

**MID-TERM EVALUATION:
JOINT INTEGRATED TECHNICAL ASSISTANCE
PROGRAMME (JITAP II) *
MANAGEMENT RESPONSE**

August 2006

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Management response to the JITAP evaluation reports (20 September 2006)

JITAP II/SG/07/6 E

Introduction

This management response consists of the present summary prepared jointly by the three implementing agencies on the main findings and recommendations of the evaluation report.

Overall, JITAP management accepts the evaluation's recommendations to improve the impact of JITAP and the speed of delivery of the current phase II, including individual suggestions for specific countries. The implementing agencies will carefully take these recommendations into account, to the extent possible, bearing in mind the resources still available under the programme.

Key recommendation

The evaluation also calls for the continuation of JITAP in a new third phase and highlights the unique nature of JITAP in the TRTA universe and its clear achievements in the last eight to nine years. The agencies welcome this recommendation and call upon the CTF Steering Group to endorse it. Should a third phase be decided upon, the implementing agencies will endeavour to incorporate the suggestions made in the report about a next phase into the programme inception process.

I. Background

1. ITC, UNCTAD and WTO, the JITAP implementing agencies, and the Coordination Unit take note of the JITAP II Evaluation report presented by the team leader Mr. S.V. Divvaakar, as well as the national evaluation reports presented by the sixteen national evaluators. We would like to thank the evaluation team for the efforts expended in the preparation of this evaluation.
2. This evaluation is the first external assessment of the programme's performance initiated by the agencies, as foreseen in the Programme document and endorsed by the JITAP Common Trust Fund Steering Group. The agencies believe that this report responds to the terms of reference transmitted to the evaluation team. The ITC Evaluation Unit professionally conducted the process, in conjunction with the evaluation units in UNCTAD and WTO. All are thanked for their commitment to the exercise and efficiency.
3. The agencies have followed the evaluation process with keen interest and high expectations for its conclusions and recommendations, to (i) adjust the programme for the remainder of the ongoing phase, and (ii) to initiate the thinking about a possible third phase.
4. The evaluation's main findings were that JITAP continues to be a successful TRTA programme and an outstanding example of inter-agency cooperation. The evaluation also concluded that JITAP continues to respond to most of the capacity building needs related to the Multilateral Trading System (MTS) in the beneficiary countries and is performing efficiently. However, the evaluation also noted some shortcomings identified at the global scale or in specific countries. These will deserve some adjustments that the agencies are committed to introduce both at the conceptual level as well as in the operational aspects.

II. Programme implementation

7. The report highlights the **uniqueness of JITAP's joint and integrated approach** (*Report p 2, 8, 18, 63*) in the TRTA universe (rules, policies, business). The joint involvement of ITC, UNCTAD and WTO is commended. This confirms what was highlighted in the JITAP I evaluation report of JITAP being "a trend setter" in TRTA. The pooling of resources at the level of implementing agencies has also fostered collaboration among trade related agencies in each of the partner countries enhancing the mainstreaming of trade into the poverty reduction programmes.
8. We have taken note of the evaluator's finding that there are **emerging human resource/supply-side constraints** (*Report p. 2, 5, 19, 66*) within the agencies, which may impinge upon the smooth delivery of activities. Notwithstanding the inherent capacity limitation of the agencies - resolution of which is beyond the scope of JITAP - further consideration needs to be applied to the delivery capacity of the agencies within the context of any new phase of JITAP, including more intensive utilization of national capacities, as duly stressed in a number of national evaluation reports.
9. The agencies agree with the evaluators' observation that **decentralized resources** (*Report p. 2, 24, 25, 66*) were poorly utilized and that more attention needs to be given to the strengthening of national capacities for timely implementation of locally initiated activities. According to the programme document, decentralised resources are made available to national counterparts for the implementation of agreed and locally initiated activities. Based on the evaluator's observation that the decentralization of funds was conducted satisfactorily in general, the "poor utilization of decentralized funds" noted in the evaluation report, points to weaknesses in national capacities for planning and execution of activities, as well as inadequate information sharing among the national stakeholders. The agencies also agree on the need to focus on rationalizing communication and simplifying approval processes.
10. The evaluation report observes that the **accounting system** (*Report p. 2, 35*) in the implementing agencies is inputs- based. While this is in conformity with UN financial standards, it does not correspond to the Results-based management (RBM) approach adopted by JITAP. It may be noted, however, that detailed output-based financial information was made available to all concerned. Furthermore, the assertion that there is apparent absence of formal regulation of budget deviations is not relevant, since regular inter-agency budgeting meetings have addressed such issues, with support from the Coordination Unit.
11. **Management and support costs** (*Report p. 33, 34*) are an integral aspect of any TRTA programme. Although the total of management and support cost, as indicated in the report, is about 31 percent, it has to be stressed that the support costs correspond to technical inputs provided by the implementing agencies to the programme. These costs should not, therefore, be lumped together with direct management costs (i.e. for the coordination unit and the focal points), which amounts to about 18 percent of the total expenditure.
12. In so far as the demarcation of **coordination and implementation functions** (*Report p. 2, 6, 30, 31, 66*) are concerned, we are in agreement that these are two functions that need to be considered separately. The structure of the Coordination Unit and its positioning in the overall management of the programme will be addressed in a future JITAP phase including such issues as staffing requirements. In the meantime, the agencies will continue to improve management and coordination mechanisms, as well as communication channels in line with the recommendations of the report.
13. We disagree with the assertion that the **consensus mechanism** (*Report p. 20, 65, 66*) for decision-making has hampered the implementation of the programme. No outstanding decisions are pending at this stage. In fact, this mechanism has allowed for flexibility in conception and implementation which cannot be easily replicated under the proposed voting system. This does

not, however, mean that there is no scope for improvements in decision-making within the programme; avenues for which shall be explored. We also believe that the current approach of leadership of respective modules by agencies is working efficiently, although some improvements could be introduced in the future.

