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PROGRAMME OF IMPLEMENTATION

Evaluation programme

Addendum

Note by the Administrator

For the information of the Council, an extract is attached of the report Institutional Infrastructure for Trade Promotion at the National Level - A Joint UNDP/ITC Programme Evaluation. The complete report, which is being submitted to the fourteenth session of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT, will be published as part of the UNDP series of evaluation reports.

Extract of report, Institutional Infrastructure for Trade Promotion
at the National Level - A Joint UNDP/ITC Programme Evaluation
(ITC/AG/(XIV)/72/Rev.1)

IV. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

173. This section of the report brings together the main findings and conclusions of the study, and ends with a set of recommendations on the design and implementation of ITC technical co-operation projects in strengthening institutional infrastructure for trade promotion at the national level. The purpose of the study was to assess the relevance, efficiency and effectiveness of ITC technical co-operation in the establishment of self-reliant trade promotion organizations, which would in turn develop trade promotion policies and programmes, and to suggest ways of making it more effective and efficient. The study was conducted jointly by the United Nations Development Programme and the International Trade Centre UNCTAD/GATT over a period of six months in 1980 and comprised three stages: desk review, field missions, and synthesis of findings.

174. The conclusions and recommendations of the study should form a basis for improving the operational effectiveness of ITC and lead to a review of the appropriate parts of the UNDP Technical Advisory Note on Export Promotion.

A. Findings and conclusions

175. The study began with a discussion on the need to develop institutional infrastructure for trade promotion at the national level. It pointed out that the growing pressures among developing countries to accelerate economic growth led many governments to take an active role in encouraging export expansion, particularly in diversifying markets and products, with emphasis on non-traditional items. Since this undertaking was relatively new, the institutional framework in many developing countries was inadequate or non-existent. Recognizing this need, ITC developed integrated technical co-operation projects, a large component of which comprised the programme to strengthen the institutional infrastructure for trade promotion at the national level. This programme covered three subprogrammes: (a) strengthening the formulation of trade promotion policies; (b) strengthening the formulation of trade promotion programmes; and (c) strengthening the organizational aspects of trade promotion institutions.

176. In implementing the programme, the concept of a "focal point" trade promotion organization was devised and promoted by ITC. Such an organization was envisioned to provide essential trade promotion services, ensure definition and integration of export goals in the national development plan, formulate trade promotion policies and programmes, and supervise implementation of these programmes. It would also have certain structural attributes, including a high-level co-ordinating and decision-making body, serviced by a strong and specialized secretariat.

177. Many such trade promotion organizations were established during the last decade with assistance from ITC. Their status ranged from a completely independent body to a department within a ministry (often the trade ministry), though usually they had a semi-autonomous status that lay somewhere between these two extremes. Most such organizations were financed through the government budget and occasionally, additional financing was provided.

178. No two systems were alike, and in some cases the differences were pronounced, organizational development being shaped by, among other things, the country's size, historical background, political system, and level of economic and institutional development. Nevertheless, certain basic functions and services were common. Priority was usually given to the provision of trade information services and market research activities. To these were then added other operations that varied from country to country, e.g., participation in trade fairs, organization of trade missions, advisory services to exporters and establishment of overseas trade representation. There were many other services and functions, the provision of which depended on the mandate of the organization, the size of the budget, staff capabilities, etc. The principal variations concerned the organization's role in co-ordinating export-related activities undertaken by several government bodies; developing foreign trade plans and export development programmes; providing policy advice and implementing it; and developing products for export.

179. Substantial resources were devoted by ITC to implementing the programme on institutional infrastructure. It was estimated that the budgets of the 35 integrated projects identified as coming within this programme accounted for 41 per cent of the total value of ITC's technical co-operation projects for the period 1972 to 1979. However, not all components of integrated projects fell within the area of institutional infrastructure. The main source of financing for these integrated projects (about 73 per cent) came from ITC trust funds. However, the UNDP contribution was by no means small, accounting for some 27 per cent of the total resources supporting the 35 integrated projects.

