



**Evaluation of the**

**Trade, Climate Change and Environment Programme**

The Evaluation Unit

September 2015

## Preface

*This report is presented by the Evaluation Unit of the International Trade Centre (ITC) as an independent evaluation of the Trade, Climate Change and Environment Programme (TCCEP) of the ITC. The TCCEP is one of the innovative programmes initiated by ITC in recent years. As a pilot, TCCEP has extended ITC's services to an increasingly relevant but particularly challenging area – trade and environment development. The interface between trade and environment is intervened with ITC's support to trade support institutions and small and medium enterprises (SMEs) in selected countries, with compounded aims of enhancing the trade benefits to SMEs and the environmental benefits through trade support.*

*The evaluation highlights the relevance of the TCCEP to the demands of those developing countries facing climate change and environmental challenges and the effectiveness in promoting environmental-friendly production in selected countries; it also provides lessons learned with regard to strategic coherence, sustainability, women's empowerment, and impact on smallholder farmers and producers, which are all in close connection with ITC's corporate objectives.*

*An initial draft based on desk review and a country visit to Peru was prepared by Achim Engelhardt, senior evaluation consultant. The final evaluation report was prepared and quality assured by Miguel Jimenez Pont, Head of the Evaluation Unit and Jicheng Zhang, Evaluation Officer.*

*ITC is grateful to the support provided to the evaluation by the Governments, partners and beneficiaries in Peru, Kenya and Zambia, and the staff of Danish and Norwegian donor agencies during the process of the evaluation. The collaboration provided by the staff of TCCEP and Sector Competitiveness Section is highly appreciated as well.*

*Signature: ED-DED*

## Table of Contents

Preface.....	i
Acronyms.....	iii
Executive Summary .....	iv
<b>I. Evaluation background .....</b>	<b>1</b>
<b>II. Programme background .....</b>	<b>4</b>
<b>III. Relevance .....</b>	<b>10</b>
<b>IV. Effectiveness .....</b>	<b>14</b>
<b>V. Efficiency .....</b>	<b>17</b>
<b>VI. Impact</b>	<b>18</b>
<b>VII. Women’s empowerment and gender equality.....</b>	<b>20</b>
<b>VIII. Sustainability and replication.....</b>	<b>21</b>
<b>IX. Conclusions and Recommendations .....</b>	<b>23</b>
<b>Annex 1 Terms of Reference .....</b>	<b>6</b>
<b>Annex 2 List of persons interviewed by the evaluation consultant .....</b>	<b>20</b>
<b>Annex 3 Bibliography .....</b>	<b>21</b>
<b>Annex 4 TCCEP budget (USD) .....</b>	<b>23</b>
<b>Annex 5 Results against logframe deliverables .....</b>	<b>24</b>
<b>Annex 6 Survey results on changes in SME practices.....</b>	<b>26</b>
<b>Annex 7 TCCEP results chain, reconstructed by the evaluation consultant.....</b>	<b>27</b>
<b>Annex 8 TCCEP project activities .....</b>	<b>28</b>
<b>Annex 9 Media outreach of biodiversity project .....</b>	<b>30</b>
<b>Annex 10 Evaluation questionnaire for workstream 1: beneficiaries and external partners.....</b>	<b>31</b>
<b>Annex 11. A cost comparison provided by the evaluation consultant .....</b>	<b>39</b>

## Acronyms

ACCE	The African Carbon Credit Exchange
BMZ	Bundesministerium fuer wirtschaftliche Zusammenarbeit, Germany
COLEACP	Europe-Africa-Caribbean-Pacific Liaison Committee
ETP	Ethical Tea Partnership
GIZ	Gesellschaft fuer Internationale Zusammenarbeit, Germany
GRAS	Generally regarded as safe
ITC	International Trade Centre
ICTSD	International Centre for Trade and Sustainable Development
IUCN	International Union for Conservation of Nature
KTDA	Kenya Tea Development Agency
LDC	Least Developed Country
OPPAZ	Organic Producers and Processors Association of Zambia
PAEGC	Powering Agriculture an Energy Grand Challenge for Development
PIP	Pesticides Initiative Programme
SECO	State Secretariat for Economic Affairs, Switzerland
SMC	Senior Management Committee, ITC
SME	Small and Medium Enterprises
TCCEP	Trade Climate Change and Environment Programme
TEU	Trade and Environment Unit
TRTA	Trade Related Technical Assistance
TSI	Trade Support Institutions
UNEP	United Nations Environment Programme
ZDA	Zambia Development Agency

## Executive Summary

1. This report presents the independent evaluation of the performance and results of the Trade, Climate Change and Environment Programme (TCCEP) of the International Trade Centre. The TCCEP was implemented in the period of 2010-2013. With a total budget of USD 2.8 million, it aimed to strengthen the capacity of Trade Support Institutions (TSIs) and Small and Medium Enterprises (SMEs) in developing countries so that the SMES become more competitive in international markets for sustainably produced goods and services.
2. The programme comprised two work streams: one focusing on trade-related technical assistance and the other on environmental mainstreaming strategy for ITC. Under the programme, four projects were designed and implemented, namely, Biotrade Project in Peru, Biodiversity Project in South East Asia, Carbon Project in Kenya, and Organics Project in Zambia.
3. The evaluation found that overall TCCEP has successfully extended ITC's services to an increasingly relevant but particularly challenging area – environmental aspects of trade development. With a moderate budget, the programme rolled out an ambitious set of projects in several countries. The broad geographical coverage highlighted the challenge the programme faced in responding to the specific situations in each country and the necessity of operating in very small scale in each country.
4. The relevance of the programme was largely confirmed by the evaluation, in terms of alignment with ITC's strategic objectives, value addition through placing ITC in the arena for trade and environment interventions, stakeholders' appreciation of value chain approach, and capacity building with an environmental focus. However the synergy among individual projects and the coherence between operations in countries are not evident, which undermined the relevance of the programme.
5. The effectiveness of the programme was more prominent in the cases of promoting biotrade in Peru for export to the United States market and improving firewood efficiency and environmental benefits of tea production in Kenya, both showing significant benefits generated for SMEs, and likely for related small farmers and producers.
6. The Organics Project and Biodiversity Project did not achieve intended objectives, primarily due to a lack of critical mass of SMEs to work with in the Organics Project and very limited concrete results from the Biodiversity project except a study on python skin trade and related media coverage. The Environmental Mainstreaming Strategy was approved in 2014, so there was not much progress to be evaluated by this evaluation.
7. The evaluation could not make a conclusive judgement on the efficiency of the programme due to limited data for conducting a cost-benefit analysis. However, it is fair to point out that TCCEP engaged with strong national partners managing budgets manifold of the TCCEP's budget. Successful partnerships, for example, include the cooperation with GIZ and Rainforest Alliance. There is evidence showing that the strong partnership and cost sharing arrangements in countries made a significant contribution to the efficiency of the programme. Besides, there are data

indicating that the programme hired well-connected and knowledgeable national consultants in facilitating the implementation in countries.

8. The impact of the programme on SMEs and TSIs is identified in the cases of biotrade in Peru and tea production in Kenya, where the SMEs and TSIs are treated as direct beneficiaries of the programme, and there are data demonstrating the progress made by SMEs in programme-supported value chains. However, as experienced in other programmes, ITC did not put in place guidelines on monitoring the impact on small farmers and producers in the related value chains, which could have been more convincing to demonstrate ITC's results in sustainable development and poverty reduction.

9. With the benefit of hindsight, the programme design was found to be not optimal relative to current guidance. TCCEP appeared as a cluster of projects rather than a purposefully designed programme with adverse effects on its evaluability. As with the mid-term evaluation, this evaluation shows the environmental mainstreaming workstream did not fit well within TCCEP from a programmatic point of view and created few synergies with workstream 1.

10. It should also be noted that the programme lacked a formal gender dimension in its design. There were cases where women benefited from TCCEP interventions for example in improving market access for Peruvian women farmers. However, the programme could have benefitted from a systematic gender-sensitive approach to project countries.

11. In the respect of sustainability, the evaluation identified good prospects of SME business and export development in Peru, Kenya, and, to certain extent, Zambia as well. The programme's exit arrangement was based on *modus operandi* with focus on existing financial viable companies that continue to trade after the programme finished, however the programme was weak in articulating an exit strategy to sustain the benefits of the projects.

12. The replication potential of multiple TCCEP's approaches is high, such as the energy-saving practice in Kenya which was replicated already in other countries. Similar to the concern on sustainability, there is not a programme wide systematic approach in promoting replication, which should be part of the objectives in piloting small projects.

13. Overall, the evaluation endorses the value of TCCEP in piloting a relevant and innovative service of ITC, based partly on the high relevance to global development agenda on environment and climate change and partly on the promising results in some project countries. Taking into consideration of the increasing demands from developing countries, notably least developed countries, the evaluation is in the view that the services of TCCEP could grow into one of the global solutions to vulnerable developing countries facing climate change and environmental challenges. The issues regarding enhancing coherence of individual projects, measuring and monitoring impact, incorporating gender consideration, and fully building in sustainability arrangements should be addressed in future operations.

## Strategic recommendations and implementation timeline

Recommendations for the programme management	Related evaluation findings	Implementation timeline
<p><b>Strategic recommendation I:</b>  <b>To articulate the strengths and strategic intervention areas of the programme and further enhance partnership for effective implementation in project countries.</b></p>		
<p><b>1. To articulate the strengths and strategic intervention areas of the Programme.</b></p> <p>Given the value-added to ITC's strengths, there is a need to continue the programme to the next phase. The Programme should explicitly define the strengths of the Programme and the strategic intervention areas, particularly in agriculture value chain development and certification of biotrade products, organic products, and other products with environmental benefits.</p>	<ul style="list-style-type: none"> <li>• Para. 39. Partners and SMEs interviewed by the evaluation underscored the relevance of TCCEP's value chain approach in industries where countries are competitive. Selecting agriculture value chains as the main entry point was considered highly relevant and pragmatic in many developing countries, and agriculture holds high potential of promoting economic growth and elevating poverty in a majority of ITC's client countries.</li> <li>• Para. 43. The TCCEP also managed to address major problems in terms of organic certification for three selected SMEs in Zambia and certifications for biotrade products of cooperating SMEs in Peru.</li> </ul>	<p>By the end of 2015</p>
<p><b>2. To continue leveraging strong partnership with international and national partners for effective implementation on the ground.</b></p> <p>The programme should continue to seek synergy with large programmes when it is possible, and anchor TCCEP activities within large programmes (outside or within ITC)</p>	<ul style="list-style-type: none"> <li>• Para 50. Each of the Workstream 1 projects involved in collaboration with partners, including other donors or a negotiated division of labour with them to secure synergies. Complementarities emerged in Peru between the SECO/GIZ supported Peru Biodiverso and TCCEP.</li> </ul>	<p>To be implemented during Phase II ( the current project closure date is by the end of 2016)</p>

<p>to leverage the economies of scale provided by larger interventions and their existing infrastructure in place. At the same time, the implementation arrangement with local partners and those partners working in project countries should be emphasized in project design, to ensure effective implementation and delivery of results.</p>	<ul style="list-style-type: none"> <li>• Para 62. In Zambia, SMEs received support from other sources such as the Netherlands Trade and Investment Project and Danida's Business-to-Business Programme, and SMEs co-financed certification and training. In Kenya, ETP funded the energy gap analysis of Chinga tea factory.</li> <li>• Para 64. One reason for the TCCEP being slightly less effective in Zambia might have to do with the limited strengths of its partnerships. ZDA played an effective role during the first organic market day, followed however by little further interaction.</li> </ul>	
<p><b>3. To define a strategic approach to promoting replication of piloted services and solutions.</b></p> <p>The innovative services offered by the Trade and Environment Programme hold high potential for replication. To justify the very small operational mode in each country, the programme needs to develop a strategic approach to promoting replication, so that the long term effects and replicated operations would enhance the return of ITC's investments in piloting. The approach to replication and scaling up should take into account of the partnership arrangements in the countries with a view of exemplifying the effects of pilots through large scale interventions.</p>	<ul style="list-style-type: none"> <li>• Para 85. The evaluation did not find an explicit replication approach, however the evaluation identified a few good practices holding potential for replication in other programmes and countries, for instance the application of energy-saving practice in Kenya.</li> <li>• Para 86. The Ethical Tea Partnership is currently in the process of replicating TCCEP's Climate Change Project's element on improved energy use in four additional tea factories in a public-private partnership with GIZ, KTDA, and the UK-based tea company Taylors of Harrogate.</li> </ul>	By the end of 2015
<p><b>4. To integrate women's empowerment and gender equality in programme design and implementation.</b></p> <p>Gender development should be an integral part of the design and implementation, e.g. by undertaking value chain analysis through a gender lens to identify inequalities and potential results particularly relevant to</p>	<ul style="list-style-type: none"> <li>• Para 76. The TCCEP's design did not include a gender specific agenda, but a number of gender-related results emerged during the implementation process.</li> <li>• Para 77. In Kenya, TCCEP promoted composting as part of the cooperation with the Ethical Tea</li> </ul>	To be implemented during Phase II ( the current project closure date is by the end of 2016)



<p>women. Similar consideration should be extended to integrating poverty reduction and youth development as well, where applicable, which would add value to ITC's contribution to achieving inclusive and sustainable growth and development, as indicated in ITC's Strategic Plan 2015-2017.</p>	<p>Partnership. This results in extra income mainly for women.</p> <ul style="list-style-type: none"> <li>• Para 78. In Zambia, the majority of trainees for the activities funded under the TCCEP in the Kasai Agricultural Training Centre were women.</li> </ul>	
<p><b>Strategic recommendation II: In line with ITC's Strategic Plan, to develop a programmatic approach to addressing the priority needs of clients, building coherent intervention logic in the programme and each project, measuring results and impact, and strengthening sustainability prospects.</b></p>		
<p><b>5. To enhance the synergy and coherence of individual projects within the programme.</b></p> <p>There is a need to enhance the internal coherence and synergy between individual interventions, so that the projects will be complementary and oriented towards achieving common programme objectives. Besides, enhanced alignment to updated corporate objectives should be emphasized in each project and reviewed regularly through the project life, although the TCCEP was considered by the evaluation largely in line with ITC's corporate objectives.</p>	<ul style="list-style-type: none"> <li>• Para 48. The TCCEP lacked a coherent logic to explicitly link the two workstreams on the one hand and the individual projects for workstream 1 on the other. There was very limited synergy between the two workstreams, and complementarities between the projects of workstream 1 (climate change, organic products and biotrade) is also limited, apart from a common implementation approach, as value chains supported under the programme were diverse.</li> </ul>	<p>To be implemented during Phase II ( the current project closure date is by the end of 2016)</p>
<p><b>6. To build rigorous intervention logic for the programme and for each project.</b></p> <p>In the next phase, the programme needs to enhance the intervention logic (theory of change) for the programme</p>	<ul style="list-style-type: none"> <li>• Para 15. In the absence of an overall programme theory of change, the evaluation reconstructed the TCCEP results chain, as presented in Annex 7,</li> </ul>	<p>By the end of 2015</p>

<p>and each project as well. The intervention logic should be consistent with ITC's ongoing efforts in enhancing project cycle management and strengthening monitoring and evaluation. It should also incorporate considerations on defining beneficiary groups and measuring the programme's impact in trade generation of sustainably-produced goods and services and the environmental benefits, as well as the impact related to poverty reduction and gender equality.</p>	<p>based on the original project documents and the mid-term review 2012.</p> <ul style="list-style-type: none"> <li>• Para 47. While activities spelled out in a logframe are likely to change over time and should be adapted in annual work plans, the frequent amendment of project objectives disrupted the implementation, and the lack of measurable targets limited the evaluability of the TCCEP.</li> </ul>	
<p><b>7. To refine beneficiary groups and measure intended results for smallholder producers benefitting from value chain development.</b></p> <p>Smallholder producers often represent the ultimate beneficiaries of ITC's services, which is also experienced by the TCCEP programme, although the programme did not monitor the effects on smallholder farmers. Changes in livelihoods of small producers and farmers can be one of the most convincing results of ITC in terms of sustainable and inclusive development. In line with the emerging corporate approach to results and impact, the project monitoring and evaluation system, including the baseline survey, should explicitly measure the intended impact on smallholder producers and farmers.</p>	<ul style="list-style-type: none"> <li>• Para 73. Impact on small farmers and producers - referred as indirect beneficiaries by the programme - was not explicitly mentioned in the project document. Hence, data on the benefits accrued to the indirect beneficiaries are not accommodated by the project's monitoring and reporting. However, some SMEs registered those suppliers, for example in Peru.</li> <li>• Para 75. The benefits for smallholder farmers were mainly increased sales to SMEs. Some farmers also benefitted from organic or fair-trade certification. In the case of Kenya, the TCCEP funded a training of trainers' module resulting in KTDA extension officers training tea farmers. In Zambia, the Kasai Agricultural Training Centre supported suppliers of SMEs with training on the sustainable harvesting of the devil's claw root.</li> <li>• Para 75. However, there is no data regarding the food security and health benefits. Though the programme was not designed to focus on impact, the references by the programme and by interviewees to possible impact on small holders</li> </ul>	<p>By the end of 2015</p>

<p><b>8. To reinforce the sustainability and exit strategy.</b></p> <p>With a defined sustainability and exit strategy, it is more likely that the key sustainability concerns will be addressed during the implementation process, and therefore the project benefits could last after project end and the intended long-term impact will be realized. The role of country ownership and partnership in sustaining project benefits should be sufficiently emphasized in design and implementation, and the strategy should be designed in close consultation with stakeholders at the early stage of the project cycle, and be reviewed periodically to ensure strategic fit to the evolving country contexts.</p>	<p>would make an impact assessment desirable.</p> <ul style="list-style-type: none"> <li>• Para 79. The evaluation did not identify an explicit programme strategy on sustainability and replication of the programme, however, there are a few cases emerging in the field showed the progress made in these two respects. The programme's sustainability arrangement was a modus operandi on working only with existing SMEs that were deemed likely to continue operating once the programme finished.</li> <li>• Para 80. The sustainability prospects of the benefits generated by the Programme are mixed in various circumstances.</li> </ul>	<p>To be implemented during Phase II ( the current project closure date is by the end of 2016)</p>
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# **Evaluation of the Trade, Climate Change and Environment Programme International Trade Centre**

## **I. Evaluation background**

### **Context**

1. This is the final evaluation of the Programme as referenced in the programme documents. Before this evaluation, a midterm evaluation has been conducted for the Trade, Climate Change and Environment Programme (TCCEP). In line with the evaluation TOR prepared by the Evaluation Unit, the purposes of the evaluation are:
  - i. To assess whether the programme fulfilled its objectives - to strengthen the capacity of SMEs and TSIs to compete in markets for sustainably managed products, particularly through the follow-up of the implementation of the midterm evaluation;
  - ii. To assess the extent to which the programme has mainstreamed environmental issues across ITC; and
  - iii. To provide guidance for future trade and environment initiatives.
2. The evaluation report is comprised of assessments of the performance and results and related recommendations for future programme design and implementation. As noted by the evaluation consultant, for Denmark, the principal donor, the forward looking nature of the evaluation is of particular interest to understand how to better provide support for trade and environment related programmes in the future.

