

Sustainability Review of the ITC programme

“Trade Development Strategies”

Results and lessons learned after project completion

March 2023

HIGHLIGHTS

- The ITC “**Trade Development Strategies Programme**” supports developing economies design and implement export trade strategies to achieve sustainable economic, social and environmental impact. This review assesses the **sustainability of ITC's support to the development of export trade strategies in Saint Lucia, Burkina Faso and Sri Lanka**.
- The review concludes that, overall, **ITC support contributes positively to the sustainability of a country's export trade related policies, mechanisms and activities**. The review agrees with ITC that **the implementation of strategies remains a significant challenge** for countries and considers that ITC support could be improved.
- The review concludes that **ITC support adds value by strengthening a country's capacity for trade and the sustainability of its export strategies**, through knowledge transfer, policy influence, public-private networks and implementation mechanisms.
- In shaping its understanding of the sustainability of ITC support, the review considered the **significant negative effects of the Covid-19 pandemic, economic downturns and political instability** on countries' trade capacities.
- A key **lesson** from the review is that a country's ability to fully and sustainably use its export strategy **requires a systematic and sustained focus on its capacity** (organisational, institutional and systemic) and **readiness for dealing with external shocks**.
- **Recommendations include more effective internal coordination by ITC** of its activities relative to trade development strategy, as well as **improvements to post-project follow up**.
- The review also recommends that ITC build on the success of its recent **Trade Strategy Forum** as one way of improving coordination and follow up.

I. Background & Methodology

INTRODUCTION

For ITC's work to have **lasting value** for the trade communities it supports, its results must be **sustained over time**, without negative effects on the ecosystem. Recognizing the importance of systematically assessing the sustainability of ITC projects, the ITC Independent Evaluation Unit (IEU) developed **sustainability reviews**, an innovative approach to analyzing the sustainability of project accomplishments a few years after their completion.

In 2020, the IEU piloted this approach with three projects and identified limitations, lessons learned, and recommendations for improving the sustainability review methodology. In 2021, in partnership with the Enhanced Integrated Framework (EIF), the IEU successfully conducted sustainability reviews of two ITC projects: "Integration of horticulture supply/value chains into tourism in Tanzania"¹ and "Improving the competitiveness of Senegalese mangos."²

Building on these successful reviews, the IEU undertook in 2022 the sustainability review of the ITC "**Trade Development Strategies Programme**". The review draws on case studies from three countries in which ITC had supported the development of export strategies, namely **Saint Lucia, Burkina Faso and Sri Lanka**. This report presents the main results of the sustainability review, as well as key findings for each of the three case studies.

PROGRAMME DESCRIPTION

The ITC "Trade Development Strategies Programme" seeks to support developing economies in identifying priorities for trade-led development. The programme facilitates the design and implementation of sectoral, national, and regional trade-related strategies and roadmaps, to achieve sustainable economic, social and environmental impacts.

Trade development strategies are country-led frameworks and courses of action, e.g., **National Export Strategies (NES)**,³ designed to improve trade performance, increase foreign exchange earnings, stimulate job creation, raise small business competitiveness, and attract investment through targeted actions at the policy, institutional and enterprise levels.

Strategies can be tailored to high-level economic goals or specific development targets such as greener trade, jobs for youth, rural development and export diversification. They can also focus on a specific sector, as was the case for the shea sector strategy in Burkina Faso.⁴ When a country partners with ITC, key stakeholders from the public and private sectors jointly lead the strategy design and implementation processes, with the expert technical support of ITC.

An ITC-facilitated strategy builds on existing plans and policies while highlighting new, concrete actions to be pursued. It is designed with and through national stakeholders, including government, private sector and civil society, and lays out targeted, measurable steps to strengthen all aspects of trade in a country, from production to promotion.

The focus is on areas that provide the best prospects for export development and small business competitiveness in line with international market conditions. The strategy then defines what needs to be done, by whom, by what date, with what resources and to achieve which goals.

After a strategy is designed, ITC can assist a partner country in its successful implementation, by providing tailored capacity building, technical and advisory support services, and specialized tools.

¹ <https://intracen.org/sites/default/files/inline-files/Sustainability%20Review%202021%20-%20Tanzania.pdf>

² <https://intracen.org/sites/default/files/inline-files/Sustainability%20Review%202021%20-%20Senegal.pdf>

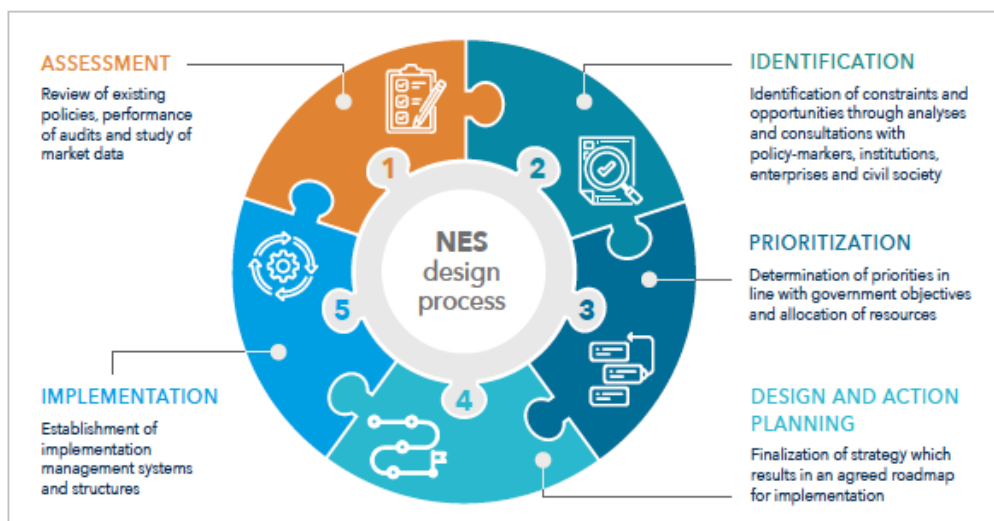
³ Please see the ITC brochure Making Trade Happen: <https://intracen.org/fr/media/11242>

⁴ Please see Part III - Country case study findings for Burkina Faso

METHODOLOGY

The Sustainability Review of the “*Trade Strategies Programme*” draws on three country case studies in which ITC facilitated the development of an export strategy using its NES design process: Saint-Lucia, Burkina Faso and Sri Lanka.⁵

NES design process



The review considered four key dimensions:

- **Value-addition:** Contribution of the strategy to capacity for trade and the sustainability of the NES design process' results.
- **Outcomes:** Use of the strategy, its leverage in mobilizing resources, its effectiveness in maintaining consensus and its ongoing functionality.
- **Impact:** The strategy's effects over time on export sectors and stakeholders in the trade environment.
- **Context:** The key contextual factors that significantly affect the sustainability of the strategy.

Approach

Sustainability reviews are based on the understanding that **sustainability** depends on the capacity of organisations, institutions and networks to build on the achievements and value of a project or a programme, and to maintain and adapt the associated processes and mechanisms to effectively navigate changes in context.

Sustainability reviews focus on understanding **how well the contribution of a project or programme to an entity's capacity, in this case a country's export trade universe, has been sustained over time**, with a view to improving the sustainability of ITC's work.

Scope

This review focuses on the sustainability of ITC's NES design processes in three countries: **Saint Lucia, Burkina Faso⁶ and Sri Lanka**. The review does not assess or evaluate per se the NES design activities that took place, nor of the overall performance of the ITC “*Trade Development Strategies Programme*”. The review does not assess the performance of stakeholders, individuals or the policies of government.

⁵ Please see Part III Country case study findings

⁶ A sector strategy was developed in Burkina Faso.

Design

The review used a case study design and collected data through systematic document review, interviews with stakeholders and direct observation. Interviews were conducted remotely for Burkina Faso and Sri Lanka and on site for Saint Lucia. Data were also collected during the Trade Strategy Forum organised by ITC, and information was obtained through exchanges with ITC staff involved in the reviewed NES design processes.

Limitations

The main limitation faced by the review was the **insufficiency of accessible and reliable data on the sustainability of the NES design process** between project completion and the period during which this review was carried out. Additionally, the availability of ITC documentation on its activities varied considerably among the three case study countries.

The elapsed time between the completion of ITC's strategy support and the period of this review, i.e., 4 years for Saint Lucia, 5 years for Sri Lanka and 7 years for Burkina Faso, significantly affected the availability, timeliness and quality of available data.

The overriding effects of the Covid-19 pandemic over the period that this review considered, as well as economic downturns and political instability, greatly increased the difficulties of clearly identifying the direct effects of ITC's trade development strategy support.

II. Sustainability, Lessons & Recommendations

SUSTAINABILITY

The review concludes that, overall, ITC's NES design process **contributes positively to the sustainability of a country's export trade related policies, mechanisms and activities**. The review agrees with ITC that the **implementation of strategies remains a significant challenge for countries**.

The review considers that the ways in which the NES design process is carried out could be improved and that **systematic and coordinated post-design follow up by ITC could increase the likelihood of sustainability**.

VALUE ADDITION

What did the development of the strategy contribute to capacity for trade and how has that contribution been sustained up to now?

The review concludes that **ITC's NES design process adds value to a country's export trade universe and that its contribution is sustained over time to varying degrees**. Capacity for trade is strengthened and sustained through knowledge transfer, policy influence, public-private networks and implementation mechanisms.

The development of the export strategy through the NES design process **brings together key stakeholders in the export trade universe**, in a manner that is structured, supported by data, and intended to achieve consensus on priorities. Participants generally consider the process inclusive, collaborative, comprehensive, and well done.

The resulting strategy, its action plans, and associated mechanisms constitute a relatively **stable frame of reference** to help export trade communities navigate changes in political and economic contexts, as well as the consequences of external shocks.

The review considers that the realisation of a strategy and its implementation may be difficult when a country does not possess the required **systemic, institutional and organisational capacities**. In these cases, there is a notable risk that the results and value of the NES design process may not be sustained over time.

The review suggests that the quality of strategy implementation and the likelihood of sustainability could be improved by **better ITC follow up**. In this respect, the **Export Trade Forum** organised by ITC in December 2022 was a welcome initiative. Attended by stakeholders from partner countries, the Forum allowed for follow up and collective sharing of country experiences regarding national export strategies and their implementation.

OUTCOMES

Have relevant stakeholders used the strategy and maintained public-private dialogues for trade development and consensus? Has the strategy leveraged funding and led to reforms?

The review concludes that **the three strategies it studied were used, endorsed and adopted by relevant stakeholders**. To the extent that strategy design is consistent with ITC's framing principles and NES design process,⁷ it is reasonable to expect that the strategy will be used. However, modalities vary according to institutional, organizational and export trade system capacities. The strategy's **sustainability over time remains significantly context dependent**.

⁷ Please see the ITC brochure Making Trade Happen: <https://intracen.org/fr/media/11242>

While **mechanisms for public-private dialogue** remain in place in each of the three case study countries, their level of functionality and effectiveness in sustaining use and implementation varies considerably, i.e., relatively high for Saint Lucia, moderate for Sri Lanka and low for Burkina Faso.

In all cases, **coordinated and systematic ITC follow up post-design was minimal**, though Sri Lanka remained engaged until about 2020 in the SMIT web-based platform provided by ITC to track the implementation of the strategies' action plans. However, as noted precedingly and positively, ITC's 2022 **Export Trade Forum** was an important overall follow-up event. During the Forum, participants from Sri Lanka indicated their ongoing interest and desire to use the SMIT platform.

The review found few instances of effective **coordination between external financing partners**, including within the same donor organization and within public administrations, particularly after a change in government.

The review concludes that **the NES design process generally has a positive influence on the mobilization of resources and funds for export strategy implementation**, although it is difficult to directly attribute such mobilization to the NES alone. For example: Export Saint Lucia receives approximately 1 million USD annually from the government of Saint Lucia; the shea sector strategy in Burkina Faso was a positive factor in securing post-design funding for at least two shea-related projects in the amounts of approximately 1.8 million USD and 3.4 million USD; the government of Sri Lanka initially funded implementation of the strategy in the amount of 2.1 million USD for the first year, although annual amounts were subsequently reduced due to Covid-19 and its consequences.

The review did not identify trade related reforms that clearly referenced the country's national export strategy.

IMPACT

What impact did ITC's NES design process have on export sectors, stakeholders and the trade environment over time?

Based on the three case studies, the review concludes that the **NES design process has a positive overall impact on a country's export trade universe** by contributing, among others, to the following:

1) Organisational capacity can be understood as the ability of an organisation to realise its mission by managing well its resources to achieve good performance. A necessary, but not sufficient, enabling condition for performance is a governance framework that provides strategic direction and priority setting.

The strategies that ITC's NES design process facilitates and supports contribute to the development of such governance frameworks in a comprehensive and data-informed manner. Without these frameworks, neither governance nor management can function at full capacity, particularly when there is no alternative frame of reference.

The organisational capacity of key actors in a country's trade development system was strengthened to varying degrees. These actors include Export Saint Lucia and its National Export Council; the Table Filière Karité (TFK) and the Réseau des Productrices de Beurre de karité des Hauts-Bassins et Cascades (RPBHC) in Burkina Faso; the Export Development Board of Sri Lanka.

2) Institutional capacity can be understood as the legislative and executive framework of government and its public administration, which include instruments such as legislation, policy, national budget, accountability provisions and national plans.

In all cases, there is little certainty on the extent to which institutional provisions will be acted on and sustained, particularly when there is a change of government and/or external shocks. Nonetheless, developing appropriate institutional capacity is a necessary ingredient of export trade development and one to which ITC's work contributes positively.

