

## MANAGEMENT RESPONSE AND IMPLEMENTATION FOLLOW-UP

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# Evaluation of the ITC Programme 'Strengthening Trade and Investment Support Institutions'

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### Management Response, Action Plan, Results, and Means of Verification

<b>Date of submission of final evaluation report:</b> January 2020	
<b>Responsible chief:</b>	Anne Chappaz
<b>Responsible director:</b>	Anders Aeroe
<b>Head IEU:</b>	Miguel Jiménez Pont
<b>Date of finalization of management response:</b> March 2020	

**Recommendation 1:** Increase the focus and flexibility of interventions, in particular for less mature institutions. Mainly for the full 'AIM for Results' methodology, it is recommended that the programme ensures more continuous support to selected institutions over the next three years. Depending on available resources, this may require to reduce the number of institutions with which the programme is working most intensively.

*This focused approach should particularly take into account the absorption capacity of client institutions. To that end, it is also recommended to break down the capacity building approach into smaller components which can then be offered periodically to ensure that the programme achieves progressive results. This would mean to start with more fundamental challenges and move upwards as needed and suitable. This will be more aligned with the absorption capacities of main programme clients from developing countries and LDCs.*

Assigned to: Chief TISI Section

**Management Response and Justification:**

The recommendation is:

Accepted:

Partially accepted:

Rejected:

The section management recognizes that for some beneficiaries a more measured approach would be appropriate, in consideration of other priorities, political uncertainties and absorption capacity.

Based on this recommendation, a shift in the strategy of the I4 Impact project (B633) funded by W1 is foreseen for 2020. We intend to focus on fewer institutions/key accounts and take them through the full AIM cycle (Assess, improve and measure) over a period of 1.5 to 3 years. Providing in-depth and targeted support through customized and hands-on solutions will help selected institutions to significantly improve their managerial and operational performance.

Each AIM senior manager in the section will be responsible for one or two key accounts and he/she will ensure they go through the extended AIM journey, taking them from one level of maturity to a substantial higher level in the following key areas of performance: leadership and direction, resources and processes, service portfolio and results measurement.

This performance journey will be supported by a multi-year engagement plan between ITC and the beneficiary institution, which will outline expectations for both parties to commit time and resources and to share results, especially at the level of impact on firms.

This approach will help to reach more in depth results over time (3 to 5 years) and show change in the organizations as well as their impact on SME competitiveness. However this shift will also influence the number of B1 indicators the section will contribute in the next two years. To reach depth and change in each of the selected institutions a larger share of W1 budget will be allocated to a reduce set of BSOs. The B1 results each year will depend on the priorities identified in each performance improvement roadmaps and the speed of implementation will depend on the absorption capacity of each institutions and their commitment to change.

In parallel, to continue to reach breath and reach, the section will continue to deliver regional workshops and use improved digital channels to target a larger audience of BSOs (sector associations, cooperatives, investment agencies, etc...).

**Benefit:** The section will continue to deliver with excellence through its core solution to organisations we understand (TIPOs/BSOs). This will allow guaranteed results over time for beneficiaries and donors.

**Risk/costs:** There is a potential lag and drop in the number of B1 indicators for the next 2 years and impact on scale and reach. The Key Accounts that are likely to benefit most from this measured approach are often facing budgetary or political uncertainty that affects their ability to bring about change and maintain a performance improvement journey. This means that the risk profile of our overall investment portfolio will be greater. We will inform SMC of this change in levels of risk and seek guidance.