### **Evaluation methodology**

3. The evaluation has been conducted in line with the Evaluation Policy of ITC 2008, and it also integrated certain good practices recently promoted by the UN Evaluation Group and other UN agencies. This evaluation applies the evaluation criteria of: Relevance, Effectiveness, Efficiency, Impact, Women's Empowerment and gender equality, and Sustainability and replication. The definitions of the evaluation criteria are seen in the Evaluation Policy 2008.<sup>1</sup>
4. For data collection and analysis, the evaluation included mixed methods, such as an appreciative inquiry method, and the most significant change method to select activities for more in-depth assessments. The combination of mixed methods aimed to complement data collected from different sources and verify the data contained in the programme documentation. Specifically, the following main tools were applied in data collection and triangulation:
  - i. Desk review;
  - ii. Key stakeholder interviews;<sup>2</sup>
  - iii. Interviews with direct beneficiaries;
  - iv. Observations during country visit; and
  - v. One case study of a selected company.

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<sup>1</sup> The evaluation criterion of women's empowerment and gender equality was introduced in ITC's evaluation practice in 2014.

<sup>2</sup> The evaluation consultant conducted interviews with the TCCEP management and telephone interviews with the donors, external partners and beneficiaries from Kenya, Peru, Zambia & main beneficiaries of the biodiversity project.

5. For stakeholder interviews, according to the documentation available, the number of direct beneficiaries, mainly small and medium enterprises (SMEs) supported by the programme, amounted to 54. Out of those stakeholders, 35 agreed to participate in interviews. It should be noted that thousands of small farmers and producers supplying the SMEs were referred as indirect beneficiaries in project documents, and the benefits accrued to indirect beneficiaries were not explicitly mentioned in the documents. Accordingly, the evaluation TOR did not include assessment of the results related to indirect beneficiaries.

6. In addition, the evaluation consultant interviewed:

- Five ITC staff and consultants (two staff members, three national consultants hired by the programme)
- Three TSI staff (one out of each of the three TSIs)
- Eight project implementation partners
- Three donor staff
- 11 SME staff (covering nine of 16 SMEs)

7. To reduce bias, the evaluation applied triangulation systematically and followed good practices in eliminating unintended bias. For the latter the evaluator followed recent guidance from Stanford University,<sup>3</sup> including the use of focused and non-leading evaluation questions.

8. An evaluation mission was conducted by the evaluation consultant to Lima, Peru in March 2014. The evaluation consultant assessed the results reported in the TCCEP and proposed a field visit to the Biotrade project in Peru.<sup>4</sup> This choice was backed up by the fact that the Biotrade project was with the highest project budget within TCCEP, 23.8 per cent.

### **Methodological limitation**

9. Due to the complexity of the programme and the limits of resources and time for the evaluation, there are a few methodological limits regarding assessing the performance and results of the Programme. The first one is the lack of a consistent theory of change and quantifiable targets in the logframes, which presented a major challenge for the evaluation to assess the effectiveness. The TCCEP started with a very broad scope and the logframes at project level had changed several times. In this context, the magnitude of programme results is difficult to judge. As a result the interpretation of the results of the evaluation would have to be done with caution.

10. The other is related to the lack of data on impact on small farmers and producers. The desk review revealed that there are significant data gaps regarding the outcomes and impact. The question of assessing impact on indirect beneficiaries came up prominently during the evaluation process. The programme considered small farmers and producers are indirect beneficiaries. As project monitoring and evaluation was focusing on direct beneficiaries -SMEs, which was ITC common practice at the time, there are very limited data on the benefits accrued to small farmers and producers. This represents a missed opportunity to understand the impact on economic development and poverty reduction. For example, it is reported

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<sup>3</sup> Piro, N. et al, Stanford University Medical Center, Stanford School of Medicine, 2010: Capturing useful assessment data: eliminating unintended cognitive bias from your evaluation instruments.

<sup>4</sup> In the selection of a project for field visit, the most significant change method was applied.

that over 4000 producers in Peru and about 9000 smallholder tea farmers in Kenya<sup>5</sup> benefited from the projects, to varying extents.<sup>6</sup>

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<sup>5</sup> The number of direct beneficiaries for Peru was taken from baseline surveys and spot-checked during interviews with SMEs.

<sup>6</sup> Note provided by the evaluation consultant. To get a representative sample of the over 4000 indirect beneficiaries in Peru for example, weeks of fieldwork for primary data collection would have been required. From a methodological perspective, even this effort might not have been sufficiently solid, as no baseline data was available for indirect programme beneficiaries. Memory recall could have been an alternative but lacks robustness.

## II. Programme background

11. The TCCEP was a three year programme (2010-2013) with a total budget of USD 2.8 million aiming to strengthen the capacity of Trade Support Institutions (TSIs) and SMEs to compete in the international market for sustainably produced goods and services.

12. The TCCEP project documents present the development challenges to be addressed as follows:

“Populations in developing countries face potential catastrophe due to their greater vulnerability as well as the severity of the changes in lower latitude tropical and dryland regions. Trade is seen as a contributor to climate change through its “scale effect”, i.e. growth in emissions. However, trade also helps mitigate climate change through dissemination of low carbon technologies. International demand for green products is also bringing about improved local environmental management. Whilst environmental markets are an opportunity for developing countries, there is the prospect of new non-tariff barriers emerging in the form of environmental standards and other market requirements”.

13. TCCEP intended to contribute to addressing these challenges through:

- i. strengthening the capacity of SMEs to meet market requirements in biotrade and pharmaceutical products in Peru;
- ii. strengthening the capacity of SMEs and TSIs in Peru and Zambia to promote their products internationally;
- iii. improving access to high quality information on environmental market opportunities and policies in Kenya, Peru, Zambia, and on biodiversity in South East Asia; and
- iv. developing an environmental mainstreaming strategy for ITC.

14. The programme includes two work streams:

- Stream 1: tailored capacity building for SMEs and TSIs on climate change and environmental issues. A key aim of workstream 1 was to increase competitiveness of exporters of organic and biotrade products and provide advisory services on carbon product footprint standards.
- Stream 2: development of a strategy for mainstreaming environmental concerns in ITC project design and implementation.

### Description of TCCEP projects

15. In the absence of an overall programme theory of change<sup>7</sup>, the evaluation reconstructed the TCCEP results chain<sup>8</sup>, as presented in Annex 7, based on the original project documents and the mid-term review 2012.<sup>9</sup> The following paragraphs provide summaries of each TCCEP projects, including: Biotrade project in Peru, Climate change project in Kenya, Organics project in Zambia, Biodiversity project, and Environmental mainstreaming.

#### Biotrade Project

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<sup>7</sup> The absence of a theory of change was a common practice at ITC back then.

<sup>8</sup> The causality analysis for this evaluation was limited by the absence of a programme logic, expressed for example in a logframe.

<sup>9</sup> For workstream 2, “Environment Mainstreaming, project approach 2013-14” was used as a post-MTR reference; the original TCCEP project document (2010) was used to reconstruct the results chain for the impact and outcome level, given that those were not referred to any longer in subsequent revision of the project level logframes.

16. The Biotrade project was implemented in Peru between 2010 and 2013. Peru was selected based on the consideration of: government's interest in promoting biodiversity based business, SMEs' capacity and potential for market development, strong supply base of biodiversity, and strong international partnerships.

### **Biotrade and development**

In Peru, biodiversity is treated as a strategic objective in the government's foreign policy, as shown in the free trade agreement negotiations with the EU in 2013. According to the FAO, several million households world-wide depend heavily on biotrade products for subsistence and/or income. FAO recently estimated the trade to be worth around USD11 billion. Some 80 percent of the population of the developing world use them for health and nutritional needs.

17. Main cooperation partners were the TSI Promperu and the SECO/GIZ project Perubiodiverso (2007-2013). TCCEP selected companies following a need assessment and the companies' engagement with the ongoing SECO/GIZ project. According to project reports, a total of 12 SMEs benefitted in the areas of:

- Sustainability and quality of agricultural products such as algarrobo (seed), sachu inchi (seed) or maca (plant root)
- Improvement of marketing capacity, and
- Access to market information and trade fairs

### **Climate Change Project**

18. The TCCEP entailed a climate change project in Kenya (2010- 2013) with work undertaken in the horticulture sector and subsequently the tea sector. Main cooperation partners were the Ethical Tea Initiative, the Europe-Africa-Caribbean-Pacific Liaison Committee's Pesticides Initiative Programme, and the Kenya Tea Development Agency (KTDA).

### **How Climate Change Affects Farmers and Agriculture Trade in Africa?**

Despite having the lowest rate of greenhouse gas emissions per person, Africa's farmers are among the most vulnerable to climate change. Higher temperatures, variations in rainfall patterns and more frequent extreme events are threatening their livelihoods. As a result, farmers are now finding themselves in a race to adapt to the changing climate. Farmers linked to export markets are also under pressure from buyers who have to demonstrate to retailers that the product is 'climate-friendly'.

According to the FAO, in Kenya, there is a particular concern over tea, as this is a critically important sector for the economy which is also highly sensitive to climate change. "Tea producers are facing reduced and erratic rainfalls, higher rate of hail or frost episodes as well as increasing temperatures that heavily affect yields and productivity levels. Over 500,000 smallholder tea producers are facing increased uncertainty about future livelihood. The Kenyan government has acknowledged climate change as a real threat to the county's development agenda and has formulated a framework for intervention".



19. The climate change project addressed the following aspects:

- Climate change mitigation, including interventions of product carbon footprinting standards: guidance paper for exporters, Food miles: issues and options paper including options to reduce carbon emissions in the fresh fruit and vegetable supply chain; climate change mitigation in Kenya's tea sector; pilot the climate change mitigation training in Chinga tea factory
- Climate change adaptation through KTDA farmer field schools; ITC has trained trainers, linked to tea farmers supplying to 14 factories, in adaptation techniques such as water and soil management, choice of plant varieties and efficient energy use.
- Market information on climate change and agri foods: risks posed by climate change and opportunities to mitigate greenhouse gas emissions within the value chain of cotton and coffee. Climate change and perception of exporters: document to identify capacity building needs of exporters to strengthen competitiveness in the face of climate change and informing policy makers to support effective adaptation and mitigation responses.

### **Organics Project**

20. TCCEP implemented the Organics project in Zambia between 2010 and 2013. The TSI Zambia Development Agency and the Kasai Agricultural Training Centre were main the national counterparts.

21. The goal of the project was to improve the livelihoods of Zambian rural producers by facilitating their participation in organic markets, through technical support to the Government, SMEs, and NGOs in the export of agricultural and natural products. With the support of the project, a number of general and specific trainings have taken place on aspects of organic production, processing and market development. In addition, there were also activities linking exporters to organic buyers in Europe, particularly through participation of companies in Biofach trade fair in 2012.

22. The project provided support to three companies, namely Kalahari Natural Oils Ltd, Chankwakwa, and Mpongwe Beekeeping Enterprises, with specific objectives to:

- Strengthen their capacity to be certified organically
- Strengthen their market linkages
- Improve their access to market information and analysis

### **Organic sector in Zambia**

With 12 per cent of the 1.6 million organic producers in 2010, Africa market has joined the Green Movement, and Zambia is catching up with top organic producers in Africa like Uganda, Tunisia and Ethiopia. The EU remains the largest recipient for African organic products and Zambia could take full advantage of the EU market, as Zambian products can enter the market duty free.

### **Biodiversity Project**

23. The TCCEP intended to provide global public information on biodiversity and trade issues, through releasing a number of series looking into the interface between trade and conservation and how livelihoods are impacted by conservation. The paper on python skin focused on trade flows, value chain, sustainability, illegality and

animal welfare. The trade in python skin is estimated to exceed 1 billion US dollars. The industry provides cash income to rural households as well as jobs in the leather and fashion industries across South East Asia and Europe.<sup>10</sup> Except the paper on python skin trade, the evaluation is not aware of other studies.

### **Environmental mainstreaming**

24. According to ITC's environmental mainstreaming strategy, ITC has made a commitment to inclusive and sustainable trade. ITC is working with partners to evaluate and address gender development, youth, poor communities, and environmental sustainability aspects of its trade-related technical assistance (TRTA). Towards environmental sustainability, the TCCEP developed a strategy for environment mainstreaming. Other outputs included an Issues Paper and an Audit of ITC's environmental mainstreaming. The strategy resulted from a 9-month internal review - the Audit and Issues Paper - in 2013 on how ITC could more consistently and effectively integrate relevant environmental considerations into the design, implementation and evaluation of its projects and processes. The purpose of the strategy was to guide ITC's work and provide staff and partners with guidelines on environment mainstreaming. The Strategy seeks to mainstream or integrate environmental considerations in activities implemented across ITC portfolios and beneficiaries, building on the activities already undertaken under dedicated programmes on trade and environment.<sup>11</sup> As the strategy was approved in 2014, it is too early to be evaluated.

### **Governments' agendas in project countries**

25. **Kenya.** The Government of Kenya addressed trade and environment in its trade policy (2009)<sup>12</sup> mainly with regards to environmental pollution and depletion of natural resources. The trade policy referred to national programmes encouraging the private sector to adopt eco-labelling and to produce environmental friendly products, adopt environment-friendly packaging materials and use environment-friendly transport systems.

26. **Peru.** Along with the government's strategic objectives for foreign policy, there were interests in showcasing internationally the environment, climate change and sustainable development based on the country's biodiversity.<sup>13</sup> During the EU-Peru free trade agreement negotiations in 2013, the need to improve the mutual interaction between trade and environment was stressed.<sup>14</sup> The Canada-Peru free trade agreement also emphasized the conservation and sustainable use of biological diversity.<sup>15</sup>

27. **Zambia.** The Government of Zambia addressed climate change and the environment within its public programmes. The Sixth National Development Plan 2011–2015 aims to achieve the Vision 2030 objective - becoming "a prosperous middle-income nation by 2030" through "sustained economic growth and poverty reduction". Agriculture is one of the priority growth sectors. Parliamentary consultations for a climate change policy were ongoing in December 2013.<sup>16</sup>

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<sup>10</sup> Except the paper on python skin trade, the evaluation is not aware of other studies.

<sup>11</sup> ITC Environmental mainstreaming strategy, page 1

<sup>12</sup> [www.eac.int/trade/index.php?option=com\\_docman&task=doc\\_download&gid=12&Itemid=124](http://www.eac.int/trade/index.php?option=com_docman&task=doc_download&gid=12&Itemid=124)

<sup>13</sup> [http://www.rree.gob.pe/politicaexterior/Paginas/Objetivos\\_Estrategicos.aspx](http://www.rree.gob.pe/politicaexterior/Paginas/Objetivos_Estrategicos.aspx)

<sup>14</sup> [http://trade.ec.europa.eu/doclib/docs/2013/june/tradoc\\_151404.15-Ernesto%20Guevara.pdf](http://trade.ec.europa.eu/doclib/docs/2013/june/tradoc_151404.15-Ernesto%20Guevara.pdf)

<sup>15</sup> <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/peru-perou/chapter-chapitre-17.aspx>, article 1702

<sup>16</sup> <http://www.ipsnews.net/2013/12/waiting-rains-zambia-grapples-climate-change/>

28. A recent national programme aims at assisting smallholder farmers in Zambia to access additional revenue through the carbon credit. The African Carbon Credit Exchange (ACCE) is pioneering this scheme. The programme links agriculture and environment/climate change and starts engaging in the area of bio-fuels<sup>17</sup>. In conjunction with Norad, the Environmental Council of Zambia runs a programme for the industry known as the Cleaner Production Programme, encouraging the industry to invest in environmentally-sound technology<sup>18</sup>.

### **Trends in the trade and environment field**

29. In 2010, the Programme assessed the operating environment in the area of trade, climate change and environment. This evaluation reprised the practice with a light review of the changes happened in the sector since then, with focus on the international organizations that are active in the sector and the trends they are experiencing. These changes would be useful inputs for ITC's reflection on the strategic fit and partnerships of TCCEP in the coming years.

30. A major change happened in the trade, climate change and environment arena since the launch of TCCEP was the United Nations Conference on Sustainable Development (Rio +20) in 2012 and its implications. TCCEP organized four side events at the conference including one with UNEP to present a series of 10 issues papers on trade and environment themes. The follow-up by the UN system and international organisations backs the relevance of TCCEP in terms of forest use, biodiversity safeguard, and trade in environmental goods and services.

