

# **The 2014 Independent Evaluation of ITC and the 2015 OIOS Programme Evaluation of the ITC**

## **Report on the implementation of the ITC management response actions**

**23 June 2015**

### **About this report**

This report is an update on the actions set out by ITC management as their response to two evaluations of ITC. The first, the independent evaluation of ITC covering the period from 2006 to 2013, was commissioned by ITC donors, carried out by Saana Ltd. and completed in 2014. The ITC management response was endorsed by the ITC Joint Advisory Group (JAG) in January 2015.

The second, an evaluation by the UN Office of Internal Oversight (OIOS), was completed in March 2015 and presented to the UN's Committee on Programme Co-ordination in June 2015. This evaluation assessed the results of the independent evaluation of ITC and extended the period of analysis to include 2014. The ITC management response to this, drawing on responses already made to the prior evaluation, was completed and shared with both OIOS, the Consultative Committee of the ITC Trust Fund in April 2015. It also formed part of the formal submission of the report to the UN Committee on Programmes Co-ordination.

This report presents an update on the actions for the members of the Joint Advisory Group. For ease of use the table in this report combines the actions from the two evaluations, making clear references to make them traceable back to the original recommendations. Item IE1.1 refers to the Independent evaluation, Recommendation 1, Action 1 and so on. It also provides information on whether the action is considered open or completed, the extent of progress made so far and reports any relevant outputs or products, e.g. the Strategic Plan.

This report is in keeping with the commitment made by ITC management to ensure that progress on the implementation of these recommendations will be regularly reviewed and reported to the JAG.

Note: The implementation of these recommendations, in particular the pace in moving to a more strategic, better prioritised, more impact-driven, more coherent programmatic approach will be greatly aided by longer term financial commitments from funders. The same applies to the coverage of the deployment of ITC services in a wide range of countries and regions.

**STRATEGIC RECOMMENDATION 1:**

*Move to a strategic base for supporting and deploying ITC's unique strengths in the global Aid for Trade effort.*

- *The six clustered focus areas in the current ITC Operational Plan and Case for Support should be provided with substantial longer-term financial support (5 year minimum) and should be developed and deployed by ITC in genuinely strategic ways for a wide range of countries and regions.*
- *De-emphasize ambitions for conventional country programmes, in favour of capitalizing on proven ITC strengths globally and regionally.*

Recommended Actions to ITC's Management:

- *Use a small high-level programme-development and support unit, made up of experienced operational officers, to flesh out 6-10 year strategic programmes and longer-term support under the clusters, in pro-active dialogue with potential beneficiaries, operational staff and donors.*
- *Task this unit with reporting in one year to management and JAG on initial experience, including lessons for the responsibilities and working relationships of technical and geographical units, any suggested pruning of non-strategic services or products, and possible structural or other implications.*
- *Do not accept shorter-term, one-off projects that do not capitalize on ITC's potential contributions, but instead detract from its strategic effectiveness.*

Action ID	Action	Means of verification	Responsible parties	Completion date	Status	Comment
IE1.1	<u>Strategic Plan:</u> The new Strategic Plan 2015-2017 has articulated ITC's unique strengths and cemented its strategy around the six focus areas. It reinforces ITC's key role in the Aid for Trade landscape. The focus areas are underpinned by a programmatic approach which aims to clarify the ITC portfolio and align it with its strategic goals.	Strategic Plan 2015-17	SPPG	Done		
IE1.2	<u>Theory of change:</u> ITC has also developed an intervention logic that further details the corresponding theories of change that ITC deploys as set out in the Strategic Plan.#	"One ITC" Intervention Logic	SPPG with input from Divisions	Done		

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IE1.3 & OIOS5.5	<u>Programmatic Approach</u> : Under each of the six focus areas relevant programmes will be developed. ITC's programmatic approach will include an intervention logic that analyses and organizes current ITC services into a logical and coherent sequence, identifying needs for improvement and innovation, as well as gaps to be addressed for each programme. This will determine standard success criteria attributable to activities delivered by ITC Sections at each step of beneficiaries' change process, and support evaluations of the impact of ITC's interventions on the ground. It will also include the introduction of programme management standards such as programme boards and sponsors.	Programme documents	DBIS, DMD and DCP	H2 2015		ITC is advancing in the intervention logic for each one of the programmes within the 6 focus areas. Internal task forces have been set up for each programme and there is ongoing dialogue with interested members to ensure relevant suggestions are incorporated.
IE1.4	<u>Catalogues of ITC Products and Services</u> : It will focus on areas where ITC has greater value added and discontinue in the areas with lesser comparative advantage. The programmatic approach and the catalogue will ensure better prioritisation, fewer 'shorter-term, one-off projects', and ultimately, greater impact	Catalogue of ITC Products and Services	SPPG	H1 2015		Catalogue under preparation, in parallel with the programmatic approach.
IE1.5	<u>Programme Development</u> : A task force will be set up charged with programme / project design to ensure coherence and efficiency.	Setting up of task force with objectives and success criteria	ITC Management	Done		
IE1.6 & OIOS3.2	<u>Annual Operational Plan</u> : The goals outlined in the Strategic plan will be implemented via Annual Operational Plans. The implementation and accomplishments will be reported to members through Annual Reports.	Annual Operational Plans  Annual Reports	OED and DPS	H2 2017		2015 Operational Plan completed and circulated to members in Q1. 2014 Annual Report completed and will be discussed at the 2015 JAG.  From 2015 the annual planning process will include a portfolio review.

Key:  Completed  In progress  Not started

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IE1.7 & OIOS2.3	<u>Serving Country Needs</u> : At the country and regional level, each programme within each of the six focus areas will be adapted and customized into client-focused integrated solutions.	Programme Plans	ITC Management	H2 2017		All country and regional interventions under design adapt ITC's programmes to suit local needs.
<p><b>STRATEGIC RECOMMENDATION 2:</b>  <i>Protect and develop ITC's main and distinctive working assets: its special capacity to deal with the private sector in trade and its excellence in technical expertise and appropriate technical assistance.</i></p> <p><u>Recommended Actions to ITC's Management:</u></p> <ul style="list-style-type: none"> <li>Regularly maintain and use the new Client Relationship Management System as an essential pillar of ITC's private sector advantage and its worldwide network of clients and partners.</li> <li>Stage and phase further reforms and growth to existing and developing capacities to avoid overload and constant improvisation.</li> <li>Building on progress to date; rapidly finalize "good enough" systems of project cycle management, results-based management and reporting and knowledge management together with the other key challenges identified.</li> <li>Resolve anomalies in management practice and in the status, recognition and deployment of the whole ITC workforce and managers. Build in the time, resources and incentives for proper performance appraisal and staff development.</li> </ul>						
IE2.8 & OIOS4.5	<u>Improvement in CRM</u> : ITC will focus on making CRM work even better: workflows and processes to update data will be established; new reports will be enabled allowing better management information; and modifications will be made to enhance core processes such as the Note for File, and the scanning of business cards. In addition definitions of what constitutes a client will be reviewed.	CRM meeting development criteria	DMD	H2 2015		Further system improvements will be rolled out in September 2015, in parallel with the release of CRM Dynamics update and the New Project Portal.

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IE2.9 & OIOS2.1 & OIOS2.4 & OIOS 3.1	<p><u>Quality Control Process:</u> Since 2012 ITC has followed a quality control process for all TRTA projects. This has significantly raised the quality of project development. Every project has a logframe, which shows direct contribution of that project to the overall corporate goals. Since 2013 key features of successful projects (risks, exit strategies etc.) are systematically considered. In 2014 the quality assurance process was streamlined, quality assurance was placed at the heart of the Project Appraisal Committee (PAC), core information needs were redefined, and a scoring system to grade proposals on their quality was introduced. The monitoring and evaluation plans of new projects are assessed as part of the project quality assurance process.</p>	Communication on quality control process at ITC	OED	Done	●	<p>Project design templates and processes have been reviewed.</p> <p>There may be need for future adjustments as a result of the programmatic approach.</p>
IE2.10 & OIOS4.7	<p><u>Project Cycle Management:</u> As part of its commitment to continuing to improve project cycle management, ITC is further integrating all steps of the project cycle for all ITC projects in an updated version of its Project Portal. It will be upgraded in three stages. The first stage will deliver all the core functions needed design, implement and report on projects and programmes. This is due to be completed in the first half of 2015. The second stage will add better management reporting and the full migration of projects. The last stage will add workflow automation and Umoja integration. This should reduce internal transaction costs, increase the usability of the system and produce better management information, including monitoring, evaluation and impact data.</p>	<p>Roadmap for ITC's new Project Portal</p> <p>New Project Portal</p>	OED	H1 2016	●	The New Project Portal is due to launch end July 2015.

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IE2.11 & OIOS4.2 & OIOS4.4	<p><u>Evaluation:</u> Since the end of 2013 ITC has been implementing a more systematic approach to evaluations that is better aligned with corporate goals and strategies. By 2015 this will comprise in-depth evaluation through a limited set of strategic-level independent evaluations, focusing on priorities defined in the ITC Strategic Plan. ITC is also increasing the extent of evaluation coverage through self-evaluations. These will be subject to a formal validation process to ensure that they meet quality standards. ITC evaluation function will support the gradual development of standard corporate practices governing the use and development of impact measurement techniques i.e. selection criteria, questionnaires and methods that establish clear attribution of observed changes to ITC activities. ITC will also roll out staff training on evaluation and impact assessment</p>	Evaluation guidelines and development of standard corporate practices for impact evaluation	OED	H2 2016	      	<p>ITC's evaluation policy has been revised.</p> <p>The annual corporate impact survey has been conducted and results are being processed.</p> <p>Guidelines on evaluation and self-evaluation are under preparation.</p> <p>Staff training on evaluation and impact assessment is included in the Evaluation Unit's 2015 workplan.</p>
IE2.12	<p><u>Improve 'evaluability' of projects:</u> ITC is also building better logic chains to establish clearer attribution between ITC activities and claimed results, building in better 'evaluability', embedding impact into every project and ensuring the integration of evaluation recommendations back into the project cycle.</p>	Project and Programme Plans as approved by SMC	SPPG with DBIS, DMD, DCP	H2 2015		<p>The programme theories of change and logic models will serve as a framework for ITC projects, to enable evaluation of groups of related projects /programmes, together with revised evaluation policy and evaluation guidelines.</p>

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IE2.13 & OIOS5.4	<u>Development and Retention of ITC Expertise:</u> ITC places the development and retention of its expertise at the heart of its approach. The Strategic Plan 2015-17 places the development of expertise as one of its top five priorities for increasing the effectiveness of its interventions. Increasing investment in staff training on critical knowledge areas such as project management, SME competitiveness and functioning of supply chains will be a priority moving forward. In addition to its regular staff satisfaction surveys, ITC will implement 360 degree feedback starting with senior management in 2015.	Annual Report 2014	DPS	H2 2017		The 2015 staff technical training programme was adopted and is being rolled out.  The staff survey and 360° feedback on senior management will be rolled out in the second half of 2015.

**STRATEGIC RECOMMENDATION 3:**

*Pragmatically strengthen governance and continue to strengthen accountability while minimizing bureaucracy.*

**Recommended Actions to ITC's Management:**

- *Strengthen the information to JAG and CCITF on plans, performance and results – under each of ITC's funding streams, including the Regular Budget – as well as on internal management and economical operation*
- *Be transparent and assertive about both the real progress and the limits in defining, advancing and reporting results in ITC's work and in in making and defending adjustments and adaptations to standardized UN requirements that may be necessary to accommodate its distinctive mission and essential business requirements*

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IE3.14 & OIOS4.1	<p><u>Improvements in Accountability:</u> ITC Management is committed to improving accountability. To this end in 2014 it commissioned an accountability framework, in conjunction with OIOS. The framework was delivered in 2014 and is currently being implemented. ITC is also preparing to carry out a similar process on risk management.</p>	Accountability Framework	DPS, OED	Done	●	Draft risk framework received from OIOS. ITC management has provided comments and awaits the final version for review and implementation.
		Corporate Risk Framework		H2 2015	●	
IE3.15	<p><u>Better Reporting:</u> The new strategic focus areas and the underpinning programmatic approach introduced in the Strategic Plan 2015-17 will significantly aid reporting and accountability. ITC has improved its reporting on results and impact to the CCITF and JAG and will continue to do so.</p>	Reports to CCITF and for JAG	OED	H2 2017	●	Reports to the JAG and CCITF (including the Annual Report) and being enriched with more and better data and analysis.
IE3.16 & OIOS4.3	<p><u>Transparency and Impact:</u> In 2013 ITC provided online transparency on all its technical assistance projects including development targets and results. This transparency will be further improved in the new project portal currently being developed. ITC has already improved reporting on its impact, with the 2013 Corporate Impact Survey, and will continue to find innovative ways to better understand, and measure, its impact. ITC will continue to work on a set of 'impact stories' to better tell the ITC story publicly and will continue to build on this in the coming years.</p>	'Impact Stories'	OED	Done	●	'Impact Stories' completed in 2015
		Corporate impact survey		H1 2016	●	Corporate impact survey conducted. Currently aggregating and analysing results
		New Project Portal Beta		H1 2016	●	The launch of the New Project Portal will contribute to greater transparency.