180. The evaluation of ITC's programme on institutional infrastructure required an in-depth assessment of the above-mentioned integrated projects. For this purpose, a sample of nine countries was visited by a joint UNDP/ITC evaluation team. In addition, a review was made of about 40 evaluation reports produced by ITC since 1975, as well as other pertinent documentation. The projects studied also covered areas that fell under other ITC programmes, such as manpower development for trade promotion, and specialized trade promotion services, which are themselves subject to similar programme evaluations. This presented a constraint since these other programmes were also highly relevant to institutional strengthening. Nonetheless, to the extent that they were material to the study, they were also touched upon.

181. The study focused on three main issues in evaluating ITC technical co-operation in institutional infrastructure: (a) the relevance of the projects to the real needs of the assisted countries as seen from an assessment of the project design; (b) the efficiency with which the projects were implemented; and (c) the effectiveness of the projects in bringing about a viable institutional framework for trade promotion. The findings on these issues are summarized below.

Assessment of project design

182. An assessment of the soundness of project design should take into account the relevance of the project to the needs of the assisted country. Based on a general recognition that the institutional infrastructure for trade promotion in most developing countries was inadequate or non-existent, fact-finding missions were undertaken by ITC that led to the organization of high-level symposia and conferences where problems and needs were discussed. Though practical, this approach lacked in-depth identification of needs for technical co-operation, particularly with respect to the institutional infrastructure. Since the business sector was the principal end-user of trade promotion services, it should have been contacted more often during the preparation of projects.

183. The study revealed that there were variations in the phasing of projects. While a three-year project was often formulated, projects were prolonged in many cases. There appeared to be no rule or standard for phasing projects in terms of resources or time, and no major changes in objectives were made for the various phases.

184. In the design of projects, the importance of linking trade promotion to the economic policy framework was pointed out. Where this framework was inadequate or incoherent, trade promotion could not be effective. A number of the projects reviewed showed that objectives were spelled out in broad terms, and there was a tendency to emphasize the number of project activities rather than to define sharply the objectives and expected outputs. In addition, some projects were too ambitious, particularly when objectives and activities were examined in the context of the available budgetary resources, the project time-frame, the inputs envisaged and the absorptive capacities of the assisted institutions.

185. Integrated projects relied heavily on the initiatives of a resident trade promotion adviser in providing assistance on the organization of trade promotion organizations and in the formulation of trade promotion policies and programmes. Unlike other specialized areas, it was rare that the projects incorporated a specialized input on institutional infrastructure. With its formulation of the focal point concept, ITC should have undertaken more in-depth studies and developed greater in-house specialization in this area.

186. The other considerations concerning the design of projects discussed in the report related to the determination of the counterpart agency, the timing and schedule of project activities, and the problems that arose when the pre-conditions for providing project inputs were not present at the specified time.

187. On the whole, the evaluation considered that project design could be improved. However, the accumulated experience of ITC contributed continuously to improvements over the period under consideration. As developing country needs change, the project design will need to reflect these needs more precisely than in the past.

Project implementation

188. There were wide variations of experience in project implementation. The most common problem was that of delays in commencing project activities, and in the recruitment of advisers and experts. Another issue of critical importance was the increasing cost of providing international expertise due to inflation.

189. The late start of some projects was the result of a number of factors, including delays in availability of financing, late approval of project documents, and late selection of resident advisers/project co-ordinators. A period of six months to a few years could elapse from initial discussion of a project to its implementation. In many cases the projects did not have realistic starting dates.

190. The recruitment of advisers and experts was time-consuming, taking from three to nine months depending on the requirements of each particular case. Efforts were being made by ITC to speed up the process and to expand its roster to include more experts from developing countries. The co-operation of the assisted governments was also essential in expediting approval of candidates. A vital factor was the quality of the international staff provided by ITC. By and large, the quality was good, but ITC was continuing to streamline its procedures and to evaluate candidates more thoroughly.

191. Experiences varied, but in general the services of the resident advisers were found to be useful. In addition to the tasks specified in the terms of reference, they were sometimes also requested to undertake related activities. However, the numerous administrative requirements in project co-ordination sometimes seriously diminished the time the resident adviser could devote to substantive technical matters.

192. The study noted that short-term experts were in general found to be appropriate for highly specialized fields, such as product design, and costing and pricing, but their services were valuable only where there was sufficient capability in the assisted country to follow through the advice given.

