyangra farmers or other countries like China, India, and Mongolia to be more competitive in the international market, since NPIA mandate does not permit collective procurement and sales. However, later on, the spirit of the recommendation was accepted by the project steering committee (PSC) and the project undertook some activities such as exposure visits for the Chyangra farmers' representatives and their participation in exhibitions in Kathmandu.

Table 6: Status of the Implementation of Midterm Evaluation Recommendations at Completion

MANAGEMENT RESPONSE AND ACTION PLAN				ACTION PLAN MONITORING UP TO 31 OCTOBER 2017	
Responsible Division/Section	Contributing Division(s)/Section(s)	Recommendation, Management Response, and Action Plan	Deadline for implementation	Implementation Status	Comments of the responsible Section/Division and related means of verification
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 1: Capacity building of NPIA A capacity assessment of NPIA was conducted as part of the medium-term strategy. As already recommended in the medium-term strategy, issues like lack of quality full-time human resources should be addressed at immediate effect. Following areas should be considered for capacity building of NPIA. Need for capacity building should be assessed by Project and NPIA together and training should be conducted by Project or external consultants identified by the project.</p> <ul style="list-style-type: none"> - Capacity-building in the areas of project management, financial management, business scale up, branding and marketing in international markets - Active coordination for organizing events or regular meetings with Government of Nepal (GON) officials to promote the agenda of developing Pashmina industry - Behavioural change among CP entrepreneurs to work in collaboration and act together to compete in international market <p>Responsibility: Project and NPIA</p> <p>Timeline:</p> <ul style="list-style-type: none"> o 1 month for recruitment of qualified staff by NPIA. o 2 months for need assessment of capacity building for NPIA o 6 months for implementing the capacity building activities. <p>The capacity building activities should be implemented on high priority as it is crucial for project implementation.</p>		Implemented	<p>NPIA adviser was recruited to support with institutional development and raise the capacity of NPIA staff. The advisor supported NPIA and staff to implement an MOU between ITC and NPIA. The MoU was design to build NPIA's capacity and includes the following recommendations of the MTE.</p> <p>i) MTE R1.1 and 1.2; MTE R 1.3, MRE R: 2.1, 2.3, 3.1, 3.2, 3.3, 3.4, 6.1, 6.2, 7.2.</p> <p>NPIA staff was also engaged to work with ITC and an international expert on Trade Mark protection in an effort to build NPIA's knowledge on the TM protection of the CP label.</p>
		Management Response: Accepted			
		ACTION 1.1 Draft of ToR and recruitment of a qualified person	1/10/2016	Implemented	NPIA adviser recruited from January to end of project period

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		ACTION 1.2 Verification workshop of NPIA Mid-term strategy	31/08/2016	Implemented	NPIA mid-term plan verification workshop conducted on 21 January. 38 stakeholders including institutions and MOC participated. Workshop agenda and report was prepared by the NPIA adviser
		ACTION 1.3 NPIA will be entrusted to organize various capacity building events such as e.g. on leadership (retreat), fundraising, institutional management, project management, among others	31/03/2017	Implemented	Leadership retreat/Workshop was held for NPIA & its members and project partners from 20-22 January. Topics covered were i) Knowledge exchange and convergence (as per MTE Recommendation 10) ii) Project development workshop (as per work plan Activity 1-5-2) iii) Verification of NPIA Mid-term Plan and Service Portfolio (as per MTE Recommendation 1-2). A draft report of the workshop shared with ITC. Moreover, a concept note for the purpose of resource mobilization submitted to TEPC and USD28K granted to NPIA to conduct backward linkage activities in Mustang. MoU with NPIA signed to further entrust the association with additional project implementation responsibilities.
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 2: Sourcing of raw material from Nepalese CP farmers</p> <p>NPIA and MOC should take forward the plan prepared after the pilot study conducted in Mustang. NPIA should explore opportunities for identifying appropriate larger projects such as "Nepal Livestock Sector Innovation Project" to get support for implementation.</p> <p>Responsibility: NPIA, National Implementation Unit (NIU), Ministry of Commerce (MOC), Enhanced Integrated Framework (EIF)</p> <p>Timeline: 6 to 12 months</p>		Implemented	Under the MoU between ITC and NPIA backward linkage was reinforced through an exposure visit and capacity building of 11 farmers from the Mustang Chyangra and Pashmina Farmers Association. The farmers had the opportunity to prioritize and discuss their concerns with MOC, NPIA, Ministry of Livestock, and Ministry of Forest and were also trained on formation of cooperatives. The farmers also met with enterprises that have been procuring fibre from Mustang.
Management Response: Accepted					
		ACTION 2.1 Pursue activities focusing on increased domestic raw material sourcing such as awareness raising on commercial CP fibre production, formation of farmer groups and organizing farmers, strengthening of existing collection centres and commercial linkages.	18/07/2017	Implemented	Following the visit of farmers to Kathmandu (mentioned above) a second visit to Mustang was organized to support farmers to register as cooperatives. 144 are now members of the cooperatives forming a cooperative allows farmers to have access to services related to animal health and protection from wild animals.
		ACTION 2.2 This recommendation will be incorporated into ongoing activities such as the development of new project activities	18/07/2017	Implemented	NPIA with support from the capacity development consultant prepared two project concept note and submitted for funding to Department of Livestock (DOL) and TEPC. The DOL has provided funding USD 28,000 to NPIA for designing standard operating process for Chyangra farming, pashmina production and conducting training on pashmina production to 25 farmers of mustang region, including provision of equipment support.
		ACTION 2.3 Liaison with government and donor agencies in Nepal that are already operating in the CP sector or plan to do so	18/07/2017	Implemented	While this is a continuous effort beyond the project period, contact has been established with the World Bank for a new programme which includes Chyangra farming and the EU

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					was contacted for potential future support for the sector.
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 3: Defined activities for sharing of knowledge and experience from directly assisted beneficiaries to other beneficiaries who are members of NPIA</p> <p>If the logic behind having a set of directly assisted beneficiaries and other beneficiaries who get benefited from 'one-to-one-to-many' model, then there should be a clear set of activities ensuring strong linkage between the two. Hence, knowledge of directly assisted beneficiaries needs to be captured and transferred to other beneficiaries in an effective manner in terms of lessons learned, know-how and experiences accumulated. To ensure this other beneficiary should be linked to direct beneficiaries for knowledge transfer and create "communities of practice" which could be a group of CP entrepreneurs in which there could be one directly benefitted entrepreneur and 5 other beneficiaries, they would share a common work practice over a period of time, getting together to share information and knowledge. These groups could be based on geographical proximity, product type or common interest of markets. Informal knowledge sharing sessions by beneficiaries are also recommended. Activities like these are important as along with knowledge transfer they also address the issue of most CP enterprises considering others as competitors and not collaborators. Initiatives like the creation of Social media group (for example, Viber or WhatsApp) for entrepreneurs must be promoted by NPIA and information should be shared by entrepreneurs during monthly meetings.</p> <p>Responsibility: NPIA, NPC and Project Manager Timeline: 2 months</p>		Implemented	NPIA under the MoU with ITC was supported to conduct a monthly meeting with its members to identify and deliver trainings on selected topics identified by members. The topics selected and training delivered included a presentation by NBSM on the implementation of the definition of Pashmina as well as training on accounting and financial management, VAT and Incentive refund, as well as international marketing and exports delivered by national experts. Furthermore, NPIA has set up a team to explore opportunities to continue to participate in international trade fairs beyond the project period
		Management Response: Accepted			
		ACTION 3.1 Incorporate knowledge and experience sharing themes into the regular monthly breakfast meetings.	30/06/2017	Implemented	Implemented as part of the MoU outlined above
		ACTION 3.2 Utilize the website as a platform for sharing sector news and members' experiences.	30/10/2016	Implemented	The CP website was revamped for the launching of the digital and social media campaign and to direct traffic to NPIA and its members in an effort to promote the CP label. NPIA staff were also trained on how to manage the website as well as update the CP label issuance data online for ease of identification of companies that carry authentic CP label by potential buyers.
		ACTION 3.3 Utilize various social media platforms/applications to promote collaboration among CP entrepreneurs and to link up with other CP collaborators (e.g. designer groups, etc.).	30/11/2016	Implemented	A digital and social media campaign was launched in Japan and USA to promote the CP label. Additionally, CP promotional activities in Nepal were implemented through adverts in ECS magazine, and at Kathmandu airport. The campaign was also directed to the NPIA website. A CP promotional film was produced and launched at the Apparel Sourcing Trade Fair in Paris.
		ACTION 3.4 Publish quarterly e-bulletins and circulate among NPIA members and industry stakeholders, including in priority markets.	30/10/2016	Implemented	This activity was part of the MoU. Yet, NPIA was not able to identify a competent individual to undertake the preparation of e-bulletins within the allocated budget for the activity. Also, as the NPIA website was under revision for the social media campaign, the activity was reformulated and NPIA prepared a comprehensive publication on the sector and 500 copies were printed and distributed to

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					members and various institutions
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 4: Collective procurement and sales CP entrepreneurs should collaborate for the sale of products as well as procurement of raw material from Nepalese Chyangra farmers or other countries like China, Mongolia and India to be more competitive in the international market. NPIA should take initiatives for collective buying and sell for member entrepreneurs. This is, in turn, would enable greater shared benefits of the project – increasing the international competitiveness of smaller firms.</p> <p>Responsibility: NPIA and NPC Timeline: 3 months</p>			
		<p>Management Response: Rejected This recommendation is rejected because collective procurement and sales through NPIA is not allowed by the constitution of the association. Moreover, NPIA has no ambitions to move into this direction</p> <p>Nevertheless, it is accepted that NPIA could play a more active role in linking members to the raw material market by providing respective information through its website, e-bulletins and regular emails. Additionally, the practice of collective sector promotion in trade fairs initiated by the project will continue.</p> <p>Furthermore, the NPIA Board will formally take up and decide on the idea of supporting indirectly assisted beneficiaries to take part in trade fairs through a common stand as a collective promotion (but not sales) activity.</p>			
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 5: Ensure NCFT achieves milestones on a timely basis. NPC and NPIA need to follow up and support NCFT if they are unable to implement activities as planned. It's recommended that NPC and NPIA meet NCFT senior management and try to understand and resolve the problems faced by them. It is also recommended to request for an escalation personnel designated for NCFT, who would be contacted in case of any delay or deviation from the activities mentioned under the MoU signed with NCFT.</p> <p>Responsibility: Project Manager, NPC and NPIA Timeline: 6 months</p>	Implemented	<p>Steps were taken improve on progress and NCFT has appointed the Chief Executive Officer Mr Anil Kumar to oversee implementation as well as a Ms Jyoit Bajrachyrya to oversee overall coordination and reporting. As a result, NCFT was able to advance on activities and have fully completed the training planned under the MoU including a final fashion show to showcase the work of the students. The training developed under the MoU would be incorporated into the regular training curriculum offered by NCFT</p>	
		Management Response: Accepted			
		ACTION 5.1 NCFT designate the CEO as project counterpart for future interaction with the project and NPIA	With immediate effect	Implemented	NCFT has appointed the Chief Executive Officer Mr Anil Kumar to oversee implementation as well as a Ms Jyoit Bajrachyrya to oversee overall coordination and reporting
		ACTION 5.2 Regular bi-monthly meetings between NCFT, NPIA and NPC	With immediate effect	Implemented	With support from the national PETS project staff, NPIA and NCFT have organized a joint graduation ceremony and fashion show as part of the MoU between ITC and NCFT
		ACTION 5.3 Joint inauguration of the training course on 21 August 2016 at NCFT	21/08/2016	Implemented	The CP design course was inaugurated jointly by NCFT, NPIA and NPC
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 6: : Access to Technology and Credit To be more competitive in the international market and innovate the products, CP entrepreneurs should also be given access to Technology and Credit. SME (Small and Medium Enterprises) Clusters and Technology Universities can be explored to work with NPIA and CP entrepreneurs. Also, concerned agencies, such as Ministry of Finance, Ministry of Industry, and Nepal Rastra Bank (Central Bank of Nepal) can be persuaded for Credit Guarantee for any investments related to technology and innovations in the Pashmina sector.</p> <p>Responsibility: NPIA Timeline: 6 months</p>		Implemented	A team of Indian sector experts were hired by the project to review and recommend on skills and productivity improvements for NPIA members. The experts conducted training on productivity and provided NPIA and its members recommendations on technology upgradations needed for the sector

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		<p>Management Response: Partially Accepted</p> <p>We accept that facilitating access to technology and credit is important for the CP industry. The project and NPIA are already addressing some of these issues through agreed upon project activities (such as e.g. facilitating access to know how at NCFT, individual design experts and their networks, the study tour to China and India, etc.). Moreover, the implementation of the NPIA medium-term plan foresees the organization of focused meetings on selected sector development issues, which already started. Moreover, NPIA is already undertaking similar initiatives as part of its role to facilitate and advocate for business development services such as technology as well as access to credit.</p> <p>It is accepted, however, that additional ideas in this area could be addressed. This could be done e.g. through the NPIA business service portfolio. For this to happen, the engagement and contributions of other key stakeholders (GON, banks, universities, etc.) are required to ensure the success of such initiatives.</p>			
		ACTION 6.1 Organize awareness raising workshops on available credit facilities in Nepal	30/10/2016	Implemented	As part of the MoU between ITC and NPIA, NPIA and its members were trained on accounting and financial management, VAT and Incentive refund
		ACTION 6.2 Explore collaboration possibilities on technology exchange with the Engineering Colleges and the Handicraft centres (Handicraft), among others	18/06/2017	Implemented	A team of Indian sector experts were hired by the project to review and recommend productivity improvements for NPIA members. The experts conducted training on skills and productivity improvements and provided NPIA and its members recommendations on technology upgradations needed including information on technology suppliers
		ACTION 6.3 Continue collaboration with NCFT	30/06/2017	Implemented	NPIA and NCFT have worked jointly to involve students on extra training opportunities such as training on Trade Mark protections and social media promotions. NCFT also participates in NPIA workshops and collaboration between NPIA members have been positive in particular with NPIA members offering internship opportunities for NCFT students
		ACTION 6.4 Follow up on established contacts with relevant Indian institutions such as NIFT, IIT, Pearl Academy met during study tour to India	30/10/16 to re-establish links	Implemented	During the study visit to India, contact was established and NPIA with support from NPIA adviser was encouraged to sustain the contacts
		ACTION 6.5 NPIA to develop a database on existing technology providers, published through its website and being part of its service portfolio	30/11/2016	Implemented	following assessment and training conducted by a team of Indian sector experts on skills and productivity improvements, the team have provided NPIA with a list of technology suppliers to share with members
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 7: Quality control of CP products</p> <p>A strong quality control system of batches of export should be in place to ensure that integrity and value of CP Trademark are not put at risk. Responsibility: NPIA Timeline: 6 months</p>		Implemented	An expert was engaged to review NPIA's code of conduct on CP quality and CP label issuance system and review findings and recommendations were discussed and provided for further action by NPIA to improve its code of conduct and label issuance system
		<p>Management Response: Accepted</p>			
		ACTION 7.1 Complete the website design of NPIA, including a traceability aspect of the product that carries the CP label. This includes the digitalization of existing data on labels handed out that were manually recorded	30/10/2016	Implemented	NPIA staff was engaged to translate the manually kept record into a digital format to be uploaded in to the newly developed website to enable buyers to trace CP label with unique codes
		ACTION 7.2 Enforce the existing code of conduct through random checks (before export) on the use of the label among those companies that have received them	30/06/2017	Implemented	An expert was engaged to review NPIA's code of conduct on CP quality and CP label issuance system and review findings and recommendations were discussed and provided for further action by NPIA to improve its code of conduct and label issuance system

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		ACTION 7.3 Organize an orientation programme on the importance of quality (process and product)	30/11/2016	Implemented	A report of the findings and recommendations were discussed and final report provided to NPIA for action to address the recommendations
DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	Recommendation No. 8: Extension of project timeline To achieve the objectives of the project, it is essential to extend the timelines for the project. Hence it is recommended that project is given an extension of 13 months to compensate for the lost time due to external as well as internal reasons. This extension can be a no-cost extension. Other incidents that resulted in delay are internal and should have been foreseen based on ITC and MOC's past experiences and hence provisioned for. Responsibility: Project Steering Committee Timeline: Immediate		Implemented	The project has been extended as per recommendations of the MTE and approved by EIF
		Management Response: Accepted ACTION 8.1 Project management to submit request for extension of the project by 13 months from 19 June 2016 to 18 July 2017		implemented	The project has been extended as per recommendations of the MTE and approved by EIF
EI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	Recommendation No. 9: -Expediting the initiation of approved activities, decision making, and ensuring follow-up." The key stakeholder organisations should empower their respective Focal Points (MOC, ITC and NPIA) by giving them sufficient authority to make decisions on behalf of the Department or organisation. Based on the complexity of decision to be made, appropriate time should be provided to the Focal Points (MOC, ITC and NPIA). And a follow-up mechanism should be established which can help in enhancing coordination and the project efficiency. Project Monitoring System will play an important role in this. Responsibility: PSC should ensure that respective stakeholder department or organisation provide required authority for decision making to the respective Focal Points. Follow up mechanism should be set up by Project Manager and sufficient time for decision making should be provided by Project Coordinator depending on importance and scope of the decision. Timeline: 1 month		Implemented	Expediting the initiation of approved activities, decision making, and ensuring follow-up has taken place.
		Management Response: Rejected Accept The formulation of this recommendation is rejected as focal points are fully empowered within the limits of its organizational context. The Focal Points, implementation partners and the Evaluation team discussed this recommendation and jointly agreed on the following reformulation of the recommendation, which could be fully accepted: " Expediting the initiation of approved activities, decision making, and ensuring follow-up." The below suggested action points refer to the reformulated recommendation.			
		ACTION 9.1 Monthly information to be provided to Focal Points on upcoming activities and decision-making requirements	With immediate effect	Implemented	The new NPC continued to provide monthly status update on progress and planned activities requiring actions from FPs
		ACTION 9.2 Institutionalize the following decision-making process: · Approval/feedback to ToR, consultant candidates, and activity proposals, etc. to be provided by NPIA within 5 working days; no timely response will be treated as acceptance · Approval/feedback to ToR, consultant candidates, and activity proposals, etc. to be provided by MOC within 3 working days of receipt of the response by NPIA; no timely response will be treated as acceptance	With immediate effect	Implemented	These arrangements are being followed as per agreed arrangements (As per 3rd PSC minute) and system was already established
		ACTION 9.3 Monthly updating of the status of on-going and outstanding activities	With immediate effect	Implemented	Although there was some gap during the recruitment of the new NPC, once the NPC was recruited, a monthly report on ongoing and outstanding activities were provided

DEI/SIVC (DMD/SC)	DEI/SIVC (DMD/SC)	<p>Recommendation No. 10: Knowledge exchange and convergence</p> <p>Knowledge exchange among NECTRADE, MAPS (GIZ), Ginger (FAO), Federation of Handicraft Association of Nepal (FHAN), Nepal Chamber of Commerce (NCC), Export Council of Nepal (ECON), Thamel Tourism Development Council, Planet Finance- SMElink, France; Helen Holzknichtiova – B2B Club, Check Republic; World Craft Council Asia Pacific Region (WCCAPR) and PETS projects should be encouraged.</p> <p>Responsibility: NPC, NIU and NECTRADE</p> <p>Timeline: Ongoing</p>	Implemented	Workshop organized on 21-22 January and draft report of the meeting prepared covering areas of interventions to address the challenges/opportunities of the entire CP value chain. The document is to serve as an important input for preparing future project interventions in the sector. This is a document prepared in consultation with NPIA, MOC, CP enterprises, TEPC, DLS and other development/project partners	
		<p>Management Response: Partially Accepted</p> <p>We fully agree that knowledge exchange and convergence is very important. For that reason the NIU/EIF Tier 1 - NECTRADE project has already been organizing experience sharing programmes among the Tier 2 projects (2 programmes already conducted). Similarly, joint reviews of progress of Tier 2 projects are also being conducted during the EIF/TFM regular supervision missions. Moreover, the PETS project has also been organizing dissemination and knowledge sharing workshops for stakeholders from the public and private sector and other stakeholders working in the CP sector.</p> <p>However, specific knowledge and information sharing activities on CP-related initiatives have not taken place regularly. Therefore, NPIA will be encouraged to organize knowledge exchange and convergence activities with agencies involved in the Chyangra Pashmina sector.</p>			
		ACTION 10.1 Organize knowledge exchange and convergence activities with agencies involved in the Chyangra Pashmina sector	31/12/2016	Implemented	Leadership retreat/Workshop was held for NPIA & its members and project partners from 20-22 January. Among the topics covered was Knowledge exchange and convergence (as per MTE Recommendation 10)

Source: ITC PETS Project, 2017.

C4. Were the anticipated activities and outputs delivered on time according to the quality requirements, the work plan, and the expected outcomes?

85. Overall, the project activities and outputs were generally satisfactory. The project approval had envisaged the project to commence in May 2013 and had a three-year implementation period. However, due to unforeseen events, several activities could not be planned and implemented, and required changes in workplans, including a number of key high impact activities. As stated in footnote 3, there were five amendments to the project closing date. All project activities ended on 18 October 2017. The project had to adjust some of the project activities due to external factors.
86. Most of the training organized by the project were relevant to the project beneficiaries. Some participant beneficiaries, however, were not fully conversant in English language while another group took more time to grasp accents of trainers from overseas. The entrepreneurs who had participated in the trade fairs had overall pleasant experiences. The exhibitions and fashion shows organized with the support of the project were all well received by prospective clients.

D. Impact

87. The evaluation assesses project impact as to be **moderately satisfactory**. The project conducted a survey of retail and pashmina product manufacturers, which was accepted by PSC at the time. The baseline parameters were inadequate to assess project impact and NPIA did not systematically monitor and collect data at different intervals. Hence, the evaluation assessment is largely inferential. The assessment of impact is based on its contribution to capacity development, economic and social development, management of environmental externalities, developmental impact in terms of poverty alleviation and alignment with the 2030 Agenda of Sustainable Development Goals, and human rights and gender equality.

D.1. Has the project strengthened national capacities and sustainable national capacities throughout the implementation phase, and if so, how?

88. According to NPIA, the project contributed to strengthening its organizational capacity in terms of technical input for the pashmina export management, mobilization of its members for business promotion activities such as trade fairs and exhibitions. The project's final report acknowledged that the project NPIA has become a stronger organization serve its member better, including

through the development and implementation of NPIA's medium-term institutional strategy and a corresponding service portfolio. It also highlighted that the overall strategy of NPIA enterprises has shifted from a cash-and-carry approach towards a customer/market focused approach with targeted seasonal offerings and a collective vision and commitment to promote the sector under a unified "Made in Nepal" CP banner. Through its capacity development initiative, the project has availed employment to 11 NCFT interns in the pashmina industries and a total of 2,104 sector actors through capacity development interventions. The capacity development interventions have also played important role in improving product design and access to market information including prospective trading business partners overseas.

89. NPIA has been able to interact and communicate with confidence with external partners and it has initiated preparing proposals for external funding. It has also engaged with the World Bank supported Nepal Livestock Innovation Project. However, due to lack of a systematic review and in the absence of a tracking system, the extent of impact due to project activities has been difficult to ascertain. The response from stakeholders for the evaluation suggests that NPIA was able to consolidate its organizational activities and played an important coordinating role in implementing project-specific training that covered product design, colour mix management, market development, and business communication.

D.2. *Is there proof that the project has contributed to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal?*

90. The response from the enterprise survey conducted for the evaluation shows that the project would have created 672 additional jobs¹⁹ (based on extrapolation) in the sector and increased turnover from pashmina product export by about 11% over the pre-project conditions. However, this does not directly translate into the value of export due to lack of disaggregate data specific for the pashmina sector. Furthermore, although actual magnitude is not known, the share of pashmina product sale within the country (including tourism) is substantial which does not enter into the export statistics. Furthermore, while the pashmina manufacturers are producing more diversified products and export markets, the contribution of market diversification cannot be estimated due to lack of data. Several exporters have changed export destinations, which is partly driven by market, slow down and partly decline in demand. Para 48 on export offers additional data and explanations. More than half of the enterprises interviewed for the evaluation also felt that the working conditions in the pashmina factories had improved during the project implementation, although no direct intervention on improving working conditions was planned and executed under the project.
91. Some of the enterprises have been successful in increasing their turnover, profit, and profit margin based on their business relationship with the buyers on their own initiatives due to capacity development support from the project. For the majority of the enterprises, the stiff competition from low-quality cheap imitation products has continued to remain a major challenge. This has resulted in the enterprises finding alternate niche markets away from traditional client destinations and enhanced production efficiency largely due to partial automation of production processes for the pashmina products.

D.3. *How do the CP manufacturers manage environmental externalities?*

92. The project assumed that all pashmina manufacturers would use the CP trademark label in their promotional efforts would follow the regulations of Chapter 14 "Environmental Protection" of the NPIA Regulation and Code of Conduct of the use of the trademark. Also, a parallel EU funded SWITCH project was expected to increase resource efficiency, profitability, and sustainable growth by mobilizing private sector and relevant public sector authorities to reduce fuel and water use, and water pollution in the Nepalese carpet and pashmina industries.²⁰ The SWITCH project had identified that the pashmina factories had been polluting nearby bodies of water with chemicals and dyes from the manufacturing process and many factories lacked wastewater treatment plant facilities and instead dump polluted water directly back into the environment.²¹

¹⁹ The project led to an increase in employment in some industries, both for the artisans and non-artisan workers (para. 53), although some of the industries on their own expanded their production by automating their production processes and reducing the number of workers employed.

²⁰ <http://www.switch-asia.eu/projects/sustainable-carpet-and-pashmina/>

²¹ http://www.switch-asia.eu/fileadmin/user_upload/Project%20news/Nepali_pashmina/Nepal_pashima_int_I_competitiveness.pdf

However, it did not seem to have been adequately complied with. Feedback from the enterprise survey indicated that most of the pashmina manufacturers have not paid much attention to managing environmental externalities. The pashmina sector uses a fair amount of chemical dyes but the disposal of excess dyes and waste from the factories have not received adequate attention. Most of the factories use municipal sewerage or open drain to dispose -off their effluents. Of the 36 interviewed enterprises, only five (14%) have some arrangement for effluents disposal arrangement. While the project did not duplicate the activities of the SWITCH project, a proactive collaboration in this front between the PETS and SWITCH projects could have yielded tangible results.

D.4. What is the development impact of the project on CP producers and SMEs, particularly in terms of poverty alleviation? Is there potential impact, which could align with the UN Sustainable Development Goals (SDGs)?

93. Most of the pashmina industries are SMEs and have potential for providing substantive employment and income opportunities for the disadvantaged population. With product and market diversification, the potential for employment growth remains favourable. However, Nepali pashmina products need to be marketed as a high value product in niche, which can have spin-off benefit both in terms of income and employment as it was done under the project. The project would have had potential for contributing to the SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. At this stage, it is rather too early to provide an assessment of developmental impact in more concrete terms.

D.5. What is the impact generated in terms of human rights and gender equality?

94. There are no negative impact on human rights as a result of the project. Its impact on gender equality is positive as indicated by 40% new jobs created going to women in pashmina industry. However, more work is needed to ensure that NPIA is gender mainstreamed. At present, women-led pashmina SMEs are few in number. The enterprise survey data for the evaluation suggests that only four of the 38 pashmina proprietors (10.5%) were women. By design, there was no gender focus on the project but there were underlying expectations.

95. Overall, evaluation findings suggests that project impact is skewed in favour of relatively larger SMEs. During the stakeholder interviews, the evaluation found that the representation and voices of smaller enterprises were not adequately addressed by NPIA. On the part of some of the enterprises, benefits from NPIA are not so evident and as a result, these NPIA members have either become passive members or have discontinued their memberships.

E. Sustainability

96. The evaluation rates that the sustainability of project benefits likely to be **moderately satisfactory** but it would require continued support for to become a sustainable project. The assessment relies on the measures taken to ensure an exit strategy, the likelihood of benefits continuing after the project, local ownership to maintain project benefits, the state of business environment, and enabling factors for sustainability including scaling up.

E.1. Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure post-project sustainability? If so, are steps being taken to implement the strategy?

97. The project document in its exit strategy envisaged that the project assets (such as trained personnel, methodologies, tools, the roster of national and regional consultants, networks, training materials, website and other promotional tools etc.) will be absorbed by NPIA as well as the selected design school (engaged NCFT during implementation). It was also foreseen that local national experts will be reintegrated into the appropriate national bodies and the project will strive to apply a training of multipliers approach for skills transfer and create institutional capacity for specific technical disciplines. The project was also seen to serve as a platform for bilateral and multilateral donors wishing to develop complementary activities. Furthermore, NPIA was expected to develop the capacity for developing bankable project documents and at least three project documents to provide complementary support to the EIF-financed project. These provisions in the project document were aimed at ensuring sustainability of the project benefits.

98. The evaluation found that the methodology, tools, and training manuals developed by the project were all handed over to NPIA and at the end of the project all capital assets were transferred to

NPIA in the interim on the recommendation of MOC. For project coordination at the local level, ITC engaged an ITC National Project Coordinator (NPC) and a Project Assistant who were recruited through UNDP. The NPC resigned well before the project completion and as an interim measure, a national consultant was recruited because the project did not have adequate time to go through a full recruitment process. The Project Assistant was assigned more technical responsibilities and her status was changed to a consultant. The findings also suggest that NPIA does not have adequate capacity to rollout further training or training of trainers due to the shortage of required expertise.²² There are no core staff or experts at NPIA who can offer training of trainers either. Nevertheless, with additional support, the capacity development function of NPIA could be strengthened.

99. The evaluation assessment indicates that the project has contributed to enhancing the capacity of NPIA, and as a result, the association has engaged a full-time General Manager since January 2018. According to NCFT, the design inputs from the PETS project and equipment support has been instrumental in strengthening its training delivery capacity but it lacks resources to engage teaching staff. The participation of pashmina entrepreneurs in trade fairs and exhibition with ITC support has encouraged some of them to participate in the subsequent years using their own resources. During the interviews, some of the pashmina entrepreneurs mentioned that they see the merit in participation in trade fairs because they learn emerging fashion trends and build new contacts for exports.

E.2. What is the likelihood that results/benefits will continue after the project ends? What factors are in favour of or against maintaining benefits?

100. The project results/benefits are likely to be sustainable after the project has ended if the NPIA, TEPC, NBSM, and the Department of Livestock take ownership of the pashmina development agenda at the national level. With proper management directions, NPIA can become more inclusive and attract greater number of pashmina enterprises. Elite capture in NPIA remains a threat that can diminish the likelihood of sustainability of the project benefit in the future. NPIA being a private sector association has a potential to flourish with some support in the area of capacity development.

E.3. Is there a clear indication that the government and/or other key partners have committed financial and human resources to maintain benefits and results?

101. The government represented by MOC has demonstrated its commitment to the development of pashmina sector because it is a strategic high value commodity with potential to generate substantial prospect of generating employment and contributing to the national economy with policy support to steadily increase the production of raw material within the country and replacing the import. This would bring savings in foreign exchange reserves. The government has signed a USD 80 million loan from the World Bank for the Nepal Livestock Innovation Project which includes pashmina development
102. NPIA has a core stake in it and will continue to strive for the growth of its members. Similarly, NCFT had potential and tangible capacity to contribute to new product design and development but it would require continued support for a couple of years to sustain the benefit. However, its lineage with pashmina enterprises would be critical to sustain the benefits. There is substantial opportunity to proactively collaborate with MOALMC and the Department of Livestock on recently approved USD 80 million loan from the World Bank for Nepal Livestock Innovation Project and strengthen backward linkages by actively engaging with the Chyangra pashmina farmers in high altitude areas of Nepal. It is also encouraging to see that NPIA has maintained its engagement with MOALMC on the project. The pashmina industry also would need avenues to participate in international trade fairs and exhibitions to keep pace with new fashions and design technology.

E.4. Is the business environment conducive to the maintenance of the project's results?

103. The business environment for pashmina sector continues to face challenge on two fronts – highly volatile raw material prices and stiff competition from the cheap imitation products from other countries. There is no legal and regulatory enforcement mechanism to discourage the sale of fake products. Such a mechanism (a draft mechanism was with then MOI) supported by

²²NPIA has recruited a General Manager for the Secretariat who came on board in January 2018.

appropriate regulatory and monitoring tools will contribute to improved business environment. Similarly, the NBSM's capacity for desirable testing of pashmina yarn and export products remain constrained due to shortage of budget and qualified technical staff.

E.5. What other factors would play a major role in promoting or ensuring sustainability and/or scale of impact?

104. The NCFT with the support from the project developed a syllabus and technical know-how of conducting pashmina/cashmere product development and design training programme and has direct linkages with selected NPIA members. The college is in a position to offer training to pashmina industries on demand, subject to funding availability. As NCFT has incorporated the technical content of the cashmere product development and design training in its 3-year bachelor of fashion programme, future students and laureates will have the technical capacities and capabilities to serve the pashmina industry.
105. The trademark of pashmina products with CP label is a well-thought initiative by the industry and it was introduced by NPIA before it received support from the PETS project. The PETS project simply promoted the CP trademark in overseas markets. The industry uses NPIA code of conduct and regulations for the use of CP trademark with the requirement that cashmere fibre content should be 51% or more. However, a number of enterprises interviewed for the evaluation felt that they were not comfortable in using the CP label in their products because their buyers were happy with simply using "made in Nepal" label or they could not prove the traceability of fibre used in their production. In addition, the use of Chyangra in the CP label signifies that the raw material originated from Nepal because Chyangra is known only in Nepal. These industries were aware of reputational risk associated with branding.
106. The NPIA relies on membership and renewal fees (NRs. 5,000 per year) and generates revenue from the sale of CP labels and other services it offers to the members including their participation in international trade fairs. The current business model is not likely to sustain if the association is to offer meaningful suite of services on user fee basis. The expectations from NPIA is substantive. In response to a question on what actions are needed to strengthen and increase membership base of NPIA, several suggestions emerged from the stakeholder interviews with the representatives of pashmina enterprises such as:
 - Find ways to generate more resources so that it is able to conduct required training and workshop for its members.
 - Assess reasons behind little growth in its membership and identifying needs of enterprises and barriers to entry into the association before planning support activities.
 - Provide support for product designs, strengthening market linkages, strengthening business management capabilities of the enterprises, ensuring quality assurance across the industry, and developing new marketing tools.
 - Increase participation of its members in key trade fairs and events on a regular basis.
 - Entice wider membership for the association's activities rather than just concentrating in the hands of its board members.
 - Strengthen the capacity and efficiency of NPIA secretariat with more experienced persons, including technical experts.
 - Focus on industry's technical, managerial, and governance issues and reform the association.
 - Foster collaboration with relevant international development partners to support technical and business strategies of the pashmina enterprises.
 - Seek support from its members to serve as resource persons for issues such as trade, branding and marketing.
 - Share new knowledge and avail state of the art information on the international market for a pashmina, fashion and designs, and colour trends.

- Improve communication between its board members and the general members.
 - Conduct market research to strengthen existing markets, explore new market opportunities, sourcing raw materials at best prices,
107. Overall, the evaluation is of the view that the benefits from the project would be difficult to sustain without continued support from external agencies. However, this does not mean sole dependence on external funding. The NPIA would need to come up with a viable business model that is inclusive, equitable, and accessible to the current and new member. At present, NPIA membership is on the decline or stagnant at best and it needs to grow and this can happen if NPIA can demonstrate the value for money in being affiliated with the organization. From a sustainability point of view, the proactive role of NPIA is vital to protect the interest of pashmina sector and those dependent on it.

LESSONS LEARNED AND GOOD PRACTICES

A. Lessons Learned

108. **The project management in the Asia and the Pacific region from ITC headquarters is challenging.** It requires a highly competent team of national consultants in the country with experiences in managing projects implemented by UN agencies and having a sound understanding of product value chain. The national consultants engaged by the project did not have adequate experience in pashmina value chain and had limited leadership skills and experience in implementing projects for UN agencies. As a result, planning and implementation of project activities suffered delays. Adequate monitoring of local staff and extending support when needed would have helped the project implementation.
109. **At the time of project design, it is crucial to conduct a full value chain analysis comprising both backward and forward linkages and map out key actors and their roles and responsibilities.** The project did undertake value chain analysis on forward linkages as part of the market studies and used the only existing analysis that was also undertaken by ITC in 2009. While the PETS project focused on forwarding linkages with emphasis on export promotion, it did not undertake an additional analysis of backward linkages. It assumed that the domestic Chyangra farming was difficult and would probably be addressed by ADB supported HIMALI Project at least to some extent. Different enterprises sourced yarns for their production almost all from overseas on their own, which translated into wide variation in the quality and price of yarn imported.
110. **The project stakeholders have recognized that Chyangra Pashmina (CP) has a large potential to become a recognized quality Trademark through branding efforts if all relevant stakeholders work together and complement each other's efforts.** This would mean establishing strong backward and forward linkages in Pashmina product value chain with rigorous quality assurance at each step in the process. There is a need to proactively integrate Nepalese Chyangra farmers in the high altitude areas of Nepal with skills in raising mountain goats for fibre, effective and efficient methods of fibre harvesting, preferably on-site processing of raw wool fibre, marketing arrangements for farmers to sell their wool at a fair price to Nepalese Pashmina product manufacturers. Similarly, export market linkages need to be strengthened so that Pashmina export remains competitive and sustainable delivering higher returns to all actors in the value chain. Currently, backward linkages are weak due to lack of adequate attention and inadequate coordination to promote the production of Chyangra wool within the country. Harsh weather conditions in high altitude areas, lack of organized market and transport arrangements, a low volume of production, and low fibre yield per Chyangra are some of the common challenges that require attention to ensure sustainable production and export of garment products from Nepal. The project did not have a direct intervention programme in high mountain areas where Chyangra is raised, but the project foresaw that the goat farmers in remote mountains areas would benefit from fibre value addition. Data limitation does not permit any specific the trend in sourcing raw material (fibre) from domestic sources. The evaluation, however, notes that the support for the backward linkages (goat farming for pashmina wool production was not included in the original project design and hence it did not reflect in the project's logical framework. It is also understood that during implementation, the project steering committee (PSC) discussed this issue and recommended the project to address these aspects, which it did to the extent possible within available resource envelope.
111. **The project's learning and ability to adapt to identified and felt needs by using national and regional expertise whenever possible can make capacity development more targeted and effective.** The PETS project collaborated with NPIA members comprised of (i) only yarn importers, (ii) pashmina products exporters (non-manufacturers), (iii) yarn importers and pashmina exporters (non-manufacturers), (iv) pashmina product manufacturers, and (v) pashmina products manufacturers and exporters. The exporters would benefit from continued relevant training in export processes and management as initiated under the project. The current membership database of members maintained by NPIA is not up to date because the status of members of the five categories can change from one year to another. Future projects would need to maintain its focus on capacity building of institutions from CP farmers to business association and fashion design colleges alongside direct support to enterprises. Since the CP sector has diverse actors from farmers to exporters, it is important to continue organizing regular knowledge

sharing activities among them to ensure all actors work in synergy to uplift the sector, building upon the project's achievement.

112. **Export product and market diversification reduces business risk.** Experiences of pashmina exporters suggest that market for pashmina export market has been volatile from one year to another for the majority of the exporters. Some of the enterprises had lost their market and had to abandon their businesses while others had to explore alternative markets. The enterprises taking proactive measures to find alternate market continued to survive and outperform others. Export volatility can be observed from Table 1. To hedge potential business risk associated with dependency on a single product or market, the project capacitated enterprises to diversify products (into knit products) and markets.
113. **For successful niche product export, if branding and trademark are traceable, there is a greater possibility of successful sustainable export and commanding premium prices.** The CP trademark and branding of Nepali pashmina products was expected to attract better prices and increase export of pashmina products. However, the evaluation found that the response to CP branding is mixed and several exporters have opted not to use the brand because they foresee a problem in traceability. For example, some of the pashmina product exporters to Japan could not gain market access because the client wanted to see the origin of pashmina fibre. The perception problem about the traceability may partly be due to a wrong interpretation or presentation of the CP trademark regulations that only makes reference to the fibre quality.
114. **There is a need to adhere to the industry's code of conduct and NPIA's regulations as well as national environmental policy for safe management and disposal of pollutants including chemicals used by pashmina industries. NPIA may need to work with its members in raising awareness about the effluent management practices.** An overwhelming majority of the pashmina enterprises (86%) did not follow the CP label code of conduct as agreed upon. Therefore, there is a need to ensure that the enterprises adhere to the environmental norms under the NPIA regulations and Code of Conducts for the trademark label. At present, only five of 38 enterprises had some form of environmental management arrangement and others have no provision for disposing of chemical dyes leaving the effluents running into common sewerage.
115. **In designing projects, it is important to make provision for safeguarding against potential obstructions in project implementation, either a natural disaster or man-made.** In order to accommodate this provision, there needs to be appropriate flexibility in project implementation and the technical committee comprising relevant stakeholders need adequate authority to adjust project implementation arrangements without affecting envisaged project outcomes. In PETS project implementation was adversely affected for an extended period of time as mentioned earlier due to border blockade and earthquakes.
116. **There is a need for a continued knowledge transfer framework and mechanism so that direct project beneficiaries are able to pass on new learnings to their peers and other relevant stakeholders.** In PETS project, while the entrepreneurs participated in trade fairs and exhibitions, not all participants at the dissemination workshops felt that they gained much from the event. Funding support for trade fair participation need to be accepted as an investment in public knowledge and hence it would be in the industry's interest to promote cross-enterprise learning.
117. **ITC need to regularly assess the capacities of NPIA (or other trade associations) to equitably distribute the benefits.** There is an inherent perception among several NPIA and non-NPIA members that the association is a kind of social club being used by a group of NPIA members to their advantage. ITC and NPIA Board should have regularly assessed NPIA's capacity to ensure equitable distribution of project benefits, particularly in trade fair participation rather than delegating the responsibility to NPIA focal point.
118. **Project implementation becomes effective under the guidance of a PSC with delegated authority to a technical committee for day-to-day decision-making.** Wider consultation with stakeholders for the evaluation suggested that PSC was too large with undefined roles for the institutional members. Scheduling PSC meetings was not the major issue. The major problems with the PSC meeting attendees kept changing each time. The role of the PSC members could not be maintained as originally intended due to representatives of the PSC institutions attending the meetings changed continuously thereby disrupting continuity of knowledge / decision-making process.

B. Good Practices

119. **Strong support from the government is needed for effective project implementation.** For PETS project, MOC represented the government and the Secretary headed the PSC. The PSC meetings were held seven times and took a number of important decisions to facilitate project implementation. While it was not a part of the project design, PSC advised the focal points of MOC, ITC and NPIA to take stock of production of pashmina wool in Nepal. The project conducted a rapid diagnostic study on Chyangra farming. It concluded that there were about 60,000 Chyangra in Upper Mustang area. The project supported the registration of a Chyangra farmers' cooperative in Mustang and the cooperative was linked to some of the manufacturers of pashmina products.
120. **When projects are adversely affected by natural disasters or political unrest, project implementation can progress if additional time is provided.** Due to disruptions as a result of border blockade and two major earthquakes, several project activities were adversely affected. The project was extended until 18 October 2017, which helped the project to accomplish some of the planned activities.
121. **It is important to build synergies and foundation for larger projects for better developmental outcomes.** The project has enabled NPIA to coordinate with a large World Bank funded project approved in early 2018 and invited ADB supported HIMALI Project in all PSC meetings. It also ensured that other key agencies such as Trade Export and Promotion Centre and the MOLD attend PSC meetings and offered an opportunity for inclusiveness. The MOALMC is the executing agency for the World Bank funded project and it is likely to bring in lessons from PETS project and strengthen backward linkages for the pashmina industries.
122. **Transaction costs in project implementation are relatively lower if the project team remains stable.** The focal persons at MOC, ITC and NPIA remained the same throughout the project implementation period. This facilitated coordination across the three agencies without much difficulty. No relearning was required at the focal point level.²³

C. Constraints in Project Implementation and Delivery

123. The project encountered constraints and the project management addressed these challenges to the possible extent. These are summarized in Table 7 based on project completion report.

Table 7: Project Implementation Constraints and Mitigation Measures Adopted by the Project

Constraint	Mitigation Measure by the Project Management
1. Technical expertise was not available locally.	<ul style="list-style-type: none"> ITC fielded international experts who imparted training/workshops and transferred new knowledge to project stakeholder including national consultants, and NPIA and NCFT. NCFT students were attached with the international expert in fashion design to learn and support pashmina enterprises in developing look-books and storyboards.
2. Weak capacity of the private sector partners, NPIA and NCFT to rapidly pick-up on the results achieved and take the lead to materialize on the technical and market linkages.	<ul style="list-style-type: none"> After midterm evaluation of the project in 2015, the project entered into a MoU with NPIA to build institutional capacity as a capable private sector commodity association to serve the interest and needs of the pashmina industry. Selected activities contributed to NPIA's capacity to provide demand-driven services to its members. Moreover, in January 2017 an NPIA Institutional Development Consultant was recruited to build NPIA's capacity and support with the implantation of the MoU between NPIA and ITC.

²³ This however, was not the case as with regard to the Chairperson of the PSC and the representative of various other ministries in the PSC which changed constantly.

	<ul style="list-style-type: none"> • ITC closely engaged the NPIA focal point (Vice-President) to develop and implement the project. • The CEO of NCFT took over as the official counterpart to implement the MoU between ITC and NCFT, which significantly improved progress to deliver agreed activities of the MoU.
3. Short-time frames for the project implementation and completion considering the time lost with the signing of the Letter of Agreement and subsequent natural disaster and border blockade and fuel supply crises.	<ul style="list-style-type: none"> • The MTE recommended a 13-months no-cost extension of the project and an additional three months extension of the request from NPIA. Both requests were which was endorsed by EIF and MOC.
4. Significant delays in project implementation and the implementation of the MoU between NPIA and ITC occurred following NPIA's AGM and its leadership changes with no proper transfer of responsibilities for smooth implementation of the project. Furthermore, differing views among NPIA leadership and its members often resulted in changes in activities already planned.	<ul style="list-style-type: none"> • MOC and NPIA discussed the issue and MOC suggested to assign NPIA focal person to support the project implementation. The cumbersome consultation process and clearance of MoU activities by NPIA board coupled with a limited capacity for timely response continued to challenge implementations causing months of delays. Due to these challenges, NPIA once again requested for the MoU to be extended until the end of the Project date 18 October 2017. • The project also extended the contract of NPIA capacity development adviser to ensure support with the completion of the MoU activities.
5. The trade fair participants did not result in a proper technical and market linkages. Also, the participants were reluctant to share the outcomes from their participation and report their export volume and value.	<ul style="list-style-type: none"> • ITC assured the participants that information provided by them would be kept confidential and reinforced the communication channel for companies to report directly to ITC. This improved the reporting yet more improvement is needed to obtain accurate information for companies. The evaluation finds that this has not been complied by the participants.
6. To some extent, there have been elite capture and project services have been repeatedly availed by some of the NPIA board members. The Project received some feedback that only a few officials and members directly benefitted from services provided by the Project, particularly related to promotions of the sector in international markets.	<ul style="list-style-type: none"> • The Project made every efforts to reach all members and developed transparent company selection criteria that were used and implemented by NPIA. However, the project deliberately i.e. in a consensus with MOC and ITC, gave certain authority to NPIA/Focal Persons to identify and select beneficiaries companies among their members. This contributed to the capacity building of NPIA and them taking full ownership of the project.
7. The project NPC resigned before project completion.	<ul style="list-style-type: none"> • The project recruited another NPC who stayed on for less than three months. The project assigned the CDA to serve as NPC until project completion.

RECOMMENDATIONS

124. The evaluation provides a set of recommendations to the project stakeholders including GON, NPIA, ITC, and EIF. These are based on evaluation findings and lessons learned.

For the Government of Nepal

- (i) ***In order to provide a momentum to the initiatives launched under the project, MOICS should constitute a Pashmina Sector Development Committee*** comprising representatives from MOICS, TEPC, NBSM, and NPIA so that it can address emerging challenges, including any actions needed by the government. The committee should assess and recommend measures to the government to streamline the supply of quality raw materials, market promotion, branding, and training activities to strengthen the sector. The committee should be charged with first formulating a national pashmina sector development strategy in collaboration with other concerned agencies.
- (ii) ***To maintain the consistency in the quality of exported pashmina products, the Ministry of Commerce, Industry and Supplies should strengthen the capacity of NBSM with the support of NPIA*** so that NBSM is able to review the quality testing regime for both imported pashmina yarns, exported pashmina products based on demand, and conduct random checks of pashmina products sold in the local markets and offer policy advice to the Ministry. There is an inherent perception that the regime is too lenient and does not cover adequate sampling. The government should equip the Bureau to conduct a random check of wool import and pashmina exports so that the enterprises adhere to agreed norms and standards.
- (iii) ***MOICS should seek active collaboration with NPIA and MOALMC*** (the executing agency for implementing the World Bank financed project) and jointly prepare a strategy and action plan for (i) promoting and expanding Chyangra pashmina wool, (ii) enhancing the role of newly formed Chyangra and Pashmina Farmers Association in the Upper Mustang by supporting it. The strategy and action plan should be consistent with the national development priority by reducing total reliance on imports of pashmina yarns for production. The evaluation recognizes that the incremental production of pashmina fibre within the country will be a small fraction of the industry's requirements. Nevertheless, it would exert tangible developmental impact on poverty reduction for the farmers solely dependent on Chyangra farming in Nepal.
- (iv) ***NPIA should engage TEPC and MOICS in pashmina trade promotion initiatives and require to publish disaggregated sector-specific import and export data of raw materials and export products.*** The extraction and reporting of trade statistics specific to pashmina products is cumbersome and should be easily extractable.

For NPIA

- (i) ***NPIA should review its branding and labelling strategy*** in the national interest and avoid any reputational risk. Product traceability is vital for promoting pashmina in niche export markets. This may require rebranding pashmina products made in Nepal but identifiable for its quality. The CP label should be used only in the products containing at least some quantity of Chyangra pashmina wool. Furthermore, it should seek government's support in monitoring the use of genuine labels.
- (ii) ***NPIA should review its medium-term strategy and assess if the strategy meets its members' requirements.*** It needs to integrate a strong market research component in its work plan. The revised strategy should also need to be linked to achievable road map and action plans.
- (iii) ***NPIA should launch a membership drive to attract new members and retain current members.*** The new drive should clearly outline the benefits from the membership. Also, NPIA should consider introducing associate membership status for new and smaller enterprises. It should also consider increasing the membership fee in return for better services such as market research information, industry outlook, and technical expertise in key areas such as raw material sourcing, export management, and business communication. It should also maintain a pool of experts in wool technology, fashion design, export promotion and market development and trade facilitation and link these experts to its members so that they can access credible services.

- (iv) ***NPIA should continue to engage winter fashion design experts and technologists and organize fashion exhibition events at regular intervals*** so that the industries are kept up to date with emerging fashions and design. With a memorandum of understanding with NCFT, it may consider using NCFT facilities to offer training based on cost-recovery basis.
- (v) ***To ensure more supply of quality pashmina fibre from within the country, NPIA should continue to proactively engage with MOALMC*** particularly on the World Bank funded project and strengthen pashmina value chain.
- (vi) ***As initiated under the project, NPIA should continue to promote pashmina in local markets on a regular basis by organizing fashion shows in collaboration with its members and NCFT.*** The size of domestic market including sale to tourists is substantial and for ensuring the reputation of Nepali pashmina products NPIA need to remain actively involved it.
- (vii) ***To promote cross-learning, NPIA should continue to organize an experience sharing event, as initiated under the project, soon after the participants' return from each trade fair*** and invite other members to participate in the event. This should be an opportunity to share good practices of mutual interest. There should be a standard protocol and parameters that the participants can share with wider NPIA membership.

For ITC

- (i) ***To keep pace with the current trend, ITC should facilitate access to new fashion and designs to NPIA for distribution to the wider membership.*** Since most of the pashmina enterprises are SMEs, their access to new and emerging fashion designs of winter products is limited, they need external support and knowledge on a regular basis. ITC should identify an appropriate outfit within the organization that can support NPIA. ITC should also explore generating additional resources for this purpose from external sources including export industries, if funding implications become serious impediments. While the project provided support to set up a resource centre with subscription to fashion magazines, books, colour trends and membership of USFIA and FBI and entrusted NPIA to disseminate, ITC may consider a diagnostic study to assess the effectiveness of these provisions through the project. With the advancement of information technology, ITC also could consider developing an online portal for the pashmina industry through which technology, fashion trends and market development could be disseminated.
- (ii) ***To strengthen the pashmina sector further, ITC should develop a new funding proposal for support from prospective development partner(s)/donors.*** The proposal should be based on a robust analysis of both backward and forward linkages of pashmina value chain. In consultation with the World Bank Nepal Office and MOALMC. It should also harmonize with the Nepal Livestock Innovation Project so that any duplications are avoided.

For EIF

- (i) ***EIF should consider providing support for the next phase of the project with an innovative approach based on adequate use of local and regional expertise.*** The pashmina sector in Nepal would find it difficult to become a viable institution without continued funding support complementing the government's programme under the World Bank funded Nepal Livestock Innovation Project. There is a greater need for NPIA to further enhance its capacity and become a full-fledged service provider to the pashmina industry.

CONCLUSIONS

125. The project was relevant for Nepal's pashmina sector at the time export volume and value of pashmina export was on the decline. The project supported strengthening the capacity of the only commodity association for pashmina (NPIA) and a credible fashion design training institute (NCFT) to some extent. The project organized training and workshops on relevant topics to the industry and overall there was an appreciation for ITC support. The pashmina exporters who participated in trade fairs and exhibitions benefitted from establishing new business relationships with their potential clients. The project through NPIA was able to help enterprises to shift from a cash-and-carry to customer/market focused approach with targeted seasonal products using "Made in Nepal" pashmina banner. The project also provided support for the registration of a Chyangra Farmers Association and linked it to the pashmina industry with an aim to increase production of Chyangra pashmina in Upper Mustang region of Nepal. The project identified relevant partners for collaboration and implementation of the project.
126. The project has laid the foundation for further work and improvements in Nepal's pashmina sector. It has enabled NPIA to collaborate with other partners. However, substantive work remains unfinished and further efforts are needed on the part of all stakeholder groups, including EIF, NPIA, the government and ITC. Key areas for improvement continue to be the capacity development of NPIA, branding and marketing, product design and diversification, human resource development, and export business management.

Appendix 1: Terms of Reference



Date: 14 September 2017

TERMS OF REFERENCE

Final Evaluation of the Pashmina Enhancement and Trade Support (PETS) Project in Nepal

(IB41 - NEP/4B/04A, Tier 2 Enhanced Integrated Framework)

Nepal

INTERNATIONAL TRADE CENTRE

A SUBSIDIARY ORGAN OF THE UNITED NATIONS AND THE WORLD TRADE ORGANIZATION
GENEVA, SWITZERLAND

1. BRIEF PROJECT BACKGROUND AND CONTEXT

1. The Pashmina Enhancement and Trade Support (PETS) project in Nepal is funded by the Enhanced Integrated Framework (EIF) Trust Fund. The United Nations Office for Project Services (UNOPS) was appointed the Trust Fund Manager for EIF projects. A Memorandum of Understanding (MOU) between the International Trade Centre (ITC) and UNOPS was signed on 18 June 2013. The project officially commenced on 20 November 2013, with the signing of the Letter of Agreement (LOA) between ITC and the Ministry of Commerce and Supplies (MoCS) of the Government of Nepal (GoN), with a total budget of \$1,861,603.00.²⁴ It should be noted that since the signing of the project document, the name of the MoCS has been changed to Ministry of Commerce (MoC), Government of Nepal. The project was subject to a midterm evaluation, which resulted in a one-year no-cost extension to 18 July 2017. In June 2017, the implementing partner (Nepal Pashmina Industries Association [NPIA]) requested ITC to consider another no-cost extension in order to give more time to implement project activities. As a result, ITC formally requested MoC and the EIF to extend the project at now cost and submitted a revised workplan. On 27 June the Ministry of Commerce approved the extension request and on 11 July the EIF approved the actual extension of the project to end on 18 October 2017, and November 2017 the project was extended to 18 April 2018. As agreed between the EIF and ITC, a final evaluation of the project is expected to commence before the project is concluded.

BACKGROUND

2. The purpose of the project is to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal. The pashmina sector is a priority sector for export development identified by the Government. The project aims to:

- Strengthen the competitiveness of the CP sector through interventions along its value-chain and through strengthening the institutional capacity at sector level;
- Build capacity at the Nepal Pashmina Industry Association (NPIA) through a practical medium-term plan, developing its service potential towards the industry, undertaking supply chain analysis for fibre in goat farming areas and creating institutional capacities to develop and elaborate project documents and business plans to tap into existing donor support, especially at farmer level;
- Strengthen the international competitiveness of processed CP products by developing product development and design development capacities at institutional and the enterprise level, subsequently assisting enterprises to expand existing markets and/or concur new ones;
- Provide support to create awareness of the CP trademark that was already registered in more than 41 countries; and promote the trademark in priority markets and domestic market surveillance well established; and
- Achieve long-term sustainable impact by strengthening national capacities throughout the implementation phase.

PROJECT OBJECTIVE AND OUTCOMES

3. The overall development objective of the project is to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The project was designed to achieve the following three outcomes:

1. NPIA provides sustainable services to its members and CP stakeholders;
2. CP manufacturers increase exports in target markets due to increased international competitiveness; and
3. New buyers in priority markets recognize CP label as a niche luxury product.

Further details regarding the project outcomes and outputs can be found in the logical framework found in Annex I.

²⁴ Note: The EIF Project was approved on 22 May 2013, the EIF Implementation Letter was signed on 18 June 2013, and the LOA between ITC and MoCS was signed in November 2013; these documents form an integral part of the EIF approval process.

BENEFICIARIES

4. Beneficiaries of the project are CP processors/enterprises at the enterprise level. According to the project document, assistance will be provided directly to them and through sector multipliers such as NPIA and a design school or university. Thus, the CP sector-related institutional infrastructure is the major focus of assistance, which in turn aims to apply lessons learned, knowhow and experiences accumulated to the benefit of enterprises. Ultimately, goat farmers in remote mountain areas will also benefit through increased fibre production, its linkage to the Nepalese CP value chain, and through the fibre value addition.

5. Under outcome two, the project targets 10 CP companies per identified markets. With three markets envisaged the project provides direct assistance to 30 companies. Subsequently, each directly-assisted company would support five other companies through the sharing of information and practical advice from lessons learned. Thus, the project planned to reach out to 150 companies. In addition, other NPIA members would be served by NPIA directly through dissemination and training workshops. The project does not specifically address gender aspects, however, in all marketing and training activities it is foreseen that at least 30% of all participants are women. The project, therefore, aims to contribute to gender mainstreaming in the CP sector in Nepal. The logical framework (Annex I) contains further details of the project results and their direct link to objectives, activities, indicators, means of verification, and assumptions.

PROJECT COORDINATION AND MANAGEMENT

6. Below are the project's implementation arrangements as set out in the LOA between the GoN and the ITC.

Executing Agency

7. The Ministry of Commerce (MoC), Government of Nepal (GoN), is the Executing Agency of the PETS project. As the Executing Agency the MOC takes the required measures to facilitate the execution of the project and to support ITC staff in obtaining such services and facilities as they may be required fulfilling their tasks.

Main Implementing Entity (MIE)

8. The GoN selected ITC as the MIE. ITC implements the project in collaboration with the MoC, private sector, especially NPIA, and other relevant agencies. Moreover, the second Project Steering Committee (PSC) meeting, held on 19 October 2014, authorized the nominated project Focal Points (FPs) from ITC, MoC and NPIA to jointly take decisions regarding all activities within the approved work plan and budget.

9. Within ITC the project is implemented by the Sector and Enterprise Competitiveness (SEC) Section²⁵, which has expertise in natural fibres, textiles and clothing, in close cooperation with the Office for Asia and the Pacific (OAP). SEC technically implements the project with support from the Trade and Investment Support Institutions (TISI)²⁶ Section for institutional support issues related to NPIA, and other members of SEC²⁷ for trademark awareness creation and promotional tools. Other ITC technical sections are involved when project activities require additional expertise.

10. OAP ensures that the project is in line with country priorities and synergies with development initiatives that follow similar outputs; and manages relations with EIF partners in the field, other technical organizations, and development agencies supporting Nepal in trade-related technical assistance (TRTA).

11. The roles and responsibilities of the ITC Technical Sections, in its capacity as MIE, include the following:

SEC Section

- Provide technical expertise (fibre, textiles, clothing and with regard to target markets);

²⁵ Previously named Sector Competitiveness (SC) Section.

²⁶ Previously named TSI Strengthening (TS) Section.

²⁷ These section members were previously in the Enterprise Competitiveness (EC) Section. In October 2016 SC and EC sections were merged into one resulting in SEC.

- Propose local Trade Support Institutions (TSI) and other partners involved in project implementation;
- Coordinate overall project activities within ITC;
- Oversee and manage project implementation;
- Review and adjust workplans as per EIF stakeholders' recommendations;
- Ensure agreed activities, timelines and outcomes are delivered as per plan;
- Undertake budget allocations and revisions;
- Prepare (jointly with OAP, technical sections, NIU, and NPIA) reports to be provided to the FP, TFM and/or NSC;
- Disseminate information and success stories of the project achievements;
- Liaise and report regularly and coordinate activities with all project stakeholders, particularly the FP and the NIU;
- Ensure effective involvement of the NIU in project coordination; and
- Prepare job descriptions and work schedules for national and international consultants of the programme for specific product and market development related activities, brief them at the beginning of their missions, provide guidance, and facilitate their work;

OAP Section

- Guide ITC's technical sections on implementation in Nepal;
- Initiate and negotiate MOU;
- Ensure that technical inputs are in line with the country development policy and strategy;
- Review and validate grant to be proposed to local technical entities;
- Liaise and report regularly and coordinates activities with all project stakeholders, particularly the FP and the NIU; and
- Inform trade-related stakeholders in Nepal about ITC activities in the country and Asia-Pacific region.

Other ITC Technical Sections

- Ensure effective and timely implementation of individual project components;
- Oversee and manage project implementation of sub-implementing entities where appropriate;
- Prepare job descriptions and work schedules for national and international consultants of the programme for specific technical activities, brief them at the beginning of their missions, provide guidance, and facilitate their work;
- Prepare grants to be proposed to technical counterparts for the implementation of selected activities;
- Provide guidance and advice to counterparts for the successful implementation of the programme's activities and for reaching its objectives; and
- Ensure quality and timely delivery of any reporting.

Key Implementing Partner

12. NPIA is the key implementing partner, and has been assigned the following roles and responsibilities:

- Work as the key implementing partner of the project and coordinate with all stakeholders for carrying out project's work plan successfully;
- Actively participate and work in close consultation with the MoC, ITC, the donor and other stakeholders to implement the PETS project;
- As per the need and requirement of PETS project, NPIA actively participate in conducting, organizing and implementing trainings, dissemination programmes etc. from time to time;
- Actively engage its members in development of CP products designs, marketing tools, national and international market penetration and promotional work etc.;
- Assist to NPIA-based National Project Coordinator (NPC) for effective project implementation;
- Provide necessary office space with secretarial services to the National Project Coordinator in its Office Building to implement PETS project most effectively and successfully;
- Acquire maximum benefits from the project by encouraging NPIA members and non-members for their participation in the project activities and disseminating all information to the pashmina sector;

- Coordinate closely with Design Centre for development of new designs in pashmina industries and provide necessary information and guidelines;
- Assist the PSC with the monitoring and evaluation of project's performance; and
- Coordinate with other agencies and Chyangra farmers for chyangra pashmina fibres and its value chain development.

National Implementation Unit (NIU)

13. The Head of the Planning and International Trade Cooperation Division of MoC has been designated as the NIU Coordinator. The unit works closely with other designated focal points in Government Ministries/Departments, particularly the Ministry of Finance, the National Planning Commission, the Ministry of Agricultural Development, the Ministry of Tourism and other trade-related institutions (public, private and civil society). The NIU aims to ensure coordination at all stages of the EIF process. Roles and responsibilities of the NIU include the following actions:

- Cooperate with ITC on project implementation;
- Facilitate work of Local Project Coordinator housed within NPIA;
- Assist ITC in selecting and mobilizing local technical counterparts and identify suitable national experts;
- Ensure information flow between the different stakeholders at the national level;
- Commit (together with NPIA that hosts the project office) to agreed activities, timelines and outcomes and to taking over the process sustainably after the project ends; and
- Create (together with NPIA) visibility for, and champion the project, at the national level throughout the process.

National Project Coordinator (NPC)

14. The NPC is housed within the NPIA and funded by the project, coordinates the day-to-day activities, under direct supervision from ITC and in close consultation with the NIU. The NPC takes responsibility for attaining the project results in Nepal, providing necessary inputs and ensuring the alignment and joint coordination of the different components of the project. The NPC is supported by a National Programme Associate for administration and finance, also housed within NPIA and technically by national consultants recruited for specific technical purposes. NPC, under the guidance and supervision of the PSC and in close consultation with the NIU, is responsible for the following actions:

- Lead in-country facilitation for smooth project implementation;
- Ensure implementation of in-country communication strategy;
- Ensure information flow between the different stakeholders at the national level;
- Facilitate the work of national and international experts/consultants;
- Provide administrative backstopping and clearing-house functions for the project;
- Report directly to NIU and ITC on any relevant project related developments;
- Act as primary contact and information source for Nepalese implementing partners;
- Carry-out miscellaneous duties as requested by the supervisor;
- Act transparently in all project implementation aspects;
- Contribute (together with NPIA) to the preparation and review of bi-annual reports and consolidated annual reports;
- Prepare (together with NPIA) Annual Project Steering Committee Review Meetings;
- Provide secretarial/administrative and logistics support to ITC experts during their missions in Nepal; and
- Prepare periodic reports and submits to NIU and ITC on a quarterly basis.

15. The NPC resigned from his duties on 28 February 2017 to take on other long-term work, and was replaced by an NPC hired on a consultancy basis. The terms of reference (TOR), as compared to the previous NPC's work, were amended, the post was advertised, and interviews held jointly by NPIA, MoC, and ITC (ITC was present through Internet connection). The jointly selected candidate joined the project at the beginning of May 2017.

Project Manager

16. The Geneva-based ITC sector specialist acts as the Project Manager by providing technical leadership, and strategic vision. The Project Manager, based in the SEC Section, periodically travels to Nepal to ensure the effective implementation of such project components under implementation by

ITC. The Project Manager provides technical guidance and technical inputs towards the three expected outcomes and is backed in his work by experienced consultants.

NIU-Based Project Support Team

17. The NIU-based project support team, led by NIU Chief, comprising Trade Sector-Wide Approach (SWAp) Coordinator and EIF National Program Manager closely monitors the project activities and coordinate/facilitate the above-mentioned entities, ensuring the project's alignment with the national EIF programme as well as its development plans.

EIF Focal Point (FP)

18. The Commerce Secretary of the MoC of the GoN acts as the FP, overseeing the functioning of the NIU, as well as staffing issues and operational supervision. The FP works closely with the relevant line Ministries, the Donor Facilitator (DF)²⁸, the EIF Executive Secretariat (ES), other donors and EIF Core Agencies to ensure that TRTA projects are mainstreamed into the Poverty Reduction Strategy Paper (PRSP)²⁹ and respond to priorities identified within the Diagnostic Trade Integration Study (DTIS)³⁰. Roles and responsibilities of the EIF FP include the following actions:

- Undertake the overall coordination of EIF programmes in Nepal;
- Provide guidance to the NIU on general direction of the project;
- Act as focal point for all project related reporting;
- Validate bi-annual reports prepared by ITC jointly with NIU support;
- Review consolidate annual report (to be endorsed by the NSC);
- Validate TOR of the external evaluation to be conducted at the end of the project; and
- Disseminate project results at country, regional and global levels.

National Steering Committee (NSC)

19. The NSC, under the Chair of the Chief Secretary is composed of members from Secretaries at different ministries, high-level officials from the concerned agencies, as well as representatives from the private sector. The roles and responsibilities of the NSC include the following actions:

- Monitor the overall EIF processes and activities, including trade mainstreaming into national development plans;
- Ensure effective coordination and buy-in among various Government institutions, the private sector, civil society and other EIF stakeholders;
- Monitor EIF implementation issues, supervises the work of the NIU, assesses the DTIS and its Action Matrix³¹ and approve prioritized interventions ensuring, if needed, the subsequent endorsement by the Government;
- Provide national space for discussion and identification of DTIS priorities and issues to be taken into account in updating the DTIS;
- Establish five inter-ministerial Technical Committees (TCs);
- Ensure that the project maintains coherence with the trade national objectives and regional priorities;
- Promote the strategic alignment of the project with the EIF goals and other national development objectives and plans;
- Determine the ways in which lessons and experiences coming out of the project are to be replicated or scaled-up;
- Review and facilitate synergies between the present project and other TRTA initiatives in Nepal;
- Review the project implementation strategy and advise the management team on strategic priorities;
- Provide guidance on resource mobilization and sustainability of the project;
- Assess areas of actual and potential risk and provide advice on suitable mitigation measures;

²⁸ Note: The Government of Germany is the Donor Facilitator, through the Embassy of Germany in Kathmandu and its technical hand GIZ in facilitating the coordination of the various donors, as well as mobilizing further support for Nepal.

²⁹ International Monetary Fund (2003). *Nepal: Poverty Reduction Strategy Paper*. Washington. Available from <https://www.imf.org/external/pubs/ft/scr/2003/cr03305.pdf>

³⁰ Enhanced Integrated Framework (2003). *Nepal Diagnostic Trade Integration Study (DTIS): Nepal Trade and Competitiveness Study*. Geneva. Available from <http://www.enhancedif.org/en/document/nepal-diagnostic-trade-integration-study-dtis-2003>

³¹ *Ibid.*, xi-xvi

- Consider project results and advise on dissemination and application; and
- Ensure political support at the highest level in the country.

Project Steering Committee (PSC)

20. The PSC is responsible for the overall coordination and policy guidance of the project. The PSC is expected to meet as and when required but at least once in every six months, and reports to the NSC at least twice a year. The PSC membership is reflected in the sectoral nature of the project, and includes representatives of: ITC, MoC, Ministry of Agricultural Development (MoAD), Ministry of Industry (MoI), TEPC, DF, NPIA, and the NIU. It is chaired by the Secretary, MoC. The PSC may invite concerned agencies and stakeholders to any meeting as required. The PSC is responsible for taking any decisions related to the implementation of the project including:

- Monitoring and acting as oversight body for the project's overall approach and direction;
- Approving the project's annual work plan and budget prepared by ITC and NIU;
- Providing overall coordination and policy advice;
- Approving subsequent up-dates of the budget and work plan;
- Reviewing the bi-annual progress reports submitted by the Implementing Agency through the EIF FP;
- Reporting annually on project progress to NSC and provide NSC with the annual project progress reports as well as the midterm and final evaluations;
- Providing overall guidance and strategic direction to project implementation; and
- Validating the choice of local entities eligible to receive grants from ITC for the implementation of agreed activities.

Focal Points from MoC, NPIA and ITC

21. The three FPs are responsible for the operational functioning of the project. Based on the decisions made by the PSC, including the approved workplan and budget, the three FPs make joint decisions on an operational basis, i.e. approving TORs for all activities, selecting national and international consultants, etc.

MIDTERM EVALUATION 2016

22. A midterm evaluation of the PETS project³² was completed in July 2016. The objective of the midterm evaluation was to confirm whether the programme was performing towards achieving the objectives and outcomes set out in the logical framework, and take remedial action where the programme might not be on track. The midterm evaluation found the project relevant to the current socio-economic situation in Nepal, and was well designed in order to achieve to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal. The existing implementation structure and processes followed were inclusive and took into consideration suggestions by each stakeholder. The midterm evaluation found that the project could achieve its outcomes if the timeline of the project was extended to compensate for time lost due to unavoidable circumstances. The results of the midterm evaluation were discussed by the PSC who produced a management response and action plan to the 10 recommendations; seven of which were accepted, two partially accepted, and one rejected.

2. EVALUATION PURPOSE AND SCOPE

23. The final evaluation is to take stock of the results achieved by the project over its implementation span and to identify lessons learned. More specifically, the final evaluation will:

- Assess the performance and results (including potential impact) of the project, in particular to support intervention partners and beneficiaries in achieving project outcomes;
- Assess the progress of the implementation of the midterm evaluation recommendations that were accepted, or partially-accepted by project stakeholders;

³² *Note:* The Midterm Evaluation of the Pashmina Enhancement and Trade Support (PETS) Project in Nepal can be found on the ITC website at: http://www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/How_ITC_Works/Evaluation/Midterm_Evaluation_of_PETS_Project_in_Nepal_Final.pdf

- Identify lessons learned that can contribute to building better projects and programmes in the future to be used by the Ministry of Commerce (MoC), Government of Nepal (GoN), the EIF Secretariat at the World Trade Organization (WTO), and ITC;
- Generate findings, recommendations, and lessons useful to the Ministry of Commerce, Government of Nepal, the EIF Secretariat at the WTO, and ITC, for ongoing and future projects and programmes that are designed and funded by, or in partnership with, third party funders; and
- Provide recommendations for any future project in the sector in Nepal, including possible areas of interventions, building on the achievements realised and the stakeholder consultations carried-out.

24. The evaluation will assess all elements of the project's design, implementation, and management, including processes, operations, and results. It will cover the period from the start of project implementation to the present.

25. The evaluation of processes will assess the management of the project cycle in relation to project delivery and timeliness while considering roles, responsibility, and decision-making processes. The evaluation of operations will assess the extent to which results have been achieved, look at the overall contribution of the project to the project's direct beneficiaries and situate the benefits of the project in the national trade development context. In addition, the broader role of ITC in supporting the identification of trade priorities, capacity building, and/or transfer will be analysed.

26. The evaluation report will be made available by ITC to the ES and the TFM, the EIF Donor Facilitator (EU), and the EIF FP who will share it with the PSC for subsequent submission to the NSC.

3. SUGGESTED EVALUATION QUESTIONS

27. Within the framework of ITC's overall technical assistance, and in-line with OECD/DAC criteria³³ and the United Nations Evaluation Group (UNEG) guidelines³⁴, the final evaluation of the Pashmina Enhancement and Trade Support (PETS) Project in Nepal will mainly focus on relevance, effectiveness, efficiency, impact and sustainability.

28. A six-point rating system is applied to ITC evaluations, as found in Table 1 below. Justification for the rating of each evaluation criterion, and a composite rating for overall performance and results based on the consideration of the individual ratings, is provided. Rating for overall performance and results should not be an average of the individual ratings, it should be based on the appropriate weight for the different criteria deliberated and applied in line with the focus of the project and the operational context.

Table 1: Evaluation Criteria Ratings

Six-Point Rating System	
6 Highly satisfactory	A project with overwhelming positive results, and no flaws.
5 Satisfactory	A project with some strong results, and without material shortcomings.
4 Moderately satisfactory	A project with a clear preponderance of positive results (i.e. it may exhibit some minor shortcomings though these should be clearly outweighed by positive aspects).
3 Moderately unsatisfactory	A project with either minor shortcomings across the board, or an egregious shortcoming in one area that outweighs other generally positive results.
2 Unsatisfactory	A project with largely negative or unattained results, clearly outweighing positive results.
1 Highly Unsatisfactory	A project with material negative or unattained results and with no material redeeming positive results.

³³ Organisation for Economic Co-operation and Development. *DAC Criteria for Evaluating Development Assistance*. Paris. Available from <http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

³⁴ United Nations Evaluation Group (2014). *Integrating Human Rights and Gender Equality in Evaluations*. New York. Available from <http://www.uneval.org/document/detail/1616>

Relevance

- Are the project objectives and design relevant to the development needs of the country and consistent with priorities of country primary stakeholders and the needs of targeted beneficiaries?
- Are the project objects and design in line with ITC's Results Framework?
- Do the intervention results respond to the needs of all stakeholders (including women and youth) as identified at the design stage?
- How well has the management response addressed the problems identified in the midterm evaluation?

Effectiveness

- To what extent has the intervention fulfilled the three expected outcomes?
- Do all identified partners and beneficiaries have access to and make use of the project's results available thus far?
- What is the extent to which the theory of change and results framework of the intervention integrated human rights and gender equality?
- To what degree were the results achieved equitably distributed among the targeted stakeholder groups?
- What were the major factors (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, earthquake, etc.) influenced the achievement or non-achievement of the project objectives?

Efficiency

- Did the project governance and results monitoring systems facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities by all parties involved?
- Did the project receive adequate political, technical and administrative support from its national partners?
- What is the rate of implementation of midterm evaluation recommendations?
- Were the anticipated activities and outputs delivered on time according to the quality requirements, the workplan, and the expected outcomes?

Impact

- Has the project strengthened national capacities and sustainable national capacities throughout the implementation phase, and if so, how?
- Is there proof that the project has contributed to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal.
- What is the development impact of the project on CP producers and SMEs, particularly in terms of poverty alleviation? Is there potential impact which could align to the UN Sustainable Development Goals (SDGs)?
- What is the impact generated in terms of human rights and gender equality?

Sustainability

- Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure post-project sustainability? If so, are steps being taken to implement the strategy?
- What is the likelihood that results/benefits will continue after the project ends? What factors are in favour of or against maintaining benefits?
- Is there a clear indication that the government and/or other key partners have committed financial and human resources to maintain benefits and results?
- Is the business environment conducive to the maintenance of the project's results?
- What other factors would play a major role in promoting or ensuring sustainability and/or scale of impact?

4. APPROACH AND METHODOLOGY

29. The evaluation should use ITC results framework, to examine and assess the coherence and validity of:

- a. The intervention results chain which lists and articulates causal links between the activities, outputs, outcomes and impact, taking into account a series of assumptions;
- b. The theory of change (ToC) which describes the pathway to change between the components of the results chain examining how and why the intervention is meant to lead to results; and
- c. The intervention strategy which is put in motion to enable these pre-conditions for success and project adaptation to changes in knowledge and context.

30. While conducting these analyses, if the results chain or the TOC is absent or poorly defined the evaluation should reconstruct it retrospectively using ITC results framework, based on the understanding of the objectives, assumptions, activities, and related performance indicators. Fine-tuning or reconstructing of the results chain and the TOC should be undertaken during the evaluation process and should solicit the active participation of stakeholders.

31. Evaluation methods will be discussed during the briefing meetings with ITC IEU at the beginning of the assignment. The Evaluation Service Provider will propose in the inception report the methods that are most appropriate for the purpose of the evaluation. These may include, but are not restricted to, a mix of qualitative and quantitative methods such as:

- Desk review, including major project documents such as the project document, progress reports minutes of PSC meetings, other technical project reports and baseline data;
- Analysis of interviews with key stakeholders at ITC and in Nepal;
- Evaluability analysis;
- Stakeholder analysis;
- Surveys and/or questionnaires; and
- Case studies.

32. Triangulation between various data sources and methods will be used to ensure the reliability and consistency of data collected. A detailed statement of the evaluation methods to be used for conducting the evaluation must be included in the Inception Report.

5. MAIN DELIVERABLES

33. The evaluation will be conducted by an Evaluation Service Provider. The Evaluation Service Provider will be responsible for the delivery of outputs as set out below. In addition, the Evaluation Service Provider will be responsible for the process of editing the text for publication and transmission of the final report to the IEU. The project team in Geneva and the Project Manager and EIF Focal Point, based in the MoC, GoN, in Nepal will assist the Evaluation Service Provider by providing reports and baseline information, planning and participating in interviews with key informants and stakeholders at local level.

Inception Report

34. The Inception Report will be a strategic and technical analysis that paves the way for the evaluation process. It will build on and be coherent with the evaluation TOR, and will use initial desk review/research, and early interviews to conduct early analysis. Based on early findings gathered during the analysis of the results, chain, the ToC and the intervention strategy the Inception Report will define in an evaluation matrix, what will be evaluated (evaluation issues to be addressed), how the process for conducting the evaluation will be deployed (methods, sources of data and an achievable workplan). In terms of field visits it will include a list of identified partners and beneficiaries, with relevant contact details for interviewees and recipients of the questionnaire and focus group discussions, and interview schedules). The Inception Report will also include an analysis of possible risks encountered during the evaluation process together with a mitigation plan, and a strategy for communication/dissemination of the evaluation report.

Draft Evaluation Report

35. Guided by the inception report, the Draft Evaluation Report will be based on desk review and data collected during the evaluation. It will include an Executive Summary and will delineate factually-

motivated recommendations by drawing on the findings of the evaluation. The structure of the evaluation is to follow the ITC Guidelines for Evaluation Reports³⁵. Materials gathered and desk analysis should be accessible for reference and use, and, to a reasonable, cost-effective extent, retained as supplementary volumes or annexes to the Final Evaluation Report. The Draft Evaluation Report will be submitted to the ITC IEU for comments, and subsequently circulated to key stakeholders for comments and feedback. An audit trail, detailing how the report has addressed stakeholder comments will also be included in the Draft Evaluation Report.

Final Evaluation Report and Learning Note

36. In agreement with the ITC IEU, the Final Evaluation Report will be submitted after having addressed all stakeholder comments. For communication purposes, an Evaluation Learning Note, focusing on key learning issues generated by the evaluation, will also be submitted. As expected with the Draft Evaluation Report, the structure of the Final Evaluation Report is to follow the ITC Guidelines for Evaluation Reports.

6. EVALUATION QUALIFICATIONS, COMPETENCIES AND EXPERIENCE REQUIRED

37. In accordance with the Compendium of EIF Documents: A User's Guide to the EIF³⁶ the procurement process of the Evaluation Service Provider will follow ITC procedures³⁷. The Evaluation Service Provider should have the following qualifications, experience, and competencies, which will be needed to effectively conduct the final evaluation:

A) Mandatory requirements:

- 1) Advanced degree (Master's level or above) in the field of project management, social science, development studies or a relevant field of study;
- 2) Possess evaluation experience in Nepal and/or the rest of Southern Asia region (Afghanistan, Bangladesh, Bhutan, India, Maldives, Pakistan, and Sri Lanka) within the past five years.
- 3) Is able to communicate in Nepali;
- 4) Statement on a separate document that service provider accepts the UN General Conditions of Contract for the Provision of Services in full, without any exception.

B) Other requirements:

- 1) Has experience in the field of trade and/or business sector development in developing countries, particularly in Nepal;
- 2) Has past experience with EIF projects and/or its operations;
- 3) Has past experience with Aid for Trade projects
- 4) Demonstrated experience of, and a strong record in designing and/or leading evaluations (using both qualitative and quantitative evaluation methods) - experience in evaluation within the UN system would be an asset;
- 5) Prior project/programme evaluation experience, preferably in TRTA projects, including: in-depth knowledge of evaluation principles, evaluation methodologies, data collection tools, and data analysis;
- 6) Proficiency in English with excellent report writing skills, and has the ability to write clear and concise analytical reports, and can communicate effectively with various stakeholders;
- 7) Good facilitation, presentation and analytical skills for evaluation findings;
- 8) Ability to communicate effectively with various stakeholders including Government, Donors, private sector, and other beneficiaries;
- 9) Excellent organization and time management skills;
- 10) Strong interpersonal skills, with the ability to work with people from different backgrounds to deliver quality products within short timeframe; and
- 11) Ability to be flexible and responsive to changes and demands; and to be result-based and open to feedback.

³⁵ ITC Guidelines for Evaluation Reports will be provided at the beginning of the assignment.

³⁶ Enhanced Integrated Framework (2011). Op. cit. p. 93

³⁷ Note: Further information regarding ITC procurement and procedures can be found on the ITC website at: <http://www.intracen.org/itc/about/working-with-itc/procurement/>

7. MANAGEMENT ARRANGEMENTS, WORKPLAN AND TIMEFRAME

42. During project implementation, ITC (the MIE) ensures that the evaluation takes place in a timely manner. The ITC IEU will manage the progress of the evaluation. In preparing the final evaluation, together with project staff and key stakeholders, the following will be undertaken by ITC, ES, TFM, NSC, PSC, and NIU:

ITC

43. In accordance to the EIF Evaluation Guidance Note, in preparing the final evaluation, together with project staff and key stakeholders, the ITC will undertake the following:

- Consult with key stakeholders to prepare for the evaluation;
- Prepare a draft TOR for the evaluation including key evaluation questions (final approval is given by the ES and TFM);
- Manage the evaluation, including: the hiring of the independent evaluation service providers; supervising the evaluation process; involving proper stakeholders in the evaluation process including the ES and TFM; ensuring the quality of the evaluation deliverables; and conducting regular consultations and consensus building activities during the process;
- Determine the key evaluation questions the evaluation should answer and the target audience for the evaluation;
- Manage the process of preparing the evaluation report, including the circulation of the draft report and collecting comments and ensuring follow-up;
- Circulate the draft inception report to the NIU, ES, TFM, NSC and PSC for comments;
- Collect comments and send to the Evaluation Service Provider;
- Circulate the draft evaluation report to the NIU, ES, TFM, NSC and PSC for comments;
- Collect comments and send to the Evaluation Service Provider;
- Send the final evaluation report to the ES, TFM, NSC and PSC;
- Organize a stakeholder meeting, including all entities involved (MoC, NPIA, NCFT, and ITC), to discuss the evaluation results in order to prepare a management response and action plan for implementing the recommendations;
- Conduct communication and learning events, based on the evaluation findings, recommendations, and lessons; and
- Follow-up on the implementation of recommendations.