**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
1.1 SMC to agree on this shift of I 4 Impact strategy 1.2 Review and consolidate the list of criteria for selecting key accounts that will benefit from full AIM cycle 1.3 Assign AIM project managers to key accounts 1.4 Prepare a list of possible plan B – Key accounts 1.5 Develop engagement plans with key accounts 1.6 Implement engagement plan 1.7 Monitor progress and measure change process within the organization (Y2 and 3)	<ul style="list-style-type: none"> <li>- List of Key Accounts confirmed</li> <li>- Selection criteria in place</li> <li>- Engagement Plans with status</li> </ul>	Section Chief AIM project managers	Depending on the engagement plan, the section will involve other ITC sections such as SEC, TMI, TFPB, etc.	Q4 2020	Commitment and absorption capacity are key success factors for the change to happen. Possible lack of engagement will require TS section to choose a new key account

**Recommendation 2:** *Intensify the work with different types of institutions in the business ecosystem, since engaging with only a narrow range of institutions can hinder the programme’s ability to achieve results. Ensure that insights gained by the programme are effectively shared within ITC.*

- a) *It is recommended to increase the intensity of the programme’s work with the full range of organizations in the business support ecosystem to be able to influence and connect its different actors. As the programme continues to expand its reach, it should also collect best practices with new types of client institutions. To support this expansion, an improved use of digital tools could complement the more in-depth and face to face relationship with selected institutions.*
- b) *By expanding its reach and being able to gather information on entire business ecosystems, the programme can significantly feed into the essential function of corporate country intelligence. It is therefore recommended to ensure that, as the programme’s insights continue to grow, this information is effectively shared within the organization, in particular with country managers. In turn, country and project managers need to be aware of and incorporate the knowledge and service offering of the programme.*

Assigned to: Chief TISI Section

**Management Response and Justification:**

<p>The recommendation is:</p> <p>Accepted: <input checked="" type="checkbox"/></p> <p>Partially accepted: <input type="checkbox"/></p> <p>Rejected: <input type="checkbox"/></p>	<p>Section management recognizes that diversification of the beneficiary base should remain a core strategy for the section, reflecting the broadening scope of ITC as a whole.</p> <p>In 2018 the section diversified its reach and started to support a larger range of institutions in the business ecosystem. This was possible as the AIM approach and standard solutions were mature and tested, creating deep knowledge within the team of ITC experts. This acquired knowledge will continue to be adapted, customized and deployed in new ways, to meet the needs other types of institutions such as: Chambers of Commerce, Business Women Associations, TVETS, cooperatives, T4SD Hubs etc. in 2020. The section will also review and improve the use of digital platforms, particularly through the creation of the new Benchmarking platform, to inform, inspire, and connect to beneficiaries from existing or new ecosystems and support institutions to share resources, capabilities and products to offer a coherent solution to SME clients. Finally, the section will continue to expand the scope and reach through ITC e-learning trainings as well as through our regional workshops.</p> <p><u>Benefits:</u> Seek increased scale and reach by adapting the offer for new customers. Use the core knowledge in new ways. Embrace technology for efficiency and flexibility. This will be done via W1 funding as well as W2 projects.</p>
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Risks/costs: Recommendation 1 is requiring more focus and resources on fewer institutions so this will affect the amount of resources and staff time available for delivering solutions to a wider range of institutions. Also with overall W1 budget reduced, less R&D budget will be allocated to innovate, test and re-fine methodologies.

With regards to recommendation 2b, information sharing with country managers is already happening either through NFFs, de-briefings, reports, etc... However, section management agrees that a more formal process could be put in place to ensure relevant information is gathered and used to contribute to ITC's efforts to corporate country intelligence and positioning strategy. We would welcome to opportunity to contribute to country planning discussions.

**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
<p>Continue section efforts in adapting and applying methodology and solutions to a broader range of institutions</p> <p>2.1 Allocate part of the I 4 Impact budget to R&amp;D to ensure adaptation of TS tools and solutions to a broader range of institutions</p> <p>2.2 Further develop capacity building modules for cooperatives, T4SD hubs and She Trades Chapters.</p> <p>2.3 Further expand the entrepreneurship ecosystem mapping and provide solution to strengthen existing ecosystem for the benefit of young entrepreneurs</p>	<p>Broader range of institutions benefiting from tools and methodologies (evidence from Benchmarking Platform, E-learning statistics, planning and reporting documents</p>	<p>Section Chief</p>		<p>Ongoing</p>	

**Recommendation 3:** Strengthen institutional networks so that results can be achieved by institutions helping each other. Facilitate networking among institutions as it allows them to share best practices, for example through events or communications channels that the programme can help develop. This will help to address the strongly expressed needs and requests for international best practices from beneficiary institutions, in particular those from developing countries and LDCs, which are the core of the programme's clientele.

