

## MANAGEMENT RESPONSE AND IMPLEMENTATION FOLLOW-UP

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# Evaluation of the ITC Trade Facilitation Programme

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

<b>Date of submission of final evaluation report:</b> 21 June 2019	
<b>Responsible manager:</b>	Mohammad Saeed
<b>Responsible chief:</b>	Rajesh Aggarwal
<b>Responsible director:</b>	Marion Jansen
<b>Head IEU:</b>	Miguel Jiménez Pont
<b>Date of finalization of management response:</b> 28 August 2019	

**Recommendation 1:** To support effectively SDG 17.11 and to enhance the impact of the programme on the competitiveness of SMEs, the TFP should focus more on low-income countries, especially LDCs.

*Assigned to: chief, TFPB, and TFP senior officer*

**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>TFP recognizes the importance of providing support for low-income countries and will further pursue work in LDCs. Following points, however, are worth taking note to see the recommendation in a comprehensive context:</p> <ul style="list-style-type: none"> <li>- TFP is currently providing technical assistance in three (3) LDCs in West Africa under Denmark-funded Window 1 project, in four (4) LDCs in East Africa under the MARKUP programme, in Afghanistan in a dedicated Advancing Afghan Trade project with an additional 4-year phase II project starting in 2019, as well as in Zambia as part of the COMESA programme. Overall, in 2019, LDCs account for 65% of TF Programme portfolio in terms of financial delivery as well as geographical coverage.</li> <li>- Furthermore, TFP does not have full discretion over the development level of the countries they assist as technical assistance projects managed by TFP are largely donor-driven in their design and desired results.</li> <li>- With a view to enhance the scope and depth of TF related services delivered by ITC, the TPF must maintain a strong portfolio of technical assistance projects in developing countries as it allows the team to pilot new services and collect best-practices that are then instrumental in the design and implementation of intervention in countries at a lower development level.</li> </ul>
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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
1.1 Proactively liaise with DCP teams to identify project development opportunities in LDCs	LDC focused project proposals account for a minimum of 50% of TF Programme project development portfolio to the extent circumstances and donors' focus allow for that.  <b>Means of verification:</b> development levels of beneficiary countries in TFP project proposals	Dr Mohammad Saeed	DCP	12/2020	

**Recommendation 2:** Programme activities should include a discussion on trade impacts on sustainable development, such as SDG 5 (gender equality) or SDG 6 and 13 (climate).

*Assigned to: TFP senior officer*

**Management Response and Justification:**

The recommendation is:	TFP recognizes the importance of trade impacts on sustainable development, and commits to more explicitly including it in its standard technical materials and activities.				
Accepted: <input checked="" type="checkbox"/>	TFP has in the past delivered programmes directly impacting SDG5, namely in the “Trade Facilitation for East African Community (EAC) Women Informal Cross Border Traders (WICBTs) and Micro Small and Medium Enterprises (MSMEs)” in 2013-16. Currently ITC is developing dedicated technical assistance on Gender and Trade facilitation in its upcoming project “Support to investment, competitiveness and trade in Central Asia”.  Furthermore, TFP provides regular reporting on its results in relation to specific SDGs.  Further areas of trade facilitation’s impact on sustainable development will be explored by the TFP team.				
Partially accepted: <input type="checkbox"/>					
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
2.1 Review of ITC TFP standard materials and activities	TFP materials will, where relevant, include discussion on SDGs.  <b>Means of verification:</b> TFP materials highlighting the relevant SDGs.	Dr Mohammad Saeed	T4SD, SheTrades	12/19	

**Recommendation 3:** TFP should continue helping to establish/support NTFCs and fostering public-private dialogue on trade facilitation reform.

*Assigned to: chief, TFPB, and TFP senior officer*

**Management Response and Justification:**

The recommendation is:	<p>As per the database of WTO Trade Facilitation Agreement (TFA) facility, over 50% of developing countries and LDCs are yet to implement measures such as Single Window, Authorized Operators, advance rulings, Average release times, Border Agency Cooperation, Enquiry points, Publication....</p> <p>Hence, most promising business development opportunities for ITC in the area of Trade Facilitation calls for a diversification of TF Programme technical assistance services beyond support to National Trade Facilitation Committees (NTFCs) and public-private dialogue mechanisms to assist in the implementation of <b>ALL</b> TFA measures.</p> <p>This strategical shift is already in progress as noted by SMC: <i>“ITC’s Trade Facilitation work is in progression [...], it builds a continuum and moves upwards, starting from categorization, ratification, and now implementation”</i> (SMC Minutes, 7/3/19).</p> <p>NTFC and PPD are an integral part of the WTO TFA and as such they will remain a cornerstone of the TF Programme as <b>MEANS</b> to tailor the design and implementation of reforms to beneficiaries’ specific context and business community needs.</p>
Accepted: <input checked="" type="checkbox"/>	
Partially accepted: <input type="checkbox"/>	
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
3.1 Continue technical assistance services towards establishment and operationalization of NTFC and PPD mechanisms in TFP’s standard offer, and upcoming project proposals to complete the other TFP core offer keeping in view demand from beneficiaries	<p>TFPs interventions would continue to support NTFCs and PPDs and would build upon these core offers to tailor the design and implementation of other TF reforms</p> <p><b>Means of verification</b> Project proposals and Action Documents include support to NTFCs and PPDs</p>	Dr Mohammad Saeed		Continuous	

**Recommendation 4:** The TFP should continue to work with collaborators with technological skills (notably UNCTAD) on those digital trade procedures such as TF Portals where success requires technological, technical and intermediation skills to be combined. These are likely to contribute to reducing trade costs, benefitting in particular SMEs. In doing so, particular attention should be paid to unlocking the potential at a regional level.

*Assigned to: chief, TFPB, and TFP senior officer*

**Management Response and Justification:**

The recommendation is:	<p>As supported and stressed by Senior Management Committee decisions, including in its meeting on 7 March 2019 where “SMC acknowledged that ITC’s partnership with UNCTAD in this area is very valuable and should be nurtured”, the ongoing partnership between ITC’s TFP and UNCTAD on establishing and enhancing digital TF Portals will be pursued and deepened. Joint TF portals are currently being implemented in 12 beneficiary countries, and will be further strengthened in the upcoming project on “Support to investment, competitiveness and trade in Central Asia” where four (4) more countries will benefit from ITC-UNCTAD TF Portal implementation.</p> <p>Furthermore, this close collaboration between ITC and UNCTAD is regularly complimented and supported by donors and beneficiaries in the countries of operation.</p>
Accepted: <input checked="" type="checkbox"/>	
Partially accepted: <input type="checkbox"/>	
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
4.1 Regular information-sharing between UNCTAD and ITC on further potential areas for TF portal implementation	<p>Consistent communication exchange between the two institutions on active and prospective joint portal projects</p> <p><b>Means of verification:</b> Written notes on outcomes of exchanges provided to members of TFP team</p>	Dr Mohammad Saeed	UNCTAD	Ongoing	

**Recommendation 5:** An informed decision should be taken on whether the programme should continue to develop its recent initiatives with SMEs (training-of-trainer, SME coaching, online learning) and if it has the necessary capacity to do so. This decision should be taken at the divisional or SMC level, with TFP providing information on these initiatives add value to its TF mandate.

This discussion should also be attended by representatives of ITC sections working in this field (such as Sector and Enterprise Competitiveness) to identify possible overlaps or synergy potentials. In addition, this discussion should be underpinned by a clear planning of how TFP intends to ensure the implementation of its activities in terms of the team's capacity (see recommendation 6).

*Assigned to: director, DMD*

**Management Response and Justification:**

The recommendation is:	TFP activities to coach and train the SMEs for efficiently complying with cross border reforms are part and parcels of ITC Trade Facilitation Programme as approved by SMC. As a matter of fact, building the capacity of the private sector to understand the TFA and to advocate for business-friendly trade facilitation reforms is a key feature of the TFP as it allows for informed public-private dialogues within National Trade Facilitation Committees. Similarly, the benefits of “reformed” cross-border formalities can only be achieved when traders effectively comply with the administrative and procedural requirements set by Customs and other border regulatory agencies. In this regard, TFP approach mirrors the Quality For Trade methodology that combines technical services at policy, TISI and SME levels.  Furthermore, private sector capacity-building on trade facilitation is complementary with the private sector activities conducted by the Sector and Enterprise Competitiveness. Discussion with SEC has confirmed the complementarity of the Programmes’ respective services and TFP will continue to take informed decisions with the objective to collaborate on joint initiatives and implementation where relevant to ensure that there is no overlap.
Accepted: <input type="checkbox"/>	
Partially accepted: <input checked="" type="checkbox"/>	
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
5.1 Engage with director, DMD and SEC to ensure complementarity and avoid overlaps	Confirm that TFP activities to coach and train the SMEs for efficiently complying with cross border reforms do not overlap but complement activities conducted by SEC  <b>Means of verification</b> Reported discussions with director DMD and SEC team	Dr Mohammad Saeed	SEC	Already completed	Discussions with director DMD and SEC team confirmed complementarity

