

ITC Management Response to the Professional Peer Review of the ITC Evaluation Function, 2016

July 2016

I. General response

1. ITC management would like to congratulate the UNEG/DAC Professional Peer Review Panel on the good quality of the Peer Review report on ITC's Evaluation Function, which was built on comprehensive review, sound methodology, and professional assessment. We believe that the report has confirmed many of the strategic actions taken by ITC in recent years towards building a strong evaluation culture. It also provided useful thoughts for ITC to further reflect on how to leverage evaluation services to achieve ITC's development goals.
2. As acknowledged in the Peer Review Report, the ITC governance mechanism is unique in the UN system. This is partly due to ITC's dual obligations to UN General Assembly and the WTO General Council. Within this unique and complex governance mechanism, a critical question for ITC management is how to ensure a well-developed evaluation function which fits in ITC's strategic plan and operational structure, collaborates with other functions and clients, and contributes to achieving ITC's development goals. With this critical thinking among other strategic considerations, we welcome the recommendations provided by the report and will plan and implement the recommendations, where not implemented already.
3. The Peer Review Panel noted that ITC's evaluation function has made significant advances in the past few years in terms of independence, credibility and utility. And we are pleased to reaffirm that the autonomy and independence of the evaluation function has been well respected by ITC's management and staff. Resources and support provided to the evaluation function, in terms of policy environment, management endorsement, human resources, and financial resources have been enhanced.

4. We are confident that an enhanced evaluation function will play an active role in improving ITC's corporate results framework. In line with the ITC Strategic Plan 2015-2017, ITC has been building up a programmatic approach to better achieve and demonstrate ITC's development results. The ITC programmatic approach encompasses a comprehensive results framework aligned to corporate goals, an enhanced theory of change for each programme, effective monitoring and reporting systems at programme and project level, and a series of evaluation and impact assessment initiatives to ascertain long-term results and impact.
5. Within the same strategic framework, the Evaluation Unit has embarked on an initiative to expand the evaluation coverage of projects through a combination of: independent evaluations, self-evaluations, and project completion reports. Independent evaluations will focus on strategic themes and policies at corporate level; self-evaluations will increasingly cover all large programmes; and all projects will be subject to a project completion report. This, combined with the implementation of the programmatic approach will progressively address the issue of "paucity of evidence of results", which was mentioned by the 2014 External Independent Evaluation of ITC and referred by the Peer Review Report.
6. ITC management is committed to further develop the evaluation culture and to strongly support the effort of the Evaluation Unit in significantly broadening consultations, focusing on strategic issues and long-term challenges faced by the organization, and improving evaluation accountability, learning, communication and knowledge management for better and broader learning.
7. Below we provide ITC's management responses to each of the specific recommendations.

II. Responses to the specific recommendations

| Recommendations provided by the Peer Review Report | Management Response (Agree, Partially Agree, Disagree) | Action planned / taken Justifications for partially agreed and disagree (indicative timeline) |
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| <u>Independence</u> | | |
| <p>Evaluation Policy</p> <p>182. It would be prudent to conduct reviews of the evaluation policy periodically to align it with the evolving international standards and gradual embedding of evaluative norms within the organization. The evaluation policy in its next iteration should consider more clarity on the independence dimension of EU, as elaborated below.</p> | Agree | <p>1. The Evaluation Policy 2015 is aligned with international standards and in conformity with the UNEG Standard 1.5, the Evaluation Policy provides for periodic reviews and updates.” In its next iteration, the Policy will elaborate the independence dimension of the EU more clearly.</p> |
| <p>Structural and functional independence</p> <p>183. On the strength of the evidence-based observations and arguments made in paras 79 and 89, and taking note of the organizational context and needs, the Panel strongly recommends that the Evaluation Unit should be granted a distinct functional status, ideally separate from SPPG and located within the office of and reporting directly to the Executive Director. Alternatively, at a minimum, continue within SPPG but with a separate functional status with direct reporting/communication line with</p> | Agree with option two | <p>2. The EU will continue to have a distinct functional status within SPPG, with a direct reporting and communication line with ED/DED. The SPPG setting and support will be a strategic leverage for the EU to implement the Evaluation Policy and Guidelines and to support the corporate results framework.</p> <p>3. Within SPPG, EU already contributes to the discussions on an improved RBM methodology at corporate and programme levels and will remain engaged in future</p> |

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| <p>ED/DED. Given the current state and importance of Results Based Management in ITC, EU's technical advisory role on methodology of RBM should be pursued in full strength. Given its technical competence EU should spearhead the impact assessment initiatives in ITC drawing from experience of other UN system organizations.</p> | | <p>discussions.</p> <p>4. The EU will further elaborate ITC's impact approach, based on a broad literature review and practical learning from an ongoing ITC impact assessment, and will present the approach as part of the Guidelines for Independent Evaluation and Impact Assessment, which are currently being drafted. (The Guidelines will be issued within 2016.) Once the methodology on impact assessment is finalized, EU will develop a Working Note on how to enhance ITC's impact and results assessment through collaboration with operational divisions and external stakeholders. (S1 2017)</p> |
| <p>184. EU's pursuit of methodological rigour in evaluation should be enhanced by allowing its Head to exercise his/her full autonomy (without interference) in managing evaluation process, choice and application of robust methodology, seeking and leveraging cooperation/collaboration of other units/entities.</p> | <p>Agree</p> | <p>5. In line with the Evaluation Policy 2015, the full autonomy of EU's Head is already supported and respected by ITC's management, in terms of managing the evaluation process, including evaluation clearance and diffusion, choice and application of robust methodologies, seeking and leveraging cooperation and collaboration of other units and entities. Furthermore, the EU has the authority to issue guidelines and establish its annual work plan.</p> |
| <p>185. The Panel considers that the position level of the Head of EU should be upgraded to P5 to provide a level of seniority equivalence which would facilitate exercise of functional independence in managing this function.</p> | <p>Partially agree</p> | <p>6. In line with the Evaluation Policy 2015, the autonomy of the Head of the EU over the evaluation function in ITC has been, and will continue being, strongly supported and respected by ITC's management.</p> <p>7. The post level is dependent on ITC's organizational development needs and resources available, and in line with UN/WTO rules.</p> |

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| <p>Evaluation Work Plan</p> <p>186. The finalization of the work plan should be independently vested with the Chief of EU. The Panel also recommends that the current dichotomy between donor led evaluation and EU managed ones should be minimized and bridged through establishing proper consultation mechanisms. This would facilitate addressing the commonly perceived issues and help generate recommendations which are relevant and mutually reinforcing.</p> | <p>Agree</p> | <p>8. The Head of the EU has the autonomy to finalize the Evaluation Work Programme and Budget based on broad consultations, organizational development needs, and resources available.</p> <p>9. The EU will exchange information with donors on ITC evaluation plans and will coordinate ITC evaluation plans taking into consideration stakeholders' interests. The Evaluation Work Programme and Budget will be shared with JAG/CCITF members for information. (From 2017 onwards)</p> |
| <p>Credibility</p> | | |
| <p>Budget for Evaluation</p> <p>187. Predictability of resources and autonomy for managing it is important for the independence and credibility of the evaluation function. The ITC management should ensure that the evaluation function has an adequate level of predictable budgetary resources at its disposal. For transparency and accountability purposes, the annual evaluation work plan should be budgeted and resources should be specifically allocated to various types of evaluations under EU's control. All projects and programmes considered strategically important or above a minimal financial level (as decided by ITC management and prescribed in the Evaluation guidelines) should have a mandatory budget for evaluations.</p> | <p>Agree</p> | <p>10. Predictability of resources and autonomy for managing them has been enforced as of 2016: For the first time, an evaluation budget is included as a separate item in the regular budget "ITC Programme Budget for the Biennium 2016-2017", approved by the UN General Assembly and by the WTO General Council.</p> <p>11. The 2016 Evaluation Work Programme and Budget has already moved towards results-based evaluation planning. It provides a budget allocation for each deliverable, categorized as independent evaluations, advisory services, self-evaluations, impact survey, training, etc. In future, the EU shall further enhance the results-based budget for each item in the Evaluation Work Programme and Budget. (from 2017)</p> <p>12. Beyond the regular budget, other budgets are available for programme and project-level evaluations managed by the Evaluation Unit. Since 2015, ITC's project</p> |

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| | | <p>appraisal committee (PAC) has enforced the requirement that all large projects allocate a budget for evaluation in the Project Plan. This budget is to be used under EU's control when the evaluation is included in the Evaluation Work Programme and Budget as an independent evaluation.</p> |
| <p>188. Enhance EU's technical leadership and coordination role in bringing all evaluation streams (projects, donor-led) in ITC under a coherent structure and ensure compliance with same quality standards, although implementation may be decentralized.</p> | <p>Agree</p> | <p>13. Through various in-house consultations in 2015, it was agreed by ITC Management, SPPG and the EU that the EU should include donor-led evaluations in the learning scope of future Annual Evaluation Synthesis Reports. The EU has started working on this task in 2016, as evidenced by the 2016 Annual Evaluation Synthesis report.</p> <p>14. In line with the Guidelines on Self-evaluation, the EU will provide advisory services on self-evaluation, mid-term review, and project completion reports at ITC, and will conduct quality validation on self-evaluation products.</p> <p>15. The EU will liaise with donors on planned donor evaluations of ITC projects with the view of setting up a coherent evaluation work programme with a coordinated scope and harmonized methods. (From 2016 onwards).</p> |
| <p><u>Utility</u></p> | | |
| <p>Evaluation coverage</p> <p>189. External Independent Evaluation (2014) and the OIOS review of ITC (2015) both pointed out the paucity of evidence of results of ITC initiatives as a critical issue for the organization. This would require the Evaluation Unit to do more in terms</p> | <p>Agree</p> | <p>16. The EU aims to expand the volume and coverage of evaluations in ITC through pursuing and facilitating three types of evaluations: independent evaluations, EU quality validated self-evaluations and project completion reports (as a form of self-evaluation). In the coming years, the</p> |

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| <p>of volume and coverage to generate credible evidence of results and impact. The introduction of self-evaluation should be effected as planned and their quality compliance should be monitored by EU.</p> | | <p>effective implementation of this strategy will enable: (i) the independent evaluation to increasingly focus on strategic themes and policies at corporate level, including country evaluations and ITC programmes; (ii) self-evaluation to gradually cover all large projects, and, (iii) all projects to complete a standardized project completion report which supports organizational learning. Over time, this three-tier evaluation and self-evaluation framework will generate a broader evidence base for ITC's development results. (From 2017 onwards)</p> |
| <p>190. To the extent that the project evaluations are delegated at the Departmental level and donor managed evaluations are carried out in seclusion, a corporate mechanism should be instituted and managed by EU that ensures that these different evaluation streams comply with an integrated set of methodological and quality standards.</p> <p>191. The EU should be informed of the process of evaluations commissioned elsewhere within ITC and be involved with their quality assurance. Consideration should be given to identifying explicit criteria for selection of evaluations that ensure good coverage of ITC's work programme and thematic priorities and include strategic evaluations, evaluations of sub-programmes and country-level evaluations.</p> | <p>Agree</p> | <p>17. As mentioned in paragraph 16, the Evaluation Unit is working to build a three-tier evaluation and self-evaluation framework at ITC, with an integrated set of standards for each. To ensure the standards are adhered to, the EU will conduct quality validation of self-evaluations and project completion reports. With regard to donor managed evaluations, as mentioned in paragraph 15 the EU will engage with donor representatives and evaluation offices, to ensure the compliance with an integrated set of methodological and quality standards. (From 2016 onwards)</p> <p>18. On selection criteria for independent evaluations managed by the EU, EU's strategy is to increasingly cover strategic evaluations, evaluations of sub-programmes and country-level evaluations. In addition, the EU will develop a Strategic Note and a plan on how to conduct country-level evaluations and sub-programme evaluations. (S1 2017)</p> |
| <p>Management Response and Follow Up</p> | | |

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| <p>192. The management response system for evaluations established and refined over years since inception seems to have gained currency. ITC should establish a clear division of responsibility between the evaluation function and the organization's line management regarding the management of the response to evaluations. While the macro data on status of implementation of management responses is maintained and periodically reported to SMC by EU, the responsibility for ensuring compliance of implementation of agreed actions remains with the line department. This accountability for implementation needs to be enforced at the same time.</p> | <p>Agree</p> | <p>19. The upcoming Guidelines for Independent Evaluation and Impact Assessment will provide clarifications on the responsibility between the evaluation function and the line management regarding the management of the response to evaluations. (S2 2016)</p> <p>20. On the basis of the mechanism that the EU is currently using to track and report on the implementation of accepted recommendations, the EU will continue following up periodically on their implementation, and will continue reporting on the status to SMC.</p> <p>21. The upcoming Guidelines for Independent Evaluation and Impact Assessment will further clarify that the accountability for ensuring implementation of agreed actions remains with the Divisional directors and sector Chiefs. The EU's role will be to provide technical support, and to monitoring the implementation of actions on behalf of SMC. (S2 2016)</p> |
| <p>Organizational learning and Knowledge Management</p> <p>193. The EU should establish mechanisms to systematically harvest and share lessons from existing evaluations. Annual evaluation synthesis report has been institutionalized and has been an effective mechanism for sharing evaluation results with SMC and within the organization. However the essence of lessons and organizational learning must percolate to the higher layers and governance for informing and enriching their perspective for decision making. The strategic and thematic evaluations of organizational</p> | <p>Agree</p> | <p>22. A Strategic Plan on Evaluation Learning, Communication and Knowledge Management will be developed by the EU in close consultations with ITC management, staff and stakeholders. One key initiative to be addressed in the Plan is the consultation and communication with ITC stakeholders and evaluation clients through JAG, CCITF, bilateral meetings, and various occasions in project countries. (S2 2017)</p> <p>23. The EU has already been exploring various approaches to enhance learning through the Annual Evaluation Synthesis Report (AESR) mechanism. Since 2014, it has been disseminated to JAG members.</p> |

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| <p>significance and annual evaluation synthesis reports should be presented to JAG in a systematic way as part of organization’s substantive accountability and evidence of ITC’s development effectiveness.</p> | | <p>EU also employed various innovative evaluation approaches such as piloting a rating system in AESR 2014, highlighting selected learning themes in AESR2015, and including learning from external evaluations in AESR 2016.</p> <p>24. ITC will further enhance the development of evaluation communication products and outreach to ITC stakeholders and evaluation clients through regular consultations and customized products. As part of this objective, in 2016, the EU issued its first Evaluation Communication Note, which will be produced for all major evaluation products, including evaluation reports and publications.</p> <p>EU will also revamp the ITC evaluation website (S2 2016)</p> |
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