Midterm Evaluation of Pashmina Enhancement and Trade Support (PETS) project, Nepal

Final Report

Prepared by,

KPMG Advisory Services Private Limited, India and
FACTS Research & Analytics, Nepal

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LIST OF ACRONYMS

ADB	Asian Development Bank
CP	Chyangra Pashmina
EC	Enterprise Competitiveness Section
EIF	Enhanced Integrated Framework
ES	Executive Secretariat
FP	Focal Point
ITC	International Trade Centre
MIE	Main Implementing Entity
MOA	Ministry of Agricultural
MOC	Ministry of Commerce
MOCS	Ministry of Commerce and Supplies
MOI	Ministry of Industry
MOL	Ministry of Livestock
MOU	Memorandum of Understanding
NCFT	Namuna College of Fashion Technology
NIA	National Implementation Arrangements
NIU	National Implementation Unit
NPC	National Project Coordinator
NPIA	Nepal Pashmina Industries Association
NSC	National Steering Committee
OAP	Office for Asia and the Pacific
OECD-DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
PETS	Pashmina Enhancement and Trade Support
PSC	Project Steering Committee
SC	Sector Competitiveness Section
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SWAp	Sector-Wide Approach
TC	Technical Committee
TEPC	Trade and Export Promotion Centre
TFM	EIF Trust Fund Manager
TOR	Terms of Reference
TRTA	Trade-Related Technical Assistance
TS	TSI Strengthening Section
UNOPS	United Nations Office for Project Services
UNDP	United Nations Development Programme

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A.   EXECUTIVE SUMMARY

I.   Summary table of findings, supporting evidence and recommendations

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
Recommendations for Project Outcome 1		
Nepal Pashmina Industries Association (NPIA) is key to the way forward and sustainability of attainment of the objectives of Pashmina Enhancement and Trade Support (PETS) Project. Hence, capacity building and gap filling of resources need to be taken with utmost priority. The 'Supply side review and domestic market review in Nepal of the Chyangra Pashmina' report[1] do not cover detailed assessment of NPIA's capacity to carry forward the project. Hence current project implementation provision is not in a position to ensure sustainability of the project.	Interview with National Project Coordinator (NPC), NPIA, International Trade Centre (ITC) and Chyangra Pashmina (CP) entrepreneurs, review of 'Supply side review and domestic market review in Nepal of the Chyangra Pashmina' report.	**Recommendation 1:** *Capacity building of NPIA* A capacity assessment of NPIA was conducted as part of the medium-term strategy. As already recommended in the medium-term strategy, issues like lack of quality full-time human resources should be addressed at immediate effect. Following areas should be considered for capacity building of NPIA. Need for capacity building should be assessed by Project and NPIA together and training should be conducted by Project or external consultants identified by the project. ▪ Capacity-building in the areas of project management, financial management, business scale up, branding and marketing in international markets ▪ Active coordination for organizing events or regular meetings with Government of Nepal (GON) officials to promote the agenda of developing Pashmina industry ▪ Behavioural change among CP entrepreneurs to work in collaboration and act together

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[1] A report "Supply Side review and domestic market review in Nepal of the Chyangra Pashmina", prepared by Solution Consultants Private Limited

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
		to compete in international market ▪ *Responsibility:* Project and NPIA ▪ *Timeline:* o 1 month for recruitment of qualified staff by NPIA. o 2 months for need assessment of capacity building for NPIA o 6 months for implementing the capacity building activities. The capacity building activities should be implemented on high priority as it is crucial for project implementation. ▪ *Priority:* High
Most of the CP entrepreneurs import the material from China, India or Mongolia and a few purchases the raw material from Nepalese farmers. The project has conducted pilot activity in Mustang region and created a plan based on the results of the study.	Interview with NPIA, NPC and CP entrepreneurs.	**Recommendation 2:** *Sourcing of raw material from Nepalese CP farmers* NPIA and MOC should take forward the plan prepared after the pilot study conducted in Mustang. NPIA should explore opportunities for identifying appropriate larger projects such as "Nepal Livestock Sector Innovation Project" to get support for implementation. ▪ *Responsibility:* NPIA, National Implementation Unit (NIU), Ministry of Commerce (MOC), Enhanced Integrated Framework (EIF) ▪ *Timeline:* 6 to 12 months ▪ *Priority:* Low

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
NPIA members who have been supported to participate in the International Trade Fairs are considered as directly assisted beneficiaries, whereas all other members of NPIA who are assisted with knowledge sharing from the directly assisted beneficiaries are called other beneficiaries. Among the list of other beneficiaries provided to the evaluation team, most CP manufacturers claimed to have not availed any benefits from the project while few were not even aware of the project. However, for all market activities the reports were shared with all stakeholders, including market penetration strategies for the USA and Japanese market, Findings on participations in Magic Trade Fair (2), Cashmere World Trade Fair, and Tokyo Trade Fair (JFW). Also, for all these events dissemination workshops were held for all stakeholders. However, entrepreneurs do not find it very useful.	Interview with NPC and CP Entrepreneurs highlighted this issue	**Recommendation 3:** _Defined activities for sharing of knowledge and experience from directly assisted beneficiaries to other beneficiaries who are member of NPIA_ If the logic behind having a set of directly assisted beneficiaries and other beneficiaries who get benefited from 'one-to-one-to-many' model, then there should be a clear set of activities ensuring strong linkage between the two. Hence, knowledge of directly assisted beneficiaries needs to be captured and transferred to other beneficiaries in an effective manner in terms of lessons learned, know-how and experiences accumulated. To ensure this other beneficiary should be linked to direct beneficiaries for knowledge transfer and create "communities of practice" which could be a group of CP entrepreneurs in which there could be one directly benefitted entrepreneur and 5 other beneficiaries, they would share a common work practice over a period of time, getting together to share information and knowledge. These groups could be based on geographical proximity, product type or common interest of markets. Informal knowledge sharing sessions by beneficiaries are also recommended. Activities like these are important as along

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
		with knowledge transfer they also address the issue of most CP enterprises considering others as competitors and not collaborators. Initiatives like the creation of Social media group (for example, *Viber* or *Whatsapp)* for entrepreneurs must be promoted by NPIA and information should be shared by entrepreneurs during monthly meetings. ▪ *Responsibility:* NPIA, NPC and Project Manager ▪ *Timeline*: 2 months ▪ *Priority*: High
Recommendations for Project Outcome 2		
CP entrepreneurs accept that they have limited resources and manufacturing capacity to cater to the orders and compete in International market. Also as per CP Entrepreneurs and NPIA, collective procurement can help the entrepreneurs to get better quality raw material at more competitive price.	CP entrepreneurs and NPIA mentioned during the in-depth interview and primary data collection survey.	**Recommendation 4:** *Collective procurement and sales* CP entrepreneurs should collaborate for the sale of products as well as procurement of raw material from Nepalese Chyangra farmers or other countries like China, Mongolia, and India to be more competitive in the international market. NPIA should take initiatives for collective buying and sell for member entrepreneurs. This is, in turn, would enable greater shared benefits of the project – increasing the international competitiveness of smaller firms. ▪ *Responsibility:* NPIA and NPC ▪ *Timeline:* 3 months ▪ *Priority:* Medium

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
Namuna College of Fashion Technology (NCFT) is one of the key partners of the project, but they are not taking initiatives towards completing the activities under PETS Project. Most of their activities are delayed due to inaction and completed activity of internship of students does not have satisfactory results. Most of the interns are not involved in pashmina designing, are passive observers, or are working in products like silk, etc. as Pashmina is very delicate fabric to handle. They seemed very unsure of the other activities as well.	Interview with NCFT representatives, student interns, and NPC highlighted this issue.	**Recommendation 5:** _Ensure NCFT achieves milestones on a timely basis._ NPC and NPIA need to follow up and support NCFT if they are unable to implement activities as planned. It's recommended that NPC and NPIA meet NCFT senior management and try to understand and resolve the problems faced by them. It is also recommended to request for an escalation personnel designated for NCFT, who would be contacted in case of any delay or deviation from the activities mentioned under the MoU signed with NCFT. ▪ _Responsibility:_ Project Manager, NPC, and NPIA ▪ _Timeline:_ 6 months ▪ _Priority:_ High
CP entrepreneurs work on a very small scale with basic technology for manufacturing. Innovations are rare in the products manufactured locally. Also, at times when the CP entrepreneurs get any large size order from international clients, it becomes challenging for the entrepreneurs to collect resources and credit for servicing the order.	Interview with CP entrepreneurs and NPIA mentioned this during an in-depth interview.	**Recommendation 6:** _Access to Technology and Credit_ To be more competitive in the international market and innovate the products, CP entrepreneurs should also be given access to Technology and Credit. SME (Small and Medium Enterprises) Clusters and Technology Universities can be explored to work with NPIA and CP entrepreneurs. Also, concerned agencies, such as Ministry of Finance, Ministry of Industry, and Nepal Rastra Bank (Central Bank of Nepal) can be persuaded for

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
		Credit Guarantee for any investments related to technology and innovations in the Pashmina sector. • *Responsibility:* NPIA • *Timeline:* 6 months • *Priority:* Medium
Recommendations for Project Outcome 3		
NPIA provides Trademark to the CP Manufacturer after testing a sample product at Nepal Bureau of Standards Fibre Testing Lab. However, it is essential to ensure that the similar high quality is maintained by the entrepreneurs in each manufacturing batch.	NPIA, NPC, and CP Entrepreneurs highlighted this during interviews.	**Recommendation 7:** *Quality control of CP products* A strong quality control system of batches of export should be in place to ensure that integrity and value of CP Trademark are not put at risk. • *Responsibility:* NPIA • *Timeline:* 6 months • *Priority:* High
Recommendations for Project Management		
The project has been delayed due to various internal and external reasons. External reasons include the devastating earthquake, border interruption in the Southern border. These incidents were unforeseen, and the project could not have prepared for such incidents. Also, negotiations for signing Letter Of Agreement (LOA) between ITC and Ministry of Commerce and Supplies (MOCS) were not estimated in the project timeline. These incidents have created a loss of approximately 13 months in the project implementation. Also,	Earthquake related delay is evidenced from the Nepal earthquake 2015- Post Disaster Need Assessment Study by World Bank. Border interruption in the Southern border is evidenced from the FNCCI- daily newspapers. Interview with NPIA, MOC Focal Point and NPC provided verbal inputs on the internal delay in project implementation.	**Recommendation 8:** *Extension of project timeline* To achieve the objectives of the project, it is essential to extend the timelines for the project. Hence it is recommended that project is given an extension of 13 months to compensate for the lost time due to external as well as internal reasons. This extension can be a no-cost extension. Other incidents that resulted in delay are internal and should have been foreseen based on ITC and MOC's past experiences and hence provisioned for. • *Responsibility:* Project Steering Committee

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
there are certain aspects of the capacity building of NPIA to ensure sustainability of outcomes which need to be addressed before the project closure.		▪ *Timeline:* Immediate ▪ *Priority:* High
Coordination and decision-making are of paramount importance for successful completion of the project. Focal Points (MOC, ITC, and NPIA) were appointed to the PETS project to provide ease of coordination. However, most of the time, Focal Points have to coordinate with higher authorities in their respective organization before making any decision. This has led to a delay in project implementation.	NPIA, NPC, and MOC Focal Point mentioned this during in-depth interviews.	**Recommendation 9:** *Expediting the initiation of approved activities, decision making, and ensuring follow-up* Based on the complexity of decision to be made, appropriate time should be provided to the Focal Points (MOC, ITC, and NPIA). And a follow-up mechanism should be established which can help in enhancing coordination and the project efficiency. Project Monitoring System will play an important role in this. ▪ *Responsibility:* Follow up mechanism should be set up by Project Manager and sufficient time for decision-making should be provided depending on importance and scope of the decision. ▪ *Timeline:* 1 month ▪ *Priority:* High
NIU team coordinates with multiple projects and thus have learnings from multiple projects being implemented in Nepal. Their learnings can help improve the efficiency of PETS project. This knowledge exchange is not evidenced as per interaction with the NIU and	Interview with NIU, NECTRADE and NPC has highlighted this issue.	**Recommendation 10:** *Knowledge exchange and convergence* Knowledge exchange among NECTRADE, MAPS (GIZ), Ginger (FAO), Federation of Handicraft Association of Nepal (FHAN), Nepal Chamber of Commerce (NCC), Export Council of Nepal

Findings: Identified problems/ issues	Supporting evidence / examples	Recommendations
NECTRADE representatives.		(ECON), Thamel Tourism Development Council, Planet Finance- SMElink, France; Helen Holzknechtiova – B2B Club, Checz Republic; World Craft Council Asia Pacific Region (WCCAPR) and PETS projects should be encouraged. *Responsibility:* NPC, NIU, and NECTRADE *Timeline:* Ongoing *Priority:* Medium

II.   Concise Summary

Summary description of the object of evaluation

1   This report is the Midterm Evaluation of PETS project in Nepal. The purpose of the midterm evaluation was to provide an independent assessment of performance against the intended outcomes set out in the logical framework and provide recommendations to take remedial action where the programme might not be on track. The midterm evaluation examined the relevance of the project's objectives and approach, how the project activities have proved efficient and effective, the extent to which the project has achieved its potential impact, and whether the project outcomes are likely to be sustainable. Particular attention was devoted to analysing the causes of already observed time delays in the launch and implementation of the project.

2   The major finding of the evaluation is that there is a gap in understanding of roles and responsibilities of the NPIA and NPC. As per project document, NPIA is a 'Private Sector Partner' for the project implementation. But, as NPIA members are entrepreneurs, and they have to focus on their own businesses apart from the NPIA responsibilities, NPIA seek significant support from NPC to complete the tasks. It is observed that the NPIA does not have full time, dedicated, skilled staff who can implement the project activities. Thus the capacity of NPIA is being strengthened to ensure sustainability of outcomes of the PETS project. New initiatives like monthly meetings to discuss the concerns among the NPIA members are organized,

however, even though PSC has approved and budgeted for NPIA to hold a monthly meeting, only 1 such meeting has been organized over a 9 month period.

3   The NPC has not coordinated regularly with NIU and NECTRADE since December 2015. This lack of coordination has resulted in dissatisfaction and confusion among these stakeholders. NPC was coordinating with the NIU representative till Dec 2015, but later his role changed, and he became PETS Focal Point for MOC. During this time, NIU Coordination team also changed. As it was assumed by the NPC that the NIU team will be appraised by the same individual (who was previously NIU Coordinator but currently a PETS Focal Point, MOC), it resulted in coordination failure with NIU and NECTRADE.As per project document, it is expected that the CP entrepreneurs who are supported directly to participate in the international trade fairs pass on the knowledge, know-how, and experiences with other CP Entrepreneurs who are a member of the NPIA. However, among the list of beneficiaries (63 CP enterprises) shared by NPC, the CP Entrepreneurs were supposed to get knowledge, know-how and experiences from beneficiaries who participated in international trade fairs (27 CP enterprises), claimed to have not availed any such benefits from the project.

4   Though NPIA has defined guidelines for the use of CP Trademark, there is no surety that the products sold under CP trademark are of desired quality as there is no further testing after issuing Trademark. Thus pre-issuance mechanism can be strengthened to ensure quality is maintained. The CP manufacturers also questioned on business sense to brand a product as Chyangra Pashmina when Pashmina has negative connotations in the international market due to inconsistent quality in the market. All the CP enterprises mentioned that Cashmere is preferred name in the international market, and they have been selling the CP products under the name of Cashmere in past. This was pointed out also in both market penetration strategies developed for the US and Japanese market, and discussed by ITC with both NPIA and MoC. However, it was a decision by MoC and NPIA to keep the word Pashmina as it is a Nepalese name that was misappropriated abroad. Thus, while ITC had brought this subject to the attention of all stakeholders at an early stage, it was decided to keep it as it is.

5   Most of the NCFT activities like submission of revised course curriculum regarding pashmina fashion technology are delayed by 3 months due to inaction on behalf of NCFT. All other activities are supposed to follow this activity. Most of the interns are

not involved in pashmina designing or are passive observers or are working in products like silk etc. as Pashmina is very delicate to work on.

6   Response to the activity of training and supporting CP entrepreneurs to participate in International Trade Fairs has been positive. This has motivated the beneficiaries and gave them confidence in the high quality and pure CP products over inferior products. The beneficiaries have demonstrated an increase in CP export revenues by 23% after PETS project, due to which there has been an increase in overall revenues by 21%. Due to the participation in International Trade Fairs, the CP trademark is gradually gaining visibility and value.

7   It was also observed that the CP entrepreneurs have limited resources and manufacturing capacity. While they participate in International Trade Fairs, most of the sales orders that they can get are large scale, which often the entrepreneurs are not capable of delivering alone. Thus it is important for the CP entrepreneurs to work in collaboration and deliver high-quality products to set a niche high-quality brand in the international market.

8   Three devastating earthquakes hit Nepal in 2015 (25th April, 26th April and 12th May 2015). The project area, Kathmandu Valley, was mostly under the "crisis-hit" area; as a result, the earthquakes impacted the PETS project for a period of 4 months during which project implementation activities were on hold. The border interruption in Southern border has delayed the project by almost 4 months, considering the severity of resource constraints due to these events. Also delay of 5 months due to negotiations on the Letter of Agreement between ITC and Ministry of Commerce and Supplies, Government of Nepal; and further delay of 6 months for the appointment of permanent staff and setting up of project office delayed the overall project implementation. Thus to achieve the objectives set for the project, it is essential to extend the project by minimum 13 months.

Lessons learned and best practices

9   PETS project is implemented in an inclusive mode and suggestions by each stakeholder are considered by the Project. Activity Plan for Upper Mustang are prepared for the project based on suggestions from the stakeholders, which has not only lead to improved project performance but also most of the stakeholders are satisfied with the project.

10   The delay in project implementation due to internal and external reasons has forced the project to extend the timeline by 13 months; if the objectives of the project are to be achieved. Following lessons can be learned from the internal and external reasons for delay:

   a. Considering the possible natural disasters in the particular geographic zone, projects should make provisions for holding the time and extend the project timeline by default for the hold duration.

   b. Before designing the project, it is essential to assess the capacity of each stakeholder and assign roles and responsibilities basis the existing capacity or plan for capacity building. In the case of PETS project, a capacity assessment of NPIA was done as part of early project activities. This formed part of the NPIA Medium term strategy. Based on Mid-term plan, PSC has approved NPIA to hold monthly meetings. However, only 1 meeting over a 9 month period has taken place. It reflects a lack in the operationalization of Mid-term plan.

   c. Project planning and timelines should be finalised after understanding local protocols for project implementations.

   d. Focal points (MOC, ITC, and NPIA) should be given necessary authority and decision-making rights. However, considering the complexity of decisions to be made, sufficient time should be provided for all the Focal Points to revert and adequate follow-up should be made based on scope and importance of the decision.

11   There has to be more coordination between the stakeholders. Stakeholders such as NIU and NECTRADE can bring in learnings from other projects being implemented in Nepal. This will help enhance the efficiency of the PETS project.

12   The orientation of stakeholders about processes followed by each other is essential for the smoother implementation of the project and to set clear expectations. Stakeholders like NPIA, MOC Focal Point, and even NPC are not well versed with the ITC rules and regulations. Similarly, ITC staff does not anticipate the delays due to internal processes followed by various stakeholders such as MOC and NPIA. This leads to confusion and gap in communication. MOC and NPIA project focal points were brought to Geneva ITC HQ to familiarise them with the ITC procedures/ rules and departments, however; it seems the learnings did not trickle down to other stakeholders based out of Nepal.

13   During project implementation, a design consultant was hired from a very different socio-economic background than the project location. Also, the consultant was not

conversant with local language. Due to this, target beneficiaries were not happy with the performance of external consultant leading to dissatisfaction with the project. However, once another consultant who has experience in similar geography and who can communicate with target beneficiaries was hired, the suggestions were accepted by entrepreneurs and results of the project was visible in terms of improved designs used by CP entrepreneurs.

Recommendations, conclusions and including implications to ITC of the evaluation

14   It is recommended to extend the project for 13 months to compensate for the loss of time due to external and internal delays. The evaluation team also recommends additional capacity building efforts for the NPIA and expediting the initiation of approved activities, decision making, and ensuring follow-up. It is also critical to provide a platform where CP entrepreneurs can come together and act together. Access to technology from various existing SME clusters will help the sector in enhancing the production capacity and quality of products. The NPIA and MOC should play a key role in providing access to necessary credit and facilitation of dialogue. Apart from this is important that the CP manufacturers produce a quality product and ensure consistency in the quality. It is desired that CP Manufacturers source the raw material from Nepalese CP farmers which will help extend the benefits of the project in rural Nepal. However, as it is out of scope for PETS project, it is not essential to achieve the objectives of the project. Sharing the knowledge and learnings among other projects currently being implemented in Nepal will help improve the effectiveness of the project and also ensure sustainability of outcomes.

15   The evaluation team found the PETS project relevant to the current socio-economic situation in Nepal. The project is designed well to deliver the objective to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal. Existing implementation structure and processes followed are inclusive which take into consideration the suggestions by each stakeholder.

16   The project has brought motivation and increased aspirations among the CP entrepreneurs. This increased aspiration will also lead to innovations and investment in the sector. The direct beneficiaries of the project have already seen an increase in overall turnover in the business. They are also taking efforts on their own to explore new export markets, find new ways to market their products and design new products in their own lab. There is also an observation regarding the behavioural change in the

CP entrepreneurs who are now open to collaborating with each other and ready to share information with each other. These positive impacts of the project ensure that the project can achieve its end goal if the timeline of the project is extended for the time lost due to unavoidable circumstances.

17 The implication for EIF is that it will have to extend the timelines of the project and ensure follow-up mechanism is established to ensure timely completion of activities. The Socio-political scenario is conducive, and beneficiaries are optimistic about the project. Thus efforts from the project implementation team will be completed with support from each stakeholder.

B. EVALUATION REPORT

1. INTRODUCTION

1.1. Background and Context

18 The Pashmina Enhancement and Trade Support (PETS) project in Nepal is funded by the Enhanced Integrated Framework (EIF) Trust Fund. The United Nations Office for Project Services (UNOPS) was appointed the Trust Fund Manager for EIF projects. A Memorandum of Understanding (MOU) between International Trade Centre (ITC) and UNOPS was signed on 18 June 2013. The project officially commenced on 20 November 2013, with the signing of the Letter of Agreement between the ITC and the Ministry of Commerce and Supplies (MOCS) of the Government of Nepal (GON), with a total budget of USD 2,061,603/- of which EIF funding is USD 1,861,603/- and in-kind contribution from GON is USD 200,000/-[2]. It should be noted that since the singing of the project document, the name of the Ministry of Commerce and Supplies has been changed to Ministry for Commence (MOC).

19 The purpose of PETS project in Nepal is to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal. The PETS project is implemented under of Nepal Trade Integration Strategy (NTIS, 2010); which identifies Pashmina as a priority sector. Pashmina remains as one of the key priority sectors in the updated NTIS 2016 as well. The project is aimed to strengthen the competitiveness of the CP sector through interventions along its value-chain and through strengthening the institutional capacity at the sector level.

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[2] Partnership Agreement UNOPS

20   The project is designed to achieve following three interconnected outcomes:

   i.   NPIA provides sustainable services to its members and CP stakeholders

   ii. CP manufacturers increase exports in target markets due to increased international competitiveness

   iii. New buyers in priority markets recognize CP label as a niche luxury product

1.2.   Purpose and Objective of the Evaluation

21   In-line with the EIF Monitoring and Evaluation Framework and as stated in the project document, a midterm evaluation is conducted during the second year of project implementation in April-May 2016. The purpose of the midterm evaluation is to provide an independent assessment of performance against the intended outcomes set out in the logical framework and provide recommendations to take remedial action where the programme might not be on track.

22   The midterm evaluation examined the relevance of the project's objectives and approach, how the project activities have proved efficient and effective, the extent to which the project has achieved its potential impact, and whether the project outcomes are likely to be sustainable. Particular attention was devoted to analysing the causes of already observed time delays in the launch and implementation of the project. The principal clients of the midterm evaluation are ITC, EIF, MOC, UNOPS (EIF Trust Fund Manager (TFM)), which are responsible for strategic and operational decision-making related to future direction, effectiveness, the timely accomplishment of the project outcomes/ results and sustainability of those outcomes.

1.3.   Scope of Evaluation

23   The scope of the midterm evaluation was to assess the PETS project from inception in 2013 to date i.e. April 2016. Within the framework of ITC's overall technical assistance, and in-line with OECD/DAC criteria[3] and the United Nations Evaluation Group (UNEG) guidelines[4], the midterm evaluation of the PETS project was mainly focused on Relevance, Effectiveness, Efficiency, Potential Impact and Sustainability. As the project was started late, potential impact was evaluated to the extent possible. Evaluation matrix based on Relevance, Effectiveness, Efficiency, Potential Impact and Sustainability parameters is provided in Annexure 5 of this report.
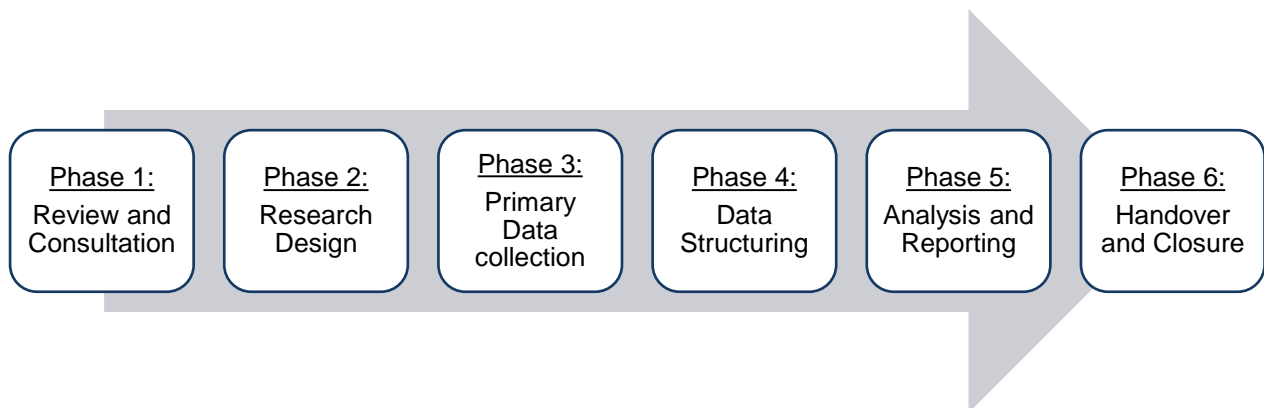
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[3] Organisation for Economic Co-operation and Development (OECD). *DAC Criteria for Evaluating Development Assistance.*

[4] United Nations Evaluation Group (2014). *Integrating Human Rights and Gender Equality in Evaluations.*

1.4. Methodologies used in the Evaluation

24   KPMG and FACTS used the following six-phased evaluation methodology to come up with a detailed report in line with the evaluation terms of reference. The six phases of methodology are as follows:

Figure 1: Six phase methodology used for evaluation

| Phase 1: Review and Consultation | Phase 2: Research Design | Phase 3: Primary Data collection | Phase 4: Data Structuring | Phase 5: Analysis and Reporting | Phase 6: Handover and Closure |

Phase 1: Desk Review and Consultation

25   Secondary data review was conducted with the use of project documents, agreements, minutes of project steering committee meeting, progress reports, consultant reports, information on websites to:

  i.   Gain background knowledge of the Pashmina Sector and its context in Nepal and globally

  ii. Initial assessment of status of project progress and achievements

  iii. Understand and collate what other consultants have reported about the subject

  iv. To cross check various concepts relating to it and the potential relationship between them

26   KPMG and FACTS team had a consultation with Main Implementing Entity (MIE) to understand the project progress and clarify if there are any questions.

Phase 2: Research Design

27   Based on the scope defined for the evaluation, detailed questions were defined with key indicators, means of verification and stakeholders from which data can be collected. A detailed evaluation matrix was designed based on relevance, effectiveness, efficiency, potential impact, and sustainability parameters.

Phase 3: Primary Data Collection

28   KPMG and FACTS team collected the primary data to evaluate the project progress against the planned milestones. Data collection involved interaction with all key

stakeholders to validate the data reviewed during secondary data review and consultation phase. We used following types of data collection tools for primary data collection:

i.   Semi-Structured questionnaires were be used for interviews of CP Companies (direct and indirect beneficiaries) in order to assess, among other parameters, the relevance of the PETS project, their level of comfort towards the programme implementation, benefits gained from the project, ease of adoption and suggestions towards the improvement of the programme.

ii.   In-depth Interview with key stakeholders was conducted to explore feedback about their experiences and expectations related to the project. Their thoughts concerning programme operations, processes and outcomes were collected along with suggestions for improvement in project implementation going forward.

Phase 4: Data Structuring

29   After the data collection phase, KPMG and FACTS team ensured that all required information for data analysis was available. Further, the quantitative data was entered in the excel sheet for analysis. A preliminary observations report was submitted to ITC.

Phase 5: Analysis and Reporting

30   KPMG and FACTS team analysed the primary and secondary data collected based on the evaluation matrix designed during phase 2 of the evaluation. The report is prepared based on ITC Guidelines for Evaluation Reports. The draft report is submitted for review to the MIE and other key stakeholders. After the incorporation of comments, the final report will be submitted to MIE.

Phase 6: Handover and closure

31   After the Final Midterm Evaluation report submission, data will be handed over to ITC and closure meeting will be conducted to ensure quality and satisfaction of the deliverable and a closure meeting is scheduled for the second week of August 2016 in Kathmandu. The primary limitation of our analysis is availability and accuracy of data provided by CP Companies and other stakeholders. To overcome the biases in information shared by the key stakeholders and CP Companies, primary data was collected by local data collection agency that could interact in the local language, and a significant (63 percent) sample size was selected for the evaluation.

2. ANALYSIS AND FINDINGS

2.1. Assessment of Implementation and Delivery

2.1.1. Institutional and Management Arrangements

Delay in project implementation due to internal reasons

32   Stakeholders like NPIA, MOC Focal Point, and even the NPC are not acquainted with rules and regulations to be followed by ITC. For example, selection of consultants for studies and booking flight tickets for participation in trade fairs. Though it is noted that rules are communicated to the stakeholders through emails and any inputs sought by stakeholders.

33   The EIF Project was approved in May 2013, and the EIF Implementation Letter was signed in June 2013. However, negotiations on modalities for implementation of the project took 5 months which resulted in a delay in the signing of the Letter of Agreement between ITC and MOCS, GON. Due to this reason, project implementation could not start until November 2013. Moreover, the project office at Kathmandu was set up, and regular staff joined the office only in June 2014. This delay had a significant impact on the project implementation timelines.

34   The objective of appointment of Focal Points (MOC, ITC, and NPIA) is to help the project in coordination and decision making by ensuring buy-in from all respective key stakeholders. Focal Points (MOC, ITC, and NPIA) are empowered to take a decision on behalf of the representing stakeholder so that the project implementation can be done with the desired pace. However, it was noted that for various decisions such as review of consultant report, Focal Points (MOC, ITC, and NPIA) have to obtain consent from respective higher authorities in the department or organization as a part of their own organizational protocol, leading to delay in decision making.

35   There is a gap in understanding of roles and responsibilities of the stakeholders.

   a. In the project document, NPIA has been mentioned as a "Private Sector Partner" whereas NPIA sees their role more as a beneficiary and not as a Partner. This gap in understanding has resulted in inaction on behalf of NPIA leading to the redirection of responsibility of project execution on shoulders of NPC. Primary reasons for this situation are that all members of NPIA are entrepreneurs, and they need to focus on their businesses as well. Thus, complete focus on PETS project activities is not possible for NPIA members.

   b. Since December 2015, NPC has not coordinated regularly with NIU and NECTRADE. This lack of coordination with NIU and NECTRADE has resulted in

dissatisfaction at NIU level. This has happened as there was a change in roles and responsibility of NIU representative who became PETS Focal Point, MOC. As the same individual was assigned new role, NPC kept coordinating with the PETS Focal Point, MOC but not with NIU representative

36   Newly appointed NIU team was not appraised by the NPC. Evaluation team observed that there is a need for improved coordination and better clarity of roles and responsibilities among the ITC Geneva office and NPC Kathmandu office to ensure that the project does not suffer due to geographic distance or time difference. It was noted that the coordination work at ground takes more time than what is expected by the ITC Geneva team. Thus better coordination between the two offices will ease the constraints of each other.

Delay in project implementation due to external reasons

37   Three devastating earthquakes hit Nepal in 2015 (25th April, 26th April and 12th May 2015) These earthquakes impacted 8 million people in Nepal, in total 14 districts were declared 'crisis-hit' for the purpose of prioritizing rescue & relief operations. The project area, Kathmandu Valley, was mostly under the "crisis-hit" area. As per information provided by NPC, NPIA, and MOC Focal Point, the earthquakes impacted the PETS project for a period of four to six months during which project implementation activities were on hold.

38   Immediately after the earthquake the nation faced another large-scale crisis i.e. Border interruptions in the Southern border. Mobility was affected by these interruptions as fuel was one of the commodities that were blocked affecting the project moderately. Another four months of delay can be attributed to the border interruptions based on the severity of the effects on trade due to the interruptions.

Activities for project beneficiaries

39   The project has directly assisted 27 CP enterprises for participation in the International Trade Fairs. It is expected that each enterprise pass on the lessons learned, know-how and experiences to 5 more CP enterprise who are also a member of NPIA. Among the list of beneficiaries (63 CP enterprises) shared by NPC; which were supposed to get benefit from the directly assisted beneficiaries, 16% CP manufacturers claimed to have not availed any such benefits from the project while 6% were not even aware of the project. If the logic behind having a set of directly assisted beneficiaries and other beneficiaries who get benefited from 'one-to-one-to-many' model, then there should be a clear set of activities ensuring strong linkage between the two.

2.1.2. Implementation of Activities

40   PETS Project has shown progress related to certain activities but a delay in many others, which can be attributed to both internal and external reasons stated in section 2.1.1. It is very clear that the project needs to be accelerated to ensure successful completion. According to the partnership agreement by now the project should be nearing closure, but broadly speaking project implementation is not even midway.

#	Result / Activity / Task	Status
Output 1.1	NPIA's medium-term plan developed	Completed

41   Activities 1.1.1 to 1.1.3 have been completed and received necessary validation. Implementation by a national consultant (NC), international consultant (IC) and ITC staff (Sebastian Rodas). The document was validated in a half day validation workshop in Kathmandu on 15 September 2015.

#	Result / Activity / Task	Status
Output 1.2	NPIA's Business development portfolio defined and a plan for delivering business development services developed	Work in progress

42   The activities 1.2.1 and 1.2.2 were executed along with activities no 1.1.1 and 1.1.3 and validated on 15th September 2015 meeting. Activity 1.2.3 is ongoing and needs much more attention as NPIA's capacity is key to PETS Project sustainability. Initiation of monthly interaction meetings for NPIA members have been started, which is a positive step towards the capacity building of NPIA.

#	Result / Activity / Task	Status
Output 1.3	Capacity built to carry out industry surveillance to enforce trademark protection in Nepal	Not Started

43   The activities from 1.3.1 to 1.3.5 have been delayed due to the legal requirements are not yet in place in Nepal, including a clear definition by NBSM of what exactly "CP" stands for. Without this, no surveillance would be possible. A trademark surveillance service to monitor all new applications filed and published in priority markets (41 countries where the CP trademark is already registered and others) is underway. This would enable NPIA to check the market and file possible oppositions in the case of likelihood of confusion with Chyangra Pashmina (CP). NPIA would receive alerts on new applications and after carrying out a preliminary assessment on

available records about the rights involved and the chances of success in any given country would be able to decide on the most appropriate course of action.

44   Cashmere is preferred term compared to Pashmina. However, it was a decision by MoC and NPIA to keep the word Pashmina as it is a Nepalese name that was misappropriated abroad. As per information provided by the Marketing and Branding expert, guidance is provided to the CP entrepreneurs for communication and branding before participation in the international trade fair. It is critical to ensure that all the members are following the guidelines by Marketing and Branding expert.

45   Activities 1.3.4 and 1.3.5 can only be pursued once the above issues are sorted hence this will get delayed even further.

#	Result / Activity / Task	Status
Output 1.4	Supply chain analysis for CP undertaken	Work in progress

46   Activity 1.4.1 has been completed by NPC. Two of the visits to Mustang were completed, and a visit to Manang is pending. Activity number 1.4.4 is completed for India and study for China is planned for the year 2016. Activities 1.4.5 and 1.4.6 are still being planned based on the reports of Activities 1.4.2 to 1.4.4.

#	Result / Activity / Task	Status
Output 1.5	Capacity built to access existing donor support and to design bankable project proposals to develop CP projects along its value chain	Work in progress

47   Under Activity 1.5.1 the Project has identified donors i.e. ADB/ HIMALI, EU. Discussions are ongoing for cooperation with ongoing Carpet/ Pashmina project implemented by Mercy Corps. As HIMALI is a huge project, efforts are being made to secure funding from the project for various activities such as collection or processing of Pashmina fibre. Activities 1.5.2 and 1.5.3 will follow completion of Activity 1.5.1. This set of activities is very crucial for the sustainability of PETS project for NPIA to be able to continue activities after the PETS Project is completed.

#	Result / Activity / Task	Status
Output 2.1	Requirements in priority markets and shortcomings at enterprise level to adhere to the requirements identified	Work in progress

48   Activity 2.1.1 has been completed with the USA, Japan, and France as identified markets through a trade flow analysis. Activities 2.1.2 to 2.1.4 have been completed for USA and Japan; activities for France have been kept on hold due to limited budget availability. It will be considered based on the budget availability.

#	Result / Activity / Task	Status
Output 2.2	Product development and design capacities developed and embedded at institutional and enterprise level	Work in progress

49   Activity 2.2.1 has been completed with the identification of NCFT. Activity 2.2.2 started and is ongoing, but is delayed by NCFT. Activity 2.2.3 a) is completed with regard to enterprises that went to trade fairs. It is on-going for NCFT and enterprises that will go to trade fairs next year.

50   Activities 2.2.3 b) – d) have not yet started but are not delayed. Activity 2.2.4 is ongoing and a continuous activity and as such not delayed (even though the actual collaboration between NPIA and NCFT could be improved). NCFT has been loose in matching up with the timelines due to external issues such as the impact of the earthquake as well as the lack of follow-up from the project. It's critical to ensure that NCFT catches up and implements the activities with full effect so that product development and design capacity is built and sustainability of project outcome achieved.

#	Result / Activity / Task	Status
Output 2.3	CP products promoted in priority markets	Work in progress

51   Activities 2.3.1 to 2.3.4 have been completed for USA and Japan. There was last minute rush organising the first USA exhibition due to lack of clarity in understanding of ITC policies such as booking travel tickets and selection of CP Enterprises who will be supported by the Project. Over time things have improved, but there is the scope for improvement on an understanding of rules for project implementation. Activity 2.3.5 is delayed, and considerable action is taken to ensure compensation for time lost.

#	Result / Activity / Task	Status
Output 3.1	Awareness creation toolkit developed	Work in progress
Output 3.2	CP label promotional campaign(s) launched in the priority markets	Work in progress

52 Activity 3.1.1 to 3.1.3 are in progress and Activities 3.2.1 to 3.2.5 are under initial execution and planning these activities might suffer delay due to the gap in coordination within ITC. However, as per information shared by Marketing and Branding expert, activities like web-portal development will be helpful in achieving the desired outcome.

2.1.3. Achievement of Results

53 Medium term plan for NPIA has been developed, along with that regular sessions are being conducted to ensure successful adoption and execution of the plan. However, NPIA still needs to appoint qualified full-time human resources who can own up the project, to ensure successful execution and sustainability of PETS project.

54 CP trademark and related outputs have been questioned by CP Entrepreneurs due to the presence of impure and poor quality products in the market. However, NPIA has taken action to tackle this situation. For example, quality testing of sample material, at the national fibre testing lab, of enterprises once they apply for CP Trademark use. Applicants are allowed to use CP trademark only if the test results are positive for the material they use for manufacturing. CP trademark is the only Government of Nepal backed trademark, and it is a symbol of national pride. Guidelines have been prepared to ensure the quality of products sold under the CP trademark. It is important to note that, only the logo is registered as a trademark and not the text on the label.

55 NCFT is one of the key partners of the project, but they don't seem to be taking initiatives towards PETS Project. Most of their actives are delayed, and completed activities like an internship of students do not showcase satisfactory results. Most of the interns are not involved in pashmina designing or are passive observers or are working in products like silk. NCFT seemed very unsure of the other activities as well. NCFT has to accelerate the process of project implementation and NPC and NPIA needs support NCFT, if they are unable to implement certain activities.

56 Under Output 4, the project is operational, and project management structure and monitoring system are in place. However, the project management system can be

improved by sharing knowledge from different projects being implemented under NIU as that will help the project understand efficient methods for coordination among local stakeholders and potential risks and mitigation strategies.

Review of the budget and expenditure (till Dec 2015)

57   The allocation of funds was done in the first year of project implementation was USD 749,248/-. A total expenditure of USD 751,625.86/- has been made till Dec 2015 which is approximately two and a half years of project initiation. The project has been able to spend 40.38% of the total project budget. Details of expenditure are provided in the table below.

Description	Total Budget (USD)	Expenditure till Dec 2015 (USD)	Percentage of expenditure of total budget
International Experts	422,000.00	154,649.70	36.65%
Support Staff	108,000.00	19,386.12	17.95%
National Experts	420,000.00	97,731.14	23.27%
Travel and Missions	307,900.00	177,525.76	57.66%
Subcontracts	95,000.00	84,676.74	89.13%
Equipment	35,000.00	20,671.47	59.06%
Grants	95,000.00	22,270.00	23.44%
Prof. Services	-	-	-
Premises	-	-	-
Training & Workshops	190,000.00	13,122.71	6.91%
Sundry	66,916.00	8,793.88	13.14%
Subtotal	**1,739,816.00**	**598,827.52**	**34.42%**
Aggregated expenditures in Nov - Dec 2015 (Umoja)		103,642.58	
Support costs	121,787.12	49,155.76	40.36%
Total	**1,861,603.12**	**751,625.86**	**40.38%**

58   Expenditure for each event are provided below:

Magic Fair 2015	
Row Labels	Sum of Amount in USD
Contract	1961
DSA	16403
Equipment	37340
Flight	14295
Grand Total	69998

Cashmere World 2015	
Row Labels	Sum of Amount in USD
Consultant	5500
DSA	11437
Equipment	9836
Flight	11026
Grand Total	37799

Magic Fair 2016	
Row Labels	Sum of Amount in USD
Contract	7403
DSA	13962
Equipment	57873
Flight	11040
Grand Total	90278

JFW-IFF Tokyo 2016	
Row Labels	Sum of Amount in USD
Consultant	26310
Contract	9512
DSA	15317
Equipment	64081
Flight	11971
Grand Total	127191

59   The project is suffering from Staff crunch; whereas the budget reflects underspend in support staff budget. Coordination is required on the part of ITC to ensure successful completion this project. Adding to which the delays both internal and external have built stress on the private sector partners namely NPIA and NCFT, but it is recommended to hire at NPIA level as it would be sustainable. To support NPIA, it was already agreed by Focal Points in September 2015 to recruit someone to assist NPIA to increase its absorption capacity. However, NPIA did not come up with a ToR or proposal to do so. Hence, one of the key heads to accelerate expenditures should be "support staff" to bring effectiveness to the project.

60   One of the good initiatives by the project team is that they have started to analyse the costs of major events separately. These expenditures are a big share of the project budget. This separate analysis would help the project team to improve project efficiency.

2.1.4. Attainment of Objectives

61   The development objective of PETS project is articulated in the logical framework as "to contribute to economic and social development through export growth and market diversification of CP products manufactured in Nepal".

62   The problem statement is well articulated in the program document namely "Partnership Agreement UNOPS May 2013". PETS project objectives and design are relevant to the development needs of the country and consistent with priorities of the Government of Nepal. The project is implemented under of Nepal Trade Integration Strategy (NTIS, 2010); which identifies Pashmina as a priority sector.

63   Due to the participation in the international trade fair, the CP trademark is gradually gaining visibility.

64   At an average, the direct beneficiaries of the project have demonstrated an increase in CP export revenues by 23%, due to which there has been an increase in overall revenues by 21%.

65   Out of 24 CP entrepreneurs (directly assisted beneficiaries) interviewed, 14 informed that their turnover has not changed while 10 have seen increased turnover after PETS project. Among the same group of respondents, 8 have seen increased profit margins while 16 think that the profits margins are the same.

66   Approximately 30% direct assisted beneficiaries attribute the marginal increase in total turnover due to PETS project.

Figure 2: Total turnover of the direct beneficiary enterprises before and after the PETS project (6 respondents did not provide this information)
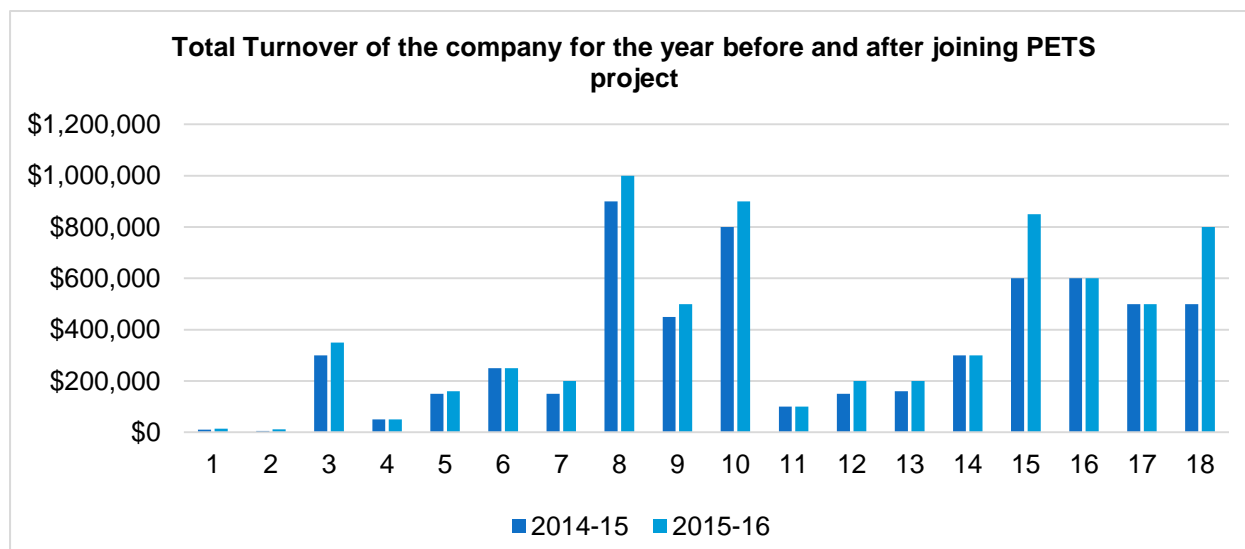
67   There have to be proper provisions made to ensure that the experience and knowledge gained by directly benefited CP companies who participated in international trade fairs, percolate to the other CP companies as well. There is communication in the form of experience sharing reports i.e. Cashmere World trade

Fair participation reports the elaborating experience of members who participated in International trade fairs. However, one to one interaction between CP enterprises is not happening which can be more effective in terms of passing on the benefits to other enterprises. The Nepal Pashmina Industries Association (NPIA) had submitted a proposal to the MOC, GON to address some of the key concerns such as marketing, branding, access to finance in the sector. PETS project was designed to address these key concerns identified by the Pashmina entrepreneurs in Nepal. PETS project is focused on forward linkages part of the Pashmina Value Chain, which is consistent with ITC's objectives, strategies, and core strengths.

68   Knowledge exchange among NECTRADE, MAPS (GIZ), Ginger (FAO), Federation of Handicraft Association of Nepal (FHAN), Nepal Chamber of Commerce (NCC), Export Council of Nepal (ECON), Thamel Tourism Development Council, PlaNet Finance, France; Helen Holzknechtiova – B2B Club, Checz Republic; World Craft Council Asia Pacific Region (WCCAPR) and PETS projects can be encouraged.

69   In all marketing and training activities, it was planned that at least 30% of all participants should be women. It was observed that the project was nearly able to meet the numbers (26.24% female participants till Dec 2015).

Figure 3: Women representation lacking in USA & Japan market information sessions and the USA market orientation programme

70   An average number of artisans (16.1) and non-artisan (10.3) staff is not directly affected due to the PETS project. There has been a fall in the average number of artisans (by 2) due to earthquakes, as artisans migrated back to their origin locations. However, the number of non-artisan employees, which are locally available, has increased (by 1.1) in the same period. Reduction in a number of artisans in the Kathmandu valley has resulted in reduced manufacturing production.

Figure 4: Gender desegregated staff at directly assisted 27 beneficiary enterprises
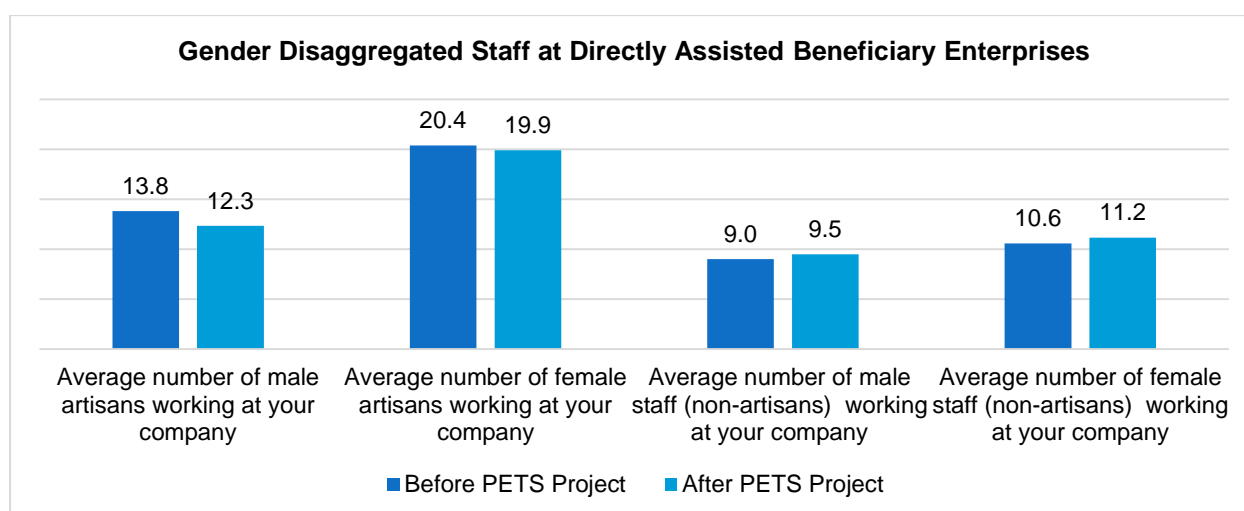
2.2. Assessment of Effects

2.2.1. Outcomes

Outcome 1: NPIA provides sustainable services to its members and CP stakeholders.

| Work in progress |
| Completed |

Objectively Verifiable Indicators	Achievements
New enterprises demand trade-related services of NPIA (Target 30)	NPIA's Medium Term Plan is developed and validated in September 2015. NPIA Service Portfolio is developed.
Enterprises access improved export development and trade promotion services from NPIA (Target 100)	NPIA has provided export development and trade promotion services to 751 CP sector participants.
NPIA able to undertake industry/ trademark surveillance in the domestic market	Capacity building to carry out industry surveillance to enforce trademark protection in Nepal (in planning stage)
Pilot initiative launched for fibre value addition and for linking Nepalese goat farmers to CP processors	Project has completed a pilot supply chain analysis in Mustang district engaging with Chyangra goat farmers. Two CP enterprises have successfully procured raw materials from Mustang on sample basis leading to higher prices for goat farmers by about 20%. A second CP supply chain follow-up study was completed in October 2015.

Objectively Verifiable Indicators	Achievements
Project documents developed by NPIA are accepted by other donors (Target: at least 3)	Contact established with HIMALI Project and three donors. Efforts for mobilizing donor support are ongoing. 3 draft projects for HIMALI are elaborated. However, since HIMALI limited its scope, funding could not be secured. Capacity-building of NPIA on project proposal development commenced.

71   The Medium Term Plan for NPIA is completed and has been validated. NPIA Service Portfolio has also been completed. NPIA has provided export development and trade promotion services to more the 751 CP sector participants through 15 events. Capacity building to carry out industry surveillance to enforce trademark protection in Nepal is under planning.

72   The project has also completed a pilot CP supply chain analysis in Mustang district engaging with Chyangra goat farmers. Two CP enterprises have successfully procured raw materials from Mustang on sample basis leading to higher prices for goat farmers by about 20%.

73   NPIA had developed 3 project documents and submitted them to HIMALI project for funding support. However, funding could not be secured. Again the efforts are being undertaken to secure funding from the HIMALI project so ensure sustainability of the PETS project.

74   Under the Output 1.4, the project commenced study in some of the potential remote Himalayan districts (Mustang, Manang, Dolpa, etc.) and established institutional networking with local farmers for incessant supply of Chyangra Pashmina fibres. As a result of such study, NPIA has succeeded in including the 'Chyangra Livestock Project' in all the 16 Himalayan districts of Nepal bordering Tibet under 'Nepal Livestock Sector Innovation Project' financed by the World Bank.

Outcome 2: CP manufacturers increase exports in target markets due to increased international competitiveness

Objectively Verifiable Indicators	Achievements
Increase in value (30%) and volume of Nepalese CP export	As per primary data collected 23% increase in value of export for the CP enterprises directly assisted by the project
Assistance to enterprises that have been able to become export-ready and transact international business (Target 40)	25 enterprises were supported on capacity-building on market information, product and collection development, merchandising and trade fairs ▪ 11 enterprises to be export-ready for the US market and the companies participated in the SOURCING at MAGIC Trade Fair (Las Vegas, US) in February 2015 ▪ 1 enterprise participated in the China LDC Import Expo in Kunshan in May 2015 ▪ 3 enterprises participated in the Hong Kong trade fair in October 2015. ▪ 10 enterprises participated in Japan Trade Fair in April 2016
Already exporting enterprises realise additional exports (Target 30)	7 CP enterprises (6 from MAGIC Trade Fair, 1 from China LDC Import Expo)
Assistance to enterprises that have not exported before and start exporting as a result of the technical assistance provided (Target 10)	2 (from MAGIC Trade Fair)
A design centre operational that receives designs from selected buyers	MOU signed with NCFT and activities for establishing industry-academia linkage is underway.
Enterprises create new designs (Target 10) increased linkages between design centres and enterprises (regular internships institutionalized)	16 NCFT students now engaged with 22 CP enterprises to create new designs and collections for the US and Japan markets
Increased sales to tourists in redesigned shops	A tourist demand study has been completed to provide inputs for re-designing shops

75   Three priority markets (Japan, USA, and France) have been identified, and studies and market penetration strategies for Japan and USA were formulated and shared with CP entrepreneurs and stakeholders. Capacity building activity was conducted for around 25 enterprises for, market information, product and collection development,

merchandising and trade fairs. The Project supported 11 enterprises to be export-ready for the USA market and the companies participated in the SOURCING at MAGIC Trade Fair (Las Vegas, USA) in February 2015. One supported enterprise participated in the China LDC Import Expo in Kunshan in May 2015. 3 enterprises participated in the Hong Kong trade fair from 7th to 9th of October 2015. 10 enterprises participated at the Japan Trade Fair in April 2016. Participation in Japan Trade Fair was delayed by about a year due to devastating earthquakes in April 2015. Out of project supported enterprises, many have started export to the countries they visited and had also resulted in increased focus on the identified target markets.

76   Enterprises have highlighted constraints of manufacturing capacity, improved technology and availability of credit to service the high volume/ value orders they get from the international buyers. There is a need to focus on behavioural change aspect of the Enterprises to act together in order to be more competitive in the International market thus achieving Outcome 2 of the project

77   NCFT has been engaged and successfully organizing Pashmina Sequence under the fashion show event named 'Pristine' which is a very well known fashion show in Nepal. 16 NCFT students are now engaged with 22 CP enterprises to create new designs and collections for the US and Japan markets. It was observed that the quality of experience of both from interns and companies are not as expected. Most of the interns who have joined as an intern are not involved in pashmina designing, they are mostly passive observers, or are working in non-pashmina products like silk, etc. as Pashmina is very delicate fabric to handle, companies do not want to take a risk by letting them handle pashmina. They seemed very unsure of the other activities as well. It is recommended that internships should be planned at least 6 months in advance for better results. The demand for this internship program needs to be created from both the sides by demonstrating its value. Students should not join CP companies just because they were told to join, where were indicated in some of the interviews with the students. Similarly, Companies needs to accept the students and let them explore pashmina design and production by giving them hands-on experience and treat them as an asset and not liabilities. There has been a delay in submission of the revised version of a training course based on the recommendations from the CP companies. NPC and NPIA should follow-up and accelerate the process of rolling out the training course. A tourist demand study has been completed, which will feed into plans to support increased sales to tourists

through re-designed shops. However, until April 2016, there has been no action has been taken on re-designing shop.

Outcome 3: New buyers in priority markets recognize CP label as a niche luxury product

Objectively Verifiable Indicators	Achievements
CP trademark and label well known in the selected priority markets and distinction made between CP from Nepal and other Pashmina products	CP label promotional campaign(s) launched in the priority markets.
Increase of sales of CP products in the priority markets	10 CP enterprises confirmed that their turnover has increased. However, data on sales in priority markets not available.
Promotional tools applied in other markets by NPIA, its results analysed by NPIA and increase in sales detected	Generic promotional materials such as a brochure, a notebook for the recording of business contacts and transactions were developed.
Increased use of the existing CP label (including hologram) as a sign that Nepalese processors see the value of using it (+50%)	The CP label with the slogan "Chyangra Pashmina - high mountain cashmere from Nepal" was launched during the MAGIC trade fair in the US in Feb 2015

78   Generic promotional materials such as brochures, notebooks for the recording of business contacts and transactions were developed to support participation in the USA, Hong Kong, and Japan trade fairs. The CP label with the slogan – Chyangra Pashmina - High mountain cashmere from Nepal was launched during the MAGIC trade fair in the US in February 2015. Development of a simple, user-friendly web portal as a CP trademark marketing support is underway. And as per interaction with the Marketing and Branding expert, initiatives like the development of web-portal will help achieve the desired outcome.

79   It should be noted that, though France is identified as a priority market, there is still confusion if there will be any activity conducted for France as a priority market. It will depend on the budget and time availability for completion of this activity.

2.2.2. Impacts

80   Based on the interaction with NPIA, Focal Points (MOC, ITC, and NPIA) and NPC the PETS project has potential to create long-term positive economic and social impact in Nepal. Looking at the current status of the project, due to delay in project implementation, it is critical to extend the project to compensate for the loss of time

due to internal and external constraints. Immediate action needs to be taken to complete the activities as planned under the project.

81   Traditionally, Pashmina sector has provided equal employment opportunities for men and women. Similarly, due to the fragile nature of the raw material and the final product, CP entrepreneurs do not engage in the child labour. Hence, the issue of child labour not observed with CP entrepreneurs.

82   There has been no negative impact due to PETS project as per information gathered from primary data collection survey by the evaluation team.

83   Following observations are made from the primary data collected during evaluation.

a.   Around 50% of the CP companies have 10-15 years of experience in pashmina manufacturing. However, there are more numbers of younger organizations in the beneficiaries group who are not directly assisted by the project to attend international trade fairs i.e. around 20%.

b.   The products which have been more popular recently are Shawls, Sweater, Scarf, Poncho, Stole, Muffler, Caps, and Gloves (descending order of demand).

c.   Only two CP Enterprises are directly associated with Nepali CP Farmers, and they were associated with these farmers even before PETS project started.

d.   11 female and 5 male NCFT students have already interned or are currently interning with 24 direct beneficiaries interviewed.

e.   There is increased focus on the target country (USA and Japan) for exports, among the direct beneficiaries after involvement in PETS project.

f.   15 CP companies said that they have started exploring new foreign markets on their own after their participation in PETS project. Other countries which CP companies are exploring are Canada, Europe, Russia, China, Middle Eastern Countries, Turkey, Kazakhstan, Italy, India, and Norway.

g.   Among direct beneficiaries, 19 entrepreneurs mentioned that Design is the key input they have received and 17 mentioned branding and communication as key inputs for their export promotion of CP Trademark product under PETS project.

h.   All 27 direct beneficiaries who attended any training, received inputs in design or marketing or participated in trade fairs have indicated satisfaction with the information

they received. Moreover, 6 entrepreneurs mentioned that they were very satisfied with the inputs

i.   Among the 18 respondents who attended the training for participation in the international trade fair, new designs and marketing methods were the most liked aspects of the training.

j.   Brochure and website were most valuable inputs as part of communication

k.   The following graph indicates features of the marketing / branding inputs that are appreciated by CP entrepreneurs.

Figure 5: Key features of marketing and branding inputs
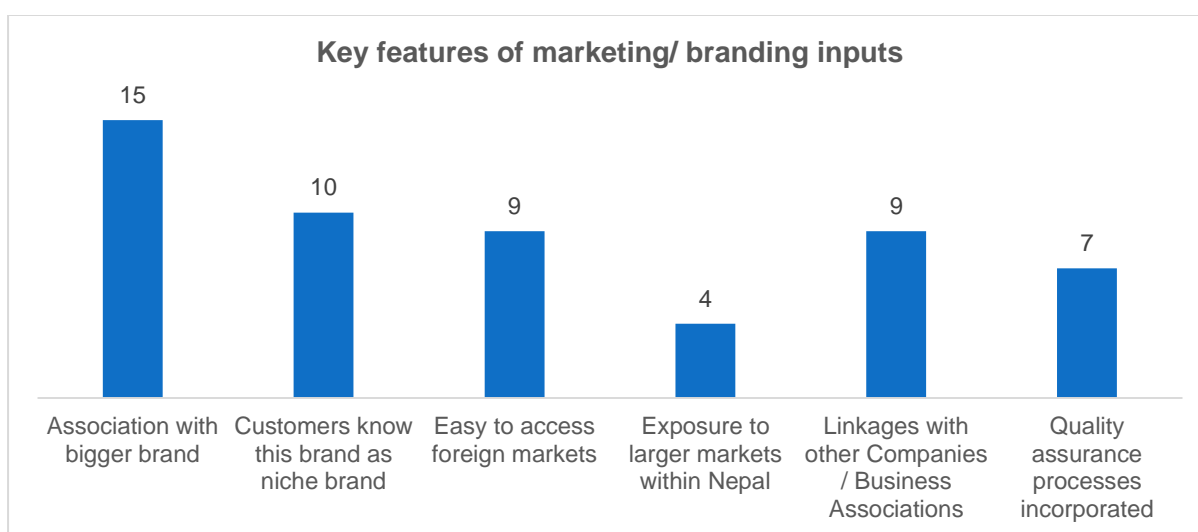
l.   CP manufacturers would like to attend more training on new and innovative designs, technical training related to process, quality, production, printing, raw material, etc.

Figure 6: Training needed in future for the CP enterprises
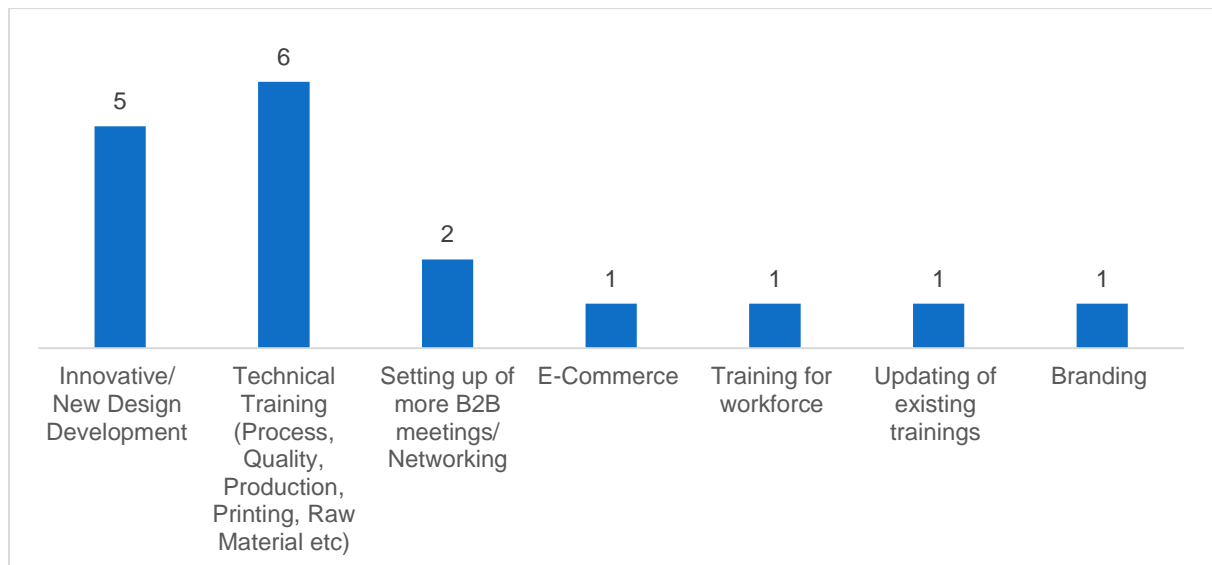
m. 16 CP companies have started exploring new design for pashmina products on their own, which include designs in printing, new knitting and weaving designs, winter collection and innovative shawl designs. This will help in increased exports and competitiveness in the international market

n. 10 CP companies have started exploring new ways of communication/ advertising for attracting customers which are a newspaper, look books, pamphlets, social media, and online sales websites, etc. This will help CP entrepreneurs to identify new buyers and establish the CP label as a niche luxury product.

o. 75% of the beneficiaries who were not directly assisted by Project are interested in working more with PETS project and they are also ready to allocate resources for that.

2.2.3. Sustainability

84   By design, PETS project has ensured active involvement of Government and Private Sector for implementation. The decision-making process in the project is inclusive which is reflected through minutes of the PSC meetings, and CP enterprises level workshops. The project has a clear set of activities to involve beneficiaries and other key stakeholders in decision making. The development of plan based on supply chain analysis of Pashmina Fiber supply and capacity building of Farmers is another evidence of inclusive activities.

85   NPIA is the most important link for sustainably of PETS project. As an industry association, NPIA has successfully gathered support from government and donors to

set up fibre testing lab, collect funds from the government to support the sector and also proposing exemption in export tax. However, as discussed earlier in this report, the current capacity of NPIA needs to be strengthened to meet the expectation of sustaining the outcome 1 of PETS project. Some steps are already taken to enhance the capacity of NPIA such as:

a. PETS project has introduced basic infrastructure at NPIA office

b. Monthly breakfast meetings are organized by NPIA for NPIA members which level sector scope and challenges can be discussed, and collective decisions can be made for the benefit of sector

c. Few full-time resources are hired by NPIA to manage the day to day activities. But resources with more decision-making ability and authority need to be hired to lead the NPIA operations on a full-time basis. This staff should be on the pay-role of NPIA.

d. Capacity building of NPIA on project proposal development has started

e. Capacity building of NPIA by Project is being planned to carry out industry surveillance to enforce trademark protection in Nepal

f. Online marketing for CP manufacturers

However, following critical aspects are still to be addressed:

g. Capacity-building in the areas of project management, financial management, business scale up, branding and marketing in international markets by Project

h. Active coordination by NPIA for organizing events or regular meetings with GON officials to promote the agenda of developing Pashmina industry

i. As per feedback from NPIA and NPC, behavioral change among CP entrepreneurs to work in collaboration and act together to compete in international market

86   The CP Trademark is already registered in 41 countries and a trademark surveillance service to monitor all new applications filed and published in priority markets is underway. This would enable NPIA to check the market and file possible oppositions in the case of likelihood of confusion with Chyangra Pashmina (CP).

87   The evaluation team observed that the PETS project has contributed to increasing in motivation and increased aspirations among CP entrepreneurs. This change in

aspirations will bring in more strategic investment in the sector leading to growth in long run.

88   It was observed that the CP entrepreneurs have started to think more about introducing improved designs in Pashmina products. Some of the enterprises are adopting new marketing strategies like online marketing by themselves. It is important to include online and social media related marketing strategies to ensure successful results under Outcome 3. It was observed that, after participation in International Trade Fair at Japan, CP entrepreneurs are thinking to act together and ready to share information with each other. There have been initiatives to create social media groups (for example, *Whatsapp* or *Viber* groups) which indicate behavioral change towards sustainable impact.

3.   LESSONS LEARNED AND GOOD PRACTICES

3.1.   Lessons Learned

89   The delay in project implementation due to internal and external reasons has resulted in causing the project to request an extension to the timeline; if the objectives of the project are to be achieved. Following lessons can be learned from the internal and external reasons for delay:

   a. Considering the possible future natural disasters in the particular geographic zone, projects should make provisions for holding the time and extend the project timeline by default for the hold duration.

   b. Before designing the project, it is essential to assess the capacity of each stakeholder and assign roles and responsibilities basis the existing capacity or plan for capacity building in advance.

   c. Focal points (MOC, ITC, and NPIA) should be given necessary authority and decision-making rights. However, considering the complexity of decisions to be made, sufficient time should be provided for Focal Points (MOC, ITC, and NPIA) to revert and adequate follow-up should be made.

90   There has to be a lot more coordination between all the stakeholders. Stakeholders such as NIU and NECTRADE can bring in learnings from other projects being implemented in Nepal. This will help enhance the efficiency of the PETS project.

91   Appointment of Focal Points (MOC, ITC, and NPIA) for coordination within key stakeholder groups has helped the project to make few decisions faster. PETS

project can provide key learnings to set guidelines for coordination, communication and follow-up among key stakeholders from Government, Private Sector, and Donor agencies.

92   The project has assisted selected beneficiaries to participate in the international trade fairs and organized training for the CP entrepreneurs. The CP entrepreneurs who are directly benefited from the project were supposed to pass on the lessons learned, know-how, experience with the other NPIA members. However, most CP manufacturers who were not assisted directly claimed to have not availed any benefits from the project while few were not even aware of the project. Thus, it is essential to have a set of defined activities for the transition of knowledge / benefits between the two, and those activities should also be monitored.

93   The orientation of stakeholders about processes followed by each other is essential for the smoother implementation of the project and to set clear expectations. Stakeholders like NPIA, MOC Focal Point, and even NPC are not well versed with the ITC rules and processes. Similarly, ITC staff does not anticipate the delays due to internal processes followed by various stakeholders. This leads to confusion and gap in communication. Thus, orientation session by ITC can help in more efficient coordination among stakeholders.

94   During project implementation, a design consultant was hired from a very different socio-economic background than the project location. Moreover, the consultant was not conversant with local language. Due to this, target beneficiaries were not happy with the performance of external consultant leading to dissatisfaction with the project. However, once another consultant who has experience in similar geography and who can communicate with target beneficiaries was hired, the output was welcomed by entrepreneurs and impact of the project was visible.

3.2.   Good Practices

95   PETS project is implemented in an inclusive mode and suggestions by each stakeholder are considered by the implementation team. Plan for activities in Upper Mustang area are developed based on participative supply chain analysis, which has not only lead to improved project performance but also most of the stakeholders are satisfied with the project.

96   Convergence and fundraising for sustainability have been incorporated as a key activity of the project. This is very much needed in this case as the project touched

some very broad areas for the improvement of supply of Nepali CP fibre and promotion and brand building around CP Trademark. These areas require not only much more time and resources than that is available with PETS project but also a significant role to be played by different stakeholders. Successful convergence with government projects or other donor-funded projects will result in carrying forward the impact created and amplification of results.

97   NPIA has started meeting every month which led to a discussion on sector level learnings and challenges among all the members. The most important result of these meetings will be active involvement by NPIA members in the PETS project. These meetings will also accelerate the project activities, and increased role by NPIA members will help in sustainability.

3.3. Constraints

98   Coordination and efficient decision making is the key constraint faced by PETS Project. Once decisions are made either NPIA Board members question the decision made jointly with the NPIA Focal Point or the same happens at MoC, GON level. ITC needs to enhance the follow-up with stakeholders and empower the Focal Points (MOC, ITC, and NPIA) to accelerate the project implementation and performance.

99   Active participation from the Private Sector Partner is limited due to lack of dedicated skilled human resources to work on the project implementation.

100   The natural disaster has impacted the project to a large extent as it delayed the project implementation by almost 4 months. Similarly, nationwide socio-political issues and protests have resulted in a delay in implementation of the project by almost 3 months effectively. Provision for such natural disasters and socio-political issues, while planning the project will help achieve the objectives of the project.

4. RECOMMENDATIONS

4.1. Issues resolved during the evaluation

101   As part of primary data collection phase, an in-depth interview was scheduled with the representatives from NIU and NECTRADE. During the interview, it was noted that the NIU and NECTRADE members were not updated with the project progress since December 2015. The newly appointed team was not appraised by NPC with the project details. This failure in communication from the NPC was primarily due to the change in roles and responsibilities of the previous NIU representative who became PETS Focal Point, MOC around 6 months back. NPC kept coordinating with PETS

Focal Point, MOC but missed to coordinate with newly appointed NIU team and representatives. This lack of communication was accepted during the meeting and NIU, NECTRADE, and NPC accepted to meet again, and NPC decided to share all information with the respective team members.

4.2. Actions/decisions recommended

Recommendations for Project Outcome 1:

i. _Capacity Building of NPIA_

102   NPIA is key to the way forward and sustainability of attainment of the objectives of PETS Project. Hence, capacity building and gap filling of resources should be taken with utmost priority. A capacity assessment of NPIA was done as part of the medium-term strategy. The strategy itself addresses the identified shortcomings. However, the mid-term strategy has not been operationalized Hence current project implementation provision is not in a position to ensure sustainability of the project. Issues like lack of quality full-time human resources should be addressed at immediate effect. The reason for this recruitment is to ensure the much-needed follow-up with the government, ITC or other private sector partners, which is currently done by NPC. It's recommended that ITC hires the person on behalf of NPC, with a clear set of milestones for smooth handover from NPC and execution of medium-term plan to ensure sustainability of this position and the project.

103   Following areas should be considered for capacity building of NPIA:

a. Capacity building by Project in the areas of project management, financial management, business scale up, branding and marketing in international markets

b. Active coordination by NPIA for organizing events or regular meetings with GON officials to promote the agenda of developing Pashmina industry

c. Behavioral change among CP entrepreneurs to work in collaboration and act together to compete in the international market so that they see other CP entrepreneurs as collaborators and not competitors. To ensure this other beneficiary should be linked to direct beneficiaries for knowledge transfer and create "communities of practice" which could be a group of CP entrepreneurs in which there could be one directly benefitted entrepreneur and 2-4 other beneficiaries, they would share a common work practice over a period of time, getting together to share information and knowledge. These groups could be based on geographical proximity, product type or common interest of markets.

Informal knowledge sharing sessions by beneficiaries are also recommended. Activities like these are important as they are key to knowledge transfer between directly assisted and other CP entrepreneurs.

Initiatives like the creation of Social media group (for example, Viber or Whatsapp) for entrepreneurs must be promoted by NPIA and information should be shared by entrepreneurs during monthly meetings.

104   NPIA and Project should also identify areas for capacity building of the existing and newly recruited staff. Capacity building workshops should be conducted by experienced professionals from the Project or consultants hired by the Project.

ii.   *Sourcing of raw material from Nepalese CP farmers*

105   Approximately 88% of the raw material is currently procured from China, India, and Mongolia; and rest is purchased from within Nepal. A study on Supply Chain analysis of CP fibres coming from Upper Mustang has been conducted. The report has recommended a pilot project which includes a) awareness program, b) Infrastructure development c) Introduction of Pashmina fibre collection technology and d) marketing.

106   NPIA should seek convergence from bigger projects like 'