

Independent Evaluation of the ITC - 2014

Draft Management Response

Introduction

In June 2014, the Independent Evaluation of the ITC was finalized and distributed to ITC Management and all ITC stakeholders. The Independent Evaluation of the ITC (including recommended actions) includes four high-level recommendations that are assigned to, and require the action of, ITC Management and ITC members, supporters and governors.

At the JAG Meeting on 11 June 2014 the ITC Executive Director delivered an initial response to the evaluation report indicating that ITC Management had largely endorsed the recommendations, but that there would be a need to reconvene at an informal JAG to fully discuss both the management response and the response of JAG members given the need for a dialogue on the recommendations directly targeted at ITC members, supporters and governors.

In this context, this document sets out the manner in which ITC management intends to implement the recommendations directed at it.

This Management Response will be discussed at the CCITF meeting on 28 October 2014. To pave the way for a productive CCITF meeting, the ITC Management is at the disposal of ITC members, supporters and governors to engage in discussion on the response to the evaluation in advance of the meeting, be it bilaterally or in groups. To do so, please contact Mr. Miguel Jiménez Pont, Head Monitoring and Evaluation Unit at jimenez@intracen.org.

Strategic Recommendation 1:

Move to a strategic base for supporting and deploying ITC's unique strengths in the global Aid for Trade effort.

- The six clustered focus areas in the current ITC Operational Plan and Case for Support should be provided with substantial longer-term financial support (5 year minimum) and should be developed and deployed by ITC in genuinely strategic ways for a wide range of countries and regions.
- De-emphasize ambitions for conventional country programmes, in favour of capitalizing on proven ITC strengths globally and regionally.

Recommended Actions: To ITC's Management

1. Use a small high-level programme-development and support unit, made up of experienced operational officers, to flesh out 6-10 year strategic programmes and longer-term support under the clusters, in pro-active dialogue with potential beneficiaries, operational staff and donors.
2. Task this unit with reporting in one year to management and JAG on initial experience, including lessons for the responsibilities and working relationships of technical and

geographical units, any suggested pruning of non-strategic services or products, and possible structural or other implications.

3. Do not accept shorter-term, one-off projects that do not capitalize on ITC's potential contributions, but instead detract from its strategic effectiveness.

ITC's Management Response to Strategic Recommendation 1

ITC Management accepts this recommendation and it is already being implemented.

The new Strategic Plan 2015-2017 has articulated ITC's unique strengths and cemented its strategy around the six focus areas. It establishes ITC's key role in the Aid for Trade landscape. The focus areas are underpinned by a programmatic approach¹ which aims to clarify the ITC portfolio and align it with its strategic goals. ITC has also developed a new intervention logic paper² that further details the corresponding logic of the interventions that ITC deploys as set out in the Strategic Plan. Together, these innovations will lead to better prioritisation, fewer 'shorter-term, one-off projects', and ultimately, greater impact. Each programme is adapted and customized into client-focused integrated solutions.

For the first time, the Strategic Plan was developed using a highly consultative approach including the full participation of ITC stakeholders including ITC supporters through a web-based questionnaire. This further stresses ITC's full commitment to being 'demand-led' and driven by thorough assessments and analysis of needs. Furthermore the involvement of ITC staff in the development of the Strategic Plan will strengthen the institutional ownership of its framework and focus.

The strategic goals outlined in the plan will be implemented via annual Operational Plans. These plans will set out the portfolio of programmes and project deliverables, goals and budgets. This will help to ensure better monitoring and evaluation. Implementation of the ITC response to the Independent Evaluation will be regularly reviewed and reported to the JAG.

For the underlying programmes in each of the six focus areas ITC is developing an intervention logic that analyses and organizes current ITC services into a logical and coherent sequence, identifying needs for improvement and innovation, as well as gaps to be addressed. This will determine standard success criteria attributable to activities delivered by ITC Sections at each step of beneficiaries' change process, and support evaluations of the impact of ITC's interventions on the ground.

The approach discussed above will go a long way in ensuring that all ITC interventions capitalise on the ITC's potential and that no isolated or one-off projects de-linked from ITC's programmes are undertaken.

ITC's management is also currently looking into the modalities of tasking a team of ITC experts to undertake programme and project development to ensure coherence, synergies and greater efficiency.

Moving to a more strategic, better prioritised, more impact-driven and more coherent approach will be greatly aided by longer term financial commitments from funders, ITC looks forward to engaging with ITC partners on how this will be achieved.

¹ See accompanying document 'Operationalizing the Strategic Plan 2015-2017: Better defining projects and programmes'

² See accompanying document 'ITC Intervention Logic'.