ES and TFM

- Participate in the consultations during the evaluation process and provide feedback, comments and clarify expectations on accountability and learning issues;
- Comment on and endorse the TOR;
- Comment on the Draft Inception Report;
- Comment on the Draft Evaluation Report;
- Endorse the Final Evaluation Report; and
- Participate in communication, learning and follow-up actions.

NSC and PSC

- Comment on the Draft Inception Report;
- Comment on the Draft Evaluation Report; and
- Participate in communication, learning and follow-up actions

NIU

- Participate in the consultations during the evaluation process and provide feedback, comments and clarify expectations on accountability and learning issues
- Provide comments on the Draft Inception Report;
- Provide Comments on the Draft Evaluation Report; and
- Participate in communication, learning and follow up actions

NIU and ITC

44. The second Project Steering Committee (PSC) meeting held on 19 October 2014 has authorized the nominated project Focal Points (FPs) from ITC, MoC, and NPIA to jointly take decisions regarding all activities within the approved work plan and budget. For the purpose of the evaluation, the NIU and ITC are jointly responsible for facilitating and monitoring the evaluation, including arranging stakeholder meetings, controlling quality of the report and consultation with local stakeholders, ES-TFM on the evaluation findings and conclusions.

8. Tentative Timeframe for the Final Evaluation Process

45. The implementation period of the evaluation process covers a tentative, approximate period between 15 October 2017 and 31 January 2018. Within this period, the estimated 36 work days would be required over a period of four months. Details of the timeframe and deliverables, as well as duration and an estimated number of work days are provided in the below table:

Table 2: Evaluation Timeframe and Deliverables

Timeframe and Deliverables	Duration	Estimated Number of Workdays
Service Provider completes an initial round of desk research and preliminary review of documentation to determine the evaluability of the project, including initial interviews to determine methodology. At the end of this period, the Service Provider submits a <u>Draft Inception Report</u> to the MIE.	+ 2 weeks	10
IEU reviews the Draft Inception Report to ensure its conformity with the TOR and quality requirements.	+ 1 week	
Draft Inception Report is completed and submitted at the end of this period for circulation to stakeholders (including the PETS FPs, NSC, PSC, and NIU) for comments and feedback.	+ 2 days	2
MIE circulates the Draft Inception Report to all stakeholders (including the PETS FPs, and those from the NSC, PSC, and NIU) for comments. Feedback and comments are sent to the MIE. At the end of this period, the MIE sends comments to the Service Provider.	+ 1 week	
Service Provider answers questions, provides justifications, and/or incorporates changes into the Inception Report. At the end of this period, the Service Provider submits the <u>Final Inception Report</u> to the MIE, which includes the methodology, questionnaire design, and complete analysis of data collection methods, for approval.	+ 2 days	2
The Service Provider implements agreed methodology in the Inception Report. At the end of this period, the Service Provider sends an <u>Update</u> to the MIE on collected findings.	+ 4 weeks	10
Service Provider completes the write-up of the Draft Evaluation Report. At the end of this period, the Service Provider submits the <u>Draft Evaluation Report</u> to the MIE.	+ 1 week	5
MIE reviews the Draft Evaluation Report to ensure its conformity with the TOR and quality requirements.	+ 1 week	
Draft Evaluation Report is completed and submitted at the end of this period for circulation to stakeholders (including the PETS FPs, NSC, PSC, and NIU) for comments and feedback.	+ 2 days	2
MIE circulates the Draft Evaluation Report to all stakeholders for comments. At the end of this period, all stakeholders submit comments (including the PETS FPs, and those from the NSC, PSC, and NIU) on the content of the draft report to the MIE for onward transmission to the Service Provider.	+ 2 weeks	
Service Provider answers questions, provides justifications, and/or incorporates changes into the Evaluation Report. At the end of this period, the Service Provider submits the <u>Final Evaluation Report</u> and an Evaluation Learning Note to the MIE.	+ 3 days	3

The MIE submits the Final Evaluation Report to the ES/TFM for endorsement and will circulate it to the PU who will share it with the PETS FPs, the PSC, NSC and the NIU. At the end of this period, the MIE approves the Final Evaluation Report.	+ 1 week	
ITC and Service Provider meet with Nepal project stakeholders (including the PETS FPs, the NSC, PSC, and NIU) to discuss the implementation of recommendations and dissemination of the evaluation report.	+ 2 days	2
TOTAL	15 weeks	36

46. It should be noted that the above timeframe is tentative; it is only to provide an indication as to the amount of time that should be expected for each step. It should be understood that if more or less time is required for any of the above steps; it will be discussed between the Evaluation Service Provider and the MIE. With reference to the scheduling of any meetings between ITC and the Service Provider, dates will need to be agreed with the MoC in advance.

9. ETHICAL CODES OF CONDUCT

47. The final evaluation will be undertaken in accordance with international norms and standards for the United Nations, ITC, and the EIF. Evaluations should be carried out in a participatory and ethical manner. The evaluation should take account of cultural differences, local customs, religious practices, gender roles and age throughout the planning, implementation and reporting of the evaluation. The Evaluation Service Provider should avoid conflicts of interest, the acceptance of gifts, and adhere to the highest technical ethical standards of evaluation. They should fulfil the criteria of professionalism, impartiality, and credibility. In addition, they should:

- Ensure honesty and integrity of the entire evaluation process;
- Respect the security, dignity, and self-worth of the respondents, project participants, and other stakeholders with whom they interact;
- Articulate and take into account the diversity of interests and values and protect the rights and welfare of individuals and institutions involved in the evaluations; and
- Produce and convey accurate information about the project's merit and value, provide information in confidence, and report impartially.

48. The Evaluation Service Provider shall have no past connection with the project so that conflicts of interest are avoided and the credibility of the evaluation process and product is not undermined.

10. REFERENCES FOR THE FINAL EVALUATION

49. The reference materials for the evaluation include the following documents, which will be made available to the Evaluation Service Provider at the onset of the evaluation:

- i. The project proposal document including the project logical framework which outlines the outcomes, outputs and activities, and corresponding indicators and assumptions;
- ii. The memorandum of understanding (MOU) and specifically the Board approval letter, which indicates the approval conditions set but the Board for the implementation of the project; and
- iii. The letter of understanding (LOA) between the MOC and the ITC.
- iv. The monitoring and evaluation plan, progress reports and other relevant project documents such as supervision mission recommendations are also key sources of information for the evaluation process.
- v. The Midterm Evaluation of the PETS project in Nepal.
- vi. Management Response to the Midterm Evaluation of the PETS project in Nepal.
- vii. PETS Project Approved Work Plan February – July 2017.
- viii. Correspondence related to the extension of the project.
- ix. Revised workplan July - October 2017.
- x. Countersigned UNOPS - ITC agreement – July 2017
- xi. Letter of approval for a no-cost extension – July 2017
- xii. PSC meeting minutes.

ANNEX I: Logical Framework

The project's goals, foreseen outputs, along with its indicators, means of verification and key project assumptions are set out below:

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p><u>Development objective</u></p> <p>To contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal.</p>	<ul style="list-style-type: none"> • Increase of CP exports by at least 30% in value 127. • Increased income of CP manufacturers by at least 10% 128. • Employment created in the CP sector (500 new jobs, disaggregated by gender) 129. • CP products of verified and traced Nepalese origin sold international markets using the CP trademark 	<ul style="list-style-type: none"> • Trade and employment statistics 130. • Evidence of sales to tourists and Indian traders 131. • Reports from stakeholders 132. • Steering Committee report 133. • Project calculations, based on sample area in Kathmandu 	<ul style="list-style-type: none"> • The business and political environment remains adequately stable 134. • Exporters (and producers), as well as participating TSIs are proactive, show commitment to project activities, provide in-kind contributions and actively follow-up on project leads after the project ended.
<p><u>Project Outcomes</u></p>			
<p>1. NPIA provides sustainable services to its members and CP stakeholders</p>	<ul style="list-style-type: none"> • New enterprises demanding trade-related services of NPIA (new services that fulfil client/member expectations); Target: 30 • Enterprises access improved export development and trade promotion services from NPIA; Target: 100 • NPIA able to and undertakes industry/trademark surveillance in the domestic market • Pilot initiatives launched for fibre value added on, and for linking Nepalese goat farmers to CP processors. • Project documents developed by NPIA are accepted for funding by donors (at least 3) 	<ul style="list-style-type: none"> • Report and records of NPIA and feedback from enterprises (oral or written) • Report and records of NPIA and feedback from enterprises (oral or written) • No of Infringements Identified based on sample area in Kathmandu • Report on value addition• Project documents funded and implemented by donors, resulting in further positive change for the sector 	<ul style="list-style-type: none"> • NPIA maintains minimum staff/funding levels • TM infringements are detectable and enforceable • Sufficient fibre production for investments In value addition • Farmers are willing to cooperate • Investment proposals and return to farmers are higher than that offered by Chinese traders • Initial baseline of trademark infringements and sales of fake pashmina products in the domestic market • Baseline of fibre production and value added on initiatives done by NPIA at the beginning of the project and updated

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>2. CP manufacturers increase exports in target markets due to increased international competitiveness</p>	<ul style="list-style-type: none"> • Increased value (+ 30%) and/or volume of Nepalese CP exports • Assisted enterprises that have been able to become export- ready and transact international business; Target: 40 • Already exporting enterprises have realized additional exports; Target: 30 • Assisted enterprises that have not exported before and started exporting as are result of the technical assistance provided. Target: 10 • A design centre operational that receives designs from selected buyers • Enterprises create new designs; Target: 10 Increased linkages between design centres and enterprises (regular internships institutionalized) • Increased sales to tourists in re-designed shops 	<ul style="list-style-type: none"> • Export records (official HS records from TEPC, as well as anecdotal evidence of sales to tourists and Indian exports) • Feedback received from buyers on newly created products and designs (oral and written) • Feedback (questionnaire and reports) from enterprises and NPIA • Feedback (questionnaire and reports) from enterprises and NPIA • Feedback (short reports) from the design school NPI and enterprises • Sales figures from enterprises whose shops have been redesigned • Feedback from tourists (short questionnaire filled in after a visit) 	<ul style="list-style-type: none"> • The business and political environment remains adequately stable • Exchange rate movements do not substantially erode the competitiveness of Nepalese exports • Global "pashmina" markets do not suffer any major shifts or negative business climate • Testing facilities are available • CP production does not undergo any major disruptions (e.g., strikes, etc.)

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>3. New buyers in priority markets recognize CP label as a niche luxury product</p>	<ul style="list-style-type: none"> • CP trademark and label well known in the selected priority markets and distinction made between CP and Nepal and other Pashmina products • Increase of sales of CP products increased in the priority markets in the long-run • Promotional tools applied in other markets by NPIA, its results analysed by NPJA, and increase in sales detected • Increased use of the existing CP label (incl. hologram) as a sign that Nepalese processors see the value of using it (+50%) 	<ul style="list-style-type: none"> • Feedback received from identified buyers in target markets (oral and written) • Survey made among interested clients and visitors during trade fair participation • Reporting by enterprises, NPIA and TEPC • Questionnaire among tourists visiting Nepal • NPIA statistics on the use of the label (incl. hologram) 	<ul style="list-style-type: none"> • World "pashmina" markets do not suffer any major shifts • No major recession in the identified target markets • CP trademark can be effectively implemented • Exporters (and producers), as well as participating TSIs show commitment to project activities and manage to work together • Adequate testing labs remain operational in Nepal • Stakeholders have sufficient capacity, energy and enthusiasm to follow up on recommendations • Buyers/importers show interest and availability to get in contact with Nepalese suppliers
<p>Outcome 1: NPIA provides sustainable services to its members and CP stakeholders</p>			
<p>Output 1.1: NPIA's medium-term plan developed</p>	<ul style="list-style-type: none"> • Medium-term plan • 1 inclusive stakeholder meeting/workshop 	<ul style="list-style-type: none"> • The actual document • Workshop report and evaluation forms (gender disaggregated) 	<ul style="list-style-type: none"> • NPIA and its members are open to change and new ideas
<p>Activities leading to Output 1.1</p>			
<p>1.1.1 Inclusive stakeholder meeting organized during which the medium-term plan will be outlined and agreed upon by all members. The plan will address internal processes, potential revenue sources, membership enhancement and partnerships - national and international</p>			
<p>1.1.2 Elaborate medium term (with support of a national consultant in</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
close consultation with the NPIA Board)			
1.1.3 Validation and final adoption of the medium term plan by all members			
Output 1.2: NPIA's business development portfolio defined and a plan for delivering business development services developed	<ul style="list-style-type: none"> • Inclusive NPIA stakeholders/members meeting • At least 30% women trained • NPIA service portfolio in place, including a cost structure • Cost structure for the service portfolio according to domestic customs • At least 2 workshops and for on-the-job mentoring to NPIA staff to • deliver on the new services 	<ul style="list-style-type: none"> • Workshop/meeting report and evaluation forms (gender disaggregated) • Written document (as part of the strategy) outlining the service portfolio and cost structure • Training report and evaluation forms (gender disaggregated) 	<ul style="list-style-type: none"> • NPIA staff has the capacity to deliver on the redesigned service-offering • NPIA has at least 30% female staff or designated 30% female trainees
Activities leading to Output 1.2			
1.2.1 Inclusive stakeholder meeting organized (could be the same meeting as for activity 1.1) during which the existing service portfolio will be analysed and (re-) designed according to members' expectations and needs.			
1.2.2 New service portfolio designed and in an inclusive manner; and the internal processes and costs relating to the service portfolio defined.			
1.2.3 Training of NPIA staff and selected CP stakeholders to deliver on the (re-) designed business service offering			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>a) NPIA Capacity building</p> <ul style="list-style-type: none"> • Recruitment of Institutional Development Adviser) to ensure that NPIA will be capacitated to actively collaborate with and responding to the openings facilitated by the PETS project. (MTE 1.1 and 1.2) • “Follow up on established contacts with relevant Indian institutions such as NIFT, IIT, Pearl Academy met during study tour to India” (follow-up to be done by Institutional Development Adviser 			
<p>b) (Implemented via MOU between ITC and NPIA) NPIA Capacity Building NPIA will be entrusted to organize various capacity building events such as e.g. on i) leadership (retreat), ii) project & financial management, iii) residential training on international marketing, export management and iv) trade fair participation , (MTE R 1.3)</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>c) (Implemented via MOU between ITC and NPIA) NPIA Capacity Building Conduct monthly workshops/ breakfast meeting to disseminate sector level information/ share experiences among members and to wider sector stakeholders, to liaise with government agencies and donor agencies in Nepal that are already operating in the CP sector or plan to do so, credit facilities, financial management and tax system (VAT), etc. and to undertake an orientation programme on the importance of quality (process and product) (MTE R 2.3, 3.1, 6.1, 6.2, 7.2)</p>			
<p>d) (Implemented via MOU between ITC and NPIA) NPIA Capacity Building</p> <ul style="list-style-type: none"> • Utilize the website as a platform for sharing sector news and member experiences (MTR Establishing and publishing of members listing (membership catalogue) and their product catalogue on the NPIA website (MTE R 3.2) • Utilize various social media platforms/applications to promote collaboration among CP entrepreneurs and to link up with other CP collaborators (e.g. designer groups, etc.) (MTE R 3.3) • Publish quarterly e-bulletins and circulate among NPIA members and industry stakeholders, including in priority (MTE R 3.4) 			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>e) NPIA Capacity Building • NPIA to develop a database on existing technology providers, published through its website and being part of its service portfolio (MTE R 6.5) -</p>			
<p>f) (Implemented via MOU between ITC and NPIA) NPIA Capacity Building Provision of CP resource materials such colour trends, magazines, etc.</p>			
<p>g) NPIA Capacity Building • Organize knowledge exchange and convergence activities with agencies involved in the Chyangra Pashmina sector (MTR R 10.1) -</p>			
<p>h) NPIA Capacity Building • Translating the manually recorded information of the issuance of the CP logo into digital formats (excel or access databases) to feed the NPIA new NPIA website.</p>			
<p>i) Verification workshop of NPIA Mid-term strategy (MTE R 1.2)</p>			
<p>1.2.4 (NEW) Support NPIA to identify and obtain membership of fashion association (Possible options – US Fashion Association, Fashion Business Inc. (FBI))</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>Output 1.3: Capacity built to carry out industry surveillance to enforce trademark protection in Nepal.</p>	<ul style="list-style-type: none"> • NPIA and other CP stakeholders undertake at least 2 national surveys in the Nepalese tourist market • Infringements detected • Workshop and on-the-job training in tourist areas; Target 2 workshops and 3 on-the-job trainings • Cooperation agreements with other entities in Nepal (e.g. tourism authority, tour operators or hotels. Target 3 • NPIA introduced to WIPO and WIPO TM tools 	<ul style="list-style-type: none"> • The actual 2 surveys • NPIA infringement reports • Workshop reports and feedback from participants (evaluation forms) • The agreement(s) • Report on joint activities • Evidence of distributed material to tourists & feedback from tourists • Report of NPIA on WIPO introduction 	<ul style="list-style-type: none"> • Tourist authority, hotels and tour operators are interested and willing to cooperate • Collaboration of and cooperation with partner organisations feasible • NPIA has the capacity for domestic market surveillance
<p>Activities leading to Output 1.3</p>			
<p>1.3.1 Develop linkages with WIPO and identify possible areas of support; e.g. by the potential cost-benefit that can accrue to the sector from the development of a GI.</p> <p>(Explanation as to how this would be implemented established during 3rd PSC meeting) - Assignment in 2 phases: 1st phase: feasibility analysis. If the feasibility is found to be positive and stakeholders agree to it, in a 2nd phase a detailed plan to establish a GI will be elaborated. However, the establishment of a GI is not foreseen within the framework of the project. If the feasibility is negative, or stakeholders decide not to continue with the GI perspective, there will be no second phase.</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
(Activity recommended for future initiative established during 6 th PSC meeting)			
1.3.2 Train NPIA staff and selected CP stakeholders in trademark protection issues and how it could be reinforced at national level	135.	136.	137.
1.3.3 Assist NPIA and selected CP stakeholders to develop and/or reinforce institutional linkages with other Nepalese governmental or non-governmental entities to create knowledge and awareness of the CP label and trademark so as to ensure that tourist buying in the local market are informed and aware of the CP trademark and Pashmina quality standards			
1.3.4 Support the use local media and other forms of communications to inform all national Pashmina , producers and traders of the CP trademark, the initiative to ensure its protection, the enforcement mechanism and penalties in case of wrong application			
1.3.5 Create capacity through training for NPIA and selected CP stakeholders to undertake surveillance in the local market in a systematic manner so as to ensure that the CP trademark is correctly used and not infringed (activity recommended for future initiative established during 6 th PSC meeting)			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>1.3.6 (Response to the MTE) Enforce the existing code of conduct through random checks (before export) on the use of the label among those companies that have received them (MTE R 7.2)</p>			
<p>Output 1.4: Supply chain analysis for CP undertaken</p>	<ul style="list-style-type: none"> • Supply analysis undertaken by NPIA in at least 2 defined areas of Mustang • Workshop(s) on value chain analysis conducted; at least 15 NPIA members trained 	<ul style="list-style-type: none"> • The actual supply analysis • Workshop report (disaggregated by gender and VC partners) 	<ul style="list-style-type: none"> • Upper Himalaya areas are accessible to NPIA and other CP stakeholders
<p>Activities leading to Output 1.4</p>			
<p>1.4.1 Train (workshop and on-the-job training) NPIA and other CP stakeholders in supply and value chain analysis</p>			
<p>1.4.2 Undertake a supply chain analysis of CP fibres coming from Upper Mustang (undertaken as a pilot activity by NPIA with a subsequent possible wider scope).</p>			
<p>1.4.3 Discuss the findings of the supply analysis in a national stakeholder workshop and its implications for developing an integrated CP value chain.</p>			
<p>1.4.4 (NEW) Conduct a study on the most recent technologies and identify replicable technology for fibre processing, yarn manufacturing and shawl weaving in India and China (Afghanistan was cancelled due to security reasons) and</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
organise study tour by NPIA members (4 th PSC meeting)			
<p>1.4.5 (Response to MTE R 2.1): Awareness raising on commercial CP fibre production, formation of farmer groups and organizing farmers, strengthening of existing collection centres and commercial linkages.</p> <p>In view of new sector initiatives through Ministry of Livestock Development (Department of Livestock Services, Sheep and Goat Promotion Office), an upcoming World Bank livestock project that includes CP, findings of the Mustang value chain study visits and practicalities of on-ground implementation, we propose to replace this activity. We envisage a new proposal to focus on commercial activities linking NPIA and farmers. (Activity revised in scope)</p> <p>Originally added project activities included: The below points are on hold Proposed new activity: Build capacity of Chyangra farmers and CP entrepreneurs for enhancing domestic value addition (pilot activity)</p> <p>1: Identification/ selection of farmer groups in 2 VDCs; 2: Orientation workshop for 10 farmer groups (250 farmers);</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>3: Visit of Lead Farmers to Kathmandu for interaction with industry, Department of Livestock Services and NARC;</p> <p>4: Development of Training Materials</p> <p>5: Technical training on Chyangra goat production (including provision of related tools and equipment such as combs for fibre extraction);</p> <p>6: Technical training on Chyangra fibre processing, packaging, storing and packaging;</p> <p>7: Technical training to CP entrepreneurs/ workers on processing of domestic fibre</p> <p>8: Entrepreneurship training "Chyangra Farming as a Business" to farmer groups;</p> <p>9: Support to Chyangra farmer groups to access finance;</p> <p>10: Development of a pool of Local Resource Persons (LRPS) for Chyangra Farming & Processing capacity-building</p> <p>11: Support establishment of CP fibre collection and primary processing in pilot site;</p> <p>12: National Conference on 'Chyangra Pashmina Value Chain Development for Enhancing Value added Exports'</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>1.4.6 (New) Study to assess opportunities for cross-border CP linkages with India Leh and other Himalayan regions as per EIF board recommendation and as per opportunities identified by Dr. Phuntsog and recommendations of the Indian study visit (activity recommended for future initiative established during 6th PSC meeting)</p>			
<p>Output 1.5 Capacity built to access existing donor support and to design bankable project proposals to develop CP projects along its value chain</p>	<ul style="list-style-type: none"> • At least 3 new project documents business plans developed that follow donor requirements • No. of donors contacted (at least 5) • At least 2 workshops on business plan and project development conducted 	<ul style="list-style-type: none"> • The actual project documents/business plans • Communications with and feedback from donors (approval or explanation in case of rejection) • Workshop report and evaluation forms (gender disaggregated) 	<ul style="list-style-type: none"> • Other donors are open for collaboration and synergy development • Adequate capacity of NPIA staff selected for training and individual members that would like to tap into possible loans/grants from the HIMALI project
<p>Activities leading to Output 1.5</p>			
<p>1.5.1 Liaise with other donors in Nepal that support directly or indirectly the CP sector</p>			
<p>1.5.2 Train NPIA and other sector stakeholders in developing "bankable" project documents and/or business plans that can be presented to potential donors and to the ADB under the MIMALI project for loan and grant support</p>			
<p>1.5.3 Mentor the elaboration of at least 3 project documents and/or business plans for loan/grant</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
support from e.g. the ADB HIMALI project.			
Outcome 2: CP manufacturers increase exports in target markets due to increased international competitiveness			
Output 2.1: Requirements in priority markets and shortcomings at enterprise level to adhere to the requirements identified	<ul style="list-style-type: none"> • 2-3 target markets identified by NPIA (i.e. USA, Germany and France) verified and agreed upon (ITC, NPIA) • Report of buyer and client requirements in each identified market (ITC) • Nepalese CP producers identified & selected (10 per market) • Implementation workshop and continuous collaboration with the 20-30 companies that were trained 	<ul style="list-style-type: none"> • Documentation on transparent market selection • Report of market/buyer requirements • Short report on enterprises ability to meet buyer/market requirements (NPIA, ITC), • Joint and transparent selection of pilot enterprises communicated in a document by NPIA • Workshop report and evaluation forms (gender disaggregated) • Feedback from enterprises and "second-layer" enterprises 	<ul style="list-style-type: none"> • Sufficiently large number of female entrepreneurs operating are members of NPIA and are willing to cooperate • Trained enterprises are willing to pass on their knowledge & knowhow (no cultural or business practice that hinders this) • This approach is possible under the usual Nepalese business practices
Activities leading to Output 2.1			
2.1.1 Validate the choice of priority markets (NPIA has selected Germany, France, USA and possibly the UK) based on export development, consumer spending potential and market familiarity and elaborate market penetration plans			
2.1.2 Identify buyer and final client requirement in the verified priority markets			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
2.1.3 Identify and select Nepalese CP producers who display the ability for new-product development and design innovation and to meet the identified market requirements			
2.1.4 Commitment received from selected pilot companies to pass on experiences, lessons learned and knowhow to at least 5 other companies			
Output 2.2 Product development and design capacities developed and embedded at institutional and enterprise level	<ul style="list-style-type: none"> • At least 1 local design centre linked to CP manufacturers • Regular placement of student to selected enterprises: Target 20 • A schedule for product and collection development elaborated by company • At least one new design per enterprise per season developed. 	<ul style="list-style-type: none"> • Short report on the local design schools (NPIA, NC) • Communication from the selected design centre, selected enterprises and students • Agreement with a design school • New designs presented by companies • The actual product/collection (photos, etc.) • Workshop/course reports, incl. gender aggregated data • Report of study tour (ITC/NPIA) • Enterprise feedback (gender disaggregated) 	<ul style="list-style-type: none"> • Local design school has the necessary capacities and is willing to engage in a partnership • Students and enterprises are willing to engage in managed internships • Design school recognizes internships as part of the curriculum • Companies have the capacity, financial means and willingness to take on advise and recommendations in the development of new products/ collections • Enterprises willing to invest in staff development and dedicate one staff exclusively to product development and design

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
Activities leading to Output 2.2			
2.2.1 Identify a local institution (university or design school that teaches textile design or equivalent) that will act as a multiplier organization in design development			
2.2.2 Assist the identified local institution and selected exporters to identify market trends and to interpret consumer needs in target markets			
2.2.3 a) Provide training on product development and design at institutional and enterprise level focusing on both proprietary-design development as well as counter-sampling and costing for buyers			
<p>b) (NEW) Undertake a study and elaborate recommendations, including a cost-benefit analysis, on how to incorporate the CP logo on the product itself rather than as a tag that is being attached to the product.</p> <p>The study will also look at the current system for issuing CP label to determine the effectiveness of the certification system to promote the CP label as a private standard or a generic industry brand that is in line with market requirements. (4th PSC Meeting)</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
<p>c) (NEW) Assess skills training and productivity enhancement requirements for the CP sector.</p> <p>(Findings and recommendations will form the basis of new project ideas to be developed under outcome 1) (4th PSC Meeting)</p>			
<p>d) (NEW) Provide technical and engineering support to enterprises</p> <p>- A textile engineer to provide enterprise-level assistance in productivity enhancement, factory efficiency improvements and technology upgrading (4th PSC Meeting)</p>			
<p>2.2.4 Support the placement of design students in selected enterprises so as to develop a sustainable link between the enterprises and a support institution</p>			
<p>2.2.5 Support companies to identify product ranges and collections for target markets and assist in creating a schedule for the creation of the collection</p>			
<p>2.2.6 Provide customized advisory support to selected companies to develop new product designs and collections; monitor the development of these designs and collections; monitor the development of these designs and provide follow-up support as needed This activity was cancelled as per</p>			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
PSC decision during the 3 rd PSC meeting			
Output 2.3 CP products promoted in priority markets	<ul style="list-style-type: none"> • Market penetration plan • 1 trade fair participation of selected enterprises organized p.a. • Prospective buyers identified and match-making facilitated • 1-2 meetings with buyers and marketing missions • 1-2 buyer visits to Nepal • 5 shops reorganized 	<ul style="list-style-type: none"> • Actual market penetration plan • Mission/visit reports • Enterprise reports and feedback and evaluation forms of missions/trade fair participation, etc. (gender disaggregated) • List of prospective buyers • Feedback from buyers (oral or written) • Photos of before and after shop reorientation 	<ul style="list-style-type: none"> • Selected enterprises are willing and have the capacity to work on a cost-sharing basis (i.e. take over some of the mission costs when visiting priority markets) • Enterprises are willing to rearrange their sales outlets/shops so as to attract new customers • Enterprises are able to make changes in the shops and cover the costs, if any
Activities leading to output 2.3			
2.3.1 Elaborate a market penetration plan for the identified priority markets			
2.3.2 Develop promotional material at enterprise level (e.g. samples, brochures, etc.) that is in line with the overall CP promotion			
2.3.3 Organize promotional activities in the target markets (such as e.g. tailored meetings with potential buyers, marketing missions, trade fair participation, reverse buyer visits to Nepal, etc.); Marketing activities will be implemented in each year of the project lifecycle			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
2.3.4 Analyse lessons learned after each marketing event, organize dissemination workshops and disseminate market information across CP firms			
2.3.5 Reorganize selected sales outlets/shops of selected enterprises in Kathmandu to improve sales to tourists and to promote CP			
Outcome 3: New buyers in priority markets recognize CP label as a niche luxury product			
Output 3.1: Awareness creation toolkit developed	<ul style="list-style-type: none"> • Toolkit developed, consisting of promotional materials (e.g. industry brochure, leaflets, industry standard folder A4 mailer, CP display, information board, retail counter cards, email campaigns, advertisements, etc.) as well as a web-portal. • Web-portal of NPJA upgraded as a trademark support tool 	<ul style="list-style-type: none"> • The actual toolkit • NPJA reports on its utilization • Web-portal operational 	<ul style="list-style-type: none"> • NPJA will host the upgraded web portal and cover the hosting costs • NPJA has the absorptive capacity to update and manage the web-portal on a regular basis
Activities leading to Output 3.1			
3.1.1 Develop CP-generic promotional material that can subsequently be tailored to the specificities of the 2-3 identified priority markets (NPJA, ITC)			
3.1.2 Develop a simple, user friendly web portal as a CP			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
trademark marketing support tool (ITC; NPIA)			
3.1.3 Provide training to NPIA as the website owner to update and manage the website (ITC)			
Output 3.2 CP label promotional campaign(s) launched in the priority markets	<ul style="list-style-type: none"> • 1 market campaign per selected priority market • Feedback from the industry and potential buyers • Dissemination workshop on the results • Promotional tools applied in global markets (NPIA) 	<ul style="list-style-type: none"> • Details and documentation on the actual campaign • Press Reports of campaign launch, • Oral and written feedback collected from potential buyers and CP exporters: Analysis report on the results • Workshop report and evaluation forms (gender disaggregated) • Feedback from CP stakeholders and analysis of accessibility of the tools (e.g. website) 	<ul style="list-style-type: none"> • Cost effective means trademark dissemination can be found and NPIA is able to manage them • NPIA has the capacity and means to utilize and manage social media
Activities leading to Output 3.2			
3.2.1 Identify economic and cost-effective means to disseminate information and knowledge about the CP trademark in the identified priority markets, supporting promotional activities under outcome 2	<ul style="list-style-type: none"> • Report the analysis undertaken and conclusions drawn (NPIA, ITC) 		
3.2.2 Launch a marketing campaign in the identified priority markets using the Identified economic and cost-effective tools			

Overall Goals and Outcomes	Objectively Verifiable Indicators	Means of Verification	Assumptions
3.2.3 Analyse the results of the campaign and draw conclusions from it for further activities (if feasible)			
3.2.4 Disseminate the results of the analysis in a national workshop among sector stakeholders and elaborate a refined approach for activities within and outside of the scope of the project			
3.2.5 Apply the promotional tools in a wide range of markets with minimal cost implications for the project (e.g., increased use of social and free-to-air media)			
Output 4: Project operational and an overall management and monitoring system in place			

Appendix 1: Ex-post theory of change, evaluation questions, and evaluation matrix

A. Evaluation questions

The TOC along with the key questions contained in the evaluation terms of reference (TOR) formed the basis for a detailed evaluation design. These were outlined under five key evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability. Gender and human rights issues are covered under project effectiveness. A short narrative of these five criteria include:

Relevance. The relevance will be assessed regarding project design (at the time of design), during implementation, and at completion. The evaluation will also look at the relevance of implementation arrangements, and the appropriateness of project partners and their consistency with project objectives and expected outcomes. A second aspect of relevance will be an assessment of the extent to which risks were identified and risk mitigation measures were appropriately included in the project design. The relevance assessment will include the extent to which human rights and gender equality were included in the project design. Identification and use of SMART indicators in the logical framework and their appropriateness in the project context, will also be assessed.

Effectiveness. Project effectiveness will assesses the effectiveness of implementation partner(s) in delivering expected outputs and outcomes towards the achievement of project impact. Additional areas of assessment are the quality and adequacy of capacity development support including institutional strengthening, success in mitigating project-related risks, and adequacy of monitoring and evaluation arrangements. More specifically, the evaluation will assesses the effectiveness of NPIA regarding its ability to collectively represent the needs of wider memberships and deliver expected services.

Efficiency. The project efficiency will assess the cost-effectiveness of the interventions (including cost-sharing arrangements, if any), impact on the scope of the project as a result of extensions to the project duration, and timely completion of planned activities. The evaluation assessed the extent to which government contributed in-kind equivalent to agreed \$200,000 as outlined in the project document.³⁸ The overriding principle for assessing efficiency included value for money.

- a. **Impact.** Key questions outlined in the TOR were deemed adequate. An additional question on environmental impact was warranted due to use of dyes/chemicals, and it was appropriate to assess how CP manufacturers manage environmental externalities.
- b. **Sustainability.** The sustainability of project benefits after project completion included an assessment of the demand and supply management arrangements of CP products without external support, and it was reflected by the manufacturers/exporters ability to undertake activities introduced under the project on their own.

B. Evaluation matrix

An evaluation matrix based on the final list of evaluation questions along with additional columns for the inclusion of data source, data collection method, analytical method, and risks/mitigation measures as appropriate is presented in Table A2.1.

³⁸ Project document, Section IV, p. 36-39.

Table A2.1 Evaluation matrix for the final evaluation of PETS project

Evaluation Focus	Key Indicator(s)	Means of Verification	Data Source	Assumptions/Risk Mitigation Measures
A. Relevance				
1.1 Are the project objectives and design relevant to the development needs of the country and consistent with priorities of country primary stakeholders and the needs of targeted beneficiaries?	Government of Nepal (GON)'s development priority Pashmina industries' development priority	Consistency with GON's development priority for economic growth Consistency with pashmina industries development priorities Clarity in value chain development of Chyangra Pashmina (CP)	GON's export policy document Nepal Pashmina Industries Association's (NPIA) mandate, vision, strategy, and development policy document and interviews with NPIA executive officers	None Availability of NPIA executives for an interview on scheduled date and time. If some of the executives are not available, alternate dates would be scheduled.
1.2 Are the project objectives and design in line with ITC's Results Framework?	Project's result framework (RF)	Consistency with ITC's RF	ITC's RF and Project document for project RF	The project document does not provide a clear theory of change, and an ex-post TOC is presented in this inception report.
1.3 Do the intervention results respond to the needs of all stakeholders (including women and youth) as identified at the design stage?	Women and youth recognized as one of the key stakeholder group in the project document	Desk review and content analysis of project document	Project document	None
1.4 How well has the management response addressed the problems identified in the midterm evaluation?	Extent of progress in the implementation of agreed/partly agreed on midterm evaluation recommendations	An objective analysis of progress report	Progress report on the implementation of agreed/partly agreed on midterm evaluation recommendations Interview with project manager	None
1.5 What is the extent to which the theory of change and results framework of the intervention integrated human rights and gender equality?	Clarity of the integration of human rights and gender equality in the project document	Content analysis of project design document to assess the extent to which human rights and gender equality are integrated into the design	Project document	TOC is not available.
B. Effectiveness				
2.1 To what extent has the intervention fulfilled the three expected outcomes? <ul style="list-style-type: none"> • NPIA provides sustainable services to its members and CP stakeholders • CP manufacturers increase exports in target markets due 	Satisfaction of services provided by NPIA to the CP stakeholders Trend in export of CP products in target markets and level of international competitiveness	Feedback from project stakeholder groups and representatives	Project progress reports Interviews with key stakeholders An electronic survey of project stakeholders (manufacturers, exporters, NPIA executives, participants in trade fairs among others)	Timely response to a survey by the stakeholders. Telephone follow-up and NPIA linkages will be used to attain a high return.

<p>to increased International competitiveness</p> <ul style="list-style-type: none"> Buyers in priority markets recognize CP label as a niche luxury product 	<p>Visibility of CP trademark/label</p>		<p>CP product export data</p>	
<p>2.2 Do all identified partners and beneficiaries have access to and make use of the project's results available thus far?</p>	<p>Access to project results Frequency of dissemination of project results by ITC Frequency of stakeholder meetings (donor, NPIA membership, PSC, NSC among others)</p>	<p>Evidence of dissemination of project results by NPIA and ITC Donor's feedback and satisfaction with project results</p>	<p>Dissemination materials Minutes of meetings Records of dissemination circulation</p>	<p>Availability of minutes to be backed up by interviews with key stakeholders</p>
<p>2.3 To what extent was the project able to integrate gender and human rights during implementation?</p>	<p>At the industry level:</p> <ul style="list-style-type: none"> Percentage of female workers employed No. of sexual harassment cases reported Male-female wage gap Percentage of employees comprising ethnic minorities 	<p>Feedback from employers and key informant interviews</p>	<p>Survey of CP manufacturers and exporters Key informant interviews</p>	<p>Willingness of CP stakeholders to provide industry level data</p>
<p>2.4 To what degree were the results achieved equitably distributed among the targeted stakeholder groups?</p>	<p>No. of participants in project activities by stakeholder group</p>	<p>Record of participation in project sponsored activities including participation in trade fairs, training, product development and marketing and promotional activities</p>	<p>Project outputs/documents Interviews with stakeholder representatives</p>	<p>Access to stakeholder groups during the evaluation period. Follow-up meetings/interviews planned.</p>
<p>2.5 What were the major factors (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, earthquake, etc.) influenced the achievement or non-achievement of the project objectives?</p>	<p>Chronology of events Introduction of new policy for CP No. of PSC meetings held No. and extent of loss due to natural disasters No. of days CP production halted due to unrest</p>	<p>Records maintained by NPIA and MoC</p>	<p>Key informant interviews with CP stakeholders</p>	<p>Recollection of events/ reluctance of stakeholders in providing information</p>
C. Efficiency				
<p>3.1 Did the project governance and results monitoring systems facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities of all parties involved?</p>	<p>Adoption of roles and responsibilities by each stakeholder group outlined in the project document (NPIA, MOC, ITC, PSC, NSC among others)</p>	<p>Stakeholder feedback</p>	<p>Project progress reports Stakeholder interviews</p>	<p>Access to stakeholder groups during the evaluation period. Follow-up meetings/interviews planned.</p>

Final Evaluation of the Pashmina Enhancement and Trade Support (PETS) Project in Nepal

3.2 Did the project receive adequate political, technical and administrative support from its national partners?	Frequency of PSC and NSC meetings held and issues discussed and resolved	Analysis of minutes of meetings held during the project implementation period	Project progress reports Stakeholder interviews, including MOC, NPIA among others	Access to stakeholder groups during the evaluation period. Follow-up meetings/interviews planned.
3.3 What is the rate of implementation of midterm evaluation recommendations?	Percent of MTR recommendations agreed and implemented	Analysis of self-assessment prepared by the project management regarding the implementation of agreed/partly agreed MTR recommendations	Updated record of MTR recommendation status	None
3.4 Were the anticipated activities and outputs delivered on time according to the quality requirements, the work plan, and the expected outcomes?	Time saving/loss in project implementation Quality of project outputs	Analysis of project implementation progress Identification of reasons associated with implementation delays	Project documents and reports Stakeholders' feedback	Access to stakeholder groups during the evaluation period. Follow-up meetings/interviews planned.
D. Impact				
4.1 Has the project strengthened national capacities and sustainable national capacities throughout the implementation phase, and if so, how?	Usefulness of services provided by ITC, NPIA, and MOC	Satisfaction with services provided by NPIA, ITC, and MOC	Project documents and reports Stakeholders' feedback	Access to stakeholder groups during the evaluation period. Follow-up meetings/interviews planned.
4.2 Is there proof that the project has contributed to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal.	No. of jobs created by type of employment (by year) Volume of CP products export in quantity and value (by year) by type of CP products (traditional and CP label) and product diversification (type of CP products) Volume and value of imports of wool yarns by CP product manufacturers (by year)	Stakeholders' feedback	Project documents and reports Survey of CP manufacturers and exporters Data on import of wool yarns by source and CP product exports Data on quantity and value of export by CP product type with and without CP label and by product type	Participation of stakeholders in the survey/ follow-up contacts will be made to boost the response rate.
4.3 How do the CP manufacturers manage environmental externalities?	Environmental management system at CP manufacturing premises	Feedback from CP stakeholders on disposal methods of chemicals, dyes and other by-products	Key informant interviews with CP stakeholders	Reluctance in withholding information/ observation of selected CP manufacturing premises

<p>4.4 What is the development impact of the project on CP producers and SMEs, particularly in terms of poverty alleviation? Is there potential impact which could align with the UN Sustainable Development Goals (SDGs)?</p>	<p>No. of jobs by employment type</p> <p>Wage/salary trend during the project duration</p> <p>No. of manufacturers and children employing child labour in CP product manufacturing</p> <p>No. of workers employed formally and informally by CP manufactures and businesses</p>	<p>Feedback from CP product manufacturers and businesses</p>	<p>Survey of CP stakeholders</p> <p>Observation visits CP premises</p>	<p>The willingness of CP manufacturers and businesses in participation in the survey/NPIA will be approached for needed support during the data collection period.</p>
<p>4.5 What is the impact generated in terms of human rights and gender equality?</p>	<p>No. of manufacturers:</p> <ul style="list-style-type: none"> • Adopting sexual harassment policy • Equal pay for male and female workers • Providing childcare facilities • Employing ethnic minorities • Percent of female workers employed by manufacturers and exporters 	<p>Stakeholder feedback</p>	<p>Survey of CP manufacturers and exporters</p>	<p>The willingness of CP manufacturers and businesses in participation in the survey/NPIA will be approached for needed support during the data collection period.</p>
<p>E. Sustainability</p>				
<p>5.1 Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure post-project sustainability? If so, are steps being taken to implement the strategy? What is the likelihood that results/benefits will continue after the project ends? What factors are in favour of or against maintaining benefits?</p>	<p>Revenue stream of NPIA</p> <p>NPIA programme of work</p> <p>Existence and adoption of an exit strategy or approach</p>	<p>Stakeholder feedback</p>	<p>Survey of CP manufacturers and exporters</p> <p>Documents and communication records of ITC and NPIA for exit and sustainability strategies</p> <p>Key informant interviews with key stakeholder representatives</p> <p>NPIA records</p>	<p>The willingness of CP stakeholders in participation in the survey/NPIA will be approached for needed support during the data collection period.</p>
<p>5.2 Is there a clear indication that the government and/or other key partners have committed financial and human resources to maintain benefits and results?</p>	<p>Financial allocation by the government for promoting CP production and export</p> <p>Commitment of other development partners for promoting CP production and export</p> <p>NPIA membership's financial contribution to CP development</p>	<p>Stakeholder feedback</p> <p>Selected feedback from potential donors and interest groups</p>	<p>Key informant interviews</p>	<p>Availability of key informants for interviews during evaluation period</p>

5.3 Is the business environment conducive to the maintenance of the project's results?	No. of project supported activities continued by NPIA after 18 October 2017	Stakeholder feedback	Key informant interviews	Availability of key informants for interviews during evaluation period
5.4 What other factors would play a major role in promoting or ensuring sustainability and/or scale of impact?	Vision and strategy of NPIA Government's policy for continued support to the CP production and export Evidence of backward linkages for the availability of pashmina wool yarn from domestic sources	Stakeholder feedback	Key informant interviews	Availability of key informants for interviews during evaluation period

C. Evaluation criteria ratings

5. The evaluation applies ITC's six-point rating system for each of the five key evaluation criteria (relevance, effectiveness, efficiency, impact and sustainability), and takes into account a collective rating to determine the overall performance of the project. It will use the following terminologies outlined below in Table A2.2.