14. The agencies take note of the evaluation's conclusion on the **coordination** (*Report p. 30, 31*), its processes and structures. Notwithstanding any future changes made to these in a possible third phase of the programme, the agencies undertake to streamline the aforementioned processes; review current staffing levels; and improve the inter-agency interaction with the focal points and other counterparts in the beneficiary countries.

III. Programme delivery

15. The agencies acknowledge the fact that some **delays** (*Report p. 21, 22*) were incurred in the implementation of some country specific components, which started in the latter half of 2004. However, generic activities and a number of priority inputs, including preparations for the 5th Cancun Ministerial Conference in September 2003, were already delivered during the second quarter of 2003.
16. The acknowledgement made by the evaluator that **modules 1, 2, and 4** are performing satisfactorily (*Report p. 3, 21*) is well noted. These modules have helped JITAP countries participate more actively and effectively in trade negotiations, better understand the MTS and the implications of trade integration as well as identify export opportunities.
17. **Module 3** (*Report p. 3, 21, 23*) consists of activities to be implemented by the Geneva-based agencies and follow up actions to be undertaken by the national counterparts. The outputs under the agencies' responsibility have been generally delivered. However, national sensitization and information dissemination activities have not been fully followed up, mainly due to capacity constraints in the partner countries. The agencies agree that further support and positive incentives shall be provided to national trainers and resource persons for the dissemination of training on the MTS and related information bases.
18. The agencies agree that **module 5** (*Report p. 3, 21, 23, 24, 36, 37*) has not performed to the extent planned, and agree to the merit in revisiting its conceptual basis and implementation modalities. Immediate action shall be taken to improve the quality of the content and the usage of the present JITAP website (including the CDF).

IV. Outcomes

Shaping trade positions, strategies and policy (*Report p. 41-43*)

19. The agencies fully concur with the conclusion that "JITAP has enabled a cross section of stakeholders to better understand the significance of MTS and make an objective assessment of the gains and losses from integration". The JITAP partner countries have been pro-active in the Doha negotiations, particularly by using the Inter-Institutional Committees (IICs).

Strengthening trade stakeholders' capacities (*Report p. 43-45*)

20. We agree with the evaluator that JITAP has contributed to the strengthening of trade information infrastructure under module 2, as well as capacity strengthening through MTS training under module 3. The elements mentioned in the report with regard to staff limitation in the countries, slow formation of trainers' networks and insufficient "buy-in" from beneficiaries are genuine issues that both the agencies and the partner countries will continue to address.

Export strategies as a response to market opportunities (*Report p. 47*)

21. The fact that all countries have identified priority export sectors for strategy formulation shows a strong “buy-in” from partner countries. While the agencies agree that strategy implementation is the main challenge, this cannot be tackled effectively under current resource constraints. Under a possible third phase, the intention is to go beyond sector strategy formulation and to provide technical assistance with clear emphasis on the implementation of export strategies.

Improved ability to formulate, manage and/or coordinate trade development programmes
(*Report p. 48*)

22. The agencies are pleased to notice the recognition by the evaluation that some JITAP concepts and institutional structures have been used in other TRTA programmes and has improved coordination, particularly between some JITAP and the Integrated Framework (IF) activities.

V. Impacts and sustainability

23. The agencies note with satisfaction the evaluation assessment that, owing to JITAP, there is tangible evidence of the increased participation by African countries in the MTS negotiations. Furthermore, negotiating priorities of partner countries are reported to better integrate the views articulated by multiple stakeholders, including the private sector and civil society. The JITAP institutional and operational structures that have brought about such fundamental changes are becoming increasingly sustainable. (*Report p. 48-49*)
24. The agencies agree that there are some unmet needs that will have to be addressed under a future phase of JITAP, such as the further “domestication” and implementation of WTO agreements, the sustainability of trade information points and other MTS-related institutions, the institutionalization of sector strategy formulation and implementation frameworks, as well as enhanced support for building export supply capacities of services and goods. (*Report p. 50-52*)

VI. Synergies with the Enhanced Integrated Framework and the Aid For Trade initiative

25. The evaluation calls for “formal recognition of JITAP as a trade capacity delivery mechanism under the Enhanced IF” and for “the formal adoption of inter-programme coordination between IF Working Group and the JITAP Joint Steering Mechanism”. The agencies would agree with this recommendation, and shall explore - in due course - the ways to operationalise such arrangements with the IF partners. The same type of synergy will also be sought under the delivery mechanisms to be established under the Aid for Trade initiative. Similarly, reinforcement of national coordination mechanisms will be pursued, particularly through the strengthening of IICs, and of their ability to coordinate different TRTA programmes. (*Report p 57-62*)
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