For example, in Saint Lucia, the legislated requirement for accountability reporting from the National Export Council and Export Saint Lucia is fulfilled by reporting back to government on the alignment with the priorities and implementation of actions identified in its National Export Strategy. In Burkina Faso, the revenues of a levy on the export of raw shea nuts are intended for re-investment to develop the transformation capability of the shea export value chain. This policy follows sector strategy considerations and had been partially implemented at the time of this review. In Sri Lanka, despite political changes and socio-economic hardships, indications are that the NES is still considered a viable policy framework that may be acted on once more pressing challenges are addressed.

3) Systems capacity can be thought of as the networks of inter-connections between actors in the export trade development universe that provide opportunities for exchanges of information, data, perspectives and ideas. These networks seek to transfer and share knowledge, identify salient issues and priorities for action, catalyse and organise pressure, influence and action, and facilitate adaptation to changing environments and contexts.

Because of its inclusive, participatory and comprehensive approach, ITC's NES design process both consolidates and builds on existing, useful networks. To exploit export potential as fully as possible, it also creates structured opportunities for developing new networks by involving sectors with lower profiles that receive little attention from governments, donors and investors.

The review concludes that, in each of the case study countries, the NES design process was a key ingredient in promoting greater awareness of export opportunities in lower profile businesses, bringing them into structured conversations on export strategy and helping them make connections to potential funders in the public and private sectors.

For example, in Saint Lucia, the NES focused notably on the creative industries sector and was a key factor in enabling its development and growth. The Burkina Faso shea nut sector strategy included considerations of value addition through improved transformation capacity and related infrastructure investment mobilized by the government. In Sri Lanka, the boat building sector received a needed boost to its profile vis-à-vis government and subsequent investment planning for marinas.

The **review did not attempt to attribute global or sectoral growth in export trade to the NES design process** carried out in the three case study countries. Such causality could not be determined given the various factors within the global trade universe and the national export environment that affect growth, as well as the impact of significant and critical external events and shocks.

CONTEXT

What key contextual factors significantly affected the sustainability of the strategy?

The overriding factor that affected sustainability was the **Covid-19 pandemic** and its negative consequences on global and regional trade, as well as on the capacities of national export trade organisations, institutions and systems.

Another key factor was, and continues to be, significant and sometimes **rapid changes in national political environments**. As is the case in Burkina Faso, the risk of extreme political instability is associated with fragile contexts where security is also a significant impediment to development, including trade. As is the case for Sri Lanka, rapid political change can also occur in tandem with poor economic conditions and weak public financial management, and lead to restructuring government resource allocation to urgent short-term issues at the expense of export development related efforts.

Additionally, changes in government can result in a reset of the policy framework for export trade development, which may not be well aligned with a national export strategy. This was initially the case with a new government in Saint Lucia; however, thanks to the national export strategy and the capacity of the export trade universe, Export Saint Lucia and the National Export Council were able to successfully make the case for alignment.

LESSONS⁸

The review confirms that **sustainability is to a large extent dependent on context and the ability to navigate changes over time to build on achievements and add value.**

ITC's NES design process can be characterised as a capacity building approach to enable the country to lead the formulation and implementation of its export strategy. This approach is reflected in ITC's strategy design principles and in the ways in which the process was carried out in the three case studies countries.

The review shows that **ITC's approach contributes to better capacity and likely increases the probability of better sustainability.** However, the increasingly critical, complex and rapid changes in context place extreme pressures on export trade development and a country's capacity to sustain it.

A key lesson is that a country's ability to use its export strategy fully and sustainably goes beyond tracking the implementation of the strategy's action plans. It requires a **systematic and sustained focus on national, organisational, institutional and systemic capacity, and on readiness for dealing with external shocks.**

The **involvement of external financing partners** over time can positively contribute to a country's capacity. Moreover, **effective coordination** between a country and its partners, and within partner organisations, greatly improves the quality, efficiency and effectiveness of their support. The review confirms that improved coordination significantly increases the likelihood that a national export strategy will be sustained.

The review also highlights the progressively overriding reality of **climate change and eco-system breakdown**, its potentially disastrous consequences on all aspects of life, and the urgent need to recognise and integrate this reality into a country's strategic considerations.

RECOMMENDATIONS

The NES design process should systematically consider the **assessment of a country's capacity** in terms of performance of its public administration, public expenditure and financial accountability, political economy, vulnerability to climate change,⁹ human rights,¹⁰ women's rights¹¹ and fragility.¹²

The NES design process should consider distinguishing more clearly between: **strategy**, a continuous emergent learning process based on actual rather than anticipated resources and on changing contexts; the **analytics** that support strategizing; and **strategic planning**, in which strategy guides activities.

ITC should more effectively **coordinate its internal activities** relative to trade development strategy, including post-NES design, to reinforce the value and sustainability of its projects and programmes over time.

Trade development strategies should include systematic consideration of the effects of **climate change and eco-system breakdown** on their sustainability.

ITC's **Trade Strategy Forum** was a well organised learning event, bringing together key actors from different countries that had gone through the NES design process to share information, knowledge and insights on how to improve strategy implementation. It constitutes a follow up mechanism that ITC should consider repeating, including with its own departments and units to improve coordination and internal synergies.

⁸ High-quality lessons learned represent principles from multiple sources and independently cross-referenced as cumulative knowledge that can be adapted and applied to new situations. A lesson becomes a "lesson learned" when put into practice behaviorally. Lessons are cognitive. Lessons learned are behavioral (Dr. Michael Quinn Patton).

⁹ E.g., <https://gain.nd.edu/our-work/country-index/>

¹⁰ E.g., www.globalrightsindex.org

¹¹ E.g., <https://www.cfr.org/legal-barriers/country-rankings/>

¹² E.g., https://www.theglobaleconomy.com/rankings/fragile_state_index/

III. Country Case Studies

Saint Lucia

BACKGROUND

According to ITC, its **National Trade Development Strategy support (NES design process¹³) for Saint Lucia began in 2016, with ITC onsite activities beginning in January 2017 and ending in March 2018.** The program was carried out following a request from the Trade Export and Promotion Agency of Saint Lucia (TEPA) to support the updating of its National Export Strategy Saint-Lucia (2004-2008) that ITC had also facilitated. The NES design process that this sustainability review considers was one component of a larger ITC project, "**Strengthening the institutional infrastructure for export promotion,**" ending on March 31, 2023.¹⁴ Its stated intended outcome was the "improved performance of the Trade Export and Promotion Agency of Saint Lucia to enhance the country's trade competitiveness and support Saint Lucian SMEs."