1. TABLE A2.2: RATING NOMENCLATURE FOR THE OVERALL PROJECT AND INDIVIDUAL EVALUATION PARAMETERS

Overall Project	Relevance	Effectiveness	Efficiency	Impact	Sustainability
6=Highly satisfactory	6=Highly satisfactory	6=Highly satisfactory	6=Highly satisfactory	6=Highly satisfactory	6=Highly satisfactory
5=Satisfactory	5=Satisfactory	5=Satisfactory	5=satisfactory	5=Satisfactory	5=Satisfactory
4=Moderately satisfactory	4=Moderately satisfactory	4=Moderately Satisfactory	4=Moderately satisfactory	4=Moderately satisfactory	Moderately satisfactory
3=Moderately unsatisfactory	3=Moderately unsatisfactory	3=Moderately unsatisfactory	3=Moderately Unsatisfactory	3=Moderately unsatisfactory	Moderately unsatisfactory
2=Unsatisfactory	2=Unsatisfactory	2=Unsatisfactory	2=Unsatisfactory	2=Unsatisfactory	Unsatisfactory
1= Highly unsatisfactory	1=Highly unsatisfactory	1=Highly Unsatisfactory	1=Highly unsatisfactory	1=Highly unsatisfactory	Highly unsatisfactory

Appendix 2: A Survey of Pashmina Product Manufacturers and Exporters in Nepal

1. Name of Business:	
2. Location of Business:	
3. Member of NPIA: (Please answer one) a. Yes b. No	
4. If not a member of NPIA, what is the reason for not joining the association?	
5. Year joined NPIA: (skip if not joined NPIA)	
6. Membership Status: (Please answer one) a. Active b. Passive c. No longer a member	
7. Type of Business: (Please answer one): a. Manufacturer b. Exporter c. Both Manufacturer and Exporter	
8. Year of Establishment:	
9. Types of pashmina products manufactured: a. _____ b. _____ c. _____ d. _____ e. _____ f. _____	For each pashmina product please indicate share of total production: g. _____ h. _____ i. _____ j. _____ k. _____ l. _____
10. Year the business started to export Pashmina products: (skip if not exporting)	
11. Export Countries: (Please answer one) a. Current export countries: b. Future planned export countries:	
12. No. of years manufacturing pashmina products:	
13. No. of years exporting pashmina products:	
14. Countries exported pashmina products to before PETS project support	
15. Countries exported pashmina products to after PETS project commenced	
16. Have you benefitted from PETS project? a. Yes b. No	

<p>17. If you answer "Yes" to question 15, please describe the nature of benefit:</p> <ul style="list-style-type: none"> a. Participation in trade fair in Nepal b. Participation in trade fair overseas c. Product development d. Product design e. Training f. Export promotion 	
<ul style="list-style-type: none"> g. Packaging h. Branding/trade mark i. Communication materials j. Linkages to other businesses/markets k. Other 1: _____ l. Other 2: _____ 	
<p>18. For each of the answers you have selected in Q. 16, please express usefulness for your company (0= not useful, 1=little useful, 2=modestly useful, 3=useful, 4=very useful, 5=extremely useful; or 9=not applicable)</p> <ul style="list-style-type: none"> a. Participation in trade fair in Nepal b. Participation in trade fair overseas c. Product development d. Product design e. Training f. Export promotion g. Packaging h. Branding/trade marks i. Communication materials j. Linkages to other businesses/markets k. Other 1: _____ l. Other 2: _____ 	<p>Perception about the usefulness (Please select one of the five values for each item that is applicable)</p>
<p>19. Percentage of your total pashmina product production:</p> <ul style="list-style-type: none"> a. Sold locally within Nepal b. Exported 	
<p>20. Pashmina product export to different countries:</p> <ul style="list-style-type: none"> a. _____(country) b. _____(country) c. _____(country) d. _____(country) e. _____(country) f. _____(country) 	<p>Please indicate % of total export by country:</p>
<p>21. Has your export quantity increased as a result of PETS project?</p> <ul style="list-style-type: none"> a. Yes b. No c. Do not know 	

22. If you answered yes to Q. 20, what would be the approximate percentage increase in: a. Quality b. Value of export	
23. Share of export by pashmina product type: a. _____ b. _____ c. _____ d. _____	For each product type please indicate percentage of total export in terms of value" e. _____ f. _____ g. _____
24. Have you used Chyangra Pashmina label in your pashmina products? a. Yes, continuing b. Yes, but discontinued c. No, but considering using it d. No plan to use in the near future	
25. What advantage and disadvantages do you get in using Chyngra label? a. Advantages: _____ b. b. Disadvantages: _____	

2. NOW WE WOULD LIKE TO ASK YOU SOME SPECIFIC QUESTIONS ABOUT YOUR PRODUCTION AND EXPORT. WE WOULD LIKE TO ASSURE YOU THAT THE INFORMATION YOU ARE PROVIDING TO US WILL BE TREATED AS CONFIDENTIAL AND NONE OF THE IDENTIFIABLE INFORMATION WILL BE DIVULGED TO ANYONE ELSE BY THE EVALUATOR. ONLY THE ANALYTICAL SUMMARY OF ALL RESPONSES WILL BE PRESENTED IN THE EVALUATION REPORT.

Question	FY 2070-71	FY 2073-74
26. How many artisans are/were working in your business? a. Male b. Female		
27. How many non-artisans are/were working in your business? a. Male b. Female		
28. How many interns from the Design Institute are/were working in your business? a. Male b. Female		
29. How many interns did your business hire for your business? a. Male b. Female		

<p>30. How many people are/were working in your business in the production/export of Pashmina products?</p> <p>a. Male b. Female</p>		
<p>31. How many ethnic minority group people worked in your business?</p> <p>a. Male b. Female</p>		
<p>32. How many of your workers are physically challenged?</p> <p>a. Male b. Female</p>		
<p>33. How many kilograms of Pashmina wool did you buy for your Pashmina products production?</p> <p>a. From local production suppliers b. From cooperative society c. From overseas import</p>		
<p>34. If you purchased pashmina wool from local production suppliers or cooperative society, how many farmers would have been involved in wool raising Chyangra for wool production?</p>		
<p>35. Where do you source your pashmina wool yarn from?</p> <p>a. China b. India c. Mongolia d. Other _____(please specify)</p>		
<p>36. What would have been an approximate turnover of your business?</p>		
<p>37. What would have been approximate turnover from pashmina products?</p>		
<p>38. Compared to Nepali Fiscal Year (FY) 2070/71 , did your turnover from pashmina products' in FY 2073/74: (please select one and indicate in the right box)</p> <p>a. Increased significantly b. Increased marginally c. Remained about the same d. Decreased somewhat e. Decreased significantly</p>		

<p>39. Compared to FY 2070/71, did your profit margin from pashmina products in 2073/74: (please select one)</p> <ul style="list-style-type: none"> a. Increased significantly b. Increased marginally c. Remained about the same d. Decreased somewhat e. Decreased significantly 	
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Only for Project supported businesses (please skip if not a member of NPIA)

3. NEXT, WE WOULD LIKE TO ASK YOU ABOUT THE BENEFITS YOUR BUSINESS HAS DERIVED FROM THE PETS PROJECT. PLEASE TICK ONE BOX FOR EACH OF THE FOLLOWING QUESTIONS REFLECTING YOUR LEVEL OF AGREEMENT/DISAGREEMENT WITH THE STATEMENT.

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	No opinion
40. PETS has strengthened the capacity of NPIA.					
41. PETS has provided valuable training.					
42. PETS organized participation in trade fairs and exhibitions effectively.					
43. PETS has helped in export promotion.					
44. PETS has helped to improve quality of pashmina products for export.					
45. PETS helped with branding Nepali pashmina products.					
46. PETS helped to organize CP sector to collectively promote CP products.					
47. PETS helped focus on a forward-looking promotional approach away from a former individualistic cash and carry approach					
48. PETS has contributed to an increase in the export of pashmina exports.					
49. PETS has contributed to better working conditions in pashmina production floors.					
50. PETS helped the businesses with new product designs.					
51. PETS helped in linking with other businesses.					
52. PETS helped in increasing the visibility of Nepalese pashmina products overseas.					
53. PETS helped businesses with communication and promotional materials.					

54. PETS helped businesses with promoting Chyangra Pashmina labels overseas.					
55. Chyangra Pashmina label adds a premium on the product price.					
56. NPIA works in the interest of pashmina manufacturers and exporters.					
57. NPIA actively protects the interest of pashmina manufacturers and exporters.					
58. NPIA has adequate capacity to help the manufacturers and exporters.					
59. NPIA regularly shared information about PETS project with its members.					
60. PETS organized training taught new designs.					
61. PETS organized training helped in new marketing methods.					
62. PETS organized raining helped in new methods of communication with buyers.					
63. PETS organized training was useful to network with other pashmina enterprises.					
64. PETS-facilitated preparation for participation in International Trade Fairs was useful.					
65. Design inputs from PETS fetch higher prices than traditional design.					
66. Design inputs from PETS are innovative.					
67. Customers appreciate design inputs from PETS.					
68. Design inputs from PETS can be sold to the customers from multiple countries.					
69. Design inputs from PETS are easy to apply.					
70. Design inputs from PETS are less time-consuming.					
71. Design inputs from PETS use fewer materials.					
72. Design inputs from PETS require less labour input.					
73. Marketing/branding input from PETS has helped in associating with bigger brands.					

74. Marketing/branding input from PETS has helped in relating customers as a niche brand.					
75. Marketing/branding input from PETS has eased access to overseas markets.					
76. Marketing/branding input from PETS has provided exposure to larger markets within Nepal.					
77. Marketing/branding input from PETS has facilitated linkages with other business associations.					
78. Marketing/branding input from PETS has improved quality assurance processes.					
79. PETS helped in improving business brochures.					
80. PETS helped in improving pamphlets.					
81. PETS helped in website effectiveness.					
82. PETS activities were carried out on time.					
83. PETS activities were carried out cost-effectively.					
84. PETS fulfilled pashmina industries' expectations.					
85. After PETS project, the business has been able to explore new overseas markets on its own.					
86. After PETS project, the business has been able to explore new designs on its own.					
87. After PETS project, the business has been able to use new communication approach to attract customers on its own.					

88. In what other ways PETS project could have helped pashmina manufacturers and exporters?

- a. Training area: _____
- b. Branding and marketing area: _____
- c. New design technology: _____
- d. Communication area: _____
- e. Quality assurance area: _____
- f. Policy area: _____
- g. Sourcing raw materials: _____

89. Is Government's policy conducive to export of pashmina products in overseas market? What additional support is required?

90. How do you industries manage disposal of chemicals, dyes and other by-products from manufacturing:

91. What have been key challenges for your business in the past four years?

a. _____

b. _____

c. _____

92. What factors (if any) have contributed to the success of PETS project in Nepal?

a. _____

b. _____

c. _____

93. What actions are needed to strengthen NPIA and increase its membership base?

a. _____

b. _____

94. What other organizations/association is your business member of?

a. _____

b. _____

c. _____

95. Do you have any additional suggestions/comments for the PETS project final evaluation?

4. PLEASE TELL US A LITTLE ABOUT YOURSELF

96. Name of your business	
97. Your name	
98. Your position in the business	
99. Years involved in pashmina industry	
100. Your email address	
101. How many PETS project meetings have you attended in past three years?	
102. How many events have you attended under PETS project?	

5. FOLLOWING QUESTIONS APPLY TO NON-NPIA RESPONDENTS.

103. Have you heard about PETS project implemented by ITC? _____

a. If yes, do you have an opinion on PETS project? _____

b. Would you consider participating in such programme in the future if available? _____

104. Is there any reason that you are not a member of NPIA?

105. Where do you source your wool yarn for pashmina products?

106. What would be your annual turnover in pashmina products?

6. THANK YOU FOR YOUR VALUABLE INPUT FOR THE PETS PROJECT EVALUATION.

Appendix 3: Key Informant Interview Guiding Questions

A. Project Focal Points, ITC Project Manager and National Project Coordinators

1. Name: _____
2. PETS engagement: From _____ to _____
3. Please tell us about your background in the context of pashmina industry in Nepal.
4. To what extent did the project document provide guidance in project management?
5. What do you consider are the strengths of the PETS project?
 - Design
 - Implementation arrangements
 - Partner(s) role
 - Monitoring and documenting results
6. What do you consider are the weaknesses of the PETS project?
 - Design
 - Implementation arrangements
 - Partner(s) role
 - Monitoring and documenting results
7. What had been challenges in project implementation?
8. How did you overcome these challenges?
9. To what extent does the project address the needs of Nepal's pashmina industry?
10. Did the pashmina industry receive required support from the MoC?
11. Did the pashmina industry receive required support from NPIA?
12. What factors contributed to the success of the project?
13. What factors constrained the success of the project?
14. How effective was the project management? Did you receive required timely support (management and technical) from ITC Headquarters and/or Asia-Pacific Regional Office?
15. To what extent was the project inclusive in nature? Did any particular group play dominant role over the other? Did it allow voices of smaller businesses heard?
16. To what extent did the project mainstream gender equity and human rights?
17. To what extent did the project help in strengthening the capacity of NPIA?
18. Was the project adequately resourced?
19. What steps did you take or introduce to ensure sustainability of project benefits?
20. Was the business environment conducive to attaining and maintaining project results?

21. Which group benefitted the most from the project?
22. To what extent did the project receive support and cooperation from different stakeholder groups?
23. How effective was the project steering committee in providing guidance and taking timely decisions? Were these meetings held regularly?
24. To what extent were the project stakeholders able to adapt to the changes required by the project?
25. To what extent different stakeholder/interest groups took part in project implementation?
26. Did the project receive any undue pressure during implementation from any particular group? How did the project respond to such pressure?
27. How did you disseminate project information and results?
28. To what extent the business environment exists for the project benefits to continue after PETS without ITC support?
29. Did the project provide required technical expertise when needed?
30. What other factors helped in project implementation?
31. How did the project identify and mitigate technical and fiduciary risks?
32. Did the project deploy staff/human resources as planned? Was there any deviation? If so, what were the reasons?
33. To what extent did the project invest in enhancing project staff's capacity? Were these useful?
34. Did the project encounter any financial irregularities? If so, how were these handled?
35. Did the project receive required cooperation from the pashmina industry in Nepal?
36. Were there any deviations in project design or changes in implementation arrangements? If so, what were the reasons?
37. How did the project manage in identifying stakeholders for training, participation in exhibitions and overseas trade fairs, capacity building, design development, market promotion? Please elaborate.
38. Was the project able to track progress against the set targets in a timely manner? Were given targets realistic and indicators clearly defined?
39. Why was no baseline data for the project collected?
40. What tools did you use to monitor and evaluate the progress in achieving envisaged outcomes?
41. What was the reporting arrangements? Were there any prescribed formats to report on?
42. How often did you revisit project logical framework?
43. How did the information flow from beneficiaries to NPC to MOC and ITC?
44. What would you consider as major challenges in monitoring and evaluation tasks?

45. How often did the project prepare to learn updates? Were these updates disseminated effectively?
46. How do you describe communication within the project among the stakeholders and with external stakeholders? Was there a budget for communication?
47. How do industries manage their effluents, including chemicals, dyes and other by-products?

B. Nepal Pashmina Industries Association

1. Name: _____
2. PETS engagement: From _____ to _____
3. Please tell us about your background in the context of pashmina industry in Nepal.
4. To what extent did the project document provide guidance in project management?
5. What do you consider are the strengths of the PETS project?
 - Design
 - Implementation arrangements
 - Partner(s) role
 - Monitoring and documenting results
6. What do you consider are the weaknesses of the PETS project?
 - Design
 - Implementation arrangements
 - Partner(s) role
 - Monitoring and documenting results
7. What had been challenges in project implementation?
8. How did you overcome these challenges?
9. To what extent does the project address the needs of Nepal's pashmina industry?
10. Did the pashmina industry receive required support from the MOC?
 - a. What factors contributed to the success of the project?
 - b. What factors constrained the success of the project?
 - c. How effective was the project management? Did you receive required timely support (management and technical) from ITC Headquarters and/or Asia-Pacific Regional Office?
 - d. To what extent was the project inclusive in nature? Did any particular group play dominant role over the other? Did it allow voices of smaller businesses heard?
 - e. To what extent did the project mainstream gender equity and human rights?
 - f. To what extent did the project help in strengthening the capacity of NPIA?
 - g. Was the project adequately resourced?
 - h. What steps did NPIA take or introduce to ensure sustainability of project benefits?

- i. Was the business environment conducive to attaining and maintaining project results?
- j. Which group benefitted the most from the project?
- k. To what extent did the project receive support and cooperation from NPIA members?
- l. How effective was the project steering committee in providing guidance and taking timely decisions? Were these meetings held regularly?
- m. To what extent were the project stakeholders able to adapt to the changes required by the project?
- n. To what extent different stakeholder/interest groups took part in project implementation?
- o. Did the project receive any undue pressure during implementation from any particular group? How did the project respond to such pressure?
- p. How did NPIA disseminate project information and results?
- q. To what extent the business environment exists for the project benefits to continue after PETS without ITC support?
- r. What is your opinion about project's support for:
 - a. Market development
 - b. Export promotion
 - c. Innovative product design
 - d. Product diversification
 - e. Training
 - f. Participation in trade fairs and exhibitions (within Nepal)
 - g. Participation in trade fairs and exhibitions (overseas)
- s. What other factors helped in project implementation?
- t. How do NPIA members who manufacture pashmina products dispose their chemicals, dyes and other production by-products?
- u. How did the project manage in identifying stakeholders for training, participation in exhibitions and overseas trade fairs, capacity building, design development, market promotion? Please elaborate.
- v. How did NPIA monitor project progress against the targets?
- w. What was the role of NPIA in disseminating project results? Was it effective?
- x. How do you describe communication within the project among the stakeholders and with external stakeholders? Was there a budget for communication?
- y. To what extent NPIA members are able to continue to invest in the kind of activities supported by ITC on their own?
- z. What else can ITC do to support Nepal's pashmina industry?
 - aa. Any additional thoughts?

Thank you!

C. Namuna College of Fashion Technology (NCFT) Representative

1. Name: _____
2. PETS engagement: From _____ to _____
3. Please tell us about your background in the context of pashmina industry in Nepal.
4. To what extent did the project document provide guidance in project management?
5. What do you consider are the strengths of the PETS project?
 - Design
 - Implementation arrangements
 - Partner(s) role
 - Monitoring and documenting results
6. What do you consider are the weaknesses of the PETS project?
 - Design
 - Implementation arrangements
 - Partner(s) role
 - Monitoring and documenting results
7. How do you describe support for PETS for your Institute?
8. What were the highs in such support?
9. What were the lows if any in such support?
10. How many interns did the project support at your facility during 2070/71 to present?
11. How many of the interns are hired by the Pashmina industries in the last three years?
12. How many instructors at your institute received training from the PETS project? What are they doing at present?
13. To what extent has the project's support stimulated new innovations in pashmina designs?
14. How difficult is it to attract trainees at your Institute?
15. What is typical monthly salary range of the graduates from your Institute?
16. How actively is your Institute involved in developing new designs responding to market conditions (demand)?
17. What else is needed to strengthen product design innovation from the outfit like ITC?
18. Did the project help your institute to build a relationship with other similar organizations?
19. Overall, how satisfied are you with PETS project support?