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IE 3.17	<u>Improved Accounting Practices</u> : In 2015 ITC will complete the full transition to accrual based accountability following International Public Sector Accounting Standards ( <u>IPSAS</u> ) principles.	Annual Report and Accounts 2014	DPS	Done		
IE 3.18 & OIOS4.6	<u>Enterprise Resource Planning</u> : ITC will implement the new UN Enterprise Resource Planning application, Umoja, and will finalize the initiative to assess the full costing of its programmes and projects. It will continue to reduce and automate internal processes and change paper processes into electronic ones. Together these elements will deliver a more transparent, leaner, more efficient ITC.	Annual reports	DPS	H2 2016		ITC is fully engaged as part of Cluster 4 in Umoja implementation. Over and above this significant undertaking ITC is continuing to automate internal processes, currently automating the MoU and HR Recruitment workflow processes.

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**STRATEGIC RECOMMENDATION 4:**

*Move ITC up to the next level of visibility, engagement and effectiveness as a key player in the global Aid for Trade effort.*

Recommended Actions to ITC's Management:

- *Keep a steady focus and ITC's substantive expertise and credibility aimed at the strategic horizon suggested in Recommendation 1 and supported by the other Recommendations.*
- *To realistically enhance ITC's links among beneficiary countries and regions, recognizing its constraints, consider a very few carefully-designed, justified and evaluated liaison arrangements for key regions.*
- *With JAG and CCITF, enlist a small but representative group of engaged representatives of intended beneficiary countries and institutions, in Geneva and/or in capitals, to advise at regular intervals on cooperation possibilities, strategic design, key contacts and expertise and profile-raising opportunities.*
- *Continue to tell the ITC story publicly, highlighting promising innovations and breakthroughs as justified, while also using them to focus attention on the less glamorous, longer-term work of building sustainable results in supporting trade.*

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IE4.19	<p><u>Enhancing Visibility of ITC:</u> In the past year ITC has substantially raised its visibility. It completely revamped its website and its' Annual Report, significantly raising its social media presence – Twitter, Facebook and LinkedIn followers have grown to the many thousands each - and making a much greater impact across traditional print and online media. In 2013, close to 3,000 articles relating to ITC were published in printed and online media, which was up six-fold on 2012.</p> <p>ITC also successfully held its World Export Development Forum for the first time in Africa, in a landlocked country, Rwanda. ITC celebrated its 50th anniversary in 2014 with a high level event, an ethical fashion show and the publication of a 50th anniversary book on SME competitiveness. ITC also co-hosted the bi-annual WTPO in Dubai.</p> <p>ITC will also host an Annual Open-Door Day to provide Geneva-based stakeholders with a better understanding and interaction with the organization.</p>	<p>50th anniversary book on SME competitiveness; WEDF 2014 in Rwanda; Open Door Day 2014; Annual Report 2014; ITC Impact Stories; Trade Compass on UNTV</p>	OED	2015-2017		<p>Regular video coverage of major ITC and partner events</p> <p>Ten new publications, including a report on the TPO Network World Conference and Awards</p> <p>Innovative events – e.g. panel debate and film for International Women's Day,</p> <p>Major events - preparations underway: WEDF 2015, WVEF 2015, Trade for Sustainable Development Forum, event at Financing for Development Conference in Addis Ababa.</p>