The stated intended output was: "A National Trade Strategy with a specific, measurable plan of action is delivered and validated. The project also included setting up a National Export Council (NEC), strengthening the capacity of the Trade Export and Promotion Agency of Saint Lucia (TEPA) to design national export strategies, and organizing consultations with relevant stakeholders."¹⁵

The NES design process facilitated the production of the Strategic Trade Development Roadmap (STDR) of Saint Lucia, also known as the **2020-2024 Saint Lucia National Export Strategy (NES)**. This national trade strategy document states that it was developed under the aegis of the Government of Saint Lucia, with the leadership and financial support of TEPA and technical assistance from ITC.

FINDINGS

Value-addition

From the perspective of review respondents, the NES design process has provided value by **bringing together key public and private stakeholders** in the Saint Lucian export trade universe in a structured and data-informed manner, and by supporting **consensus building** on priorities. Across the board, respondents expressed that the NES design process was **inclusive, participatory, comprehensive and well done**.

Respondents consider that the priorities and actions identified in the NES have provided a **stable frame of reference** with which to navigate the changes in government. It has also helped Export Saint Lucia¹⁶ continue export promotion activities as efficiently and effectively as possible in the face of external challenges such as the COVID pandemic, economic downturn and inflationary pressures.

The NES design process is considered to have **raised the profile and credibility of Export Saint Lucia**, contributed to a high regard of it by Government, and positively influenced corporate interest and support in its export promotion activities.

Respondents are of the view that, overall, the NES design process has **contributed positively to Saint Lucia's capacity for trade**. However, they highlight the **ongoing challenge of mobilising resources** for implementing the strategy.

¹³ The NES design process did not include step 5, Implementation.

¹⁴ The NES design process was funded in the amount of 248,395 USD (23.9% of the total project budget). The Trade Export and Promotion Agency of Saint Lucia (TEPA) partially self-funded the process.

¹⁵ The Trade Export and Promotion Agency of Saint Lucia (TEPA) and the National Export Council (NEC) were established in 2013 by the Saint Lucia Trade Export Promotion Agency Act.

¹⁶ Formerly TEPA.

Outcomes

The NES design process contributed to the update of Saint Lucia's Trade Export Promotion Agency and its establishment as **Export Saint Lucia** (<https://exportsaintlucia.org/>). It also involved the **National Export Council** in the strategy design process, and in so doing contributed to further developing the Council's capacity to fulfill its functions under the Act that created it. There is a steering committee under the NEC for each sector of the NES. As such, and due to its composition as mandated in the Act, there is **ongoing dialogue on trade development between public and private stakeholders**.

According to the NEC, **the National Export Council & Export Saint Lucia receive on average 1 million USD annually from government for export promotion activities**. Both consider that ITC's NES design process contributed to increasing the Government's awareness of export opportunities and challenges, as well as the profile and credibility of Export Saint Lucia. The point was made however that, in comparison, the Saint Lucia Tourism Authority receives approximately 50 million USD annually from government.

The NES was endorsed and adopted by relevant stakeholders from the private and public sectors and was legislated through a Cabinet Conclusion by the Government of Saint Lucia. It has contributed to discussion and **coordination** between government agencies and departments on the activities assigned to them in the strategy.

Export Saint Lucia and the NEC consider that the NES design process has had a **positive, indirect influence on the mobilization of funds for its implementation**; however, little evidence of NES direct leverage of funding was obtained by the review.

A **NES monitoring dashboard** to track NES implementation progress was designed by Export Saint Lucia and the NEC in 2020 and is now being functionally updated for use.

A review of major national plans and programs for trade development in Saint Lucia found little in the way of **explicit reference to the 2020-2024 NES**. The review did find mention of the NES by the project to improve compliance of Saint Lucia's fresh produce exports with internationally good Food Safety Management (FSM) practices.¹⁷

Nonetheless, Export Saint Lucia stated that it does refer to and use the NES in its exchanges and proposals with **external financing partners** such as the Caribbean Development Bank (CDB), the Inter-American Development Bank (IDB) and the Food and Agriculture Organization of the United Nations (FAO).

Impact

According to Export Saint Lucia, there has been **export growth** in some of the sectors identified as priorities by the NES design process. However, it is difficult to measure the specific impact of the NES design process on sector growth.

Respondents familiar with the NES consider that a positive effect of the NES design process was the **awareness raised about the importance of the priority sectors, and especially of the actions required to strengthen the business eco-system** including the enabling environment for small business growth towards exports.

Additionally, the NES design process contributed to **refocusing Export Saint Lucia's work plan and allocating its resources directly towards the effective implementation of the NES**. Staffing was organised to provide technical guidance and export development support to the NES priority sectors. The NES still constitutes an important frame of reference for Export Saint Lucia's work and contributes to a growing impetus for the development of small businesses, not only to penetrate the local market, but also to evolve into export markets.

¹⁷ Funded in the amount of 328,320 Euros by the European Development Fund and implemented by the Caribbean Development Bank.

From the perspective of business associations in Saint Lucia, while the NES design process has facilitated certain successes, it has not been sufficient to resolve key challenges:

SUCCESSSES	CHALLENGES
Establishment of new industries	High transaction costs
Improvement in commodity quality	Access to credit/finance
Greater diversity in the mix of export products	Vulnerability to vagaries of nature
More exports due to improved processes	High cost of labour
More market access opportunities for small business	Insufficient market and product intelligence
Penetration of new markets	High cost of customs duties for imports
Small businesses developed greater confidence in their ability and capacity to export	Lack of resources
Better understanding of export markets	
Greater focus on standards for export	

Context

The NES was officially ratified in 2020. According to Export Saint Lucia, during this period, the country experienced significant **economic turmoil**, largely due to the **Covid-19** pandemic, which caused an 11.6% drop in exports in 2020. However, total exports increased by 18.51% almost immediately after that, in 2021.

Saint Lucia saw a **change in Government in July 2021**, and with it, the risk of reduced support for the NES. However, the statutory nature of Export Saint Lucia and the National Export Council, as well as the ratified NES and the legal accountability reporting requirements enshrined in the Act were instrumental in securing the support of the new Government for export promotion consistent with the NES, including continued funding from the national budget.

According to business associations in Saint Lucia, **transportation costs and trade policy in some neighbouring countries** continue to be major challenges.

Other

Over the course of this review, respondents shared some observations that, although not directly related to the pre-determined review questions, provide insights and perspectives that may be helpful for improving ITC projects.

Successes

As noted earlier, Covid-19 significantly affected exports of all items, especially agricultural products. Nonetheless, the NES and other ITC technical assistance generated positive contributions during that period.

Concerning agriculture, food and beverage, the NES and other ITC technical assistance are considered to have strengthened trust and cooperation among value chain actors, expanded the national productive capacity in agro-processing and improved trade support services to SMEs and the reputation of their products in export markets.

Notable accomplishments are improvements to the food safety technology at the packhouse and agro-processing levels, agricultural diversification and increased export promotion to regional markets.

For example, one of the main goals of the NES was to make it easier for farmers to sell their goods on the market by improving food safety controls on the island. Through Government funding, an international-certified packhouse was created, with several satellite packhouses being refurbished to meet international requirements.