193. The study also showed that an increasing number of assisted countries had reached the stage where the government counterpart director could take over the task of project co-ordination. This development not only optimized use of project resources, but also encouraged counterparts to be more self-reliant.

194. Subcontracting arrangements for specific project activities, often using national institutions, were also undertaken by ITC with good results.

195. The provision of books and equipment, particularly to trade information centres, was extremely useful. There were, however, some minor difficulties in connection with spare parts and servicing.

196. While on the whole, the monitoring and support of integrated projects were adequate, the monitoring of the institutional aspects was weak. There was a tendency on the part of some ITC staff to confine their horizon to administering project activities. There was also an absence of in-house specialization in the development of institutional infrastructures for trade promotion.

197. The effort to co-operate and co-ordinate with other agencies within the United Nations system as pursued by ITC at the headquarters' level had fruitful results. There was still scope for further fostering of such co-operation, particularly at the field level, where a more organized system of co-ordination needed to be established.

198. The main responsibility for co-ordination with other sources of technical co-operation lay with the beneficiary country. At times, ITC field projects were requested to assist in this role.

199. There appeared to be satisfactory links between the integrated national projects and ITC's subregional and regional projects. However, efforts will have to be made to ensure strong links between some of ITC's recently introduced interregional projects and national projects.

200. Technical co-operation projects are essentially projects of the governments assisted by co-operation agencies. Though the contributions of these agencies in the countries studied were marginal compared with the resources provided by the governments themselves, the former acted as a catalyst in helping the governments to achieve their trade expansion objectives. The evaluation emphasized the importance of governments providing adequate counterpart contributions, particularly officials and staff, to the projects. On the whole, the calibre of counterparts was good, though there were problems of frequent turnover and the recruitment of qualified staff was sometimes impeded by low salaries (lower than those of the business sector). There were, in addition, budgetary inadequacies that not only affected efficient implementation of the projects, but also prevented the trade promotion organizations from undertaking certain activities or improving their services.

Assessment of substantive achievements

201. The evaluation was instrumental in revealing a number of important issues that affected the success or failure of ITC technical co-operation activities in institutional infrastructure. The task of resolving some of these issues fell upon the assisted governments; others fell within the purview of ITC's advisory work. For the most part, their resolution was effectively a joint responsibility.

Strengthening national trade promotion policies

202. ITC co-operation activities in this area were not substantial. The study showed that in many countries the inter-relationship between trade promotion policies and trade policies, as well as other economic policies, was not clearly established. At times, these policies worked at cross-purposes, as in the case of an exchange rate policy that was not conducive to export expansion.

203. The evaluation also noted deficiencies in the planning aspects of export development and trade promotion. While global targets were occasionally specified in national development plans, a discussion of how these targets were to be achieved and through what policy instruments and institutional machinery the export development and trade promotion programmes would be implemented, was not normally made.

204. These inadequacies affected the formulation of appropriate trade promotion policies and the operations of the trade promotion organizations. They also had implications for the whole institutional framework for trade expansion.

Strengthening the formulation of trade promotion programmes

205. The gaps that existed between trade policies, foreign trade planning and trade promotion policies were reflected in the development of trade promotion programmes. Country experiences varied but in a number of cases, trade promotion programmes were not comprehensive or well-defined. In addition, there was a frequent absence of medium or longer term programmes for the development of the organizations' activities, and little attempt was made to plan the evolution and activities of the institution beyond the term of the annual budget.

206. While the main responsibility for the preparation of such programmes lay with the assisted institutions, ITC also had some responsibility in this matter. The study pointed out that during the formative years in the development of a number of trade promotion organizations, ITC advisers and project co-ordinators principally advised the institutions on the range of project activities, the organizational structure and administrative procedures. Less attention was given to the formulation of the country's overall trade promotion programmes.