**Recommendation 6:** The TFP should develop and present a clear and detailed staffing and work plan. This plan needs to ensure that the necessary expertise and capacity can be anticipated and provided in time, depending on the TFP's focus and main activities in the coming years. The planning should cover a clear timeframe and define who is responsible for covering which projects and activities. It should also include an assessment of associated administrative effort and how it will be covered adequately. The planning should be discussed and verified with all team or section members involved. In any scenario, internal management should be strengthened to ensure sound project management from planning through delivery to reporting. The planning should therefore explicitly consider this vital function and specify how this is to be ensured.

*Assigned to: chief, TFPB, and TFP senior officer*

**Management Response and Justification:**

The recommendation is:

Accepted:

Partially accepted:

Rejected:

The total delivery of TFP has grown in five years (2014-19) by a factor of twelve (12), to a total of approx. 3 million USD by end-2019. And the projected delivery for 2020 will again increase by 50% vs. 2019 with a total amount of 4.5 million USD.

However, the TFP team has not benefited from a commensurate increase in human resources, and in fact an RB P4 staff was reassigned from TFP to DPS in 2017 without replacement. Consequently, the evaluation reports that *“the estimated programme volume for 2019 translates into an average delivery per professional staff that would need to be more than twice the organizational average”*.

In 2019 approx. 70% of TFP budget came from W2 projects and this figure will increase to over 80% in 2020. Given donors scrutiny on ITC salaries allocated to projects, TFP is not able to appropriately reflect the time spent by staff Members on W2 initiatives in their respective budgets, and even less to recruit additional personal. For example, under the Sri Lanka project, donor agreed to seven (7) full work months (P2-level) to be charged on the TF component for a total delivery of 1,000k USD. This situation implies a delivery of 1.7 million per year per staff (i.e. approx. 4 times the ITC average).

Given that all the staff, excepting one senior officer, are XB funded the current situation naturally leads to:

- Systematic subsidization of W2 project with W1 funds
- Weakening TFP’s ability to project ITC’s as a technical assistance agency with in-house expertise; rather than a project management shop merely engaged in sourcing external expertise.

- Lack of human resources to appropriately cater to corporate / programme-level requirements: planning and management, project development, reporting, communication, R&D...
  - Reliance on junior HQ based consultants to perform complex project management and technical tasks
  - Negatively impacts the staff progression planning and stability
  - *“Heavy workload on the small Geneva-based team [which] is critically undersized - notably in view of the increasing programme volume – and shows signs of burnout”* (Source: TFP Evaluation)
- A detailed work plan will be developed together with a request for enhanced staff funding to address the challenges identified in the evaluation.

**Action Plan and Responsibilities:**

Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
6.1 Detailed staffing and work plan will be developed	<p>A plan will be developed and shared with members of TFP team and senior management</p> <p><b>Means of verification:</b> A written plan that is updated on a regular basis.</p>	Dr Mohammad Saeed		10/19	Project portfolios will change and therefore this workplan needs to be regularly reviewed and updated
6.2 Engage with Senior Management for additional staff and appropriate funding arrangement	<p>A fixed percentage (e.g three (3) work months per year for each Staff-Member) in TFP’s team is covered from non-W2 funding sources such as PSC or W1 funds dedicated to Staff Members salaries.</p> <p><b>Means of verification:</b> Additional financial PSC / dedicated W1 resources are allocated to TFP</p>	Dr Mohammad Saeed		10/19	



**Recommendation 7:** The TFP should improve its planning for and reporting on results. This includes three components: i) the programme should introduce coherent and timely reporting; ii) the theory of change as an essential planning tool for achieving the programme's objectives should be updated and comprehensibly expressed; and iii) the associated monitoring data should be reliably collected and indicators clarified. Furthermore, the programme should strengthen its follow-up with participants of training activities.