Recommended Actions: To ITC Governors and Supporters

1. Provide substantial funding for the overall programme or individual clusters and designated financing to ensure adequate medium-term support for the internal programme development unit.
2. Promote and ensure its active engagement and cooperation with their own and other Aid for Trade supporters championing an ITC role that is 'outside the box' of conventional development cooperation agencies and a leader in specialized collaborative TRTA.
3. The CCITF, at ambassadorial level, needs to take on a stronger role and deliver on the reciprocal responsibility to ITC to generate adequate, predictable and sufficient funding to support a high quality, results oriented and accountable ITC programme

ITC Governors and Supporters to Strategic Recommendation 1

To be completed by Governors and Supporters

Strategic Recommendation 2:

Protect and develop ITC's main and distinctive working assets: its special capacity to deal with the private sector in trade and its excellence in technical expertise and appropriate technical assistance.

Recommended Actions: To ITC's Management and staff

1. Regularly maintain and use the new Client Relationship Management System as an essential pillar of ITC's private sector advantage and its worldwide network of clients and partners
2. Stage and phase further reforms and growth to existing and developing capacities to avoid overload and constant improvisation.
3. Building on progress to date; rapidly finalize "good enough" systems of project cycle management, results-based management and reporting and knowledge management together with the other key challenges identified.
4. Resolve anomalies in management practice and in the status, recognition and deployment of the whole ITC workforce and managers. Build in the time, resources and incentives for proper performance appraisal and staff development.

ITC's Management Response to Strategic Recommendation 2

ITC Management accepts this recommendation and it is already under implementation.

ITC places the development and retention of its expertise at the heart of its approach. The Strategic Plan 2015-17 places the development of expertise as one of its top five priorities for increasing the effectiveness of its interventions. Increasing investment in staff training on critical knowledge areas such as project management and functioning of supply chains will be a priority moving forward. ITC will continue to invest in staff knowledge including relating to SME competitiveness. In addition to

its regular staff satisfaction surveys, ITC will implement 360 degree feedback starting with senior management in 2015.

In 2014 ITC rolled out an organisation-wide Customer Relationship Management system. This vital tool is steadily being integrated into daily operations. In 2015 the focus will be on making this tool work even better: workflows and processes to update data will be established; new reports will be enabled allowing better management information; and modifications will be made to enhance core processes such as the Note for File, and the scanning of business cards.

Since 2012 ITC has followed a quality control process for all TRTA projects. This has significantly raised the quality of project development. Every project has a logframe, which shows directly contribution of that project to the overall corporate goals. Since 2013 key features of successful projects (risks, exit strategies etc.) are systematically considered. In 2014 the quality assurance process was streamlined to remove unnecessary steps, quality assurance was placed at the heart of the Project Appraisal Committee (PAC), core information needs were redefined, and a scoring system to grade proposals on their quality was introduced.

As part of its commitment to continuing to improve project cycle management, ITC is further integrating all steps of the project cycle for all ITC projects in an updated version of its Project Portal. It will be upgraded in three stages, with the first stage due to be completed in the first half of 2015. This should reduce internal transaction costs, increase the usability of the system and produce better management information, including monitoring, evaluation and impact data.

ITC is also building better logic chains to establish clearer attribution between ITC activities and claimed results, building in better 'evaluability', embedding impact into every project and ensuring the integration of evaluation recommendations back into the project cycle.

Since the end of 2003 the evaluation function of the ITC is implementing a more systematic approach better aligned with corporate goals and strategies. This comprises in-depth evaluation through a limited set of strategic-level independent evaluations, focusing on priorities defined in the ITC Strategic Plan. ITC is also increasing of the extent of evaluation coverage through self-evaluations. These will be subject to a formal validation process to ensure that they meet evaluation quality standards.

Recommended Actions: To ITC Governors and Supporters

1. Invest the financial and moral and political support to enable ITC to maintain and build its networks and special, flexible working relationships with private sector actors in trade.
2. Allow for the time and resources for the Centre to strengthen quality, plan better, recognise and develop its staff, and to follow-up its projects to evaluate results, accompany beneficiaries and ensure sustainable benefits.

ITC Governors and Supporters to Strategic Recommendation 2

To be completed by Governors and Supporters

Strategic Recommendation 3:

Pragmatically strengthen governance and continue to strengthen accountability while minimizing bureaucracy.

Recommended Actions: To ITC Governors and Supporters

1. Rather than attempting formal change in ITC's heavy but manageable governance system, convene small and informal, "friends of the Chairs" groups (balanced between engaged beneficiary and non-beneficiary countries) to allow for advance and follow-up discussion of formal ITC governance meeting agendas and management reports, and to encourage active engagement wherever necessary by the representatives of those countries in Geneva, capitals and UN New York.
2. Convene a regular annual meeting of the three Heads of ITC, WTO and UNCTAD and their close collaborators, in advance of JAG meetings, which could also serve to ensure synergies among the Geneva trade institutions.
3. Be prepared to support necessary adjustments or adaptations in standardized UN requirements to accommodate a smaller, more entrepreneurial, private sector-oriented organisation like ITC.

ITC Governors and Supporters to Strategic Recommendation 3

To be completed by Governors and Supporters

Recommended Actions: To ITC's Management

1. Strengthen the information to JAG and CCITF on plans, performance and results - under each of ITC's funding streams, including the Regular Budget - as well as on internal management and economical operation
2. Be transparent and assertive about both the real progress and the limits in defining, advancing and reporting results in ITC's work and in making and defending adjustments and adaptations to standardized UN requirements that may be necessary to accommodate its distinctive mission and essential business requirements.

ITC's Management Response to Strategic Recommendation 3

ITC Management accepts this recommendation and it is already under implementation.

ITC Management is committed to improving governance and accountability. To this end in 2014 it commissioned a full accountability framework, in conjunction with OIOS. The framework was delivered in 2014 and is currently being implemented. ITCT is also preparing to carry out a similar process on risk management.

In 2013 ITC provided online transparency on all its technical assistance projects including development targets and results. This transparency will be further improved in the new project portal currently being developed.

The new strategic focus areas and the underpinning programmatic approach introduced in the Strategic Plan 2015-17 will significantly aid reporting, governance and accountability. ITC will report regularly on targets and results for each focus area. Programmes will increasingly use Programme Boards and other core features of programme management – all aligned to increasing strategic fit and accountability. Each programme will be strengthened in terms of planning for, monitoring and evaluating impact.

In 2015 ITC will complete the full transition to accrual based accountability following International Public Sector Accounting Standards (IPSAS) principles. It will also implement the new UN Enterprise Resource Planning application, Umoja, and will finalize the initiative to assess the full costing of its programmes and deliverables. It will continue to reduce and automate internal processes and changing paper processes into electronic ones. Together these elements will deliver a more transparent, leaner, more efficient ITC. All these elements are embedded in the Strategic Plan and will be detailed in the Annual Operational Plans and reflected in Annual Reports.

Strategic Recommendation 4:

Move ITC up to the next level of visibility, engagement and effectiveness as a key player in the global Aid for Trade effort.

Recommended Actions: To ITC's Management

1. Keep a steady focus and ITC's substantive expertise and credibility aimed at the strategic horizon suggested in Recommendation 1 and supported by the other Recommendations
2. To realistically enhance ITC's links among beneficiary countries and regions, recognizing its constraints, consider a very few carefully-designed, justified and evaluated liaison arrangements for key regions.
3. With JAG and CCITF, enlist a small but representative group of engaged representatives of intended beneficiary countries and institutions, in Geneva and/or in capitals, to advise at regular intervals on cooperation possibilities, strategic design, key contacts and expertise and profile-raising opportunities.
4. Continue to tell the ITC story publicly, highlighting promising innovations and breakthroughs as justified, while also using them to focus attention on the less glamorous, longer-term work of building sustainable results in supporting trade.

ITC's Management Response to Strategic Recommendation 4

ITC Management accepts this recommendation and it is already being implemented.

In the past year ITC has substantially raised its visibility: completely revamping its website and its annual report, significantly raising its social media presence – Twitter followers have grown to around 5,000, almost a doubling this year - and making a much greater impact across traditional print and online media. In 2013, close to 3,000 articles relating to ITC were published in printed and online media, which was up six-fold on 2012. ITC also successfully held its World Export

Development Forum for the first time in a Least Developed Country, Rwanda. ITC celebrated its 50th anniversary in 2014 with a high level event, an ethical fashion show and the publication of a 50th anniversary book on SME competitiveness. ITC is currently working on a set of 'impact stories' to better tell the ITC story publicly and will continue to build on this in the coming years.

ITC will continue to improve its branding and global visibility through the development and implementation of a comprehensive communication strategy. Central to this will be the re-definition of ITC's strategic approach in the Strategic Plan 2015-17 around the six focus areas. This will enable ITC to provide beneficiaries and would be supporters with a clearer understanding on the scope and impact of ITC's technical assistance.

ITC will ensure its links with beneficiary countries and regions are enhanced by strengthening strategic partnerships with other international organizations through joint initiatives for greater impact in the field. This will include stronger collaboration with UN agencies through the One UN and UNDAF initiatives, and also continued involvement with in the Enhanced Integrated Framework, and other similar programmes.

Since the end of 2013 ITC is actively engaged in dialogue with Geneva Groups to further develop thinking on how to best support developing country SMEs to engage in international business as well as on the post 2015 agenda.

ITC Management is exploring liaison arrangements for relevant regions.

Recommended Actions: To All Aid for Trade donors, especially multilateral and large donors

1. Take greater advantage of ITC in these programmes as a distinctive asset to the global aid for trade effort, with its strengths in skills attuned to practical exporter needs and adaptable to different country situations.
2. Call on ITC to support and complement major programmes while helping support the necessary duration and follow-up of ITC's contributions.

ITC Governors and Supporters to Strategic Recommendation 4

To be completed by Governors and Supporters