Strengthening the organizational aspects of trade promotion institutions

207. ITC's experience in technical co-operation activities concerned with institutional infrastructures for trade promotion was extremely varied. There was a tendency to concentrate on the so-called focal point or central national trade promotion body. Co-operation with other more specialized institutions, such as for manpower development, packaging, and export financing, was not given the same priority. The effectiveness of co-operation with central bodies varied from highly successful projects that resulted in viable institutions to projects that produced little result, despite considerable advisory and other inputs. Between these two extremes there were many degrees of comparative success or failure. The reasons for success or failure depended on a variety of factors, notably:

(i) The general economic situation in the country

208. Trade promotion, and particularly export promotion, was only feasible when the overall economic framework provided a basis for such activities. When there was no export surplus, when production was unreliable and promises of delivery were not met, when the domestic currency was over-valued or production costs so high that exporting was unprofitable, even

hard working trade promotion bodies found themselves facing an almost impossible task. On the other hand, when the economy was functioning reasonably well, a good trade promotion institution usually gave a most useful stimulus to producers who lacked experience or confidence in export marketing. The ITC projects functioned in both types of situation.

(ii) The conditions under which central trade promotion institutions were established

209. In most cases, central trade promotion institutions in developing countries were products of the 1960s and 1970s. They had to create a role for themselves, often against a background of other institutions with similar or overlapping responsibilities. While the legislation establishing them gave them a clear mandate to promote trade, this same legislation rarely gave them an exclusive mandate, thus leaving other institutions to continue to handle such traditional functions as the organization of participation in fairs or exhibitions abroad, international fairs in the home country, trade missions or delegations to foreign countries, and control over the network of official trade representatives abroad. Since the pre-existing institutions were rarely compelled by legislation to abandon these functions, the creation of a new central trade promotion body often resulted, not in a concentration of trade promotion activities (the rationale of the focal point), but in a dispersal of such activities.

210. In some cases the creation of a new body to promote trade resulted in a split between trade policy and trade promotion functions, which previously were typically handled by the ministry of trade, thus permitting close co-ordination between the two. While the new body might, and usually did, develop the trade promotion function in a more dynamic way than the ministry, the latter kept control over trade policy and a divergence sometimes developed between the two. This was made worse when the new body lacked status (de facto if not de jure). It could not intervene in the cabinet in the same direct way as the trade ministry and could even be relegated to second class status or dismissed as only marginally relevant to the country's main economic situation. This situation was compounded when the greater part of the country's export development activities was handled by parastatal commodity organizations, and the trade promotion institution was left with a small proportion of manufactured exports to promote, without the principal tools of trade promotion in its hands, and often with an exchange rate that made the task problematic.

211. A further split that occurred was between production planning and trade planning. Since many trade promotion institutions came up against a production bottleneck, they turned their attention to the problem of increasing the supply of exportable products. Here again, they often lacked the status to intervene direct with ministries of planning, industry and agriculture, or the parastatal bodies depending on them, in the same way that a trade ministry could, if necessary at cabinet level. Though in many cases focal point trade promotion institutions had on their governing boards wide representation from government agencies and the business sector, nevertheless satisfactory working relationships with the different bodies did not always follow.

212. Another important factor was the length of time it took to establish some of the new focal point trade promotion institutions. There were delays associated with the passing of legislation, obtaining budgets and recruiting staff. ITC projects, which often had ambitious objectives that aimed at increased exports during the limited project period, could find themselves working with practically non-existent or highly embryonic institutions incapable of effective action. Meanwhile, existing trade promotion machinery was sometimes neglected, even though it would have been wiser to work with it until the new organization was fully operational.

213. In view of the above factors, trade promotion assumed an air of unreality in some of the countries assisted by ITC. Where countries had developed a substantial manufacturing base, the trade promotion institutions were usually able to carve out a role for themselves more quickly.

Manpower development for institutional infrastructure

214. The development of manpower capability for institutional infrastructure was pursued by ITC as part of an overall programme on manpower development for trade promotion. The training events conducted, i.e., symposia and seminars, were primarily motivational and concerned with attitudinal change. In addition, direct training was also provided to counterparts through fellowships and study awards, and through close association with resident advisers and experts.

215. The evaluation noted that insufficient emphasis was given by integrated projects to training, particularly for institutional infrastructure. Since the basic awareness of the importance of trade promotion organizations has been achieved there still remains the need to increase national capability in management and in the development of the organizations' work programmes.

216. In the light of the considerable and diverse training needs in the assisted countries, ITC's efforts to strengthen national training institutions at the same time as the strengthening of trade promotion organizations appeared most appropriate.