31. Another emerging trend is the green goods initiative, launched during the World Economic Forum in January 2014. This initiative aimed at eliminating tariffs on a broad list of green goods. This initiative brings together Australia, Canada, China, Costa Rica, Chinese Taipei, the EU, Hong Kong (China), Japan, South Korea, New Zealand, Norway, Switzerland, Singapore and the US. Collectively, they account for around 90 percent of the world trade in green goods. However, no timeline was given on the fight against climate change and only a few developing countries joined the initiative to date.<sup>19</sup>

32. FAO, as a major player in the field, was engaged in issues related to trade and environment since the 1990s and significant contributions emerged. Recently the focus has shifted to climate change and trade. The Trade and Markets Division, for example, is developing tools and methodologies aimed at enhancing developing countries' capacity to integrate climate-smart policies into national and sectorial agricultural strategies. For TCCEP, an on-going project in Kenya's tea sector funded by SIDA and implemented by the FAO's Trade and Markets Division is of particular interest.

33. UNCTAD remains an interlocutor for trade and environment. The trade and environment reviews in 2003 and 2006 were followed by other reviews in 2009/2010 and in 2013. The trade and environment review in 2013 stressed the relevance of the partnership between UNCTAD and ITC.<sup>20</sup> One of the main recommendations of the 2013 review was to pay more attention to the sustainable regenerative production systems that would considerably improve the productivity of small-scale farmers and foster rural development.

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<sup>17</sup> National programme on sustainable consumption and production for Zambia 2011

<sup>18</sup> <http://www.un.org/esa/agenda21/natlinfo/countr/zambia/eco.htm>

<sup>19</sup> <http://www.reuters.com/article/2014/01/24/us-davos-trade-idUSBREA0N0OM20140124>

34. UNEP's trade and environment branch in Geneva was a cooperation partner of TCCEP. Recently, UNEP and TCCEP worked on green economy briefs, including for trade (2012). The current engagement is related to the Green Growth Knowledge Platform, which was launched by UNEP and partners in 2012. The Green Growth Knowledge Platform provides opportunities to discuss topics related to trade, climate change and environment at global level.

35. WTO engages in legal aspects of trade and environment and in 2009 produced a trade and climate change report with UNEP. The TCCEP cooperated through providing expertise at the Advanced Training on Trade and Environment.

36. UNIDO. The Energy and Climate Change Branch of UNIDO cooperates with the Global Environment Facility (GEF), and UNIDO's focus in environmental work relates to the energy sector.

37. Given the brief review mentioned above, an emerging consideration is that that ITC has a specific role to connect various development partners in the trade and environment arena and to design and implement interventions on capacity building in trade-related biodiversity, agriculture or forest use. This role in synergizing trade and environmental benefits for economic development will continually create value-addition to ITC, which would further advance ITC's contribution to the evolving UN and global agenda on environment, climate change and sustainable development.

### **III. Relevance**

#### **Alignment to corporate objectives**

38. The TCCEP's interventions were considered relevant to ITC's corporate objectives and Strategic Plans.<sup>21</sup> As presented in the ITC's Strategic Framework for the period 2012-2013, a period corresponding to the design state of the programme, the objective of the organization is to foster sustainable economic development and contribute to achieving the Millennium Development Goals in the developing and transition economies through trade and international business development. This organizational goal and three related expected accomplishments at corporate-level are referred as corporate objectives in this evaluation. In detail, the expected accomplishments as indicated in the Strategic Framework are:

- i. Strengthened integration of the business sector into the global economy through enhanced support to policymakers;
- ii. Increased capacity of trade support institutions to support businesses;
- iii. Strengthened international competitiveness of enterprises through ITC training and support

39. The projects designed under the workstream 1 made alignment to corporate objectives as abovementioned, and the relevance of the projects in countries are evident in multiple cases. Partners and SMEs interviewed by the evaluation underscored the relevance of TCCEP's value chain approach in industries where countries are competitive. Selecting agriculture value chains as the main entry point was considered highly relevant and pragmatic in many developing countries, and agriculture holds high potential of promoting economic growth and elevating poverty in a majority of ITC's client countries.

40. Workstream 2 sits as an outlier in the programme. The mid-term evaluation found that workstream 2 was relevant and designed in response to a UN system-level decision that all UN organisations mainstream environmental concerns into policies, processes and operations and neutralise their carbon impact. However, its relevance within the TCCEP appeared weak as little synergy emerged between the two workstreams.

#### **Relevance to demands of project countries**

41. To customize services to the demands of the countries, the TCCEP followed a four-stage implementation model involving:

- i. Needs assessments to ensure relevance to local stakeholders' needs and priorities;
- ii. Technical studies to address these needs and priorities;
- iii. Sector-wide training with a TSI partner;
- iv. Identification of detailed enterprise needs and new potential TSI partners.

42. The consideration of leveraging related government policies in project activities was observed by the evaluation. In Peru, the sustainable use of natural resources is featured in its free trade agreements, including in the current negotiations with the EU. Promperu established a portfolio for the promotion of biotrade products during the lifetime of the TCCEP. In the case of Zambia, the Zambia Poverty Reduction Strategy 2007 (PRSP) promotes beekeeping as part of its programme supporting

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<sup>21</sup> The current Strategic Plan states that "there is an increasing consensus regarding the need to reaffirm sustainable development commitments such as those articulated in the Millennium Declaration and Agenda".

income-generation through sustainable forest-based enterprises, and agriculture is one of the priority growth sectors in the Sixth National Development Plan 2011–2015. However, during the TCCEP time, the government banned the harvest of devil's claw<sup>22</sup>, a root used by the Kalahari Natural Oil Ltd, which affected the implementation of some project activities.<sup>23</sup>

43. The TCCEP also managed to address major problems in terms of organic certification for three selected SMEs in Zambia and certifications for biotrade products of cooperating SMEs in Peru. However, export market access is a prevailing problem in Zambia, despite a TCCEP facilitated attendance of two SMEs of the Biofach Trade Fair in Germany.

#### **Why Support Sach Inchi in Peru?**

Sacha Inchi is a plant native to Peru cultivated by smallholders in the Amazon basin. Processors turn it into snacks (such as covering it with chocolate) as well as oils used in salads and cooking. Regarded as a “Super Food”, Sacha Inchi is a rich source of Vitamin E and Omega 3 fatty acids and is used to promote weight loss, fight depression and prevent heart disease.

Despite being heavily in demand, Peruvian enterprises face technical barriers to trade, particularly from the US and Canadian markets. One such barrier is that Sacha Inchi did not currently have “Generally Recognised as Safe” (GRAS) approval, a key Food and Drug Administration market entry requirement in USA. Under GRAS, in order for companies from USA to use Sacha Inchi in large volumes, a GRAS assessment must be conducted to prove the product does not affect the health of the consumers.

*Source: ITC, 2014: TEP, half year report 2013, August – December. Biotrade Project*

44. In Kenya, TCCEP tackled climate change threats to tea production. Tea is among the three main agriculture export commodities in Kenya and the conversion from green tea to black tea is very energy consuming. The inefficient use of wet fire wood leads to deforestation. A wider outreach on environmental-friendly production to factories and small tea producers associated with the KTDA was required, given the magnitude of challenges climate change poses on the tea producing industry.

45. In the biodiversity project, TCCEP engaged a specific value chain analysis on the python skin trade. This approach was considered relevant by the programme given the available resources, as opposed to playing a wider coordination role proposed by one stakeholder.

46. Based on interviews with SMEs, the majority of the eleven project-supported SMEs stated that TCCEP's services addressed, to a high or very high extent, their needs to compete in the international marketplace for sustainably produced goods and services, which is another evidence of the relevance of the interventions. The survey responses are shown in the table below.

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<sup>22</sup> A root used for medicinal purposes.

**Table 1: Survey Responses of SMEs regarding the relevance of TCCEP Services**

Assessment criteria	High to very high	Medium	Low to very low	No answer
Access to high quality information on environmental market opportunities and policies.	4	2	2	3
Learning about growing opportunities for developing country exporters of natural resource based product	8	0	1	2
To be better equipped to promote our products internationally	8	1	1	1
ITC services were offered at the right time to make a difference for my business	10	1	0	0
ITC's services to address my needs as an enterprise to be better prepared to compete in the international marketplace for sustainably produced goods and services.	10	1	0	0

Note 1: n=11, out of 16 benefitting SMEs, i.e. 56 per cent of sample

Note 2: Prepared by the evaluation consultant

### **Programme internal coherence and synergy**

47. In terms of internal coherence of the programme design, the biannual revision of project logframes under workstream 1 was disruptive for implementing results-based management, despite being promoted in certain ITC training in 2012. While activities spelled out in a logframe are likely to change over time and should be adapted in annual work plans, the frequent amendment of project objectives disrupted the implementation, and the lack of measurable targets limited the evaluability of the TCCEP.

48. The TCCEP lacked a coherent logic to explicitly link the two workstreams on the one hand and the individual projects for workstream 1 on the other. There was very limited synergy between the two workstreams, and complementarities between the projects of workstream 1 (climate change, organic products and biotrade) is also limited, apart from a common implementation approach, as value chains supported under the programme were diverse. In this respect, the final evaluation disagrees with the mid-term evaluation on the finding that thematic complementarities between the projects under workstream 1 were identified.

49. At the project level under workstream 1, most interviewees stated that the TCCEP design was reasonable and that no major issues emerge. Interviewees identified some minor issues below:

- Peru: ITC worked with different SMEs at different stages, while it might have been more effective to work with the same SMEs from the beginning to the end of the programme.
- Kenya: Proved the carbon footprint of tea is in high demand and could have been addressed by ITC.
- Zambia: Insufficient emphasis placed on access to international organic and natural market.

50. The mid-term evaluation mentioned the productive collaboration with partners. Each of the Workstream 1 projects involved in collaboration with partners, including other donors or a negotiated division of labour with them to secure synergies. Complementarities emerged in Peru between the SECO/GIZ supported Peru Biodiverso and TCCEP. SECO/GIZ targeted access to the EU market (Novel Food regulations) for SMEs; the TCCEP worked on access to North American market and obtaining the Generally Regarded as Safe (GRAS) dossier for sacha inchi oil being

exported to the US market. The table below provides a summary of the relevance analysis of each project.

<b>Table 2: Assessment of TCCEP's Relevance</b>		
1) Kenya, Climate Change Project, tea	high	Aligned to ITC's development objectives, and relevant to demands in countries. Small-scale tea producers faced challenges in adapting to climate change to increase productivity. For tea factory, trade link for certified products are crucial.
2) Kenya, Climate Change Project, horticulture COLECAP-PIP	medium	Aligned to ITC's development objectives. Training of trainers linked to others work in 15 countries (incl. Tanzania, Uganda and Ethiopia)
3) Peru, Biotrade Project	high	Aligned to ITC's development objectives. Very relevant to the needs of TSI PromPeru, resulting in establishing biotrade as a new service area. Response to SME demands for export of biotrade products for the North American market (Sacha Inchi oil); less relevance of LatinPharma and support was phased out following mid-term evaluation.
4) Zambia, Organics Project	medium	Aligned to ITC's development objectives, however relevance to the country needs is varied. TSI ZDA had competing priorities, and there was a lack of engagement of Organic Producers and Processors Association of Zambia. Mid-term evaluation recommended to terminate project for an improved programme focus due to limited number of SMEs (3) eligible for TCCEP support but support was continued due to political considerations.
5) Biodiversity	medium	Aligned to ITC's development objectives, but less so to specific countries' needs. Appropriate time for Inter-Governmental Organisation to play active role to showcase positive role of trade and biodiversity.



## IV. Effectiveness

51. **Results regarding SMEs.** The evaluation considers that the programme was largely effective in achieving results for SMEs. Based on interviews with the project-supported SMEs, the TCCEP was regarded most effective in providing knowledge on how to promote products internationally, an area of ITC's comparative advantage, followed by high quality information on environmental market opportunities and policies. The effectiveness was regarded slightly lower in terms of providing knowledge on opportunities for exporters of natural resource based products and green technologies and services.

52. The mid-term evaluation reported a high effectiveness of the Biotrade Project in Peru and tea-production of the Climate Change Project in Kenya. At mid-term the Organics Project's effectiveness was less favourable and the mid-term evaluation recommended discontinuing Organics Project, but the Programme regarded it as impossible given donor and client expectations. With the benefit of hindsight, the final evaluation validates the mid-term evaluation's recommendation, given that there was sufficient evidence about the lack of progress. In the case of the Biodiversity project, it reported mainly a study on python skin trade and related media coverage, which are thinly connected to the objectives of the programme.

### Case study: Carbon Project in Kenya

The Chinga tea factory, to dry the green tea, shifted from unsustainable use of forests to wood plantations. It is reported that 30 acres of land were planted with trees with another 70 acres ready to be cultivated. In addition, firewood is now dried prior to its use<sup>1</sup>, with five more wood fuel storages and drying sheds available for that purpose. This increases the caloric value of the firewood. The Chinga tea factory partnered with four other tea factories to install their own mini-hydro power generation unit to reduce costs of power supply and to use "green" energy. Water supply to the Chinga tea factory is now established by the local water authority and delivered with gravity flow, as opposed to pumping water from ponds. As result, energy consumption reduced by 2 per cent for electricity and 34 per cent for wood as shown in the table below.

Carbon project: energy efficiency results	7 month Average 2012/13	Equivalent 7 month Average 2013/14	Change in energy consumption
Electricity (Kenya shillings used to make 1 kg of made tea)	8.33	7.92	-2 per cent
Wood fuel (Kenya shillings used to make 1 kg of made tea)	8.13	5.36	-34 per cent

53. The TCCEP operated as a pilot programme and engaged in different value chains in different geographic locations. A comparison between value chain approaches in various countries showed that a balanced approach including production and export seems particularly effective for middle income countries like Peru, and a production-focused approach is more effective in LDCs like Kenya and Zambia.

54. **Results regarding TSIs.** In countries, TSI's benefited from market intelligence developed by TCCEP, for example an analysis of the North American market for bio

products. Through cost sharing with TCCEP and SMEs, Promperu managed to support SMEs in participating in trade fairs in the U.S market. The ITC and SECO/GIZ strengthened the related portfolio in Promperu with additional resources, despite an intermittent drop in staff. Biotrade value chain is now positioned more strategically in the TSI, according to interviews with Promperu.

55. In Zambia, the Zambia Development Agency (ZDA) undertook jointly with the TCCEP awareness-raising activities about the opportunities of supplying organic products. ZDA was a proud host of the annual Zambia Market Day, an event co-hosted with TCCEP.

56. In Kenya, the project engaged with KTDA extension officers for training of trainers in KTDA farmer field schools. In addition, the KTDA training curriculum was revised to include TCCEP funded sections on climate change. The table below summarises the main deliverables of the projects as reported by the programme. A detailed deliverable account against the logframe is presented in Annex.

**Table 3: Deliverables of projects under workstream 1**

Project	
Biotrade, Peru	<ul style="list-style-type: none"> <li>• USD 11,477.500 potential sales deals with USD 502.500 sales deals agreed in trade fairs<sup>24</sup> for SMEs</li> <li>• Out of the 4261 beneficiaries, 1850 small holders producing Sacha Inchi to benefit from access to US market which is automatically granted to the product after GRAS dossier was created</li> </ul>
Climate Change Project, Kenya	<ul style="list-style-type: none"> <li>• Improvements in energy efficiency in the Chinga Tea factory for electricity consumption (-2 per cent) and for wood consumption (-34 per cent)</li> <li>• Climate change audit documentation used for Chinga Tea Factory suppliers and now by Ethical Tea Partnership also in Burundi and Malawi</li> </ul>
Organics project, Zambia	<ul style="list-style-type: none"> <li>• Progress made on the technical assistance side, but insufficient focus and results on export marketing for the three SMEs</li> </ul>
Biodiversity	<ul style="list-style-type: none"> <li>• Public-Private Partnership for sustainable python trade: ITC-Kering-IUCN</li> <li>• Engaged with at least 25 media channels particularly in Austral-Asia but also globally through BBC and France 24</li> <li>• Python report led to EC refusing imports from Laos and Viet Nam related to abuses in the permitting system</li> </ul>

57. **Effectiveness of workstream 2.** The Trade and Environment Unit (TEU) established an interdivisional working group on mainstreaming, and the meeting of the working group resulted in an Audit of Mainstreaming and an issues paper on environmental mainstreaming for discussion in ITC. On the basis of the Audit and Issues Paper, the TEU developed an Environmental Mainstreaming Strategy. The Strategy consists of a section on the rationale for such a strategy including links to

<sup>24</sup> Biofach 2013, Supply Side west 2012, Latin Pharma 2012

ITC's strategic plan, priorities for support, strategic objectives and the link to on-going programmatic work in the area of environment in ITC. The Environmental Mainstreaming Strategy is considered as balanced in terms of sufficient content and clear procedures about its implementation.

58. For implementation, a logframe is provided, accompanied by the action plan for strategy implementation ("project plan"). The latter summarizes main elements for implementation includes a stakeholder analysis, budget, monitoring and evaluation, a detailed implementation plan, a risk management plan as well as a communication strategy. It also addressed the needs of setting indicators, baselines and targets. However, some indicators at the output level are mixed with activities. As the Strategy was approved by ITC in 2014, a full assessment of the strategy is premature at this stage.

## **V. Efficiency**

### **Programme management**

59. With no country presence, TCCEP hired qualified, motivated and well linked national consultants with good industry knowledge, and partners often regarded ITC's work as particularly efficient. Most work was delivered according to agreed specifications although partly on time. In the case of the Biotrade project in Peru, SMEs mentioned a significant time lag between a diagnostic study undertaken in February 2011 and TCCEP engagement with some of the SMEs in April 2013.

60. It should be noted that the regular programme reporting was detailed and linked to the project logframes, although the reporting was mainly including data at activity and output levels. Nonetheless, TCCEP stands out for its learning feature, given that independent mid-term and final evaluations were undertaken. The two evaluations were partly related to the high expectations of donors on reporting and evaluation.

61. The team work of the Environmental Mainstreaming Taskforce was inclusive, given that two representatives from each Division were in the taskforce. Buy-in from the Senior Management Committee facilitated the work of the taskforce. Task force members appreciated that TEU kept them informed and members felt that their individual capacities were well used, comments were taken on board and where necessary, discussions were followed up.

### **Cost effectiveness**

62. TCCEP was regarded efficient in leveraging additional funds to complement its budget of USD 2.8 million over three years. For instance, under the Climate Change Project for the horticulture sector, TCCEP and Pesticides Initiative Programme (PIP) shared costs 50 to 50. In Zambia, SMEs received support from other sources such as the Netherlands Trade and Investment Project and Danida's Business-to-Business Programme, and SMEs co-financed certification and training. In Kenya, ETP funded the energy gap analysis of Chinga tea factory.

63. In Peru, the project cooperated with a solidly designed and well-established SECO/GIZ project (2007-13). The GIZ office in Lima provided TCCEP with physical meeting space, allowed for knowledge sharing and joint planning. Bureaucratic barriers were minimized and TCCEP benefitted from GIZ prioritising TCCEP concerns. Another efficiency gain was that SECO/GIZ had already engaged with selected SMEs in the biodiversity sector when the project started. This allowed TCCEP a quick start up in Peru. Partners described project implementation as very efficient, as reflected in the regular project reporting.

64. One reason for the TCCEP being slightly less effective in Zambia might have to do with the limited strengths of its partnerships. ZDA played an effective role during the first organic market day, followed however by little further interaction. This could have been related to limited engagement of government in the export of organic products which is reflected in the limited links ZDA had with potential buyers overseas. The effective work of the Kasai Agricultural Training Centre in the area of capacity building for organic production could not fully counterbalance the lack of an engaged national partner. In addition the project lacked the involvement of and active participation by the Organic Producers and Processors Association of Zambia (OPPAZ).

## VI. Impact

65. As stated in the methodology section, the TCCEP programme considers the SMEs and TSIs as direct beneficiaries and the related small farmers and producers as indirect beneficiaries, and the monitoring and reporting focused on direct beneficiaries. Therefore, there is limited data on the impact on the livelihoods of small farmers and producers.<sup>25</sup>

66. The competitiveness of SMEs in the international market was enhanced in Peru. Peruvian Nature's export of the product "maca HP", supported by TCCEP, doubled from 5 tons to 10 tons in 2013 with projected sales of 50 tons in 2014. While exports to Japan dominated prior to TCCEP engagement, 60 per cent of maca HP exports were to the US market in 2014 following TCCEP trade promotion.

67. For the SME Olivos del Sur, sacha inchi represents 9 per cent of its current product portfolio, mainly olives. Thanks to the GRAS dossier approved in August 2014, sacha inchi's share in the enterprise portfolio has the potential increase up to 25 per cent. A cooperative of 200 farmers in the Province of Amazonas could benefit from supplying to the company, and the company aim to increase productivity by providing technical support to the farmers.

68. In Zambia, the TCCEP supported mainly with the documentation of and training in organic certification as well as training at farm level on mangoes, devil's claw and mongongo oil. All three SMEs were reportedly ready to compete in the international markets thanks to organic certification. However, the actual competitiveness is yet to be identified. At this stage changes emerged for example in the SME Chankwakwa Ltd., where the number of permanent staff increased from 10 to 14 between 2012 and 2013. Annual turnover increased from USD 115 000 in 2012 to USD 242 082 in 2013. The production of organically certified mango increased by 123 per cent, from 830 kg (2011/12) to 1852kg (2013/14), though these results are not fully attributable to TCCEP.

69. Regarding financial viability, an estimated 70 per cent of the 12 SMEs supported in Peru were financially viable, according to the TSI Promperu. In Zambia, financial viability is a challenge for all three SMEs and the same holds true for tea suppliers of the Chinga tea factory in Kenya.

70. According to interviews with the TSIs and implementation partners, the most significant impact is increased competitiveness in international market for sustainably produced goods and services (see

71. **Table**). The TCCEP's impact on the financial viability of SMEs and TSIs is more nuanced. The impact on female entrepreneurs was not monitored.

**Table 4: Impact Perceived by TSIs and implementation partners**

N=7 <sup>26</sup>	High to very high	Medium	Low to very low	No answer
How useful were the results and outcomes for TSIs and SMEs to compete in the international marketplace for sustainably produced goods and services?	6	0	0	1
What difference has TCCEP made to beneficiaries/	6	0	0	1

<sup>26</sup> Three TSI staff and four implementation partners

clients / stakeholders?				
To what extent did ITC's contribute to human and institutional capacity building in terms of knowledge and competencies?	4	0	0	3
To what extent are SMEs and TSIs financially viable to compete in the international marketplace for sustainably produced goods and services?	3	2	0	2
What difference has TCCEP made female entrepreneurs?	2	0	2	3

72. **Impact on capacity.** Changes in knowledge and capacity emerged in all four projects of workstream 1. Extension officers and lead farmers in Kenya for example got more confidence in engaging in climate change issues. In Zambia organic production chain, the capacity of producers, SME staff and companies' processing systems was reported greatly enhanced.

73. In Kenya, knowledge and awareness of the tea production related carbon issue is enhanced for tea farmers and among management of the tea factory. It is reported by the project that small-holders now plant their tea with more concerns of the environment, such as less deforestation, less pollution of rivers, and more use of compost for soil improvement. With the TCCEP, 13 out of the 65 factories of the KTDA were reached with training, and 126 000 out of 550 000 tea farmers were reportedly benefited from the training of trainers. About 50 per cent of the 25 000 small holding tea farmers trained through extension officers on energy efficiency opted to purchase energy saving stoves. The TCCEP manual is now being used in other KTDA tea factories, beyond the pilot factory.

#### **Impact on small farmers and producers (indirect beneficiaries)**

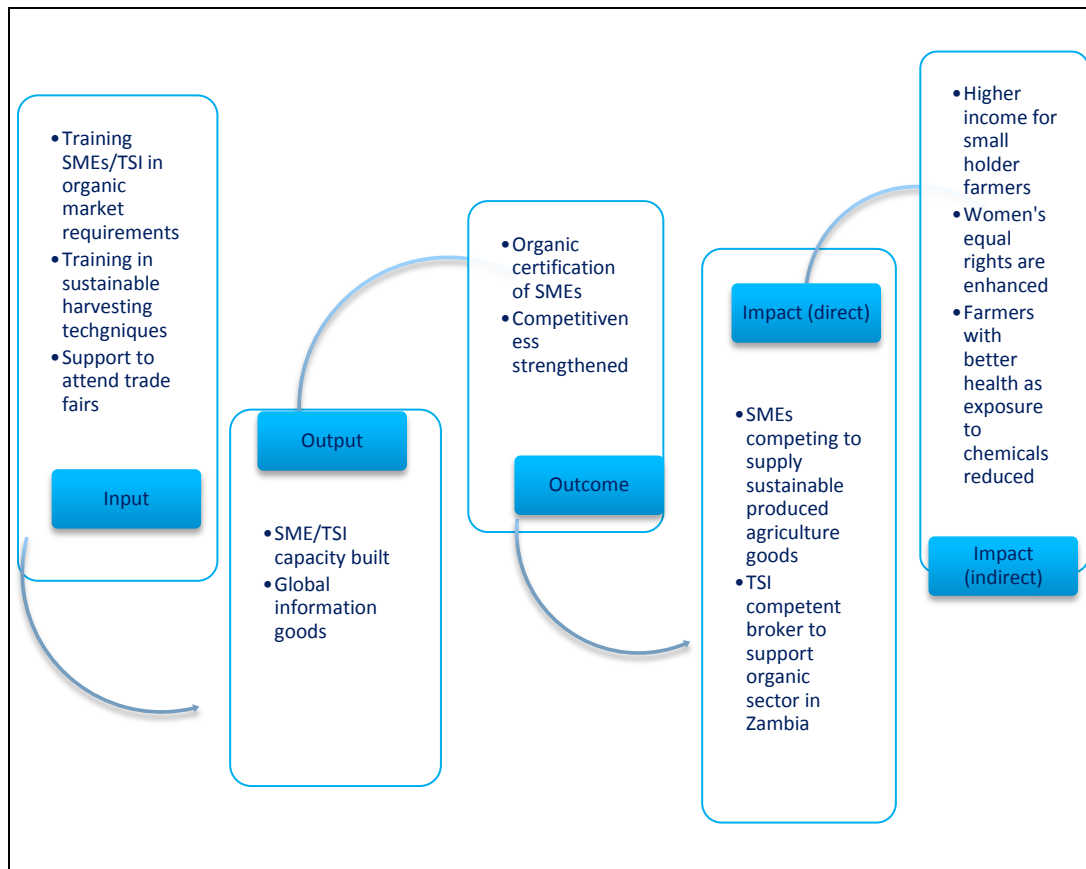
74. Impact on small farmers and producers - referred as indirect beneficiaries by the programme - was not explicitly mentioned in the project document. Hence, data on the benefits accrued to the indirect beneficiaries are not accommodated by the project's monitoring and reporting. However, some SMEs registered those suppliers, for example in Peru.

75. In Peru, indirect beneficiaries are farmers selling agricultural products, for example algarrobo, sacha inch or maca, to the SMEs. The same was applied in Zambia, and indirect beneficiaries were farmers delivering products such as honey, mangoes and devil's claw (a root used for medicinal purposes) to SMEs. For Kenya, the indirect beneficiaries are tea farmers organised under the KTDA and Chinga tea factory. To illustrate the causal-effect, a simplified results chain for the Organics Project in Zambia, including indirect beneficiaries, is seen in the **Error! Reference source not found..**

76. The benefits for smallholder farmers were mainly increased sales to SMEs. Some farmers also benefitted from organic or fair-trade certification. In the case of Kenya, the TCCEP funded a training of trainers' module resulting in KTDA extension officers training tea farmers. In Zambia, the Kasai Agricultural Training Centre supported suppliers of SMEs with training on the sustainable harvesting of the devil's claw root. However, there is no data regarding the food security and health benefits. Though the programme was not designed to focus on impact, the references by the

programme and by interviewees to possible impact on small holders would make an impact assessment desirable.<sup>27</sup>

**Figure 1: Results chain for Organics Project in Zambia**



## VII. Women's empowerment and gender equality

77. The TCCEP's design did not include a gender specific agenda, but a number of gender-related results emerged during the implementation process.

78. In Kenya, composting is a gender-specific activity related to women. TCCEP promoted composting as part of the cooperation with the Ethical Tea Partnership. This results in extra income mainly for women. While in the tea farming communities of Kenya men are traditionally the decision makers, about 60 to 70 per cent of trainees in farmers field schools were women, although the reasons for women's high attendance are more nuanced than the face value of the attendance.

79. In Zambia, the majority of trainees for the activities funded under the TCCEP in the Kasai Agricultural Training Centre were women, with positive effects on their social status in the community as indicated by the project documents. Besides, the director of the SME Chankwakwa won awards for her work with women and was invited to deliver presentations at international occasions.

<sup>27</sup> Note of the evaluation consultant: This evaluation is not designed as an impact evaluation nor budgeted accordingly. According to a recent DFID guidance on impact evaluation, produced with contributions by the evaluation consultant, up to 10 per cent of the programme budget required earmarking for fully-fledged and robust impact evaluations.

## VIII. Sustainability and replication

### Sustainability

80. The evaluation did not identify an explicit programme strategy on sustainability and replication of the programme, however, there are a few cases emerging in the field showed the progress made in these two respects. The programme's sustainability arrangement was a *modus operandi* on working only with existing SMEs that were deemed likely to continue operating once the programme finished.

81. The sustainability prospects of the benefits generated by the Programme are mixed in various circumstances. Under workstream 1, 14 out of 21 of SMEs interviewed by the evaluation considered that they have continued access to information about export opportunities for natural resource based products and green technology services.

82. In Kenya, extension officers operating in field schools and providing assistance via mobile phone text messaging are likely to continue providing climate change related training, as TCCEP used existing national structures and involved the TSI partner in the development of climate change adaptation training manuals. The latter resulted in the KTDA adding climate change adaptation to the farmers' field school curriculum. Climate change adaptation is also promoted by posters in local languages in public areas like tea collection centres. Farmers are likely to maintain the use of enhanced techniques such as composting or the use of energy efficient stoves requiring less fire wood.

83. In Peru, about 70 per cent of targeted SMEs are likely to maintain their businesses with the North American market. The TSI Promperu established a portfolio to support biotrade promotion during the TCCEP and allocated staff and budget for this purpose. While SMEs in Peru are confronted with challenges of changing certification requirements, external support requirements were not specifically mentioned, as the SMEs were more adaptable to external challenges.

84. In Zambia, knowledge has expanded and motivation is high among SMEs. However, in 2013 the international requirements for organic certification became more stringent, especially with regard to small producers, hence additional capacity building for small farmers might be required.

85. Regarding access to knowledge products, the TCCEP put significant emphasis on the development of knowledge products. The stakeholders in Kenya and Zambia and stakeholders of the python skin project are aware of the ITC' portal where those relevant publications can be found. However, the field visit to Peru showed that most stakeholders, including the national consultant and SMEs were unaware of the ITC portal. In the course of the evaluation visit, the national consultant made efforts to ensure that stakeholders have received the links to TCCEP publications. Meanwhile the TSI Promperu was taking actions to post TCCEP publications on its website.

### Replication

86. The evaluation did not find an explicit replication approach, however the evaluation identified a few good practices holding potential for replication in other programmes and countries, for instance the application of energy-saving practice in Kenya.

87. The Ethical Tea Partnership is currently in the process of replicating TCCEP's Climate Change Project's element on improved energy use in four additional tea factories in a public-private partnership with GIZ, KTDA, and the UK-based tea company Taylors of Harrogate. The project specifically refers to the results of the TCCEP energy audit in Kenya's tea sector. The project is developed under the USAID initiative "Powering agriculture: An energy Grand Challenge for



Development”, where the German BMZ agreed to fund 5 million euros over three years, to be implemented by GIZ and partners. The Ethical Tea partnership also replicated the use of ITC manuals developed under the TCCEP in the tea sector in Malawi and Burundi.

88. Another practice with high potential for replication is cost sharing approaches applied in Peru and Kenya, provided in the case study below.

### **Case study: Replication**

For replicating the TCCEP’s cost sharing approach, the evaluation identified a few key success factors described below.

#### **How were partners identified?**

TCCEP undertook a thorough situation analysis as part of the needs assessment for each value chain in the respective project country. With the help of TSIs, TCCEP managed to identify the main stakeholders and to assess their compatibility with the programme. In this respect, the partnerships with SECO/GIZ in Peru or with the Ethical Tea Partnership in Kenya did not happen by chance but were results of a structured and systematic process.

#### **Clear-cut division of labour**

Once the TCCEP had identified partners, MoUs were signed in most cases. The advantage of MoUs consisted in a clear common understanding of shared objectives, roles and responsibilities. The latter was particularly important from a budgetary perspective and cost sharing was an empowering element of the partnerships.

#### **Use of existing structure**

In Kenya, TCCEP operated directly through Ethical Tea Partnership (ETP), Rainforest Alliance and FLO-CERT for example on the training of KTDA extension officers. The partnership in Kenya allowed for targeting trainers in existing organisational structures and the farmer field schools. In addition, TCCEP contributed to the curricula development. Both strategic choices taken by TCCEP enhanced the likelihood of the ownership and sustainability of training.

## **IX. Conclusions and Recommendations**

### **Conclusions**

89. As a pilot initiative, TCCEP innovatively extended ITC's services to an increasingly relevant but particularly challenging area – environmental aspects of trade development. The interface between trade and environment are intervened with ITC's support to TSIs and SMEs in selected countries, with compounded aims of enhancing the trade benefits to SMEs and the environmental benefits. With a moderate budget, the programme rolled out an ambitious set of projects in several countries. The broad geographical coverage highlights the challenges the programme had to undertake to respond to the specific situations in each country and also the necessity to operate in very small scale in each country. (Reference paragraphs in analysis sections, 11, 42 and 43).

90. Based on the assessments presented in above sections, the relevance of the interventions taking place in countries are, by and large, confirmed by the evaluation, as the objectives of the projects are relevant to ITC's strategic objectives and the needs of countries. However the synergy between individual projects and the coherence between operations in countries are not evident. (Reference paragraphs 39-40, 47-50).

91. The programme was found most effective in the cases of promoting biotrade in Peru for export to the US and improving firewood efficiency and other environment benefits of tea production in Kenya. Both showed significant benefits generated for SMEs and likely generated benefits for small farmers and producers. The Organics and Biodiversity projects were less effective. The Environmental Mainstreaming Strategy is not significant yet within the timeframe of the evaluation. (Reference paragraphs 51-53)

92. The evaluation could not make a conclusive judgement on the efficiency of the programme due to limited data for conducting a comprehensive cost-benefits analysis and analysis of project management in each country. There are data indicating that the programme hired qualified national consultant in facilitating the implementation in countries, and there is evidence showing that the strong partnership and cost sharing arrangements in countries made significant contribution to the efficiency of the programme. (Reference paragraphs 59, 62 and 64)

93. Through biotrade promotion in Peru and tea production in Kenya, the programme generated impact on SMEs and TSIs and there are data demonstrating the progress made by SMEs in value chains. However, the programme was not designed to monitor the impact on small farmers and producers in the related value chains. Given preliminary indications on the possible impact on small farmers and producers, this could have demonstrated ITC's development results in supporting sustainable development and poverty reduction. (Reference paragraphs 66, 71-74)

94. It is reported that in a few cases, women farmers in agricultural supply chains benefited from TCCEP interventions; however, the programme is lack of a gender development dimension in design. A systematic gender-sensitive approach could have identified further opportunities for women's development. (Reference paragraphs 76, 77)

95. In the respect of sustainability, the evaluation identified cautiously optimistic prospects of SMEs business development and export in Peru and Kenya, and to a certain extent in Zambia as well. The programme based its sustainability arrangements on working only with viable companies that continued to be operational after the closing of the programme. (Reference paragraphs 78,79)

96. The replication potential of many of TCCEP's approaches is high, such as the energy-saving practice in Kenya which has already been replicated in other countries. A programme wide systematic approach in promoting replication should be part of the objectives of piloting small projects. (Reference paragraphs 84, 85)

97. Overall, the evaluation endorses the value of TCCEP in piloting a relevant and innovative service of ITC, which is based partly on the high relevance to global development agenda and increasing countries demands and partly on the promising results in some project countries. Taking into consideration of the demands and challenges faced by developing countries, notably least developed countries, the service of TCCEP could grow into one of the global solutions to vulnerable developing countries facing climate change and environmental challenges. The performance gaps of the programme in terms of impact, gender development, and sustainability should be addressed in future operations.