Assigned to: Chief TISI Section

**Management Response and Justification:**

<p>The recommendation is:</p> <p>Accepted: <input checked="" type="checkbox"/></p> <p>Partially accepted: <input type="checkbox"/></p> <p>Rejected: <input type="checkbox"/></p>	<p>Section management recognizes the importance of this recommendation and confirms that sharing good practices has always been at the heart of the programme. The Benchmarking methodology was developed using a maturity based model that allows institutions to compare their performance against good practices. Trainings and solutions are also shaped around recognized good practices and adapted to the context and environment in which each institution operates. The section also organizes and attends a number of global (WTPO), regional, national events/workshops where BSOs have the opportunity to share experiences and learn from each other including regular meetings of our Advisory Board, chaired by ITC's Executive Director. The section will continue its efforts to gather and share good practices particularly in building/strengthening ecosystems to support SME internationalization.</p> <p>In addition, the work carried out under the Revolving fund (Self funded interventions by well-resourced and mature institutions) supports this effort to gather recognized good practice from every continent and feeds into the work we do with institutions from LDCs and developing countries. Last year, the section also developed informal partnerships with NZTE for the FTR programme where NZTE is supporting when possible the delivery of our workshops. These type of partnerships will continue to be developed when relevant and with mutual benefit for all parties. The section also plays an important role in introducing institutions that can learn from each other, this has been done via study tours (under W2 projects) or via personal introduction. Very positive feedback has been received from these exchanges and we will continue to apply this approach when relevant. Finally, one model that has also proven to show very positive results is when a mature organization works closely with ITC to delivery on a specific project (eg PIGA collaboration with CINDE and MOPSE collaboration with Business France).</p> <p><u>Benefits:</u> Competitive advantage for ITC and the section – capacity to identify which organization can share and learn from each other</p> <p><u>Risk/Costs:</u> Procurement practices make hiring institutions as delivery partners unwieldy, staff time in developing close relationships with institutions</p>
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<b>Action Plan and Responsibilities:</b>					
<b>Actions</b>	<b>Expected result and means of verification</b>	<b>Responsible office or partner</b>	<b>Contributing section(s)</b>	<b>Implementation deadline</b>	<b>Remarks</b>
<p>Improve our reporting on network building and shared practices</p> <p>3.1 Deliver WTPO conference in Ghana</p> <p>3.2 Use the awards as a means to share good practices</p> <p>3.3 Develop 4 case studies in 2020</p> <p>3.4 Further expand the good practice library under the new Benchmarking platform</p> <p>3.5 Gather feedback and advice from the ITC Advisory Board in order to continuously improve our solutions</p> <p>3.6 Further expand informal/formal partnerships with mature BSOs</p>	<p>One Annual report case study on shared practice among institutions</p> <p>WTPO conference and Awards ceremony</p> <p>TISI Benchmarking platform</p> <p>TISI Advisory Board meeting minutes and suggested next steps</p> <p>Letter of Intent or email with potential partners to support the delivery of our solutions to beneficiary institutions</p>	Section Chief	CE	Q2 2021	

**Recommendation 4:** To strengthen the programme's identity and recognition value, it should consider updating, standardizing and possibly simplifying the institutional and programme terminology used.

Assigned to: Chief TISI Section and SMC

**Management Response and Justification:**

The recommendation is:	Section management recognizes that all the different terms in use are confusing and do not allow the section to build a proper identity and image. A branding exercise needs to be carried out to review the names used for: "TISI", section name, project name (I4Impact) and possibly the name of the programme.
Accepted: <input checked="" type="checkbox"/>	<u>Benefit:</u> Clear positioning and identity of ITC work in the area of institutional strengthening, both internally and externally.
Partially accepted: <input type="checkbox"/>	Alignment with SPPG naming conventions
Rejected: <input type="checkbox"/>	<u>Risk/costs:</u> Some IT time to update naming conventions in systems where possible. Internal and external communication required

