

**Common donor statement to the informal Joint Advisory Group (JAG)
of the International Trade Centre (ITC)
by donors and members of ITC Evaluation Steering Committee
26 January 2015**

Delivered by Chair of ITC Evaluation Steering Committee, Ralph Osterwoldt (Canada)

Happy New Year, and welcome all. As chair of the ITC Evaluation Steering Committee, I have been asked to read this common statement by its members, which include donors and interested developing country partners.

Donors to the International Trade Centre (ITC) have together decided to present their response to the Evaluation in this common statement. These points may be elaborated in individual country statements. As we all know, this informal Joint Advisory Group (JAG) meeting is focussed on your ITC management response to the Independent Evaluation. Donors found both to be comprehensive, useful and well-done.

To follow up on the ITC Evaluation, endorsed at the JAG of June 2014, we welcome and support the ITC Management Response (MR), circulated by ITC on 28 November. Donors have analyzed and discussed this at donor coordination meetings in December and in January 2015.

We are pleased to note that ITC management agrees with the Evaluation's recommendations, both strategic and action-oriented ones, and indicates that it is already implementing most of them. We have carefully compared the Evaluation and the Management Response. ITC management has indeed incorporated the recommendations of the Evaluation into its forward planning and operations. Next, for ITC management, donors, and partners alike, our common focus is on implementation for results.

The ITC independent evaluation contained 4 Strategic Recommendations (SRs) with Action Points (APs) clustered under each, adding up to 24 further, more specific, action-oriented recommendations. These were divided into two categories: first, actions for ITC and, secondly, actions for ITC's "governors and supporters", i.e. donors. This statement first covers the actions expected of ITC itself, and addresses the second group later.

This common donor statement serves as our acknowledgement and approval of the ITC management's plan; it thus also serves as the donor response to the Evaluation. Accordingly, for the record, this statement now recaps items proposed in ITC's response to the Evaluation.

Regarding the ITC actions, the ITC management response provides an action matrix, as donors requested at the CCITF on 30 October. For each action item, it specifies: "completion dates, responsible parties, and means of verification" (by when? by whom? how do we know?). ITC's MR proposes 23 separate actions in respect of the 13 action points recommended by the Evaluation to ITC.

The matrix details the proposed ITC actions under each of the 4 strategic recommendations. In our recap and endorsement of ITC actions, we use the ITC's enumeration for ease of reference. This listing provides a useful baseline for monitoring progress and future evaluation.

Strategic Recommendation (SR) #1 calls for a more strategic programming approach, rather than one-off, country-specific projects. The Evaluation proposed 3 action points, and ITC plans 7 actions: 1. Its Strategic Plan; 2. a logical framework 'theory of change', 3. a

programmatic approach with 6 baskets or programme areas; 4. a catalogue of products and services; 5. a task force for programme development (this responds to the Evaluation call for a "high-level programme development support unit"). Further, 6. annual Operations Plans, and 7. adapting programmes to country and regional needs. We note that these satisfactorily address the Evaluation's action points.

SR #2 calls for building up ITC's assets, engagement with the private sector, and technical expertise. Responding to the Evaluation's 4 recommended action points, ITC undertakes 6 actions, as the Executive Director has said, "to invest in its people and processes". Continuing here with the enumeration of ITC actions, we take note of and approve of: 8. ITC improving its Client Relationship Management (CRM) system; 9. continuing its Quality Control process, which is already in place; 10. improved management of its project cycle; 11. evaluations which also assess programmes in light of corporate objectives; 12. better logical frameworks to aid results-based management; and 13. developing and retaining ITC expertise with 360 degree feedback and appraisals. Donors view these to be logical and appropriate.

SR # 3 calls for strengthening governance, reducing bureaucracy. The ITC MR offers: 14. an improved 'accountability framework', 15. better reporting on results and impact; 16. more transparency through its project portal and corporate impact survey; 17. accrual-based accounting using the International Public Sector Accounting Standards (IPSAS); and 18. use of the UN's new "Umoja" Enterprise Resource Planning application. All are sensible responses, working within the existing governance and UN system, which the Evaluation report authors felt would be too difficult or impossible to change more broadly, and certainly not specifically for the ITC here in Geneva.