20. Please indicate your level of agreement with the following statements:

Statement on Namuna College	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
a. NCFT developed a new training course for cashmere/CP products under PETS project.					

b. The PETS project support to NCFT let to increase in the number of students enrolled.					
c. The NCFT graduates are gainfully employed.					
d. The PETS project helped to improve the quality of graduates produced by NCFT.					
e. The course developed under the project support is integrated into bachelor degree curriculum of NCFT approved by the Government.					
f. The PETS project strengthened the partnership between NCFT and NPIA.					
g. The PETS project enhanced the visibility of NCFT.					
h. The PETS project enhanced the reputation of NCFT in Nepal and abroad.					

21. Can you tell us how many students enrolled and completed annually in the last three years?

22. Do you track where your college graduates are employed? If so, can you tell us a bit more about them and their nature of employment?

23. Could you please elaborate on the quality of students from your college and their designs for CP/cashmere products and their participation/presentation at various fashion shows in Nepal?

24. Would you like to offer any additional comments/suggestions about PETS project's support to your college?

THANK YOU!

D. Pashmina wool suppliers

1. Name: _____
2. Please tell us about your background in the context of pashmina industry in Nepal.
 - a. How long have you been involved in pashmina wool yarns?
 - b. Where do you get your supplies from?
 - c. What percentage of your supply comes from within Nepal?
 - d. What other countries do you import wool yarn from? Also, indicate approximate share of imports by country of origin
3. What are your views on the quality of wool yarn from within Nepal?
4. What are your views on the volume of wool available from domestic sources?
5. What are the challenges and how do you overcome these challenges in:
 - a. Sourcing wool yarns from within Nepal
 - b. Sourcing wool yarns from overseas
6. What is your annual turnover?
7. What percentage of your turnover relates to wool yarns purchased from within Nepal?
8. How do you see the trend in profit margin from pashmina wool yarns?
9. Who do you face competition with?
10. How do you handle competition from other suppliers?
11. What can be done to ensure regular supply of pashmina wool yarn for local industries?
12. Would you like to add any additional comments?

Appendix 4: Field Mission Schedule and Interviews Completed (26 January – 14 February 2018)

Date	Name of Interviewee	Affiliation of Interviewee	Stakeholder Group	Remark	Status
Sat 27 Jan 2018				Meeting with Research Associate and Review of Data Collection Instruments and Interview Plan	Completed
Sun 28 Jan 2018	Mr. Durga Bikram Thapa	President, NPIA	Implementing Partner	Focus group discussion and review of NPIA list of questions; identification of other key respondents and understanding on interview protocol	Completed
	Mr. Vijoy Dugar	Vice President, NPIA+PETS Focal			Completed
	Mr. Ajay Karki	Secretary-General, NPIA			Completed
	Mr. Hari Chandra Aryal	General Manager, NPIA			Completed
Mon 29 Jan 2018	Mr. Buddhi P. Upadhyaya	Under-Secretary, MOC	PETS Focal Person	Secretary and Joint Secretary, MOC not available but may attend wrap-up	Completed
	Mr. Vidhur Ghimire	NPM, NECTRADE	PSC Observer		Completed
	Mr. Salav Risal	Capacity Dev Advisor, ITC	Implementing Agency	Engaged from 1 Jan-18 Oct 2017	Completed
	Pashmina Proprieter-1	Proprieter, Divya Cashmere	Manufacturer & Exporter		Completed
Tue 30 Jan 2018	Ms. Gyan Shova Tuladhar	Founder Principal, NCFT	Implementing Partner	Qualitative discussion and completion of evaluation questionnaire	Completed
	Mr. Anil K. Upadhyaya	CEO, NCFT			
	Mr. Jeebeswor Lal Shrestha	Vice Principal, NCFT			
	Ms. Richa Tuladhar	HR Manager, NCFT			
	Mr. Avatar Tuladhar	Senior Staff, NCFT			
	Ms. Jyoti Bajaracharya	Project Coordinator, NCFT			
	Pashmina Proprieter-2	Proprieter, Kamala Quality Pashmina	Manufacturer & Exporter	One of the two users of Nepal's CP yarn	Completed
	Mr. Karan Gurung (Tangbe)	Executive Director, Mustang Chyangra & Pashmina Farmers Association	Project Beneficiary	Responsible for head count of chyangra population in Mustang district and forming farmers' association	Completed

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Wes 31 Jan 2018	Mr Purna B. Chhetri	Senior Program Officer, WB	Task Manager	Responsible for implementing recently approved Livestock Innovation Project	Completed
	Pashmina Proprieter-3	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-4	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-5	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-6	NPIA Member	Stakeholder	Business house	Completed
Thu 01 Feb 2018	Pashmina Proprieter-7	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-8	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-9	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-10	NPIA Member	Stakeholder	Business house	Completed
	Mr. Bhushan Shah	NPC, PETS	ITC Field Project Staff	Served PETS from June 2014-Feb 2017	Completed
	Mr Surendra Chaudhary	Specialist, NABIC	External key informant	Staff at Nepal Agribusiness Innovation Centre	Completed
Fri 02 Feb 2018	Mr. Rajendra Shah	NPC, PETS	ITC Field Project Staff	Served PETS from 15 May-17 July 2017	Completed
	Pashmina Proprieter-11	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-12	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-13	NPIA Member	Stakeholder	Business house	Completed
	Mu, Naindra P. Upadhyaya	Secretary, Ministry of Women, Children and Social Weldare	Former PSC Chair	Former Secretary, Ministry of Commerce	Completed
Sat 03 Feb 2018	NCFT Fashion Show	NCFT	Implementing Partner	Design training instiute	Completed
Sun 04 Feb 2018	Mr. Keshav P. Premy	Joint Secretary	Ministry of Livestock Dev.	PSC Member	Completed
	Dr. Barun K. Sharma	Livestock Specialist	Ministry of Livestock Dev.	MOLD staff	
	Dr. Sujan Rana	Livestock Specialist	Ministry of Livestock Dev.	MOLD staff	
	Mr. Rajendra Singh	Deputy Director	Trade Export and Promotion Centre, MOC	PSC Observer	Completed
	Pashmina Proprieter-14	NPIA Member	Stakeholder	Textile Enginer and Proprieter	Completed
Mon 05 Feb 2018	Pashmina Proprieter-15	NPIA Member	Ex-NPIA Prsident	Busiesss house	Completed
	Pashmnia Proprieter-16	NPIA Member	Stakeholder	Business house	Completed
Tue 06 Feb 2018	Dr. Chet Raj Upreti	Ex-Livestock Director, NARC	Technical Specialist	Member of Technical Panel, NBSM	Completed

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Wed 07 Feb 2018	Pashmina Proprieter-17	NPIA Member	Stakeholder	Business house	Completed
	Matthias Knappe	Project Manager	ITC	PETS Project Manager	Completed
	Kidest Teklu	Project Management Staff	ITC	PETS Project Management Team	Completed
Thu 08 Feb 2018	Pashmina Proprieter-18	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-19	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-20	NPIA Member	Stakeholder	Business house	Completed
Fri 09 Feb 2018	Pashmina Proprieter-21	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-22	NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-23	NPIA Member	Stakeholder	Business house	Completed
Sat 10 Feb 2018	Pashmina Proprieter-24	Non-NPIA Member	Stakeholder	Business house	Completed
	Pashmina Proprieter-25	Non-NPIA Member	Stakeholder	Business house	Completed
Sun 11 Feb 2018	Pashmina Proprieter-26	Non-NPIA Member	Stakeholder	Business house	Completed
Mon 12 Feb 2018	Mr. Buddhi P. Upadhyaya	Under Secretary	PETS Focal Person@MOC	Due to other commitments, Secretary and Joint Secretary of MOC and NPIA Focal Person could not attend the debrief meeting at MOC.	Completed
	Ms. Manisah Subedi	Research Associate	Final Evaluation Resource	Progress update and work planning and upcoming reporting including data entry completion and quality consistency	Completed
Tue 13 Feb 2018	Pashmina Proprieter-27	Non-NPIA Member	Stakeholder	Business house	Completed

Note: The Research Associate completed additional 11 interviews with pashmina enterprises during 15 to 25 February 2018. The interviews prolonged due to unavailability of some of the respondents.

Appendix 5: List of Persons Met/Interviewed for the Evaluation

1. MINISTRY OF COMMERCE (MOC)

Naindra P. Upadhyaya, Former, Secretary (MOC), current Secretary, Ministry of Women, Children and Social Welfare

Buddhi Prasad UPADHYAYA; Under Secretary, Bilateral Trade and Transit Section, MOC and PETS Focal Point at MOC

Vidhur Ghimire, National Project Manager, EIF NECTRADE, MOC

2. Nepal Pashmina Industries Association (NPIA) – Private Sector Partner

Durga Bikram THAPA; President

Vijoy Kumar DUGAR; Vice President

Ajay Singh Karki, General Secretary

Hari Chandra Aryal, General Manager

3. ITC Stakeholders

Matthias Knappe, Project Coordinator, Sector and Enterprise Competitiveness (SEC) Division of Enterprises and Institutions (DEI), PETS Project Focal Point, ITC

Kidest Teklu, Project Officer, SEC/DEI

Orlane Robert, Secretary, SEC/DEI

Shalav Risal -Capacity Building Advisor, PETS

Bhusan Shah- National Project Coordinator, PETS

Rajendra Shah- National Project Coordinator (Short term), PETS

4. NAMUNA COLLEGE OF FASHION TECHNOLOGY

Gyani Shova Tuldhar: Principal,

Anil Kumar Upadhyay: Chief Executive Officer

Jyoti Bajracharya: Project Coordinator

Jeebeswor Lal Shrestha, Vice Principal

Richa Tuladhar, Academic Coordinator

Avatar Tuladhar, Head of Administration

5. PASHMINA BUSINESS PROPRIETORS

38 firms (names not listed due to confidentiality concerns)

Two pashmina yarn importers

6. MINISTRY OF LIVESTOCK DEVELOPMENT

Keshav Premy, Joint Secretary

Dr. Barun Kumar Sharma

Dr. Sujan Rana

7. TRADE AND EXPORT PROMOTION CENTER (TEPC)

Rajendra Singh, Deputy Director

NATIONAL AGRICULTURE AND RESEARCH COUNCIL (NARC)

Dr. Chet Raj Uprety, Former Livestock Director at Nepal Agricultural Research Council

MUSTANG CHYANGRA & PASHMINA FARMERS ASSOCIATION

Karan Gurung (Tangbe)- Founder Chairman/ Executive Director

8. World Bank

Purna Bahadur Chettri , Senior Agriculture Specialist, World Bank Nepal

Appendix 6: List of Documents Reviewed for the Final Evaluation of PETS Project

1. Midterm Evaluation of Pashmina of Pashmina Enhancement and Trade Support Project, prepared by KMPG Advisory Services for International Trade Centre, prepared by KMPG Advisory Services Private Limited India and FACTS, Research and analytics, Nepal, August 2016.
2. PETS Progress Reports, August-December 2013, January-June 2014, January-December 2015, January-December 2016, and January – July 2017.
3. Nepalese Pashmina/Cashmere US.A. Market Entry Strategy (undated).
4. Nepalese Pashmina Industries Association (NPIA) Medium-Term Plan and Service Portfolio, Prepared by Miguel Camacho and Baburam Ranabhat, March 2015.
5. Survey Report on Chyangra Pashmina, prepared by Rooster Logic, 2017.
6. Chyangra Pashmina: Understanding the Background, Business Advantage (undated)
7. PETS Project Participation in Sourcing@Matic 2016
8. Labeling, Testing & Certification of Changra Pashmina Products prepared by Alpana Shrestha, April 2017.
9. Supply Chain analysis of Chyangra Pashmina Fibres Coming from Upper Mustang: Follow-up to Pilot Chyangra Pashmina analysis Undertaken in 2014, 2-9 October 2015 and Dissemination Workshop held on 17 May 2016.
10. Capacity development of Nepalese Chyangra Pashmina Manufacturers in Fashion Products and Design Development, prepared by Jean Michel Glasman, June 2016.
11. NPIA's China Visit: Summary and Assessment (draft), 2016.
12. Supply Chain Analysis of Chyangra Pashmina Fibres Coming from Manang District, November 2016.
13. Chyangra Pashmina Social Media Marketing Report, prepared by Scaling Retail, 2017
14. Pashmina Enhancement and Trade Support (PETS) project Mission Report June 7 to June 14, 2017
15. S Assignment Completion Report- IP and TM Survey, 15 May-6 June 2016.
16. PET Report on Store Visit and Evaluation for Chyangra Pashmina Branding, Prepared by Business Advantage, June 2017.
17. Japan International Trade Fair (IFF-Magic), April 2017.
18. Pashmina Enhancement and Trade (PETS) project Mission Report, September 2017.
19. Report Verification of Existing Code of Conduct for CP Trademark Issuance, 2017
20. Supply Side review and domestic market review in Nepal of the Chyangra Pashmina, May 2015.
21. NIPA Souvenir – 2017, published by Nepal Pashmina Industries Association, Kathmandu
22. PETS Project - Request for no-cost extension from 19 September 2016 to 18 July 2017 from ITC to EIF.
23. 5th Project Steering Committee and Stakeholder dissemination workshop - Elaboration of the Management Response to the Midterm Evaluation of the project, PETS, August 2016
24. Company Results Feedback, Excel® spreadsheet
25. Project Results - Lessons Learned - Challenges & Future Opportunities: PETS Project, ITC PowerPoint® presentation
26. Concept Paper on Improving Livelihood through Value Addition to Chyangra Pashmina from Cashmere Fibre to Branded Products, 2017
27. CP Documentary Films (2)
28. Final CP Guidelines, 2016
29. PETS Participation in Sourcing at Magic 2016, prepared by Bhushan Shah
30. A brief report of Los Angeles Fashion Show, Prepared by Buddhi Upadhyaya, 2015
31. Report on merchandizing, design and product development support to Magic Fair and JFW-IFF participating enterprises by Chandrashekhar Bheda, 2017
32. Intellectual Property (IP) protection in the Pashmina sector: trademarks, distinctive signs relating to the geographical origin, prepared by Florian Retif, 2017.

33. Report of ITC on Cashmere World Fair Participation and Local Industry Visit, prepared by Gail Taylor, 2015.
34. NPIA's China Visit: Summary and Assessment, prepared by Gu Qiangliang, 2016
35. Project Communications Strategy of Pashmina Enhancement & Trade Support (PETS) Project prepared by Om Ghimire, 2015
36. Study of Pashmina sector in India, prepared by Sallen Chaudhuri
37. Supply Side review and domestic market review in Nepal of the Chyangra Pashmina, prepared by Solutions Consultants, 2015.
38. List of Trade Fair Participants (Excel® sheet)
39. Minutes of Fifth, Sixth and Seventh Project Steering Committee Meetings
40. Annual Work Programme – PETS, July 2016-2017 (Excel sheet)
41. MOU between EIF/WTO and UNOPS (Project Document), 2013
42. Letter of Agreement between the Ministry of Commerce and Supplies and International Trade Centre for the the Implementation of PETS project supported by EIF Geneva
43. Text of Speech delivered by ITC Executive Director at the Closing of PETS project in Nepal, October 2017.
44. NPIA Souvenir 2017.
45. Project finance data provided by ITC.

Appendix 7: List of Trade Fair Participants

Fair	NO.	First Name	Surname	ORGANIZATION CONTACT DETAILS
Meeting participants - cost share				
Magic Fair - Feb 2015	1	Mr. Sita	Pandit	Jashmi Handicraft
Magic Fair - Feb 2015	2	Mr. Chiranjivi	Kafle	Everest Cashmere
Magic Fair - Feb 2015	3	Mr. Puran Bahadur Baniya	Chhetri	Indecom Soie
Magic Fair - Feb 2015	4	Mr. Kumar Singh	Karki	Omsree Knitting
Magic Fair - Feb 2015	5	Mr. Ganesh Kumar	Khadka	Ganadeep Pashmina
Magic Fair - Feb 2015	6	Mr. Kamal Raj	Bista	Shangrila Silks
Magic Fair - Feb 2015	7	Mr. Upendra	Giri	Dibya Pashmina
Magic Fair - Feb 2015	8	Ms. Surya Kumar	Gurung	Everest Pashmina
Magic Fair - Feb 2015	9	Mr. Ajaya	Karki	Prasid Pashmina
Magic Fair - Feb 2015	10	Mr. Tika	Baral	Guru Cashmere
Association: NPIA				
Magic Fair - Feb 2015	11	Mr. Puspa Man	Shrestha	NPIA
Magic Fair - Feb 2015	12	Mr. Durga Bikram	Thapa	NPIA
Meeting participants - cost share				
Cashmere World - HK 2015	13	Mr. Narendra Raj	Shakya	Harati Woollens Knitwear Pvt. Ltd.
Cashmere World - HK 2015	14	Mr. Govinda Bahadur	Tandon	Shree Pashmina Udhog
Cashmere World - HK 2015	15	Mr. Manoj Prasad	Panta	Samanta Pashmina Crafts
Association: NPIA				
Cashmere World - HK 2015	16 - repeat	Vijoy Kumar	Dugar	NPIA
Meeting participants - cost share				
Magic Fair - Feb 2016	17 - repeat	Mr. Kamal Raj	Bista	Shangrila Silks
Magic Fair - Feb 2016	18 - repeat	Mr. Upendra	Giri	Divya Pashmina
Magic Fair - Feb 2016	19 - repeat	Mr. Puran Bahadur Baniya	Chhetri	Indecom Soie
Magic Fair - Feb 2016	20 - repeat	Mr. Tika	Baral	Guru Cashmere
Magic Fair - Feb 2016	21	Mr. Netra Raj	Giri	High Himalaya Garments
Magic Fair - Feb 2016	22	Mr. Sunil	Shrestha	NPI Collection Pvt. Ltd.
Magic Fair - Feb 2016	23	Mr. Anin	Rajbhandari	Tara Oriental
Magic Fair - Feb 2016	24 - repeat	Mr. Chiranjivi	Kafle	Everest Cashmere
Magic Fair - Feb 2016	25	Mr. Dhan Prasad	Lamicchane	Mount Manaslu Pashmina Udhog
Association: NPIA				
Magic Fair - Feb 2016	26	Mr. Durga Bikram	Thapa	
Magic Fair - Feb 2016	27	Mr. Shanker Prasad	Pandeya	
Meeting participants - cost share				
JFW - April 2016	28	Mr. Nissan	Kandel	Kandel Enterprises
JFW - April 2016	29	Mr. Ashim	Pandey	Bajrayogini Pashmina
JFW - April 2016	30	Mrs. Parbati	Shrestha	Palanchowk Bhagwati Pashmina Industry
JFW - April 2016	31	Mr. Ganesh Bahadur	Shrestha	Ashirbad Pashmina Industry
JFW - April 2016	32	Ms. Mohinee	Maharjan	Empower International Export Group
JFW - April 2016	33	Mr. Dinesh Kumar	Shrestha	Alpine Pashmina House Pvt. Ltd.
JFW - April 2016	34	Mr. Shanker Prasad	Pandeya	Sagarmatha Silks
JFW - April 2016	35 - repeat	Mr. Durga Bikram	Thapa	Sunkoshi Craft
JFW - April 2016	36	Mr. Kumar	Khadka	Veg & Swiss Pashmina Udhog
JFW - April 2016	37	Mr. Bishnu Prasad	Dhakal	Kamala Quality Pashmina

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Meeting participants - cost share				
JFW - April 2017	38 - repeat	Mr. Nissan	Kandel	Kandel Enterprises
JFW - April 2017	39 - repeat	Mr. Ganesh Bahadur	Shrestha	Ashirbad Pashmina Industry
JFW - April 2017	40 - repeat	Mr. Dinesh Kumar	Shrestha	Alpine Pashmina House Pvt. Ltd.
JFW - April 2017	41 - repeat	Mr. Durga Bikram	Thapa	Sunkoshi Craft
JFW - April 2017	42	Mr. Jyoti Prasad	Adhikari	Kamala
JFW - April 2017	43	Mr. Nawa Dutta	Kaphle	S.K. Pashmina Pvt. Ltd.
JFW - April 2017	44	Mr. Krishna Prasad	Pangeni	C.S. Cashmere Pvt. Ltd.
JFW - April 2017	45	Mr. Gopal Das	Manandhar	Euro Pashmina Pvt. Ltd.
JFW - April 2017	46	Mr. Anup	Shrestha	Red Cashmere
JFW - April 2017	47	Mr. Dinesh	Tuladhar	Exclusive Fabric Industries Pvt. Ltd.
Association: NPIA				
JFW - April 2017	48- repeat	Mr Chiranjivi	Kafle	NPIA
Meeting participants - cost share				
Apparel Source	49	Mr. Purushottam	Pokharel	Fewa Pashmina Company Pvt. Ltd.
Apparel Source	50	Ms. Reeta R L	Simha	Aama Impex
Apparel Source	51	Mr. atrudhan Lal	Shrestha	Yeti Fashion & Design
Apparel Source	52	Mr. Padam Bahadur	Thapa	Himalyan Fabs International
Apparel Source	53	Mr. Kusumasatsune	Bhandari	Yuko Handicraft Pvt. Ltd.
Apparel Source	54	Mr. Jit Bahadur	Khadka	Asian Handicrafts
Apparel Source	55	Mr. Pradeep	Shahi	Cashmere Land
Apparel Source	56	Mr. Rit Man	Shrestha	Rijan & Shrijan Pashmina Udyog
Association: NPIA				
Apparel Source	57 - repeat	Mr. Durga Bikram	Thapa	NPIA
Apparel Source	58 - repeat	Mr. Vijoy Dugar	Dugar	NPIA

Source: ITC PETS Project.