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IE4.20	<b>Strategic Partnerships:</b> ITC will, in addition to enhancing its direct interaction, ensure its links with beneficiary countries and regions are enhanced by strengthening strategic partnerships with other international organizations through joint initiatives for greater impact in the field. This will include stronger collaboration with UN agencies through the One UN and UNDAF initiatives, and also continued involvement with in the Enhanced Integrated Framework, STDF and other similar programmes. ITC will also continue to enhance its collaboration with the private sector.	Annual Report	OED with all divisions	2015-2017		Agreements signed with International organizations: ISO, UNHCR, UNIDO, UNDP, UN Women. Global Compact  Agreements signed with private sector: Bosch, DHL, China Volant Industry Co. Ltd, HAFDE
IE 4.21	<b>Interaction with ITC Stakeholders:</b> In addition to the regular avenues of CCITF and JAG, ITC Management will undertake regular strategic dialogues with its Parent Organizations, funders of the ITC, beneficiaries, as well as the private sector and trade support institutions. It will also continue to reach out to the country/regional groups in Geneva. During visits to the field, ITC will also reach out to local stakeholders to enhance the visibility and effectiveness of the organization. ITC will also actively participate in the on-going dialogue to craft a post-2015 development agenda.	Annual Report	OED	2015-2017		ITC has instituted regular dialogue with members in Geneva, with its two parent organizations and with funders. From 2015 dialogue will take place with a wider audience of stakeholders.
IE4.22	<b>Liaison with Regions:</b> ITC Management is exploring enhancing liaisons with stakeholders in particular priority regions.	Annual Report	OED	2015-2017		Preparations are underway for the opening of a liaison office in Addis Ababa

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IE4.23	<b>Branding and Outreach:</b> ITC will continue to improve its branding and global visibility through the development and implementation of a comprehensive communication strategy. Central to this will be the re-definition of ITC's strategic approach in the Strategic Plan 2015-17 around the six focus areas. This will enable ITC to provide beneficiaries and would be supporters with a clearer understanding on the scope and impact of ITC's technical assistance.	ITC Website Annual Report	OED	2015-2017	●	ITC is developing new metrics for better capturing its outreach.
OIOS1.1	ITC will monitor the implementation of the actions described in the management response to the independent evaluation of ITC, including reporting regularly to the Joint Advisory Group (JAG).	This report	SPPG	H2 2017	●	See page 1 of this report
OIOS2.1	See IE2.9		SPPG	H2 2015	●	
OIOS2.2	Develop a new resource mobilisation strategy that incorporates analysis of country needs.	Resource Mobilisation Strategy	SPPG	Done	●	
OIOS2.3	See IE1.7		ITC Management	H2 2017	●	
OIOS2.4	See IE2.9		SPPG	H1 2016	●	
OIOS3.1	See IE2.9		SPPG	H2 2015	●	
OIOS3.2	See IE1.6		SPPG	H2 2015	●	
OIOS4.1	See IE3.14		SPPG	Q1 2016	●	
OIOS4.2	See IE2.11		SPPG	H2 2015	●	
OIOS4.3	See IE3.16		OED	H1 2016	●	
OIOS4.4	See IE2.11 and IE2.13		SPPG	H2 2015	●	

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OIOS4.5	See IE2.8		DMD	H2 2015	●	
OIOS4.6	See IE3.18		DPS	H2 2016	●	
OIOS4.7	See IE2.10		OED	H1 2016	●	
OIOS5.1	<u>Gender mainstreaming at ITC</u> : Develop and promulgate key gender sensitive policies, including more flexible work-life balance policies, a mandatory exit questionnaire, mandatory basic gender training and the terms of reference for a Gender Focal Point complemented with terms of engagement for UNSWAP Business Owners.	Gender policy and guidelines issued	HR	Done	●	Policies issued in May/June 2015
OIOS5.2	Appoint a Gender Focal Point focused on gender parity in the workplace, in line with the requirements of the UN-SWAP framework, as well as an alternate.	Appointment of Gender Focal Point	HR	Done	●	Focal Point appointed May 2015
OIOS5.3	Strengthen accountability mechanisms at the senior level through the development of gender parity metrics and promoting the Women's Empowerment Principles both inside and outside the organization.	Gender Parity Metrics	HR / ITC Management	H2 2015	●	Policy being developed and accountability mechanism is being implemented through staff objectives in the Performance Appraisal System
OIOS5.4	See IE2.13		DMD/TIS/HR	Q4 2015	●	
OIOS5.5	See IE1.3		DMD/TIS	Q3 2015	●	
OIOS5.6	Adoption of an Emission Reduction Strategy.	Emission Reduction Strategy	DMD/SC	H2 2015	●	Strategy adopted by SMC in 2014. Target setting and implementation modalities being prepared.

Key: ● Completed ● In progress ● Not started