*Assigned to: TFP senior officer*

**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>TFP is meeting its reporting requirements to donors and SPPG (notably through New Project Portal) in a timely manner. However, TFP agrees with the need to upgrade its reporting activities.</p> <p>Following the evaluation's preliminary result the TFP team has taken steps to improve its reporting practices: identification of standardized outcome /output indicators for each type of TF service and aligned with the programme Theory of Change, development of a dedicated reporting tool aligned with the Programme's result framework, enforcement of a revised reporting routine...</p> <p>Nevertheless, these initial steps towards firming up TF result management need to be further improved, closely monitored. However, the achievement of this much needed objective is rendered difficult by the constant increase of the team's delivery (see comments on Recommendation 6) which draws TFP's scarce human resources away from corporate/programme-level requirements to focus on projects' implementation.</p> <p>For this purpose, as per the needs and actions formulated in Recommendation 6, additional resources for TFP staff funding are requested. Should additional resources be allocated to the Programme, it would allow TFP to perform planning and management functions more effectively and in particular: strengthened result planning, collection reporting and monitoring, improved internal and external outreach, enhanced business development activities, continuous R&amp;D to deliver innovative services to beneficiaries.</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>
7.1 Organize a TFP internal workshop to further sensitize the teams on ITC result management approach and review the outcome/output indicators associated with each TF service	Improved quality and comprehensiveness of reporting submitted by team's members.  <b>Means of verification</b> Exhaustive reporting of TFP's activities coherent with ITC guidelines	Dr Mohammad Saeed		10/19	
7.2 Organize monthly meeting to review TFPs results vs. programme and projects objectives	Improved quality and comprehensiveness of TFP's reporting  <b>Means of verification</b> Exhaustive reporting of TFP's activities coherent with ITC guidelines	Dr Mohammad Saeed		09/19 and recurring	
7.3 Engage with Senior Management for additional staff and appropriate funding arrangement	A fixed percentage (e.g three (3) work months per year for each Staff-Member) in TFP's team is covered from non-W2 funding sources such as PSC or W1 funds dedicated to Staff Members salaries.  <b>Means of verification:</b> Additional financial PSC / dedicated W1 resources are allocated to TFP	Dr Mohammad Saeed		10/19	

**Recommendation 8:** ITC should ensure that the allocation of projects to programmes is done accurately by the project managers. Besides, ITC should enhance the functionality of the project management portal so that it enables programmes to manage their portfolios effectively, allowing work-planning and reporting for programmes, across individual projects.

*Assigned to: chief, SPPG*

**Management Response and Justification:**

The recommendation is:

Accepted:

Partially accepted:

Rejected:

At present, there is only one interface between projects and programmes in the portal. Project managers are required to tag their projects to programmes – with the recommendation to choose no more than 3 programmes. There is no easy programme-project hierarchy in ITC which would allow to link each project to only one programme. Many ITC country partners ask ITC to address various needs under the umbrella of one large country project – e.g. for Trade Facilitation, a Trade Development Strategy, and value chain development support for a particular sector. However, the project portal offers the functionality to filter all projects related to a particular programme.

Inaccuracies in the project-programme tagging can be addressed at the project design stage, or ‘change control’ stage, when the programme links are entered in the portal. To address the recommendation, SPPG will introduce – with ITS support – an automated notification of programme managers, whenever a new/changed project is submitted that links to their programme. This should trigger a discussion between programme and project managers, if views on the project – programme link differ. Programme managers also have the responsibility to check the list of projects that are associated with their programme – e.g. in the context of the annual section workplans, and notify SPPG and the project manager if there are erroneous links. The new section dashboard that is under development should facilitate transparency on the programme – project linkages.

With regard to functionality improvements that would allow the project portal to serve as a comprehensive programme management tool, this would require major changes in the project portal. Each project will have to be clearly structured into programme components. Those components need to have an intermediate outcome statements and indicators, a budget with a separate WBSE and workplans. The portal would also have to offer the functionality to tag all these elements to programmes, and aggregate them on separate programme pages.