Other substantive impacts on trade promotion institutions

217. While the experiences of countries varied, there was a number of areas in which integrated projects contributed to institutional strengthening by improving the capabilities of trade promotion organizations to provide essential services. Among the most crucial of these was the establishment of trade information services. Their importance was repeatedly emphasized although, in a number of countries, they had been given neither adequate resources nor qualified personnel to set up a basic documentation unit. It would take an even longer period before a full-fledged trade information system could be established. A stronger government commitment together with continued ITC co-operation, particularly through resident advisers, would greatly help the establishment of such services.

218. The identification of existing export capacities as well as products with export potential is basic to any trade promotion effort. In this connection, technical co-operation was provided by ITC, particularly in carrying out supply surveys. The study noted that certain methodologies had been devised and were found useful. ITC was still gaining experience with the use of these methodologies.

219. The degree to which the assisted trade promotion institutions were in a position to carry out market development activities on their own varied considerably. Depending on the institutions and their stage of development, this area will need close attention in future ITC projects.

220. As import operations were a recently introduced activity, there was little to evaluate in terms of results. Nonetheless, there was growing interest in this area and the type of co-operation that could be established between trade promotion organizations to promote mutual trade.

Development of off-spring organizations

221. In a number of countries, ITC technical co-operation in institutional infrastructure led to the establishment of other institutions that supported trade expansion, including export credit insurance corporations, exporters' clubs and packaging institutes. Some of these institutions were still weak and would require continued support from both the government and ITC.

Effects on export generation

222. Whereas an ultimate goal of trade promotion organizations was to expand exports, in practice it was difficult to make an accurate assessment of the impact of trade promotion activities in terms of increased exports. It was even more difficult to trace the export impact of technical co-operation. Some countries ascribed good export results to some activities undertaken by the integrated projects. The projects created a stronger awareness among the surveyed countries that an adequate institutional infrastructure was necessary to achieve expansion of exports.

Overall assessment of institutional impact

223. Altogether, the evaluation team was able to assess the results achieved by 26 projects: 9 were directly surveyed by the team, and the reports of previous evaluation missions were used to assess the other 17 projects. Overall, the team estimated that in terms of achieving institutional viability, 46 per cent could be rated as successes, 23 per cent as relative failures, and 31 per cent as somewhere between the two. While this report has tended to emphasize failings so that improvements could be made in future, the relatively good proportion of successes should be taken as an indication of the considerable and dedicated work by both ITC staff and national counterparts to achieve positive results in often difficult circumstances.

B. Recommendations

224. In order to apply the lessons learned from the past and meet the requirements of the 1980s, the evaluation study makes the recommendations listed below.

1. Design of projects

225. In assessing the needs of the assisted countries with regard to institutional infrastructure projects, a more efficient methodology should be developed by ITC that will involve more thorough and longer programming missions, an in-depth investigation of real needs taking into account the pattern of production and investments, and a more precise determination of technical co-operation requirements. In addition to discussions with the concerned government bodies, equal importance should be given to the views of the business sector through more intensive consultations at the time projects are planned. These consultations should continue throughout the implementation of projects to ensure its participation in decision-making and continual adjustment of the projects' work programme and priorities to the needs of the business sector. The consultations should include not only organized groups, such as chambers of commerce and industries, manufacturers' and traders' associations, export financing institutions, transport and other support services, but also a representative sample of actual or potential exporters and importers.

226. ITC should encourage the assisted institutions to prepare, for discussion with programming missions, informative material on the priority areas for technical co-operation and its timing and co-ordination with the organizations' own work programmes.

227. Greater attention should be given to the phasing of projects, taking into account a more realistic time frame, the resources available both from technical co-operation activities and from the assisted countries, and the absorptive capacities of the assisted organizations. In this regard, project phases should be sharply defined with respect to the stages of institutional development of the assisted organization. Depending on specific country requirements, either a comprehensive or a step-by-step approach may be taken; in any case, project phases should be clearly distinguished from project extensions.

228. In designing projects, emphasis should be placed on realizable and clearly defined objectives and outputs. If the assisted institutions' own objectives are not sufficiently clear, the project should be designed to help remedy this, particularly during its early formative stages. A general statement of objectives and outputs may be appropriate for the initial or preparatory phase of the project, but in subsequent phases it would be desirable for objectives and output to be spelled out more specifically. Flexibility should be maintained, however, to allow for corrective measures to be introduced when the need arises, as evidenced by monitoring and reviews of project implementation. In general, ITC should pay more attention to spelling out expected outputs, since they have been neglected in many project documents. It is also useful if activities are related to specific output in the project document.

229. In project design, a realistic assessment should be made of the time necessary for the realization of the preconditions and requirements for effective implementation. If these are not realized revisions should be made accordingly. Where appropriate, assistance in drafting legislation for the establishment of trade promotion organizations should be given due consideration.

230. ITC should ensure that its institutional infrastructure projects are realistically embedded within the country's overall planning machinery, and within its trade policy framework. Projects should be closely associated with the planning of production for export and should take into consideration the real possibilities of export (particularly within an ECDC framework), given exchange rate, export incentive and other economic and trade policies. Indeed, such factors are so important that they should be considered to be an integral part of the projects. If the institutional infrastructure for trade promotion is not a rational one, this should engage the project's attention: the adoption of a realistic structure or the building of adequate links between the various bodies should be the subject of specific advisory inputs.

231. ITC should give closer attention to the nomination of the principal government counterpart agency and the location of the project advisers. If a number of institutions are actually involved in export development and trade promotion, the nomination as counterpart of any one subsidiary agency may limit the scope of action possible for the advisers. In this case, consideration should be given to an umbrella project located at a more senior ministerial level, with a broad mandate to work downwards and laterally to all relevant bodies. If the project provides specialist advisers whose work is obviously linked with particular bodies, then they could be seconded direct to them. This might be the case for advisers in such fields as export packaging, export financing, export costing and pricing, standardization and quality control for export, or the marketing of specific products.

2. Project implementation

232. ITC should continue its efforts to speed up the recruitment of advisers and experts and to expand its roster of experts to include a larger number from the developing countries. It should look into possibilities of enhancing TCDC activities among the countries assisted. The governments of the assisted countries should be encouraged to expedite approval of experts as well as to assist in the prospection of candidates, while leaving the appraisal of experts' qualifications to ITC. In addition, the more advanced developing countries should also provide assistance in identifying national experts and allowing qualified officers to carry out short-term engagements for ITC in other developing countries.

233. With a view to improving the provision of experts to the assisted countries, the following possibilities should be examined by ITC:

- Tie-ups with reputable consulting organizations or specialized institutions that would enable ITC to engage the services of their experts;
- Increase in the number of ITC in-house specialists in functional areas that could be made available for longer field assignments;

- Decentralization in the provision of certain ITC services through joint projects with United Nations regional commissions, where ITC experts could be based and provide advisory services in the region.

234. It was noted that government counterpart directors were increasingly taking over the task of project co-ordination. This should be encouraged wherever counterpart capability is adequate.

235. Where a resident adviser/project co-ordinator is needed, the task of project administration should be secondary to the provision of substantive advisory services. If the project co-ordinator has a heavy workload, an administrative assistant should be appointed. Furthermore, project co-ordinators working with central trade promotion institutions should not only supervise the project work programme but should also help to formulate an overall trade promotion strategy for the country, and a work programme for the trade promotion institution itself over the medium and long term. While this may sound obvious, it was found by the evaluation team to have been neglected.

236. The choice of using short-term experts rather than long-term advisers should depend on the particular merits of the case. Short-term experts would be preferable wherever there is sufficient capability in the assisted countries for follow-up activities.

237. In cases where gaps in project co-ordination unavoidably occur, ITC should take steps to ensure continuity of project implementation in co-operation with UNDP field offices.

238. In order to optimize project resources and increase national capabilities, subcontract arrangements with national institutions for specific project activities should be encouraged. ITC should establish appropriate implementation methodologies and supervision guidelines to ensure consistently high standards.

239. ITC should ensure that the right kind of equipment is delivered as expeditiously as possible and that spare parts and after-sales service are available in the country.

3. Monitoring and backstopping

240. ITC should establish an active, rather than a reactive, system of monitoring and supporting projects. ITC monitoring officers should appraise the achievement of the outputs of project activities. There should be a faster feedback mechanism to enable ITC to detect factors preventing achievement of outputs, so that necessary corrective action could be taken, e.g., re-directing project activities or consulting with the government.