### **Recommendations**

98. The strategic recommendations are addressed to the programme management for implementation within the timeframe of the current phase of the Trade and Environment Programme (till the end of 2015). The strategic recommendations provided in the table below are generated strictly in line with evaluation analyses and findings presented in the report, and each specific recommendation is referenced with quoted analysis and findings from the report.

## Strategic recommendations and implementation timeline

Recommendations for the programme management	Related evaluation findings	Implementation timeline
<p><b>Strategic recommendation I:</b>  <b>To articulate the strengths and strategic intervention areas of the programme and further enhance partnership for effective implementation in project countries.</b></p>		
<p><b>9. To articulate the strengths and strategic intervention areas of the Programme.</b></p> <p>Given the value-added to ITC's strengths, there is a need to continue the programme to the next phase. The Programme should explicitly define the strengths of the Programme and the strategic intervention areas, particularly in agriculture value chain development and certification of biotrade products, organic products, and other products with environmental benefits.</p>	<ul style="list-style-type: none"> <li>• Para. 39. Partners and SMEs interviewed by the evaluation underscored the relevance of TCCEP's value chain approach in industries where countries are competitive. Selecting agriculture value chains as the main entry point was considered highly relevant and pragmatic in many developing countries, and agriculture holds high potential of promoting economic growth and elevating poverty in a majority of ITC's client countries.</li> <li>• Para. 43. The TCCEP also managed to address major problems in terms of organic certification for three selected SMEs in Zambia and certifications for biotrade products of cooperating SMEs in Peru.</li> </ul>	<p>By the end of 2015</p>
<p><b>10. To continue leveraging strong partnership with international and national partners for effective implementation on the ground.</b></p> <p>The programme should continue to seek synergy with large programmes when it is possible, and anchor TCCEP activities within large programmes (outside or within ITC) to leverage the economies of scale provided by larger</p>	<ul style="list-style-type: none"> <li>• Para 50. Each of the Workstream 1 projects involved in collaboration with partners, including other donors or a negotiated division of labour with them to secure synergies. Complementarities emerged in Peru between the SECO/GIZ supported Peru Biodiverso and TCCEP.</li> </ul>	<p>To be implemented during Phase II ( the current project closure date is by the end of 2016)</p>

<p>interventions and their existing infrastructure in place. At the same time, the implementation arrangement with local partners and those partners working in project countries should be emphasized in project design, to ensure effective implementation and delivery of results.</p>	<ul style="list-style-type: none"> <li>• Para 62. In Zambia, SMEs received support from other sources such as the Netherlands Trade and Investment Project and Danida's Business-to-Business Programme, and SMEs co-financed certification and training. In Kenya, ETP funded the energy gap analysis of Chinga tea factory.</li> <li>• Para 64. One reason for the TCCEP being slightly less effective in Zambia might have to do with the limited strengths of its partnerships. ZDA played an effective role during the first organic market day, followed however by little further interaction.</li> </ul>	
<p><b>11. To define a strategic approach to promoting replication of piloted services and solutions.</b></p> <p>The innovative services offered by the Trade and Environment Programme hold high potential for replication. To justify the very small operational mode in each country, the programme needs to develop a strategic approach to promoting replication, so that the long term effects and replicated operations would enhance the return of ITC's investments in piloting. The approach to replication and scaling up should take into account of the partnership arrangements in the countries with a view of exemplifying the effects of pilots through large scale interventions.</p>	<ul style="list-style-type: none"> <li>• Para 85. The evaluation did not find an explicit replication approach, however the evaluation identified a few good practices holding potential for replication in other programmes and countries, for instance the application of energy-saving practice in Kenya.</li> <li>• Para 86. The Ethical Tea Partnership is currently in the process of replicating TCCEP's Climate Change Project's element on improved energy use in four additional tea factories in a public-private partnership with GIZ, KTDA, and the UK-based tea company Taylors of Harrogate.</li> </ul>	By the end of 2015
<p><b>12. To integrate women's empowerment and gender equality in programme design and implementation.</b></p> <p>Gender development should be an integral part of the design and implementation, e.g. by undertaking value chain analysis through a gender lens to identify inequalities and potential results particularly relevant to</p>	<ul style="list-style-type: none"> <li>• Para 76. The TCCEP's design did not include a gender specific agenda, but a number of gender-related results emerged during the implementation process.</li> <li>• Para 77. In Kenya, TCCEP promoted composting as part of the cooperation with the Ethical Tea</li> </ul>	To be implemented during Phase II ( the current project closure date is by the end of 2016)

<p>women. Similar consideration should be extended to integrating poverty reduction and youth development as well, where applicable, which would add value to ITC's contribution to achieving inclusive and sustainable growth and development, as indicated in ITC's Strategic Plan 2015-2017.</p>	<p>Partnership. This results in extra income mainly for women.</p> <ul style="list-style-type: none"> <li>• Para 78. In Zambia, the majority of trainees for the activities funded under the TCCEP in the Kasai Agricultural Training Centre were women.</li> </ul>	
<p><b>Strategic recommendation II: In line with ITC's Strategic Plan, to develop a programmatic approach to addressing the priority needs of clients, building coherent intervention logic in the programme and each project, measuring results and impact, and strengthening sustainability prospects.</b></p>		
<p><b>13. To enhance the synergy and coherence of individual projects within the programme.</b></p> <p>There is a need to enhance the internal coherence and synergy between individual interventions, so that the projects will be complementary and oriented towards achieving common programme objectives. Besides, enhanced alignment to updated corporate objectives should be emphasized in each project and reviewed regularly through the project life, although the TCCEP was considered by the evaluation largely in line with ITC's corporate objectives.</p>	<ul style="list-style-type: none"> <li>• Para 48. The TCCEP lacked a coherent logic to explicitly link the two workstreams on the one hand and the individual projects for workstream 1 on the other. There was very limited synergy between the two workstreams, and complementarities between the projects of workstream 1 (climate change, organic products and biotrade) is also limited, apart from a common implementation approach, as value chains supported under the programme were diverse.</li> </ul>	<p>To be implemented during Phase II ( the current project closure date is by the end of 2016)</p>
<p><b>14. To build rigorous intervention logic for the programme and for each project.</b></p> <p>In the next phase, the programme needs to enhance the intervention logic (theory of change) for the programme</p>	<ul style="list-style-type: none"> <li>• Para 15. In the absence of an overall programme theory of change, the evaluation reconstructed the TCCEP results chain, as presented in Annex 7,</li> </ul>	<p>By the end of 2015</p>

<p>and each project as well. The intervention logic should be consistent with ITC's ongoing efforts in enhancing project cycle management and strengthening monitoring and evaluation. It should also incorporate considerations on defining beneficiary groups and measuring the programme's impact in trade generation of sustainably-produced goods and services and the environmental benefits, as well as the impact related to poverty reduction and gender equality.</p>	<p>based on the original project documents and the mid-term review 2012.</p> <ul style="list-style-type: none"> <li>• Para 47. While activities spelled out in a logframe are likely to change over time and should be adapted in annual work plans, the frequent amendment of project objectives disrupted the implementation, and the lack of measurable targets limited the evaluability of the TCCEP.</li> </ul>	
<p><b>15. To refine beneficiary groups and measure intended results for smallholder producers benefitting from value chain development.</b></p> <p>Smallholder producers often represent the ultimate beneficiaries of ITC's services, which is also experienced by the TCCEP programme, although the programme did not monitor the effects on smallholder farmers. Changes in livelihoods of small producers and farmers can be one of the most convincing results of ITC in terms of sustainable and inclusive development. In line with the emerging corporate approach to results and impact, the project monitoring and evaluation system, including the baseline survey, should explicitly measure the intended impact on smallholder producers and farmers.</p>	<ul style="list-style-type: none"> <li>• Para 73. Impact on small farmers and producers - referred as indirect beneficiaries by the programme - was not explicitly mentioned in the project document. Hence, data on the benefits accrued to the indirect beneficiaries are not accommodated by the project's monitoring and reporting. However, some SMEs registered those suppliers, for example in Peru.</li> <li>• Para 75. The benefits for smallholder farmers were mainly increased sales to SMEs. Some farmers also benefitted from organic or fair-trade certification. In the case of Kenya, the TCCEP funded a training of trainers' module resulting in KTDA extension officers training tea farmers. In Zambia, the Kasai Agricultural Training Centre supported suppliers of SMEs with training on the sustainable harvesting of the devil's claw root.</li> <li>• Para 75. However, there is no data regarding the food security and health benefits. Though the programme was not designed to focus on impact, the references by the programme and by interviewees to possible impact on small holders</li> </ul>	<p>By the end of 2015</p>

<p><b>16. To reinforce the sustainability and exit strategy.</b></p> <p>With a defined sustainability and exit strategy, it is more likely that the key sustainability concerns will be addressed during the implementation process, and therefore the project benefits could last after project end and the intended long-term impact will be realized. The role of country ownership and partnership in sustaining project benefits should be sufficiently emphasized in design and implementation, and the strategy should be designed in close consultation with stakeholders at the early stage of the project cycle, and be reviewed periodically to ensure strategic fit to the evolving country contexts.</p>	<p>would make an impact assessment desirable.</p> <ul style="list-style-type: none"> <li>• Para 79. The evaluation did not identify an explicit programme strategy on sustainability and replication of the programme, however, there are a few cases emerging in the field showed the progress made in these two respects. The programme's sustainability arrangement was a modus operandi on working only with existing SMEs that were deemed likely to continue operating once the programme finished.</li> <li>• Para 80. The sustainability prospects of the benefits generated by the Programme are mixed in various circumstances.</li> </ul>	<p>To be implemented during Phase II ( the current project closure date is by the end of 2016)</p>
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## Annex 1 Terms of Reference



Date: 11  
November 2013

D R A F T

### EVALUATION TERMS OF REFERENCE

#### Trade and Environment Programme

(Trade and Environment Programme – INT/U1/16A; Latin Pharma 2011 – INT/U1/60A; and South East Asia: Raising awareness on wildlife issues to ensure sustainability of supply chains – INT/U1/68A)

INT/U1/16A: Kenya, Uganda, Zambia, Peru, and Global  
INT/U1/60A: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela  
INT/U1/68A: Indonesia, Lao People's Democratic Republic, Malaysia, Singapore, Viet Nam, and Global

Monitoring and Evaluation Unit  
**INTERNATIONAL TRADE CENTRE**  
A SUBSIDIARY ORGAN OF THE UNITED NATIONS  
AND THE WORLD TRADE ORGANIZATION

Contents

<b>LIST OF ACRONYMS .....</b>	<b>8</b>
<b>1. BACKGROUND INFORMATION .....</b>	<b>9</b>
Programme overview and related components .....	9
<i>The interface between trade and environment .....</i>	<i>9</i>
<i>Environment as an opportunity and a barrier to trade .....</i>	<i>9</i>
Programme Focus.....	10
Programme Approval and Funding .....	10
Programme objectives and impact .....	11
Additional Funding for Wildlife Trade Study.....	12
ITC Guidelines for Evaluation .....	12
Midterm Evaluation.....	12
Logical Framework .....	13
<b>2. PURPOSE OF THE EVALUATION .....</b>	<b>14</b>
<b>3. SCOPE OF THE EVALUATION .....</b>	<b>14</b>
Relevance .....	14
Effectiveness.....	15
Efficiency .....	15
Impact.....	15
Sustainability .....	15
<b>4. EVALUATION METHODS .....</b>	<b>15</b>
<b>5. EVALUATION TEAM COMPOSITION.....</b>	<b>16</b>
<b>6. PLANNING AND IMPLEMENTATION ARRANGEMENTS .....</b>	<b>17</b>
Managements Arrangements .....	17
Timeframe for the evaluation process and expected deliverables of the evaluation .....	18
<b>ANNEX I: TRADE AND ENVIRONMENT PROGRAMME SUMMARY.....</b>	<b>19</b>

## LIST OF ACRONYMS

DAC	Criteria for Evaluating Development Assistance
DMD	Division of Market Development
ITC	International Trade Centre
KNOL	Kalahari Natural Oils Ltd
MBE	Mpongwe Beekeeping Enterprises (MBE)
OECD	Organisation for Economic Co-operation and Development
OED	Office of the Executive Director
SME	Small and Medium Enterprise
SPPG	Strategic Planning, Performance and Governance
TSI	Trade Support Institution
TEP	Trade and Environment Programme
TOR	Terms of Reference
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNEG	United Nations Evaluation Group
UNON	United Nations Office at Nairobi
WTO	World Trade Organization

## BACKGROUND INFORMATION

Programme overview and related components

The interface between trade and environment

Climate change is the defining development challenge of the 21st century. According to the scientific assessment carried out by the Intergovernmental Panel on Climate Change, temperatures may rise by up to 6°C this century if greenhouse gas emissions are not curbed. With growing emissions, the world faces increased drought, greater frequency and intensity of severe weather events, loss of coastal areas and water shortages and increases in the incidence of disease. Populations in developing countries in particular, face potential catastrophe, due to their greater vulnerability as well as the severity of the changes in lower latitude tropical and dryland regions. Climate change will also result in large-scale migration and conflicts.

Trade is seen as a contributor to climate change through its “scale effect”, i.e. stimulating economic growth which results in emissions. However, trade liberalization has also helped mitigate climate change through dissemination of low carbon technologies. International demand for green product segments is also bringing about improved local environmental management, particularly in organic agriculture, biotrade products and forestry.

However, whilst environmental markets are an opportunity for developing countries, there is also the prospect of new non-tariff barriers emerging in the form of environmental standards and other market requirements. Both the opportunities and threats presented by environment to trade are discussed below.

Environment as an opportunity and a barrier to trade

Global concern about environmental issues is driving a growing market for sustainably sourced natural resource based products. The demand for certified products in agriculture, forestry and fisheries is driven by middle to high-income consumers willing to paying a premium for goods associated with health and environmental benefits. The same consumers also often demand evidence of production supporting “fair” and “ethical” practices in the value chain. Globally the market is worth around USD 50 billion. Developing countries have a share of several percent in this market and are net exporters. The last decade has seen double digit growth in exports from developing countries.

The certified natural resource based product market is driving reductions in poverty as production is often labour intensive and premium prices reach smallholder producers who make up the bulk of the rural poor. The trade is also generating environmental benefits like carbon sequestration in soils and timber, forest preservation, decreased pesticide use and net biodiversity gains – a development “win-win”.

However, developing countries face high barriers to enter these markets in the form of standards and regulations, access to information and contact with buyers. Trade also takes place within international regulatory frameworks that govern the use of resources and the environmental impacts of production. The Convention on Biological Diversity (CBD) and the Convention on the International Trade in Endangered Species (CITES) both have an important impact on the type, volume and value of products traded internationally.

## Programme Focus

The Trade, Climate Change and Environment Programme (TCCEP) (project numbers INT/U1/16A and INT/U1/60A) would focus on three sustainability market areas: Biotrade products; Organic standards; and Carbon product footprint standards.

### ***Biotrade products***

Non timber forest products, or natural products used in the cosmetic, functional food and medicinal sectors. Demand for certified biotrade products is increasingly rapidly, particularly in the cosmetic ingredients segment. However, biotrade products also face strict private voluntary standards and are subject to government regulations like GRAS and the Novel Food Regulation that governs entry to US and EU markets respectively.

### ***Organic standards***

The organic standards is the leading sustainability standard for the agricultural sector. Developing countries have a small share of this USD50 billion market but significant opportunities to compete in tropical and counterseasonal produce. In recent years however, private organic standards have become stricter in order to differentiate with competing standards. This process has at times been non transparent and discriminatory and thus detrimental to developing country exporters in terms of reduced market access.

### ***Carbon product footprint standards***

As concern grows over climate change, retailers have developed their own standards for reducing greenhouse gas emissions in the supply chain, introducing new requirements on product carbon footprint (PCF) labels. Exporters now have to deal with complex measurements of emissions from production as well as the high costs of compliance. Methodologies can be biased against developing countries, which have little say in the development of carbon standards. The lack of harmonization and equivalence is also a constraint on trade. More broadly, exporters of all types of environmental goods and services will continue to face non-tariff barriers to trade, in the form of standards, regulations, technical specifications and so on.

## Programme Approval and Funding

In September 2010, ITC's Senior Management Committee (SMC) approved the project proposal for the TCCEP Programme, and its related project documents, with a view to seek resources for the programme which had a budget of USD \$2.4 million over a three year period from October 2010 through to September 2013. In addition, the SMC agree to submit the programme documents to the Government of Denmark and other ITC donors who expressed an interest in supporting ITC's work in the area of trade, climate change and the environment. In October 2010, the Government of Denmark approved to fund the programme from 2011 to 2013. The total expenditure during this period has been USD **2,858,565**.

The TCCEP was envisioned as a three year programme (2010-2013) that will firmly anchor ITC as a provider of trade related technical assistance (TRTA) to strengthen the capacity of TSIs and SMEs to compete in the international marketplace for sustainably produced goods and services.

The long-term impact of 2010-2013 TCCEP implementation would result in scalable and proven methodologies for improving the capacity of DC and LDC exporters in the climate change and environmental market requirements landscape.

The tools and methodologies developed within the context of the specific country projects included in the Trade, Climate Change and Environment programme, such as “How to” guides in bio-trade products, carbon and organic standards will provide a strong competency base for replication and customization to other specific country or regional contexts. It will be part of the concrete service offers in trade and environment that can be delivered or supported through ITC in other countries and regions.

Programme objectives and impact

The overall objectives of the TCCEP are twofold and are organized into two Work streams:

- **Work Stream 1:** To strengthen the capacity of SMEs and TSI to compete in markets for sustainably managed products.

- **Work Stream 2:** To mainstream environmental issues across ITC.

By mainstreaming, it is meant to ensure that environment is fully considered in project design and implementation, ITC’s own environmental impact is minimized and ITC contributes meaningfully to external debates on trade and environment, providing sound perspectives from the environmental and developing country perspectives. It should be noted that Work Stream 2 will only represent 10 per cent of the total TEECP budget and that this mainstreaming component has been given its own work stream as the target groups and implementation mechanisms are fundamentally different from those of Work Stream 1.

The expected impact of the programme at the end of the three year (2010-2013) timeframe is a set of concrete and replicable capacity building tools that can be implemented in diverse country contexts and realities to improve exporter competitiveness in the environmental space. These tools, including “how-to” guides for exporters wishing to trade successfully in sustainably produced goods and services, will provide a roadmap for SMEs to meet environmental market requirements in global markets, in particular those in the natural resource-based sectors.

The expected impact of the project at the end of 2013 will be the following:

### **Work Stream 1**

*In the selected countries and regions (Latin America regionally, Peru, Zambia, Kenya):*

- SMEs have stronger capacity to meet market requirements and thus improved competitive position in the international market for environmental goods and services
- National policies are more supportive for the supply and export of these products.

*Global dissemination:*

- SMEs and TSIs worldwide have access to high quality information on “How to” meet environmental market requirements.

## **Work Stream 2**

- ITC’s project cycle fully incorporates environmental screening
- ITC’s implementing a carbon emissions and mitigation plan

Work stream 2 will be achieved through the TCCEP’s coordination of ITC’s internal policies, committees, and newly developed internal guides and manuals related to environmental screening of projects as well as the corporate-wide reduction/mitigation of carbon emissions.

### Additional Funding for Wildlife Trade Study

In 2011, The Government of Denmark provided TEP with extra funds (\$95,000), to allow the programme to support the Convention on the Trade in Endangered Species (CITES) processes. It was envisaged that this activity would fit within the framework of the Biotrade project (support for trade in biodiversity products) and an opportunity to support one of the two main multilateral agreements in trade and biodiversity, namely CITES. This resulted in a separate project entitled: South East Asia: Raising awareness on wildlife issues to ensure sustainability of supply chains (project number INT/U1/68A). The project started on 14 September 2011 and ended on 30 October 2012. The objective of the project was to contribute to strengthening the sustainability of sourcing of flora and fauna in supply chains. The project had two outcomes, as follows:

- Outcome 1: improved insight into the role for CITES and government authorities in promoting sustainable legal trade in species; and
- Outcome 2: Improved understanding of the role of SMEs in improving collection practices with respect to welfare and sustainability.

### ITC Guidelines for Evaluation

The UN Evaluation Group (UNEG) Ethical Guidelines for Evaluation<sup>28</sup> apply to the conduct of the evaluation in the ITC in general and to the present evaluation in particular.

### Midterm Evaluation

As part of its commitment to transparency, the TEP project (projects INT/U1/16A and INT/U1/60A) was independently evaluated in February 2012, by the Danish Institute for International Studies<sup>29</sup>. The aim of the midterm evaluation was largely practical as it identified at an early stage what was working and what was not. Therefore, TEP could reallocate resources to the most promising areas at an early stage of

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<sup>28</sup> The UNEG Ethical Guidelines for Evaluation are available at: [http://www.uneval.org/papersandpubs/documentdetail.jsp?doc\\_id=102](http://www.uneval.org/papersandpubs/documentdetail.jsp?doc_id=102)

<sup>29</sup> More information regarding the midterm evaluation can be found at: <http://www.intracen.org/archive/trade-and-environment/mid-term-evaluation-trade-and-environment-programme/>

implementation. The scope of the midterm evaluation was more limited than an Ex Post Evaluation. Of the standard evaluation criteria, the main focus was on relevance, effectiveness, efficiency. Not as much attention was given to sustainability, impact and coherence as they were expected to be explored in more depth during the final evaluation.

From this, it was seen that the four stage implementation model (needs assessment, technical studies to address needs, sector wide training with national partner, targeted training to selected companies) was described as an "effective and flexible way of structuring project planning and implementation". Furthermore, the capacity building projects "build on and extend recognized Aid for Trade themes and are largely relevant...are mutually reinforcing and internally coherent". The Biotrade project is "effective and efficient" and demonstrates a "good rate of return on the support provided". The Climate change project is "innovatory".

It also stated that although the environmental mainstreaming work of the programme is efficiently implemented, the challenge will be to find more sustainable financing. Furthermore, economies of scale could be achieved by focusing on the greatest potential for results and/or most innovatory elements-for instance the trade and climate change project.

The midterm evaluation set-out four main recommendations:

- The ITC Trade, Climate Change and Environment Programme (TCCEP) should be restructured so that it includes only Work stream 1;
- The activities carried out in Work stream 2 should be continued as mainstream operational activities within ITC;
- Project 1 should be phased out and resources from it reallocated to Projects 2 and 3; and
- ITC should continue to support the sub-project but not as part of TEP. Sub-project funding should be re-allocated to the remainder of Project 2 and to Project 3.

In response the following steps were undertaken:

- The TCCEP will continue to implement Work stream 1 and 2 to satisfy current commitments. From 2013, the TEP is exploring other resources to support its expansion and to find financing to support Work stream 2 activities;
- The TEP understands the need for more sustainable financing for mainstreaming and is exploring options for funding outside the programme;
- After careful reflection with the team, the donor and partners in the field, ITC has decided to continue to implement Project 1, but will take steps to increase impact including widening the focus to include SMEs in the region marketing similar biodiversity-based products; and
- The TCCEP supported Latin Pharma as a one-off event during the course of the three year programme.

As a result, there were a total of 13 specific recommendations that were included in the action plan for future project implementation (see Annex 2).

Logical Framework



The original TEP logical framework (logframe) for project INT/U1/16A was approved in September 2010 (see Annex 3). As part of its programme structure, TEP has modified the logframe every six months since its inception. This allows for flexibility in the face of changing market requirements. Furthermore, this allows implementing changes and staying current with SME requirements as often as the market conditions, or their priorities change. The revised logframes are contained in the six monthly Programme reports. It should be noted that the activities included in the Latin Pharma 2011 project (INT/U1/60A) fall within the overall scope of the TEP project INT/U1/16A. The workplan for the Latin Pharma 2011 project will be made available with other related project documents. The original logframe for project INT/U1/68A, was approved in August 2011(see Annex 4). No subsequent changes were made to the logframe.

#### PURPOSE OF THE EVALUATION

The final evaluation is expected to play a critical and credible role in providing accountability to the stakeholders of TEP by demonstrating impact for beneficiaries. The final evaluation will comprise of a systematic assessment of the TEP including an impact assessment, lessons learned, good practices and recommendations to feed into future programme design and implementation. The objectives of the final evaluation are to:

1. Assess if the programme fulfilled its objectives, to strengthen the capacity of SMEs and TSI to compete in markets for sustainably managed products, particularly through the follow-up of the implementation of the midterm evaluation;
2. Assess the extent to which the programme has mainstreamed environmental issues across ITC; and
3. Provide guidance for future trade and environment initiatives.

#### SCOPE OF THE EVALUATION

The final TEP evaluation will assess all activities of the programme as a whole, and those carried individually by each project (INT/U116; INT/U1/60; and INT/U1/68), covering the period from 1 January 2010 to 31 December 2013. The final evaluation will also take into consideration the findings from the midterm evaluation. In line with DAC/OECD criteria, the independent evaluation will assess the TEP for its relevance, effectiveness, efficiency, sustainability, and to what extent it has generated impact. The following questions are generic with the expectation that they will be elaborated in the evaluation matrix of the Inception Report. It is anticipated that the evaluation questions will address the TEP as a whole and the contributions to the objectives of the Programme by each of the Projects.

#### Relevance

- Has the TEP addressed the identified needs or problems?
- Is the TEP concept and design the appropriate solution to these needs or problems?
- Were the objectives of the TEP attainable?
- Are they still relevant?

- What is the value of the TEP in relation to other priority needs and efforts?
- Are problems addressed still major problems?

#### Effectiveness

- Is the TEP achieving satisfactory progress toward its stated objectives?
- Have the results been achieved, and if not, has been progress made towards their achievement?
- Have the anticipated activities and outputs being delivered on time and according to specifications?
- What were the problems and constraints encountered during implementation?

#### Efficiency

- Are the effects being achieved at an acceptable cost, compared with alternative approaches to accomplishing the same objectives? (This will usually include an analysis of how efficiently planning and implementation are carried out, and an assessment of the extent to which organizational structure, managerial support and coordination mechanisms used by ITC supports the object being evaluated.)

#### Impact

- How useful were the results and outcomes?
- What is the assessment of ITC's contribution to human and institutional capacity building in terms of knowledge and competencies?
- What difference has the evaluation object made to beneficiaries / clients / stakeholders?
- What are the trade, economic, social, technical, environmental, and other effects on individuals, communities, and institutions – either short-, medium-, or long-term; intended or unintended; positive and negative; on a micro- or macro-level?

#### Sustainability

- Will the results of the TEP continue after funding is no longer made available?
- Has ITC's capacity building led to a change in the behaviour of beneficiaries?
- Are beneficiaries willing / able to continue?
- Are the beneficiary institutions developing the capacity and motivation to use or deliver new competences?
- Can this become self-sustaining financially?

## EVALUATION METHODS

The evaluation of ITC's Trade and Environment Programme will be undertaken in accordance with international standards and guidelines for UN evaluations, as well as ITC's Evaluation Policy and Guidelines. According to UNEG guidelines, evaluations should be carried out in a participatory and ethical manner, and be implemented in accordance with the ethical guidelines stated in the UNEG Standards and Norms for Evaluation. The evaluation should take account of cultural differences, local customs, religious practices, gender roles and age throughout the planning, implementation and reporting on the evaluation. UNEG also specify that the chosen methodology for an evaluation should explicitly address issues of gender and

under-represented groups and be in line with the UN system's commitment to the human-rights based approach.

The evaluation will consist of reviewing documents, including all major documents such as the project documents and their revisions, all logframes and their revisions, progress and monitoring reports, terminal reports, self-evaluations etc. The evaluation will also comprise of semi structured interviews with all key informants and key stakeholders both in Geneva and the beneficiary countries (by telephone/Skype). ITC will fully support the Evaluator with all information held on the project including the following:

- Half Year Reports
- Newsletters
- Training report
- Press releases and coverage
- Notes for the File (Mission reports)
- Umbrella Programme document
- Project Documents including revised log frames
- Letters of Agreement with Partners (GIZ, Promperu, Zambia Development Agency)
- All Terms of Reference with Consultants
- Project Portal
- Access to all emails sent by the Programme Manager and Project Officer
- Web downloads

The TEP evaluation will apply a triangulation of methods to answer the evaluation questions raised above. This triangulation of methods is selected to ensure the ideal coverage and assessment. The details of each method will be outlined below. The sequencing of the evaluation methodology and roles and responsibilities is outlined below.

In consultation with the ITC Monitoring and Evaluation Unit, the Evaluation Team will make the final decision regarding the evaluation methods that are the most appropriate for the evaluation. The Evaluation Team will be expected to present a detailed statement of evaluation methods including the description of data collection instruments and procedures, information sources and procedures for analyzing the data in an initial inception report.

#### EVALUATION TEAM COMPOSITION

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

- Advanced university degree in social science, economics, business administration, natural resources, development studies or related areas
- Excellent drafting abilities in English

- Expert in applying quantitative and qualitative data collection methodologies
- Experience in conducting house-hold surveys
- Knowledge of export development
- Expert in conducting impact evaluations
- Proven experience in conducting high quality evaluations for international organisations.
- Knowledge about issues related to trade and environment
- Ability to establish and maintain excellent working relationships with counterparts
- Knowledge of Spanish is an advantage

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

There is likelihood that the evaluation team leader will be assisted by a national consultant (or national consultants) in selected countries related to the TEP, who may assist the team leader during the evaluation process in order to collect data. This will be determined in the inception report. The national consultant, or consultants, will report directly to the team leader. National consultants are expected to possess the following qualifications:

- Good understanding of the local context; and
- Expert knowledge of conducting qualitative and quantitative research.

## PLANNING AND IMPLEMENTATION ARRANGEMENTS

### Managements Arrangements

The evaluation will be managed and quality controlled by the Monitoring and Evaluation Unit in ITC, with support and guidance from the Trade and Environment team. The Trade and Environment team will provide documentation and will assist with drafting the TOR for the final evaluation. The selection process of the independent consultant will be managed by the M&E Unit. If required, the M&E Unit will manage travel and logistical arrangements for the evaluation consultant. A very close working relationship will be established between M&E Unit and the Trade and Environment team during the evaluation, in order to ensure that it is undertaken in an inclusive and participatory manner. The M&E Unit will ensure that the evaluation is undertaken, in due respect of the ITC Evaluation Policy and the UNEG guidelines.

Timeframe for the evaluation process and expected deliverables of the evaluation

The TEP evaluation will be launched in mid-November 2013 and will be concluded at the latest on 14 March 2014. A detailed work plan outlines timing of key milestone and expected deliverables, as well as an overview time line for the TEP evaluation process can be found below:

<b>Deliverables for the Trade and Environment Programme Evaluation</b>	<b>Deadline</b>
<b>Draft TOR, design work plan, and develop budget</b>	15/11/2013
<b>Desk research and preliminary review to determine the evaluability of the TEP</b>	22/11/2013
<b>Desk research completed – Document review, scheduling and initial round of interviews to determine methodology</b>	29/11/2013
<b>Submission of <u>Draft Inception Report</u></b>	13/12/2013
<b>Submission of <u>Final Inception report</u> including methodology, questionnaire design, and complete analysis data collection methods</b>	31/12/2013
<b>Interviews and data collection (including possible field missions)</b>	28/02/2014
<b>Submission of <u>Survey / Questionnaire results analysis</u></b>	7/03/2014
<b><u>Draft evaluation report</u> provided</b>	17/03/2014
<b>Comments on the draft evaluation by ITC Management and other stakeholders</b>	24/03/2014
<b>Delivery &amp; presentation of <u>Final evaluation report</u></b>	31/03/2014

**Inception Report:** The Inception Report is a strategic and technical analysis that paves the way for evaluation process. It builds on, and is coherent with the TOR of the evaluation. It sets the context for the evaluation in particular the conditions related to the evaluability and it defines what will be evaluated (evaluation questions and matrix) and how the process for conducting the evaluation will be deployed (evaluation methods, sources of data and a work plan) including the criteria and determination of countries where the analysis will be deepened through portfolio analyses, and potential country visits (including list of identified countries, contact details for interviewees and recipients of the questionnaire and focus group discussions, interview schedules, and country travel details as required). It should be noted that field visits may be compensated with collaborative work conducted with a national consultant. Finally, the Inception Report includes 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. Based on the questions in the TOR, the Inception Report will build on the basis of desk research and early interviews.

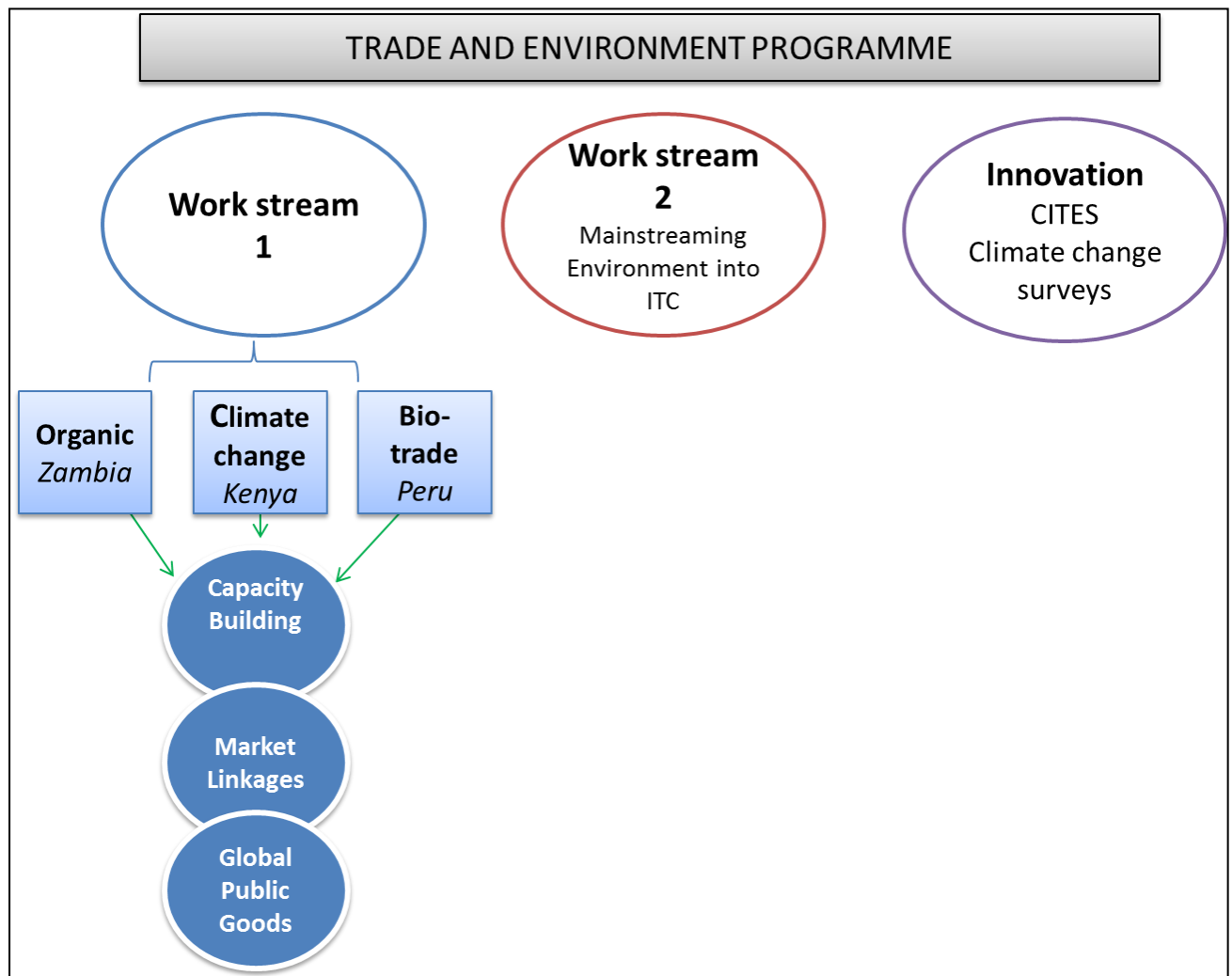
**Analysis of Survey / Questionnaire Results:** The analysis will be comprised of the raw data collected during desk research and data collection, upon which the evaluation will be based.

**Draft Report:** The Draft Report will build on the Inception Report and on the feedback from TEP stakeholders. It will add a synthesis chapter that will include an Executive Summary and will delineate factually-motivated recommendations by drawing on all the analysis and studies conducted in the evaluation. 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.

**Final Report and Presentation:** The core products of the TEP evaluation process will be a final evaluation report. The final report should highlight the purpose, scope and limitation of the TEP evaluation, and should contain a description of the applied methodology, evidence-based findings, conclusions, lessons learned and recommendations. The analysis should highlight constraints, strengths on which to build on, and opportunities for the TEP project. To ensure wider usage and learning from the evaluation findings, the evaluation team leader will be required to deliver a presentation tailored to the needs and interests of different stakeholders of the Final Report.

**TRADE AND ENVIRONMENT PROGRAMME SUMMARY**



## Annex 2 List of persons interviewed by the evaluation consultant

	First name	Last name	Organization	Stakeholder type and interview focus
Ms.	Aaban	Ali Butt	ITC	Programme management, workstream 1 & 2
Mr.	Alexander	Kasterine	ITC	Programme management, workstream 1 & 2
Mr.	Anders	Aeroe	ITC	Environmental mainstreaming workstream 2
Mr.	Arturo	Zevallos Perez	PromPeru	TSI, workstream 1
Mr.	Benjamin	Simmons	Ex-UNEP	Implementation partner, workstream 1
Mr.	Bernard	Njogore	ITC consultant Kenya	ITC, workstream 1
Mr.	Bridget	O'Conner	ITC consultant Zambia	ITC, workstream 1
Ms.	Carolina	Sanchez	Shanantina (Peru)	SME, workstream 1
Mr.	Christian	Bundegaard	Danish Permanent Representation, Geneva	Donor, workstream 1 & 2
Ms.	Claudia	Solano Ore	PromPeru	TSI, workstream 1
Mr.	Damien	Silva Cevallos	Peruvian Nature	SME, workstream 1
Mr.	Daniel	Nautsch	IUCN	Implementation partner, workstream 1
Ms.	Edith	Melgar	FDA (Peru)	Implementation partner, workstream 1
Ms.	Gabriela	Llontop	Peruvian Nature	SME, workstream 1
Mr.	Gastón	Vizcarra	Candela (Peru)	SME, workstream 1
Ms.	Guadaloupe	Amésquita Palacios	PromPeru	TSI, workstream 1
Ms.	Hanna	Bucher	ITC	Environmental mainstreaming Task Force, workstream 2
Ms.	Helen	Crawley	Kering (global)	Implementation partner, workstream 1
Ms.	Jane	Nyambura	Ethical tea partnership (Kenya)	Implementation partner, workstream 1
Mr.	Jason	Ndegwa	Chinga tea factory (Kenya)	SME
Mr.	Jeremy	Knops	COLEAC-PIP	Implementation partner, workstream 1
Ms.	Katarina	Nossal	ITC	ITC, workstream 2
Mr.	Kenneth	Chisenga	Mpongwe Beekeeping Enterprise	SME, workstream 1
Mr.	Lars	Borresen	Norwegian Permanent Representation, Geneva	Donor, workstream 1 & 2
Mr.	Luis	Rosa Perez	GIZ (Peru)	Implementation partner, workstream 1
Mr.	Michel	Paz Monge	Shanantina (Peru)	SME, workstream 1
Mr.	Paul	Kelly	ITC	Environmental mainstreaming Task Force, workstream 2
Mr.	Pedro	Rivera	Algarrobos Orgánicos (Peru)	SME, workstream 1
Mr.	Reinhard	Schedlbauer	Agroandino (Peru)	SME, workstream 1
Mr.	Renatto	Canepa Vega	ITC consultant Peru	ITC, workstream 1
Mr.	Rolf	Erickson	Chankwakwa Ltd Zambia	SME, workstream 1
Ms.	Saskia	Marx	ITC	Environmental mainstreaming Task Force, workstream 2
Ms.	Silvia	Cárcamo	Olivos del Sur (Peru)	SME, workstream 1
Mr.	Steven	Broad	NGO Traffic	Implementation partner, workstream 1
Ms.	Torun	Dramdal	Norway, Ministry of Foreign Affairs	Donor, workstream 1 & 2

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- ITC, undated: Trade and Environment Programme, logframe 2011-13.
- ITC, 2009: Strategic Plan 2010-2013.
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- ITC, 2010: Proposal for collaboration between ITC and CITES. Project proposal.
- ITC, 2011: Emission reduction strategy.
- ITC, 2011: Labelling of Natural Products: The United States Market.
- ITC, 2011: Claim Statements for Natural Products: The United States Market.
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- ITC, 2012: Strategic Plan 2012–2015
- ITC, 2012: The Trade in South-East Asian Python Skins (2012).
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- ITC, 2012: The North American Market for natural products. Prospects for Andean and African products. Technical paper (“Kerry Hughes paper”)
- ITC, 2012: Trade and Environment Programme. Half year report (January – July 2012), Biotrade Project
- ITC, 2012: Trade and Environment Programme. Half year report (January – July 2012), Organics Project
- ITC, 2012: Product carbon footprinting standards in the agri-food sector. Technical paper
- ITC, 2013: Market analysis for three Peruvian natural ingredients (“Josef Brinckmann paper”)
- ITC, 2013: Trade and Environment Programme. Half year report (January – July 2013), Climate Change Project.
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Kohlmann, R. J, 2011: Report on the buyers/sellers meeting during LatinPharma 2011

Njoroge, B., 2013: Report for the energy audit – Chinga Tea Factory, 12 March 2013

O’Conner, B., 2014: Final report year 3. ITC, Trade, Climate Change and Environment Programme. (Organics project, Zambia).

PREVAL, 2010: Aplicación del enfoque de biocomercio en el Perú a partir de los resultados y procesos del proyecto Perubiodiverso. Sistematización.

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ZDA/ITC, 2013: Report: Zambia organic market day: meeting the green stakeholders.

## Annex 4 TCCEP budget (USD)

Budget line	2011	2012	2013	Total	per cent
<b>Organics project</b>	118,000	71,000	67,000	256,000	10.28
<b>Biotrade project</b>	77,000	126,500	390,000	593,500	23.83
<b>Carbon project</b>	34,000	115,000	54,000	203,000	8.15
<b>Rio+20</b>	0	23,500		23,500	0.94
<b>Mid-term evaluation</b>	0	10,500	0	10,500	0.42
<b>Python/wildlife/ biodiversity</b>	0	16,000	93,000	109,000	4.38
<b>Other</b>	0	0	32,100	32,100	1.29
<b>Geneva staff</b>	309,000	304,000	362,000	975,000	39.15
<b>Support costs</b>	70,00	87,000	131,000	288,000	11.56
				<b>2,490,600</b>	<b>100</b>

The budget for the programme was USD 2.49 million 2010-2013 under project number INT/U1/16A. Under other project numbers USD 90,000 was allocated for the Python study (INT/U1/68A) and USD 180,000 for the Latin Pharma event (INT/U1/60A). Overall, TEU had USD 2,760,600 at its disposal for the TCCEP implementation.

The budget of over USD 3m shared with the evaluator based on ITC's financial system includes USD 300,000 that were registered under the TCCEP in 2010 but which were not part of the programme budget, given that the programme only started in 2011.

## Annex 5 Results against logframe deliverables

Main logframe deliverables	Results
<p>Biotrade project:</p> <ol style="list-style-type: none"> <li>Publications: Competitive market analysis for Golden Berry, Peruvian Mesquite and Sacha Inchi (2012/13), North American Market Guide for Natural Products (English and Spanish)</li> <li>Meeting Generally Recognized as Safe (GRAS) dossier for Sacha Inchi, requirement for US market entry</li> <li>Market linkages support (Biofach 2013, NPEW 2013, Supply Side West 2012, Expo West Natural Products Trade Fair 2012, Supply Side West 2011, Latin Pharma 2011)</li> <li>Capacity building (fair trade, GAP, Maca high potency process)</li> <li>Technical assistance for packaging, sourcing and selection of organic and sustainable food</li> <li>Technical assistance for labelling (nutritional analysis) of natural products and claim statements for natural products</li> </ol>	<ul style="list-style-type: none"> <li>Publications used by SMEs, particularly the North American Market Guide for Natural Products; appreciation of high quality and comprehensive nature of the document</li> <li>Strong interest of SMEs in TCCEP video for promotional use of their products</li> <li>Market linkages support catapulted SMEs to North American market, perfectly complementary to the GIZ/SECO support for access to EU market</li> <li>TSI ProPeru created Department for sustainable commerce in the course of TCCEP (2013) following increasing interest from cooperation partners like ITC, GIZ and SECO as well as demand by exporters</li> <li>SMEs were already sensitized due to SECO/GIZ Perubiodiverso project; TCCEP complemented strategically and catalysed engagement with SMEs</li> <li>Nutritional analysis used for labels of some products of SME "Candela": helps to export products with value added such as chocolate</li> <li>1850 small holders to benefit from access to US market which is automatically granted to the product after GRAS dossier was created</li> <li>Improved export orientation of SMEs, enhanced competence, stronger marketing; real engagement with buyers mainly from the second participation in trade fairs onwards</li> <li>Access to new markets: development of new products such as maca roots with stable glucosinolates component even after drying process</li> </ul> <p>USD 1.4m of new sales deals agreed in trade fairs</p>
<p>Carbon project:</p> <ol style="list-style-type: none"> <li>Climate change mitigation: Publications on product carbon foot print standards, food miles, market information on climate change and agri foods for cotton and coffee; carbon and water management in horticultural exports in East Africa;</li> <li>Climate change adaptation: Training of tea farmers on soil management, choice of plant varieties, energy efficiency</li> <li>Market information on climate change and agri foods: Publications on cotton and coffee</li> <li>Climate change and perceptions of exporters: Peru and Uganda case studies</li> <li>Rio+20.</li> </ol>	<ul style="list-style-type: none"> <li>Kenya Tea Development Agency still has limited exposure to and intelligence about trade</li> <li>Climate change audit documentation used for Chinga Tea Factory suppliers and now by Ethical Tea Partnership also in Burundi and Malawi</li> <li>Action plans for climate change adaptation developed after TCCEP training</li> <li>Government recently created a climate change committee using TCCEP manuals for the tea industry</li> <li>Awareness of small holders about consumer and conservation needs as well as principles of sustainable production; very high satisfaction</li> <li>Carbon product standards yet to be fully disseminated (e.g. though more posters)</li> </ul>

Main logframe deliverables	Results
<p>Organic project:</p> <p>a) Support for organic certification to 3 companies linked to 1000 producers: Chankwakwa Ltd. (Ecocert), Mpongwe Beekeeping Enterprise (Ecocert) and Kalahari Natural Oils (internal control systems) and related capacity building;</p> <p>b) General training on organic techniques Kasisi Agricultural Training Centre: training workshop 2012; Attendance of Biofach trade fair 2012.</p> <p>c) Zambia Business day;</p> <p>d) Sustainability training (2012); Capacity building in cooperation with ZDA (2011).</p>	<ul style="list-style-type: none"> <li>• Results on the technical assistance side good but insufficient focus and results for export marketing</li> <li>• 1 SME just got organic certification, other SME failed to maintain organic status due to use of non-conform products during factory processing; Third SME has organic certification for over 5 years and expanded products and rural producing areas as well as internal control systems</li> <li>• One out of three SMEs attended Biofach trade fair in 2013 but repeated attendance is required to create buyers' confidence</li> </ul>
<p>Biodiversity project:</p> <p>a) Publications (Python skin, Vicuña, crocodile skins, pet trade, rhino horn, analytical framework for livelihoods)</p> <p>b) Media engagement</p> <p>c) Public-Private Partnership: ITC-Kering-IUCN partnership</p>	<ul style="list-style-type: none"> <li>• ITC going through significant learning curve but now established partners; could communicate their offerings to other private sector players</li> <li>• At least 17.8m people reached by engaging with at least 25 number of media: ITC appreciated due to their communication success and entrepreneurial attitude</li> <li>• For CITES community, TCCEP focus on python was very narrow; however given the available resources focus seems appropriate</li> <li>• TCCEP provides insights into the role for CITES and government authorities in promoting sustainable legal trade in python</li> <li>• Focus on the role of SMEs in improving collection practices with respect to welfare and sustainability yet to be sharpened</li> </ul>
<p>Environmental mainstreaming strategy</p>	<ul style="list-style-type: none"> <li>• Meaningful strategy</li> <li>• Pragmatic because not every project in ITC is about environment and is considered in project design where relevant</li> <li>• Results-oriented action plan to implement the strategy</li> </ul>

## Annex 6 Survey results on changes in SME practices

Prepared by the evaluation consultant

N= 11 SME respondents from 8 SMEs (56 per cent of benefitting SMEs)	Yes	No	No answer
Plans to keep or increase the number of permanent staff	9	0	2
Concrete plans to further increase our clients base overseas in 2014	9	0	2
Contracts signed with clients overseas in 2014	7	2	2
Allocation of budgets for the international promotion of our products in 2014 or later.	7	2	2
Meetings scheduled with our national Trade Support Institution in 2014	7	2	2
Plans to keep or increase the number of temporary staff	6	3	2

## Annex 7 TCCEP results chain, reconstructed by the evaluation consultant



ITC will **focus** its technical assistance to the biotrade sector on these three core problem areas:

- Sustainability and quality of supply
- Weak marketing capacity
- Access to market information and trade fairs

The desired outcome of the project is to facilitate and increase sustainable trade in products derived from biodiversity achieved through innovative identification of products and markets based in supply chains, which are organised around small businesses, networks, and collaborative arrangements among multiple actors. Hence, it will enhance sustainable bio-resources management, product development, value-added processing and marketing.

Increased earnings of biotrade SMEs and producers in Africa and LDCs will be the principle **impact** of this project.

## Annex 8 TCCEP project activities

To better understand the activities undertaken during the TCCEP implementation at project level, the evaluation provides a sample list of activities hereafter.

### Workstream 1

#### Biodiversity project

- Research on the trade in Python skins with focus on the markets and commercial trade between the main exporting and transit States and importing countries under an agreement with the Convention on the International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Analysis of existing market based instruments and corporate best practices in the snake trade and suppliers' constraints in sustainable sourcing
- Presentation of results at CITES conference
- Dissemination of results at global level and establishing public private partnership between ITC, IUCN and Kering

#### Biotrade project

- Publication and dissemination of research e.g. on the market potential in the United States and Canada for three Peruvian natural ingredients that are essential for biodiversity or the North American market guide for natural products (in English and Spanish)
- Support to PROMPERU to prepare selected SMEs for trade fair participation in the US, including linking exporters to US buyers and one vendor brief
- Support to Peruvian enterprises in obtaining "Generally regarded as safe" (GRAS, assessment by the US Food and Drug Administration) approval for Sacha Inchi nut

#### Carbon project

- Development of a training package in climate change mitigation for the different stakeholders in the tea industry
- Testing of the training package at Chinga tea factory
- Two training of KTDA tea extension service assistants and field service coordinators in 2013 on climate change adaptation through classroom exercises and field learning
- Publication and dissemination of research e.g. exporters perception survey on climate change in Uganda and Peru

#### Organics project

- Two trainings for suppliers from Chankwakwa and Kalahari Natural Oils Ltd. to 36 farmers on Fruit Tree Propagation and Sustainable Agriculture, and Organic Gardening and Beekeeping in 2013
- Site visits of factories belonging to Chankwakwa Limited to manage and expand the documentation for Ecocert to include expanded supply areas and suppliers in Luapula province
- Training with Kalahari Natural Oils Ltd. on monitoring procedures for Devil's Claw and to train additional suppliers in Village Action Groups
- Site visits to Mpongwe Beekeeping Enterprise to help Mpongwe prepare for Ecocert certification

### Workstream 2

#### Environmental mainstreaming strategy

- Needs assessment
- Comparator analysis
- Creation of task force
- Preparation of strategy and implementation plan (project plan)



## Annex 9 Media outreach of biodiversity project

Information source	Site	Country	Readership/outreach per day
Londonwired	Londonwired.co.uk	UK	851 823 <sup>1</sup>
Geapress	WWW.geapress.org		No data
	www.voaindonesia.com	Indonesia	No data
	www.nrk.no	Norway	No data
	www.timeslive.co.za	South Africa	287 000 <sup>2</sup>
Jakarta Globe	ww.thejakataglobe.com	Indonesia	No data
Breitbart News	www.breitbart.com		No data
France 24	www.france24.com	France	41.7m/week; 5.957m day <sup>3</sup>
Emirates 24/7	www.emirates247.com	UAE	No data
The China Post	www.chinapost.com.tw	Taiwan	400 000 <sup>4</sup>
The Daily Star	www.dailystar.com.lb	Lebanon	80 000 Visitors per day <sup>5</sup>
AFP Relax	www.afprelaxnews.com	France	No data
The Standard	www.thestandard.com.hk	Hong Kong	222 413 <sup>6</sup>
Skynews	www.skynews.com.au	Australia	Available in 2.5 million homes <sup>7</sup>
Daily Telegraph	www.dailytelegraph.com.au	Australia	310 724 <sup>8</sup>
The New Zealand Herald	www.nzherald.co.nz	NZ	835 000 <sup>9</sup>
BBC News	www.bbc.com/news/uk	UK	40m/week; 5.7m day
Times of Oman	www.timesofoman.com	Oman	38 000 <sup>10</sup>
Adelaide now	www.adelaidenow.com.au	Australia	180 091 <sup>11</sup>
Herald Sun	www.heraldsun.co.au	Australia	515 500 <sup>12</sup>
Perth Now		Australia	No data
	News.cnnb.com.cn	PR China	No data
	News.cnwest.com	PR China	No data
	www.news66wz.com		No data
	www.hiews.cn	PR China	No data
<b>TOTAL</b>			<b>17,877,551</b>

<sup>1</sup> [http://en.wikipedia.org/wiki/Wired\\_\(magazine\)](http://en.wikipedia.org/wiki/Wired_(magazine))

<sup>2</sup> [http://en.wikipedia.org/wiki/The\\_Times\\_\(South\\_Africa\)#Readership\\_figures](http://en.wikipedia.org/wiki/The_Times_(South_Africa)#Readership_figures)

<sup>3</sup> [www.france24.com/en/company/](http://www.france24.com/en/company/)

<sup>4</sup> [http://en.wikipedia.org/wiki/The\\_China\\_Post](http://en.wikipedia.org/wiki/The_China_Post)

<sup>5</sup> [http://en.wikipedia.org/wiki/The\\_Daily\\_Star\\_\(Lebanon\)](http://en.wikipedia.org/wiki/The_Daily_Star_(Lebanon))

<sup>6</sup> [http://en.wikipedia.org/wiki/The\\_Standard\\_\(Hong\\_Kong\)](http://en.wikipedia.org/wiki/The_Standard_(Hong_Kong))

<sup>7</sup> [http://en.wikipedia.org/wiki/Sky\\_News\\_Australia](http://en.wikipedia.org/wiki/Sky_News_Australia)

<sup>8</sup> [http://en.wikipedia.org/wiki/The\\_Daily\\_Telegraph\\_\(Australia\)#Circulation\\_and\\_readership](http://en.wikipedia.org/wiki/The_Daily_Telegraph_(Australia)#Circulation_and_readership)

<sup>9</sup> [http://www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=11146225](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11146225)

<sup>10</sup> [http://en.wikipedia.org/wiki/Times\\_of\\_Oman](http://en.wikipedia.org/wiki/Times_of_Oman)

<sup>11</sup> [http://en.wikipedia.org/wiki/List\\_of\\_newspapers\\_in\\_Australia\\_by\\_circulation](http://en.wikipedia.org/wiki/List_of_newspapers_in_Australia_by_circulation)

<sup>12</sup> [http://en.wikipedia.org/wiki/List\\_of\\_newspapers\\_in\\_Australia\\_by\\_circulation](http://en.wikipedia.org/wiki/List_of_newspapers_in_Australia_by_circulation)

## Annex 10 Evaluation questionnaire for workstream 1: beneficiaries and external partners

### I. Why did you attend this TCCEP workshop/capacity building event?

	Please tick to what degree you agree with the statement on the left					
<b>Relevance of TCCEP workshop/capacity building</b>	Very high	High	Medium	Low	Very low	No answer
1.1 I wanted to access the unique knowledge of ITC in the areas of: <u>biotrade</u> or <u>organic products</u> or <u>carbon standards</u> or <u>biodiversity/wildlife trade</u> .						
1.2 I wanted to learn more about growing opportunities for developing country exporters of natural resource based products and green technologies and services.						
1.3 I wanted to access high quality information on environmental market opportunities and policies.						
1.4 I wanted to be better equipped to promote our products internationally.						
1.5 The ITC services were offered at the right time to make a difference for my business						
1.6 ITC's services addressed my needs as an enterprise to be better prepared to compete in the international marketplace for sustainably produced goods and services.						
1.7 Other (please specify)						
<b>Questions for biotrade only:</b>						
1.8 I wanted to learn more about how to meet market requirements in biotrade or pharmaceutical products.						
<b>Question for Carbon standards only:</b>						
1.9 I wanted to better understand new requirements on carbon product standards.						
1.10 I wanted that the Exporters Associations in Kenya gains more knowledge to support exporters in measuring and responding to new requirements on carbon.						
<b>Question for organic products only:</b>						
1.11 I wanted to benefit from strengthening the export marketing of my SMEs in organic products						
<b>Question for biodiversity only:</b>						
1.14 I wanted to improve my insight into the role for CITES and government authorities in promoting sustainable legal trade in species						
1.15 I wanted to improve my understanding of the role of SMEs in improving collection practices with respect to welfare and sustainability						

Please feel free to explain any very high or very low ratings:

**II. Why did you choose an ITC workshop/training event (rather than an event prepared by another organization)?**

<b>Value added of ITC</b>	<b>Very high</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	<b>Very low</b>	<b>No answer</b>
<b>I chose to attend this specific event organized by ITC because:</b>						
2.1 ITC's reputation as a provider of high quality trade related technical assistance.						
2.2 ITC is unique in offering tailored capacity building for SMEs and TSI on climate change and environmental issues.						
2.3 ITC complements services provided by national organizations/national government						
2.4 ITC complements services provided by international organizations like:						
FAO						
UNCTAD						
UNEP						
UNIDO						
WTO						
Other (please specify)						
2.5 ITC complements services provided by bilateral donors.						
2.6 ITC is the leading organization offering services to improve the competitiveness of exporters of organic products.						
2.7 ITC is the leading organization offering services to improve the competitiveness of exporters of biotrade products.						
2.8 ITC is the leading organization offering services to strengthen sustainability of trade in selected flora and fauna species						
2.9 ITC is the only organization providing advisory services on carbon product footprint standards.						
2.10 I had seen the "How to" guides in bio-trade products, carbon or organic standards; this made me curious to find out more about this topic.						

**III. To what extent has the ITC workshop/capacity building achieved the following objectives?**

Achievement of objectives	Very high	High	Medium	Low	Very low	No answer
3.1 Access the unique knowledge of ITC in the areas of: biotrade or organic products or carbon standards or <u>biodiversity/wildlife trade</u> .						
3.2 Knowledge about growing opportunities for developing country exporters of natural resource based products and green technologies and services						
3.3 Access high quality information on environmental market opportunities and policies						
3.4 Knowledge about how to promote products internationally						
<b>Questions for biotrade only:</b>						
3.5 Knowledge about how to meet market requirements in biotrade products.						
<b>Question for Carbon standards only:</b>						
3.6 Improved knowledge about new requirements on carbon product standards.						
3.7 Capacity of the Exporters Associations in Kenya to support exporters in measuring and responding to new requirements on carbon.						
<b>Question for organic products only:</b>						
3.8 Strengthened the export marketing of SMEs in organic products						
<b>Question for biodiversity only:</b>						
3.9 I wanted to improve my insight into the role for CITES and government authorities in promoting sustainable legal trade in species						
3.10 I wanted to improve my understanding of the role of SMEs in improving collection practices with respect to welfare and sustainability						
3.11 Other (please specify)						

Please feel free to explain any very high or very low ratings:

3.14 Did ITC miss out on addressing any very important issue for your enterprise/organization to compete in markets for sustainably managed products? If yes, please explain.

#### IV Quality of ITC TCCEP services

Please assess the quality of ITC services listed below:	Very high	High	Medium	Low	Very low	No answer
4.1 ITC capacity building event.						
4.2 Support to attend trade mission/trade fair.						
4.3 "How to" guides.						
4.4 Market and policy analysis.						
4.5 Other publications (please specify).						
4.6 ITC networks web portal.						

Please feel free to explain any very high or very low ratings:

#### V. Coordination

Please assess the coordination of ITC services listed below:	Very high	High	Medium	Low	Very low	No answer

5.1 The delivery of ITC services was on time and according to the agreed plan.						
5.2 ITC's partner organization in my country catalysed the implementation of activities (Zambia Development Agency, or Promperu/GIZ or Ethical Team partnership).						
5.3 ITC's partners actively linked the ITC support to their own support activities for SMEs in my country.						

## VI. Impact

Please assess the impact of ITC services on your enterprise. Insert an estimate of numbers.	Before ITC support	After ITC support	No answer
6.1 Changes in company turnover (\$ before/after ITC support)			
6.2 Changes in export values (\$ before/after ITC support)			
6.3 Changes in export volume (MT before/after ITC support)			
6.4 Changes in number of overseas contracts (before/after ITC support)			
6.5 Changes in number of clients overseas (before/after ITC support)			
6.6 Changes in number of permanent employees (before/after ITC support)			
6.7 Changes in number of temporary employees (before/after ITC support)			
6.8 Contract value of sales deals where ITC publications/guides were used (before/after ITC support).			
6.9 Number of business contacts overseas (before/after ITC support).			
6.10 Is your business profitable? (before/after ITC support)	Yes/ No	Yes/ No	
<b>Question for Carbon standards only:</b>			
6.11 Changes in supply chain costs			
6.12 Changes in environmental performance of exporters			
<b>Question for organic products only:</b>			
6.13 Do you use the services of the Kenya Tea Development Agency? (before/after ITC support).			
6.14 Satisfaction rate with services of Kenya Tea Development Agency	+50 per cent	50 per cent	Less 50 per cent
<b>Questions for biodiversity only:</b>			
6.15 Improvement of insights into the role for CITES and government authorities in promoting sustainable legal trade in species	Yes/ No	Yes/ No	
6.16 Improvements of understanding of the role of SMEs in improving collection practices with respect to welfare and sustainability	Yes/ No	Yes/ No	

## VII Sustainability

Please assess the sustainability of results of ITC services listed below:	Very high	High	Medium	Low	Very low	No answer
7.1 Access to unique knowledge of ITC in the areas of: <u>biotrade</u> or <u>organic products</u> or <u>carbon standards</u> .						
7.2 Access to information about opportunities for developing country exporters of natural resource based products and green technologies and services.						
7.3 Profitability of your business						
7.4 Willingness to maintain or increase export orientation for sustainably produced goods and services of your business						
7.5 Financial viability of your business that allows for investments in export promotion for sustainably produced goods and services						
<b>Questions for carbon standards only</b>						
7.6 Changes in supply chain costs						
7.7 Changes in environmental performance of exporters						
<b>Question for organic products only:</b>						
7.8 Changes in company to work in organic sector						
<b>Question for biodiversity only:</b>						
7.9 Strengthened sustainability of trade python skin						

Please explain your assessment

Would you agree with the statements below?	Yes	No	No answer
8.1 We plan to keep or increase the number of permanent staff of our enterprise.			
8.2 We plan to keep or increase the number of temporary staff of our enterprise.			
8.3 We have allocated budgets for the international promotion of our products in 2014 or later.			
8.4 For 2014 we have signed contracts with clients overseas.			
8.5 For 2014 we have concrete plans to further increase our clients base overseas			
8.6 For 2014 we have scheduled meetings with our			



national Trade Support Institution (e.g. Promperu, Zambia Development Agency or Kenya Tea Development Agency)			
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Please explain your assessments:

## Annex 11. A cost comparison provided by the evaluation consultant

1. The evaluation compared the cost per beneficiary in one of the TCCEP projects, despite random but persistent critique. The biotrade project was selected for this purpose where TCCEP invested the lion's share of its project budget. As part of the field visit to Lima, Peru, the evaluation tried to access data from the SECO/GIZ Perubiodiverso project to find comparisons in terms of donor investments and number of beneficiaries. Following intense data search and meetings with TCCEP counterparts a comparison became possible. The TCCEP appears to be 6.5 times to 10.5 times more cost effective than the PeruBiodiverso Project of SECO and GIZ, as shown in Table below.

**Table: Cost effectiveness of TCCEP biotrade project in Peru**

Development partner	Intervention	Implementation Period	Total Beneficiaries	Total project budget \$	\$ per beneficiary
SECO/GIZ	PeruBiodiverso	2007-2013	3021	8.567m <sup>30</sup>	2835.82
ITC	TCCEP-biotrade	2011-2013	2631*/4261**	1.146m	435.58 /268.95

\*Indirect project beneficiaries according to ITC biotrade company baselines 2011 and 2012; \*\* Indirect project beneficiaries and beneficiaries of the GRAS documentation for Sacha Inchi Oil that benefits all exporters and their suppliers.

2. Why can the two projects be compared? Beneficiaries, that are often overlapping and not to be misinterpreted as a sample and control group are comparable in terms of their geographic location, their support for trade promotion and technical assistance for the production and transformation of similar agriculture-based natural products. Beneficiaries of both projects work in the regions of Cajamarca and San Martin in Northern Peru. While the geographic reach overlaps, the Perubiodiverso project operated in more villages than TCCEP did and had a broader portfolio of agricultural products supporting more SMEs. More specifically, the beneficiaries received technical assistance for example for organic and fair-trade certification where the TCCEP filled gaps when the Perubiodiverso project could not provide technical assistance to all SMEs under their project. This relates to the same biotrade products such as Sacha Inchi, Maca or Algarrobo. Trade promotion is another example. While beneficiaries of the SECO/GIZ Perubiodiverso project were supported in the preparation and attendance of trade fairs in Europe, overlapping SMEs also were supported by TCCEP with the same purpose for the North American market. This leaves no reasonable doubt about the comparability of services received.

3. Reasons for the significant differences in the cost-effectiveness of both projects need to be thoroughly explained. Issues such as the length of the implementation period, available project budgets, breadth of the project regarding products, geographic reach and the implementation approach. Differences in costs seem evident when comparing expenses for a strong country presence with national and international personnel, with a large office in a representative part of the capital city

<sup>30</sup> 2007-10: Total budget USD 4.031.631 (<http://perubiodiverso.pe/assets/Informe-anual-2008-PBD-19-07-091.pdf>)

2010-13: Total budget EURO 3.240.000 ([http://perubiodiverso.pe/assets/24-05-2013-Perubiodiverso\\_BMZ.pdf](http://perubiodiverso.pe/assets/24-05-2013-Perubiodiverso_BMZ.pdf))

as well as local offices in the project area, vehicles and drivers compared to the TCCEP's light approach using part-time national consultants relying on public transport, taxis and home offices. TCCEP also benefited from SECO/GIZ bearing the very significant initial transactions costs for establishing a project, including the creation of trust and ownerships of partners and beneficiaries. The latter is extremely time and resource intense when setting up any project.

4. Another reason in the differences of cost per beneficiary relates to the strategic choices taken by the two projects. The market access to North America is automatically granted for all producers of a certain products, such as Sacha Inchi following the acceptance of the GRAS dossier in the US. For the European market, Novel Food documentation needs to be negotiated for each exporter of a product like Sacha Inchi. In this regard, TCCEP immediately benefits 1850 Sascha Inchi producers while the comparator project benefits only the limited number of exporters and its suppliers that were granted the access to the European market on a "one-by-one" basis.

5. The table should not be misinterpreted as a critique of the ITC's co-operators. It reflects an independent assessment of cost per beneficiary and aims to draw lessons for the TCCEP stakeholders. The table was highly appreciated during the presentation of emerging evaluation findings to evaluation stakeholders towards the end of the evaluation process and lead to an animated discussion<sup>31</sup>.

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<sup>31</sup> Requests during the presentation of emerging evaluation findings and the reporting process for this table to be removed from the report were raised but the number of stakeholders appreciating the table prevailed. Given the significant interest raised during that event and its value for donors, TEU and other interested parties, the evaluator decided to keep the table in the report. In the light of the independence of this evaluation the reader will appreciate that this table remains part of the evaluation report and controversial discussions are welcome by the evaluator.

Moved from the original text into annexes:

Another model is a centrally managed challenge fund where for example TSIs could submit funding proposals to TEU. Donors such as the UK's Department for International Development (DFID) are successfully implementing this approach . The latter suits particularly larger funds where a direct programme implementation even through partners might overstretch the programme manager's capacities. While TEU might not (yet) be at that stage, this could be an interesting option for future phases of the TCCEP. Challenge funds often show high effectiveness as implementation is demand-driven and with higher likelihood of sustainability of results due to the higher ownership. The downside of this model is that management is more time and resource consuming while potentially managing significantly larger budgets.

A common critique of challenge funds experienced by the evaluator is that stronger applicants (in this case TSIs) are more likely to be granted funding. For the TCCEP a misbalance between TSIs in MICs and LDCs could be the result, with TSI's in MICs tending to be stronger in MIC's, as evidenced in this evaluation. However, in this case the programme management could provide seed funding for proposal writing to TSIs in LDCs .