SR #4 calls for raising ITC's visibility in Aid for Trade. Responding to the Evaluation's 4 action points, ITC undertakes the following 5 actions: 19. improving the website, its annual report, and use of social media. ITC cites its first ever Forum in Africa (Sept 2014) and Open Door event (2 Dec 2014); 20. strengthening strategic partnerships with joint initiatives, such as with WTO and its Standards and Trade Development Facility (STDF); UNCTAD with which ITC recently signed an MoU; and the Enhanced Integrated Framework (EIF), which is embarking on its second phase. ITC also promises 21. interaction with stakeholders, such as private sector actors and trade-supporting institutions (TSIs) via dialogues in addition to the standard governing meetings of CCITF and JAG; 22. exploring liaison arrangements within key regions; and finally 23. branding and outreach through its communications strategy. These build on or continue efforts which have borne fruit so far.

In summary, then, the donor countries are pleased with the ITC's management response, both in its substance and form. It covers all of the Evaluation's recommendations directed to ITC and the action matrix enables tracking of actions: by when, who is responsible, and how to verify compliance. Specifically, the ITC MR provides an acceptable menu of 23 planned actions by ITC with respect to the 13 evaluation-recommended action points, and thus to their four umbrella Strategic Recommendations.

With respect to the second group of the Evaluation recommendations mentioned earlier, donors reiterate the views made at the CCITF and donor coordination meetings that the ITC MR should not include or cover "actions recommended for ITC's governors and supporters." Each donor's support to ITC is subject to policy, programmatic and political considerations. As principles of aid effectiveness, donors understand and respond to calls for coordinated, predictable, and demand-driven funding. But no large, long-term, un-earmarked funding can be committed to in

this format – especially not in an ITC Management Response document, which is purely a reaction and commitment from ITC management.

Thus donors ask that the empty boxes and rows entitled “ITC’s Governors and Supporters Actions” be deleted from the ITC Management Response document. Instead, in their place, donors consider this common statement to be our own donor response. This statement, which endorses the Evaluation recommendations and approves of the Management Response list of actions, constitutes our response. We also state our recognition, as supporters of ITC, of the importance of continuing efforts: – to coordinate and to complement each other’s funding where possible, and to endeavor to support ITC with longer-term, sustained, and predictable funding.

Further, now that the Evaluation and the Management Response to it have been completed, with an Action Matrix setting out actions, responsibilities, timelines and indicators, we take note that the Strategic Plan for 2015-17 covers the main issues. Donors look forward to the promised action items being reflected in the more detailed Annual Operational Plans. Donors invite ITC management to consult ahead of the next Strategic and Operational Plans so that we can liaise with other interested parties, such as our capitals and representatives at the relevant UNGA committees in New York, to support those adjustments which fit ITC’s distinctive nature.

We appreciate the ITC Executive Director’s offer for informal preparatory and follow-up discussions for “engagement” of donors and recipient countries with ITC officials on any issues arising from the Management Response, the Evaluation, or the Strategic Plan. We will also continue to express our support and “champion” the innovative work which ITC does, within its mandate, for SMEs in developing countries. Such support conforms with the Evaluation recommendation to us as “friends of the Chair”.

In conclusion, the ITC Evaluation Steering Committee appreciates the hard work that went into the Evaluation and its Management Response. While the steering committee has completed its assigned task with respect to the Evaluation, we will continue, as donors, to monitor progress on implementing the listed action items. To that end, we note the MR reference to progress reports to the JAG, and we look forward to receiving regular updates on results, and, if necessary, on how plans are adjusted to ensure the desired results are achieved.

Thanks to you at ITC for a job well done, during this long process of evaluation and response, which will assist ITC operations for some years to come.

I take this opportunity to thank all of you who have assisted in making the work of the ITC Evaluation Steering committee constructive and helpful to ITC and all its stakeholders. I enjoyed very much serving as its chair. Thank you.

Presented on behalf of donors by Ralph Osterwoldt (Canadian permanent mission, Geneva), chair of ITC Evaluation Steering Committee, 26 January 2015.