241. In order to improve ITC support capability even further, the number of ITC headquarters based specialized advisers (export financing and credit insurance, trade fairs and publicity, costing and pricing, quality control, export packaging, and trade information) should be increased to provide advisory services more quickly to more developing countries. Additional capability in the form of a senior adviser on institutional

questions would be desirable. It would be useful for ITC to strengthen its technical capability on institution building and policy co-ordination aspects of technical co-operation especially to enhance the efficacy of trade promotion machinery and to provide advice on needed improvements, particularly in respect of links with trade policy and production planning. ITC should be in a position to provide advice on new legislation regarding trade promotion institutions. While drawing on successful experience with focal point trade promotion institutions in other countries, it should be careful to adapt proposed institutional structures to local conditions. As indicated in this report, some new trade promotion institutions in developing countries have had the reverse effect to that intended.

242. In respect of the institutional links with trade policy organs in assisted countries, ITC should consult closely with UNCTAD and GATT. In respect of institutional links with organs charged with planning for export production, ITC should co-operate with UNIDO, FAO, the Development Planning Advisory Services of the United Nations Department of Technical Co-operation for Development, and the World Bank.

4. Inter-agency co-operation and co-ordination

243. ITC should foster still closer co-operation with other agencies, such as UNCTAD, the World Bank, UNIDO, FAO, and the United Nations regional commissions, as well as with the United Nations Statistical Office and the Development Planning Advisory Services of the United Nations Department of Technical Co-operation for Development, in formulating projects where certain components could be implemented by these bodies, or in co-operation with them. Whenever feasible, joint programming missions with these bodies should be undertaken by ITC in formulating technical co-operation projects.

244. At the field level, a more organized system of co-ordination should be established so that project activities carried out by the different agencies complement each other. The UNDP resident representative should take the lead in ensuring that there is closer co-ordination by convening regular meetings of the different agencies in the field, overseeing the preparation of projects, and closely monitoring the activities of the different projects.

5. Relations with other ITC projects

245. The existing links between integrated national projects and projects in ITC's recently introduced programme areas of technical co-operation with chambers of commerce, the special programme for least developed countries, and trade promotion oriented towards rural development, should be strengthened in order to maximise utilization of resources and ensure co-ordination and complementarity of actions. Furthermore, closer links should be established between the programme on institutional infrastructures and other ITC programmes, since they are mutually supportive. In this way, resources would be optimized and a better appreciation obtained of the full impact of ITC technical co-operation in the assisted countries.

6. Other sources of co-operation

246. To ensure the maximum impact from technical co-operation inputs from different sources, proper co-ordination is needed. Formal responsibility for this co-ordination must lie with the beneficiary organization.

However, ITC should further develop its consultations with other co-operation sources, such as EEC and individual donor countries, in preparing appropriate packages of export development and trade promotion assistance for the developing countries.

7. National contribution to the projects

247. Technical co-operation projects are essentially projects of the national governments. The contributions of international organizations and donor countries may often be marginal, but they act as the catalyst that enables governments to carry out trade expansion programmes more efficiently. To maximize the usefulness of technical co-operation projects in institutional infrastructure, adequate resources should be provided by the assisted governments not only as counterpart contributions to ITC projects but also to implement satisfactorily their own trade promotion activities.

8. Formulation of trade promotion programmes

248. ITC should intensify its technical co-operation activities in the formulation of trade promotion programmes. The Centre should encourage the assisted governments to establish closer links and co-ordination between the formulation of foreign trade plans and the development of trade promotion programmes; to prepare a coherent indicative medium-term trade promotion programme on the basis of a well-defined foreign trade plan; and to prepare a more detailed annual programme of trade promotion activities, specifying the budget, the technical co-operation resources involved, the timing, and the expected results of the activities.

249. While a promising start in linking trade promotion and export development has been made in a number of countries, ITC's strategy for the 1980s should encompass a mandatory link-up between these two areas. This would involve the trade promotion institution forging closer ties with institutions concerned with investment promotion, production planning, and product development. The preparation of integrated projects should include, whenever appropriate, components in these areas to be pursued in co-operation with the concerned United Nations Agency or other bodies.