**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
4.1 Internal and external Consultation to identify possible and preferred names to represent section and programme 4.2 Presentation of options to SMC and Advisory Board and decision reached (including possibility of a "No change" option)	New naming conventions presented to SMC for guidance and decision (SMC minutes)	Section Chief	- Innovation Lab - Advisory board - CE - ITS	Q4 2020	



**Recommendation 5:** Ensure that the programme has a sufficient base of unearmarked resources (through Window 1 funding) to sustainably carry out R&D activities and thus maintain its creative nature and competitive advantage. This is all the more important in view of the pending or ongoing adjustments, and since focusing the programme's offer to specific needs (recommendation 1), extending it to different types of institutions (recommendation 2) as well as enabling networks (recommendation 3) will all require dedicated time and resources.

Thereby, it would be beneficial to have a targeted and well-planned approach to the more research-oriented activities of the programme, including a regular review of R&D spending and achievements.

Assigned to: Chief TISI Section

#### Management Response and Justification:

<p>The recommendation is:</p> <p>Accepted: <input checked="" type="checkbox"/></p> <p>Partially accepted: <input type="checkbox"/></p> <p>Rejected: <input type="checkbox"/></p>	<p>Section management recognizes the importance of investing W1 in future proofing and modernizing our work. In principle all of the section spend of W1 funding supports the ongoing improvement of the methodologies and tools. A small proportion (\$20,000-\$50,000 per year) is generally set aside for R&amp;D that involves innovation, prototyping and piloting, and will therefore not deliver immediate B1 results. We will continue to identify on an annual basis priorities for tools development and thought leadership using W1 funding. At the same time we will seek to maintain flexibility in the planning process to adapt to new or emerging priorities for innovation. Over the next 12-24 months additional R&amp;D will be needed to respond to the recommendations of this evaluation.</p> <p><u>Benefits:</u> ITC maintains its thought leadership role and competitive advantage in BSO strengthening. BSOs benefit from updated tools</p> <p><u>Costs/Risks:</u> If a greater share of W1 funding is allocated to pure R&amp;D this will have an impact on the number of institutions that can be supported and the depth of the engagement. (Fewer B1s)</p>
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#### Action Plan and Responsibilities:

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
5.1 Define 2020 R&D budget 5.2 Assign R&D tasks to TS section team 5.3 Update and further develop tools and methodologies for a broader range of BSOs	Annual reporting of development and delivery of new tools	Section Chief TISI project managers		Q2 2021	

**Recommendation 6:** Over the next two years, it is recommended to ensure that the programme's core staff can dedicate more time and energy to design, supervision, peer support and steering the programme at the strategic level. This is all the more necessary if the programme further extends its range while customizing its offer (see recommendations 1-3), which requires high expertise and time-consuming needs assessments.

The section could alleviate the pressure on core staff by preparing a staffing plan for consideration by senior management, increasing the size of the team (e.g. by adding positions at the mid-level), and by increasing the pool of senior, capable and knowledgeable consultants with which the programme works.

Assigned to: Chief TISI Section

**Management Response and Justification:**

The recommendation is:	<input checked="" type="checkbox"/>	Section management accepts this recommendation with caveats. The section will prepare a resourcing plan but without the assumption that more staff will be required at this stage. A drive for both efficiency and contract certainty has led to a decision to hold off from hiring new staff until demand stabilizes and new ways of working are fully embedded including using outsourcing, national and international consultants, and digital/remote options. In the interim this has resulted in heavy travel schedules by senior staff. Over the next 6 months we will be consolidating the positions of existing staff and HQ consultants into appropriate fixed term and temp roles. We will also be proposing a shift in some reporting lines and possible new vacancies at P3 level. The staff development carried out under recommendation 7 will also help to mitigate the concern identified. Any net increase in staffing will be considered against known demand, available work months, office space, and alternative options including greater investment in consultants.  <u>Benefits:</u> Reduction in work pressure and more management support for staff  <u>Costs/Risks:</u> If we hire more staff, contract certainty, scope of work, and office space will be reduced for all. Work months for new staff may need to be shared between W2 and W1 funding, reducing the W1 budget available for non-staff costs.
Accepted:		
Partially accepted:		
Rejected:	<input type="checkbox"/>	