SPPG suggests to address the financial component in the context of its work with FM, on tracking ‘indirect delivery’ in Umoja. This will allow to aggregate budget information for the core ITC programmes that can be linked to specific technical teams in sections. Any further steps, given their resource requirements, will require an explicit prioritization by Senior management

Action Plan and Responsibilities:					
Actions	Expected result and means of verification	Responsible office or partner	Contributing section(s)	Implementation deadline	Remarks
8.1 Introduction of an automated notification of programme managers, whenever a new/changed project is submitted that links to their programme	Triggered discussion between programme and project managers, if views on the project – programme link differ, and subsequent corrections if necessary  <b>Means of verification:</b> Notification introduced	SPPG	ITS	6/20	
<p><b>Recommendation 9:</b> The TFP should improve its communication activities to enhance the programme’s as well as ITC’s credibility and visibility. This applies to both the project level in beneficiary countries and the global level using corporate channels. For this purpose, it should be defined which communication activities are envisaged at which level and who is responsible for them. Existing content should be updated.</p> <p><i>Assigned to: TFP senior officer</i></p>					
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>In five years, and starting from scratch, ITC has positioned itself as a credible provider of technical assistance in the area of trade facilitation. This observation reflects the tremendous strides made by TFP in enhancing ITC’s profile through various communication channels: secured Membership to global TF platforms (i.e. Annex D+, GFP), participation to national and regional forums organized by third parties (e.g. APTFF, NTFC Forum, WAEMU Commission, ECOWAS Commission, FIATA...), partnerships with leading public and private organizations (UNCTAD, UNECE, WCO, DHL, ICC...), technical publications, leaflets and brochures, media coverage of project related activities...</p> <p>As there is always a way to improve, TFP team has initiated work to consistently use social media channels for communication on project activities, and partnering in-house in developing more long-form communications material on specific projects. However these activities need to be managed, monitored and rendered sustainable.</p> <p>For this purpose, as per the needs and actions formulated in Recommendation 6, additional resources for TFP staff funding are requested. Should additional resources be allocated to the Programme, it would allow TFP to perform planning and management functions more effectively and in particular: strengthened result planning, collection reporting and monitoring, improved internal and external outreach, enhanced business development activities, continuous R&amp;D to deliver innovative services to beneficiaries.</p>				

<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>
9.1 Organize trainings for the TFP team on the effective use of social media	Enhanced visibility of TFP's activities  <b>Means of verification</b> TFP inputs on ITC social media platforms	Dr Mohammad Saeed		End 2019 and continued	
9.2 Engage with Senior Management for additional staff and appropriate funding arrangement	A fixed percentage (e.g three (3) work months per year for each Staff-Member) in TFP's team is covered from non-W2 funding sources such as PSC or W1 funds dedicated to Staff Members salaries.  <b>Means of verification:</b> Additional financial PSC / dedicated W1 resources are allocated to TFP	Dr Mohammad Saeed		10/19	

**Recommendation 10:** TFP should take advantage of so far untapped synergies with other ITC teams working in the trade facilitation area. To this end, internal communication and cooperation should be fostered and available in-house expertise and data should be put to the fullest possible use. There should be regular coordination of who is active in which countries and in which areas, and to what extent expertise can be shared in a beneficial manner.

*Assigned to: director, DMD*

**Management Response and Justification:**

The recommendation is:	<input checked="" type="checkbox"/>	<p>TFP team has dedicated responsibility to work in the area of trade facilitation. However there are some areas where the possibility of overlap exists which require continued communication and cooperation such as SME coaching and ‘transparency’. While developing the SME training and coaching utmost consideration is given to ensure that it focuses on cross border procedure and TF reform and does not overlap with SEC offer. In the area of transparency offer to develop portals was another area identified where more cooperation across various sections is needed. Decisions have been taken on the clear demarcation of dedicated responsibilities on implementation of portals keeping in view the mandate, skillsets and exigencies of project implementation in the field. Eastern Partnership Project and CATI (Central Asia Trade Information) Project have been designed to ensure synergies within different team as per their expertise.</p> <p>Accordingly systems have been put in place in DMD to regularly monitor and support cooperation in project development and implementation.</p>
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
10.1 Regularly review project portfolio to ensure that activities are designed to reflect synergies as per respective expertise of different teams	<p>Enhanced cooperation and coordination with other ITC teams</p> <p><b>Means of Verification</b> Project Implementation Reports reflecting synergies with other ITC teams</p>	Marion Jansen		Continuous	