9. Manpower development for institutional infrastructure

250. Manpower development should be given priority in institutional infrastructure projects. Given that central trade promotion institutions now exist in a large number of countries, realistic training programmes will provide one of the keys to their becoming effective in their daily work. Since there is a certain natural loss or wastage of trained personnel, projects should aim at establishing a continuous staff development programme. This is all the more important when one considers the variety of skills involved in trade promotion work and the sophistication of such skills. Many institutions are adding to the variety of advisory services offered to exporters, and the staff need training in these new areas. A key area of training is modern management techniques, especially management by objectives.

251. With regard to training for strengthening institutional infrastructures, ITC should:

- Intensify the programme of study tours and observation visits by officials of trade promotion organizations to similar institutions in other countries in order to learn from their experience;
- Resume the interregional workshops on the organization and management of national trade promotion services which used to be held once in three years in Geneva with directors of trade promotion organizations as participants: this should include specific training in trade promotion policy within the framework of trade planning, trade policy and export development;
- Examine possibilities of in-service training programmes with more advanced trade promotion organizations.

ITC should encourage the assisted countries to use their trained personnel properly. Governments should ensure that the right persons are sent for training and that the training is applied through correct job placements.

10. Trade information services

252. In building up a national capability to provide trade information services, it is essential that a strong government commitment be manifested through the provision of adequate resources and qualified personnel. ITC technical co-operation in this area should continue through the use of longer term experts, as well as through interregional training programmes on trade information. ITC should encourage the assisted organizations to use the telex and teleprinter for the collection and dissemination of trade and market information. Greater use should be made of systems of selective information dissemination. ITC should expand its trade information services (especially its telex price services) to make them more readily available to more developing countries, and encourage the developing countries to develop trade information links with each other.

11. Export supply and potential studies

253. The methodologies devised by ITC for export supply and potential studies should be tested, systematized, and then transferred to the assisted institutions so that they can undertake such studies on their own.

12. Market research and development

254. ITC should continue to pay close attention in institutional infrastructure projects to market research and development activities. This can best be dealt with by including market research and development as a core subject in the curricula of national institutions giving training in export promotion; by continuing to associate officers of trade promotion institutions with their business counterparts in market development exercises; and by continuing to impress on governments the need to integrate all market development tools (including trade fairs and trade missions) within a single overall strategy.

13. Import operations

255. National trade promotion institutions should move into import operations. Thus, the trade information services of these institutions should cover both import and export information and should be able to answer trade and market inquiries from trading partners as well as from their own business sectors. Continuous contact and exchange of commercial information between these institutions should be encouraged.

256. ITC should produce and disseminate a directory of trade promotion institutions, complete with telephone and telex numbers. Within the framework of ECDC activities, ITC should arrange meetings for the staff of these institutions to facilitate the drawing-up of concrete programmes of co-operation to develop mutual trade.

14. Other trade promotion services

257. As the assisted trade promotion institutions develop further, the demand for their services increases. ITC should continue to extend technical co-operation to upgrade their capabilities in areas such as the organization of trade fairs and participation in fairs, trade missions, advisory services for exporters, and official trade representation abroad. In this connection, the creation of more effective operational links between trade promotion organizations and official overseas trade representation still requires major attention in ITC projects. In addition, increased resources should be devoted by ITC to strengthening the institutions that provide essential support services, such as export credit insurance corporations, trade facilitation committees, product design centres and packaging institutes.

15. Performance evaluation

258. Since few trade promotion institutions have developed methods for evaluating their own performance, ITC should devote attention in projects to imparting the skills of evaluation. It is important for these institutions to know where they are succeeding, where they are failing, and why; and the governments concerned have a vital interest in ensuring optimal utilisation of scarce public funds.

16. Institutional viability

259. In large measure, the success or failure of ITC's technical co-operation in institutional infrastructure depends on the role and significance that governments give to trade promotion institutions. To ensure the viability of these institutions, there must be a strong government commitment in support of export development and trade promotion and this commitment should be manifested in the establishment of trade promotion institutions endowed with adequate resources, status, and capable management.

17. Feedback of evaluation results

260. In order that the findings of this evaluation study are fed back into project design and implementation, ITC should ensure that new projects are formulated within the guidelines and recommendations of the study and that ongoing projects are reviewed with a view to making appropriate revisions.