**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
6.1 Complete actions to consolidate roles and retain existing high performers 6.2 Review and update Org Chart, including a shift in some reporting lines, and possibility of increase in technical staff 6.3 Present proposed staff plan with changes for approval as required.	Improved management support to all staff as senior staff freed up from routine technical work. Reduction in work-related pressure.	Section Chief	HR, Senior management	Q4 2020	Dependent on approvals for staffing by senior management

**Recommendation 7:** It is recommended to develop, over the next year, clear knowledge transfer plans for each team member to help them assimilate methodologies in different contexts. The programme staff also needs to develop experience and expertise aligned to new types of clients. Some of the key elements which form the programme's methodologies can be extended to new clients (i.e. best practices from member-based institutions can be used for different types of clients, as long as they are membership based), but more experience within the team will be needed.

As training by doing can be resource consuming – as it normally involves travelling – simulations, using past and present situations, could be used to reduce costs. For staff to learn, providing online services to more advanced institutions, who do not necessarily need face to face support, could also be a less costly solution for hands-on training. While providing such online services, staff to be trained could be present and involved, which would provide them with opportunities for learning.

Assigned to: Chief TISI Section

**Management Response and Justification:**

The recommendation is:  Accepted: <input checked="" type="checkbox"/>  Partially accepted: <input type="checkbox"/>  Rejected: <input type="checkbox"/>	Section management recognizes that the rapid pace of innovation within the section has led to uneven knowledge on the use of new tools and methodologies. This presents a risk to the consistency and quality of our work, and increases the key person risk in the section.  As part of the objective setting for 2020 FROs will be expected to identify one or two tools/methodologies per staff member where additional experience would reduce the risks identified above. A consolidated knowledge plan will then be reviewed for budget and planning implications.  <u>Benefits:</u> Technical staff are more confident and consistent in the delivery of the full suite of tools, giving us more deployment flexibility  <u>Costs/Risks:</u> Training is best delivered on the ground. This has an implication for the number of people travelling and related costs.
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**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
7.1 Section Knowledge Transfer plan developed 7.2 Set specific objectives/goals with staff	Staff feel confident to deliver a broader range of services (Performance review discussions in 2021) PAS	Section Chief		Q2 2021	

**Recommendation 8:** It is recommended to strengthen the gender equality component of the programme as well as the consideration of other relevant mainstreaming areas for sustainable and inclusive development. This could for example take the form of a refresher of the Benchmarking, CUBED and Ecosystem methodologies as well as of all types of support tools and content.

Assigned to: Chief TISI Section

**Management Response and Justification:**

The recommendation is:	<input checked="" type="checkbox"/> Accepted: <input type="checkbox"/> Partially accepted: <input type="checkbox"/> Rejected:	<p>Section management recognizes that the time has come to emphasize the role of BSOs to deliver beyond SDG 8. We have information online and in print to guide BSOs in making their organization and their service offering gender and environment sensitive. In 2020 we will be modernizing the Benchmarking methodology and this will include considerations of sustainability and inclusiveness. In line with the mainstreaming guidelines we will also improve our data capture on women and youth who benefit from the programme. In 2020, we are contributing through indirect delivery to the results of the She Trades programme, including capacity building for Women’s Business Associations in the context of ACFTA; and to the T4SD programme, including capacity building of T4SD hubs.</p> <p><u>Benefits:</u> Section interventions better reflect ITC purpose, and our service offering is able to support a broader set of institutions</p> <p><u>Costs/Risks:</u> Additional R&amp;D investment will be needed</p>
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**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
8.1 Updated Benchmarking model includes considerations of sustainability and inclusiveness 8.2 New workshop material is designed to reflect considerations of sustainability and inclusiveness	Sustainable and Inclusive trade becomes central to our discussions about organizational performance	Section Chief	- ITS - SIVC	Ongoing	Assumes Benchmarking Platform funding is fully approved