Additionally, the NES and ITC technical assistance helped new agricultural sectors grow their exports, which led to increased employment and revenue from exports. For example, according to figures from Export Saint Lucia, employment growth in the fisheries and aquaculture sector increased sevenfold. In particular, the sea moss subsector saw the number of active farmers increase from just over 50 in 2018 to well over 400 in 2021.

Although traditional agricultural exports such as bananas decreased over the period, exports in some new sectors grew exponentially. For example, sea moss exports increased from about \$50,000 in 2018 to approximately \$2.6 million in 2021.

In line with the priorities identified in the NES, consultation, training and related activities for the creative industries are perceived to have positively contributed to exports from the creative sector. Examples are business of music training, export readiness training for cultural practitioners and managers, export promotion at international festivals, market entry and exports of craft products to the USA.

While changes of government can render previously agreed export promotion and support policies uncertain, in the case of Saint Lucia, Export Saint Lucia, its NEC and the export business communities quickly and successfully made the case for continuity.

☒ Challenges

Export data is collected primarily for products rather than for services. As such, obtaining data on service exports remains a challenge for policymakers in Saint Lucia.

In this respect, timely support from ITC is essential, although it appears difficult to mobilize.

Dedicated funding for implementation of the NES is critical to its success but remains difficult to secure. Without dedicated funding for implementation, donors provide funding based on their priorities and objectives, which may not align with NES priorities.

ITC should improve coordination and synergy between its different activities in Saint Lucia to optimize the value of its assistance. This would also contribute to improved coordination with other donors in the trade sector and beyond.

The current NES comes to an end in 2024, and its updating should start early that year. ITC and donor support for the exercise would be very useful.

Some of the specific pivot issues identified to date are measurement data for services and developmental work for manufacturing standards.

Finally, it is imperative that trade development strategies address the increasingly catastrophic effects of climate change and eco-system breakdown, and their implications for sustainability, , especially since Saint Lucia is highly vulnerable to natural disasters.¹⁸

¹⁸ The Caribbean Development Bank is implementing the project "Building resilience for adaptation to climate change and climate vulnerabilities in agriculture in Saint Lucia" (2021-2025) with a budget from the Adaptation Fund of approximately \$1 million.

Burkina Faso

BACKGROUND

The **National Strategy for the sustainable development of the shea nut sector of Burkina Faso 2015-2019**¹⁹ was developed in 2014-2015 and supported by ITC through its NES design process.²⁰ It was funded²¹ by the Enhanced Integrated Framework (EIF)²² project “**Elaboration of a sectoral strategy for the export and development of the shea nut sector in Burkina Faso**”²³ (project EIF-TIER2-BFA-002).

The NES design process took place from **January 2014 to April 2015**. The strategy document was submitted to the Government for validation in June 2014. Due to the political transition process in Burkina Faso over the period 2014-2015, the document was validated in June 2015.

The EIF's National Implementation Unit (NIU)²⁴ in Burkina Faso is part of the *Ministère du Développement Industriel, du Commerce, de l'Artisanat et des Petites et Moyennes Entreprises*, which, among other priorities, actively supports the development of the shea sector (“*la filière karité*”) in Burkina Faso (other sectors include mango, cashews and sesame).

As such, and as review findings show, the Burkina Faso NIU is a key institution that advocates for and supports the mobilisation of resources for the development of the shea sector value chain, from production and transformation to export. Under its impetus, a new sector strategy was developed by national stakeholders in 2021,²⁵ the “*Stratégie Nationale de Développement Durable de la Filière Karité 2022-2026*” (SNDDFK), which also includes a detailed plan of action, “*Plan d'Action SNDDFK 2022-2026*.”

FINDINGS

It is important to state that **over seven years have elapsed since the ITC NES design process was carried out and completed**, and that the quality of recall from review respondents diminishes with time. To the extent possible, the review has examined all relevant available documentation including historical records. However, the review's findings are best considered in light of more recent developments in the shea sector and significant recent changes in the contexts in which the sector operates.

Value-addition

Documentary information and the perspectives of review respondents show that the shea nut sector strategy, facilitated by ITC using its NES design process, has provided a **frame of reference for the development of the shea export sector that has remained relevant, useful and stable**, despite the significant difficulties faced by Burkina Faso.

According to key stakeholders in Burkina Faso such as the EIF NIU and shea sector business support organizations, the strategy has contributed to a **positive shift in relationships with external financing partners**: there has been a shift from the historic focus on donor objectives, to a focus on the priorities of Burkina Faso's shea export sector as framed in the strategy.

¹⁹ ‘Stratégie Nationale de Développement Durable de la Filière Karité du Burkina Faso’ (SNDDFK 2015-2019)

²⁰ Step 5 of the NES design process: Implementation, was not followed up on by government although an initial management support workshop took place.

²¹ In the amount of 199,741 USD.

²² <https://enhancedif.org/en/country-profile/burkina-faso>

²³ French original title: ‘*Élaboration d'une stratégie sectorielle d'exportation et de développement de la filière amandes de karité au Burkina Faso*’

²⁴ L'Unité nationale de mise en œuvre du Cadre intégré renforcé (UNMO/CIR) <https://cir-burkina.org/programmes/filiere-karite/>

²⁵ <https://cir-burkina.org/atelier-de-validation-du-rapport-sur-la-strategie-nationale-de-developpement-durable-de-la-filiere-karite-du-20-au-21-septembre-2021/>

According to the *Institut National de la Statistique et de la Démographie du Burkina Faso*²⁶ (INSD), from 2016 to 2020, revenues from total shea exports, nuts and butter grew by approximately 54%. All review respondents agreed that **ITC's shea sector strategy design support positively contributed to the development of the shea sector's capacity for trade.**

Moreover, the **ongoing and active implication of the EIF NIU in Burkina Faso** was considered essential and critical to using the strategy as fully as possible and to sustaining its value over time.

On the other hand, respondents considered the **lack of an organisational body to monitor strategy implementation and follow up** as a key missing piece. They also expressed that there was **insufficient systematic consideration of the overall ecosystem** in the strategy design process and in the strategy itself.

Outcomes

In coordination with the *Table Filière Karité*²⁷ (TFK), the EIF NIU advocated for, negotiated and developed projects to implement and build upon the strategy.

The first of such projects was the “**Projet d'appui au développement intégré de la filière karité**” (PADIFK 2017-2019).

The project was financed by the Fund for African Private Sector Assistance (FAPA),²⁸ which is managed by the African Development Bank, in the amount of approximately 945,000 USD, and by the Government of Burkina Faso in the amount of approximately 842,000 USD.²⁹ However, according to the 2020 evaluation of the PADIFK project financed by Luxembourg Aid and Development, **only about 40% of the budget was spent and approximately 55% of intended results were achieved.**

The PADIFK evaluation report provides key reasons for the under performance of the project including the **overall lack of implementation management capacity**, particularly the absence of effective coordination by the executive secretariat of the TFK and the technical advisory committee to the project. The absence of a monitoring, evaluation and communication function within the project is also cited as a weakness. The report also notes the significant negative impacts of the deteriorating security situation in Burkina Faso, the Covid-19 pandemic, and the overall socioeconomic difficulties of the country and the region.

Respondents expressed the view that **the strategy was “extremely complex,”** meaning that it had many components, complexities and partners, that available capacity and resources were overestimated, and that it was not well disseminated across all stakeholder groups.

Review respondents familiar with ITC's strategy design process in Burkina Faso suggested that it could have been inclusive of a larger and more diverse set of actors in the shea sector, and that the strategy could have been communicated more broadly and effectively by government and stakeholders. In their view, this would have strengthened **collaboration and coordination** between the various stakeholders of the PADIFK project.

Nonetheless, respondents considered the strategy design process useful and its achievements sustainable, noting that the strategy was successfully updated with the support of EIF and without requiring further involvement of ITC.

²⁶ <http://www.insd.bf/>

²⁷ The Table Filière Karité is an interprofessional organization that provides the interface between the actors of the shea export value chain, the Government, as well as technical and financial partners and other third parties, on issues affecting the shea sector. <https://rsr.akvo.org/en/organisation/2152/>.

²⁸ <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/fund-for-african-private-sector-assistance>

²⁹ These financial data were obtained from official unaudited documents of the African Development Bank, the Government of Burkina Faso and implementing partners. The review found discrepancies between the figures of different sources and over time and cannot provide assurance on their accuracy and reliability. However, the review considers them suitable to provide a general appreciation of the levels of budgeting afforded the project.

The other notable project that used the strategy as one of its building blocks is the “**Projet d’appui à la compétitivité de la filière karité**” (PACFIK 2019-2021).³⁰ The project’s total budget was 3,411,367 USD, made up of contributions from the EIF (44%), the *Coopération Luxembourgeoise* (43%) and the Government of Burkina Faso (13%), according to the June 2021 report of the “*Forum National de Réflexion sur la Filière Karité au Burkina Faso.*” The project document highlights the expected technical assistance of ITC for elements such as branding agricultural products, but not with respect to the strategy itself.

Review respondents shared that, although the project has gotten under way, **financial transfers from the Coopération Luxembourgeoise have been suspended pending democratic elections in Burkina Faso.**³¹ Furthermore, it was noted that the **slow uptake of the project** was due to questions of administrative capacity in government and the TFK, rather than issues with actors of the shea export value chain, i.e., producers, transformers and exporters.

The review found that there have been and continue to be a **variety of projects directly and indirectly linked to the shea sector in Burkina Faso and the region**, and that these projects involve a wide range of public and private actors and external financing partners. On the one hand, the discourses of these actors were generally coherent with respect to overall intentions for the shea and related agricultural sectors, the alignment of plans and the coordination of activities. However, in practice, the review found **little evidence of effective coordination between the actors**, whether through coherent and consistent cross-referencing in national planning documents, project documents and reports; examples of concrete actions beyond training sessions; or instances of effective coordination between external financing partners, including within the same donor organization.

Impact

According to the Government of Burkina Faso’s report “*Balance commerciale et commerce extérieur 2021*,” **export revenues from the shea nut sector increased from approximately 35 million USD in 2016 to 43.5 million USD in 2020**, with a peak of 64.5 million USD in 2019. The report attributes the decrease from 2019 to 2020 to a drop in global market prices, fraud and the Covid-19 pandemic. The review did not find it possible to meaningfully link changes in shea export revenues to ITC’s strategy design process, nor to the strategy itself.

The NIU noted that the initial strategy focused on all three links in the shea export value chain -- **production, transformation and commercialization** -- and on how to support the **organization of different actors**, including through the development of guidelines for good practices. Supporting actors in an innovative way to allow them to **produce larger quantities of shea butter** was not foreseen at first; the idea emerged through the strategy design process and was integrated into subsequent capacity building actions.

The review did not find evidence that the strategy design process had negative effects on stakeholders or the trade environment.

Respondents noted that, in their view, the strategy design process produced a strategy document that was seen as **credible** by national stakeholders and external financing partners. As such, and as shown by the projects that subsequently took place, the strategy provided a **coherent and relatively stable frame of reference** with which to navigate global, regional and national upheavals.

³⁰ The project document prepared by UNOPS states: “La stratégie nationale de développement durable de la filière karité du Burkina Faso 2015-2019 a été élaborée en 2015 par le biais d’une approche participative et inclusive, fondée sur les préoccupations de l’ensemble des acteurs de la filière. Elle s’inscrit dans le cadre des priorités de développement du Burkina Faso, en ligne avec les documents nationaux de référence tels que le PNDES, l’EDIC et la SNE. Elle se conforme aux tendances et dynamiques du marché, et prend en considération la croissance économique de la filière, la répartition équitable de la valeur ajoutée et la gestion environnementale de la ressource. La stratégie constitue un cadre référentiel de planification et de mise en oeuvre pour les parties prenantes, en définissant les priorités de façon claire et un cadre logique de manière détaillée.”

³¹ Arrangements are being made to put the funds in trust with UNOPS for future disbursement.

Context

The **Covid-19 pandemic, the deteriorated and volatile security situation in the entire country and the unstable political situation on the heels of two coups in 2022**, create an unfavorable business environment, including for the shea sector export value chain.

Review respondents noted that rapid successive changes at the political levels of government tended to reduce the efficiency of government administration in a number of ways, ranging from suspending de facto policy initiatives to slowing or interrupting budget execution for operations and infrastructure investments.

Under these difficult circumstances, key stakeholders considered the existence of a strategic frame of reference for the shea sector as even more important.

Other

By examining documentation and exchanging with respondents, the review gained insight into what went well and of what did not, from the point of view of actors working to support the development of the shea sector in Burkina Faso.



Successes

As noted earlier, the strategy was useful for engaging with external financing partners and securing funding for the implementation of actions consistent with the strategy's thrust and priorities.

Respondents noted the important role, presence and funding of EIF. However, they also suggested that ITC periodically follow up on questions of strategy and consider doing so regionally and globally across similar export value chains, e.g., agricultural export value chains. It was also suggested that ITC have a more integrated approach to its activities in country, e.g., better coordination and synergy between ITC technical assistance on product branding and export strategy.

Regional actors in the shea industry highlighted the active and increasing engagement of the private sector in pushing for a stronger and environmentally sustainable policy framework for the conservation of the shea tree habitat. Together with civil society organisations, private sector actors are advocating for the sustainable management of shea parklands and a context appropriate understanding of the gender-related power dynamics.³²



Challenges

The review noted that, although the PADFIK project only used 40% of the budgeted funds, its evaluation was funded by the *Coopération Luxembourgeoise*. Experts in the shea sector in Burkina Faso and the region provided written comments to the evaluation report during its validation process. In these, they identified what they consider to be key shortcomings in the implementation of the project, notably the absence of a responsible coordinating body and of a monitoring and evaluation function.

They further note that the difficulties encountered by the evaluation brought to light the fact that a "number of actors in the shea sector were unaware of the strategy and of its plan of action, and hence had no sense of ownership."

³² Shea trees are falling fast across Africa, victims of new pressures - <https://news.mongabay.com/2021/09/shea-trees-are-falling-fast-across-africa-victims-of-new-pressures-commentary/>

Sri Lanka

BACKGROUND

The National Export Strategy of Sri Lanka 2018-2022³³ was developed over the period **2016-2017** as part of the overall project "**Trade Related Assistance in Sri Lanka: Increasing SMEs trade competitiveness in regional and EU markets**" (project ACA/2016/378043). ITC's NES design process corresponded with the project's expected result: "Coherent trade strategy for export competitiveness designed and implemented, including policies, regulatory reforms and trade negotiations."

As indicated in the NES Sri Lanka 2018-2022 documentation, the principal outputs of the first four steps of the NES design process, i.e., assessment, identification, prioritization, design and action planning, are an overall national export strategy document and nine NES priority sector strategies and trade support functions (TSF) documents,³⁴ each containing an implementation framework and five-year action plan.

ITC also provided dedicated strategy implementation management support for the operationalization of its Strategy Implementation Management Tool (SIMT),³⁵ the last and fifth step of the NES design process. As a result, Sri Lanka has used the SIMT web-based application to track the implementation status of its plans of action.

FINDINGS

Value-addition

From the perspective of review respondents, the NES design process helped the Government of Sri Lanka develop a **framework for its thinking and policy orientation on export competitiveness** that encompassed various government initiatives. Respondents note that **the strategy has been utilised by different successive governments and is still considered a key reform process to help resolve the current economic crisis**.

Regarding the benefits of ITC's NES design and implementation management support, respondents expressed that it **strengthened knowledge on how to approach export competitiveness**. The NES design process led key actors to account for dimensions in the NES that had not been systematically considered previously, such as regulatory mechanisms, policy frameworks and human resources. **Knowledge transfer** was a key value addition from the NES process according to respondents familiar with it.

Sri Lanka's NES document states that it was developed based on a participatory approach during which over 500 Sri Lankan industry leaders, small business owners, public sector representatives and academics held consultations³⁶ across the country to reach consensus on key sector competitiveness issues and priority activities. **Bringing together different actors to focus on sector competitiveness** is also considered to have been one of the key and lasting benefits of the NES process. The **profile raising** of the boat building

³³ <https://www.srilankabusiness.com/national-export-strategy/>

³⁴ National Quality Infrastructure (NQI), Information Technology, Boat Building, Logistics, Trade Information and Promotion, Spices and Concentrates, Processed Food & Beverages, Electronic and Electrical Components, Wellness Tourism.

³⁵ <https://tradestrategy.org/>

³⁶ The consultations were complemented by:

- Factory visits through which supply chain assessments were carried out to gain further knowledge on key issues such as quality procedures, technical skills, lean management, quality of raw materials, access to market, etc.
- Interviews with domestic, regional and international buyers to guide the NES with strategic insights and market intelligence as well as buyers' requirements for quality standards, food safety, packaging, buying cycles, distribution channels, prices, etc.
- Donor sensitization to identify synergies with ongoing/planned initiatives of development partners to eventually result in collaboration during the implementation phase.

industry and the systematic assessment of its export potential was given as another example of the strategy's added value.

Outcomes

Uptake of the strategy

The strategy was **officially endorsed by the highest levels of government**. It was launched by the Prime Minister of Sri Lanka in July 2018 and officially re-endorsed in 2020 by the new President (who came into office in November 2019).

A **National Export Strategy Management Unit (NESMU)** was set up to strengthen coordination among implementing agencies; encourage alignment with national initiatives; collaborate with development partners, academia, and research institutions; define common policy positions and align national and foreign investment promotion with NES. NESMU was originally set up under the Ministry of Development Strategies and International Trade (MoDSIT) which changed names to that of the Ministry of Industrial Exports and Investment Promotion (MIEIP) and then was dissolved after a change in government in August 2020. Subsequently, the NESMU was re-established under the **Ministry of Trade**.

According to the 2018 progress reports, **all concerned Ministries had included activities from the NES action plans in their respective ministry action plans**. Various efforts were made to **raise awareness of the NES among a larger group of stakeholders**, including in the private sector (presentation of NES to the members of various chambers of commerce/industry) and among bilateral and multilateral development partners. Progress reports indicate that **regular stakeholder meetings took place until July 2020**.

In September 2020, the President reconvened the **Export Development Council of Ministers (EDCM)** for the first time in 28 years. The EDCM's purpose is to resolve issues related to exports in tandem with the NES. The council endorsed the NES as a **game changer in the post-COVID economic transformation of Sri Lanka**.

NES implementation progress reports and the mid-term review of the related ITC project present the **strong private and public sector commitment to and ownership of the strategy as a key enabling factor for implementation**.

Resources for implementation

The Government of Sri Lanka started to allocate financial resources to the implementation of the strategy in 2018. However, because of repeated political crises, the approval of budgets in the following two years experienced important delays.

In 2019, the initial request for allocation was substantially reduced from approximately 6.4 million USD to 2.1 million USD. In 2020, the allocation decreased drastically to about 164,000 USD as the Government decided to recut state expenses to maintain essential services and emergency Covid-19 relief measures. The budget allocation for 2021 showed a slight increase to just under 270,000 USD.³⁷ **The long period of uncertainty about available funding and the drastic decrease in budget allocation in 2020 put important constraints on the implementation of the NES.**

In terms of external financial support, the development and implementation of the NES was **supported by a handful of external donor projects**. The largest among those is the EU-Sri Lanka Trade Related Assistance Project (November 2016-February 2021), jointly implemented by ITC and UNIDO with a total budget of 8 million EUR (approximately 9 million USD). It is important to note that these donor projects were initiated, and some completed, before the official launch of the NES. Thus, **they should not be considered "resources mobilized" through the NES**. While meetings were arranged, especially in 2019, to make the NES known to potential bilateral and multilateral donors, the progress reports and available documentation contain **little information on the extent to which efforts to raise additional funds were successful**.

³⁷ USD conversion based on average annual conversion rates for the corresponding years.

Projects and reforms

According to progress reports, **the strategy has been implemented through a steadily growing number of projects**³⁸: 105 projects in 2018, 148 projects in 2019 and 166 projects in 2020. The projects spanned all six of the focus sectors of the NES, with the Information Technology-Business Process Management sector (IT/BPM) having the largest number of projects (29) and the electrical and electronic components sector having the smallest.³⁹

In addition to the focus sectors, projects were also carried out in relation to each of the four cross-cutting Trade Support Functions (logistics, trade information and promotion, national quality infrastructure, and innovation), with national quality infrastructure being the strongest in terms of activity. According to progress reports, by the end of 2020, implementation was underway for 50% of NES Action Items. That year the **implementation of projects was hindered by numerous postponements of national budget approval and the eventual sharp decrease in allocation to the NES**. As a result, the focus shifted to the implementation of non-budgetary activities.⁴⁰

While several policy and regulatory reform processes were also initiated as a result of the NES, many of them suffered delays or were not brought to completion due to changes in government. Several policy and regulatory reforms were initiated in 2019, including work on a regulatory framework for boat registration, a national policy for maritime and logistics, a single employment law, regulations and standards for the registration of private ayurvedic medical centers, and a national food policy.

By the end of 2020, most, if not all, of these reforms were yet to be completed. The 2020 progress report indicates that after the change of government in August 2020, several policies and regulations were to be revisited and government support for several NES activities needed to be reconfirmed. For example, a regulatory framework for boatbuilding was developed but is still under review by the government. Planned infrastructure development for boatbuilding did not receive the necessary investment, even after a feasibility study had been conducted and the concept for an export processing zone for boat building had been developed.

Partnerships

Nine Advisory Committees were established to guide the implementation of the NES sectors and trade support function strategies through a **public-private coordination mechanism**. According to the Advisory Committee's Terms of Reference, "the overall objective of the Advisory Committees is to enable public and private sectors to collaborate in the identification of priorities to improve market performance of export sectors."

Each of the Advisory Committees held several meetings in 2019 and 2020. Various stakeholder meetings attended by representatives from both the public and private sectors were also held each year in the context of NES implementation.

Impact

The NES design process and strategies, including the robust implementation management supported provided by ITC, were **comprehensive, high quality and fully politically supported and endorsed**. However, starting in the second year of implementation of the NES, Sri Lanka faced major changes in context, including the **Covid-19 pandemic, the resulting sharp decline in exports in 2020 and repeated government changes**. These challenges would have threatened the success of any export strategy.

³⁸ "Projects" in this context refer to a wide range of activities, from single events over the development of a policy or the setting up of an institution, to capacity building programs for SMEs.

³⁹ The Electrical and electronic component sector had 9 projects that had started implementation. The progress report for the same year lists 11 projects under that sector. Generally, figures are contradictory in many places. For the IT sector, the figure of 29 is consistent between both documents and the progress report explicitly states that it was the leading sector in terms of number of projects implemented.

⁴⁰ From a familiarisation of the SIMT platform for Sri Lanka jointly with the ITC lead on the NES, that took place at the time of this review, it appears that the data is up to date through to end of 2021. As well, of the 388 planned activities, 166 are under implementation. NES progress reports draw on the SIMT platform data and have been produced for the years 2018, 2019 and 2020.

Overall, **the review did not find sufficient evidence to meaningfully determine the extent to which the strategy design and management process had an impact on export sectors.** The progress reports highlight individual “success stories,” most of which are at the output level, or at best provide some indication of individual outcomes. While the reports summarize export sector trends for the given year, the information provided does not allow for any conclusion regarding the contribution of the NES, its design and its management process, to these trends.

The review did not find evidence of negative effects of the NES.

Context

Political instability throughout the implementation period of the NES negatively affected the implementation of the NES at various levels:

- **Changes to the NES management and implementation structure:** The Ministry of Industrial Exports and Investment Promotion, in which the NES coordination unit (NESMU) had originally been created, was dissolved as part of a change in government in 2020. NES coordination had to be re-established in the new Ministry of Trade with new leadership. As a result, new NES focal points needed to be appointed to the public institutions participating in NES implementation.
- **State Secretaries changed and successors did not prioritize the actions identified in the strategy.** New officials did not have a good understanding of the NES and lacked willingness to implement it.
- There were **delays and inefficiencies in implementing NES projects and activities**, including the need to revise reform proposals after changes in government and a lack of clarity about budgets (given long delays in the approval of the annual national budget in 2020);
- The NES saw **dwindling external support**, e.g., loss of confidence of potential foreign investors.

During the only Export Development Council of Ministers (EDCM) meeting, the new Government of Rajapaksa confirmed that NES was the official roadmap. The current Government is aiming to comply with IMF reforms before proceeding with institutional rearrangements. **Export is still a priority, and the updating of the NES will potentially remain on the agenda once the other priorities have been addressed.**

The **Covid-19 pandemic** caused economic disruptions worldwide. Some of the focus sectors of the NES were particularly affected, e.g., wellness and tourism, boat building. The pandemic put constraints on budgetary allocations to the NES, as the Government prioritized financing pandemic-related emergency measures. Moreover, lockdown measures suspended NES implementation for several months in 2020.

Many sectors are now struggling due to poor domestic economic conditions.

Other

The depth and comprehensiveness of the NES documentation, as well as the information from other NES related mechanisms such as the progress reports based on the Strategy Implementation Management Tool data, provided a robust source of data for the sustainability review in Sri Lanka. The respondent interviews provided insights and perspectives that may be helpful for improving ITC projects, including its export strategy related work.

Successes

Respondents consider the completion of the full NES design process to be a major achievement that continues to have positive repercussions to this day. They note that, despite a combination of concurrent crises -- the Covid-19 pandemic, changes in government and socio-economic hardships -- the NES remains a relevant roadmap for Sri Lankan export value chains and a common frame of reference for maintaining or relaunching discussions between key stakeholders and actors.

Knowledge transfer to stakeholders through the NES design process, both in terms of export analytics and the strategizing process itself, is also seen as a key value addition. For example, in the boat building sector, the Chamber of Marine Industries is developing its own strategy, in case government is not prioritizing a continuation of the NES.

Respondents emphasized the need to revisit the NES. A proposal has apparently been submitted by the Export Development Board (EDB) to the Ministry of Finance for further submission to USAID. They stress that a revised NES should have a strong implementation mechanism which should be overseen by the Prime Minister's office.

Despite difficulties in maintaining current tracking and reporting mechanisms, respondents consider that the SMIT tool is a helpful and key part of the solutions toolbox. They recognise, however, that it is not a panacea to problems concerning NES resources, coordination and implementation.

Challenges

In the end, the National Export Strategy Management Unit (NESMU) that had been set up through the NES design process was "dissolved" (sic). After changes in government and the relocation of NESMU to a new Ministry (the previous ministry had been abolished), there was not "proper handover" (sic).

As a result, coordination and monitoring of implementation became difficult. Progress reports mention that the lack of coordination among public actors has been an obstacle to the effective implementation of NES. More generally, weak capacities of government authorities (insufficient data collection systems and understanding of the NES implementation process) have delayed implementation (e.g., of reforms on sectors) or led to a lack of information on progress of implementation. Bureaucratic and administrative impediments added to the inefficiencies in implementation.

An overall challenge is that a strong governance mechanism for the NES was no longer in place.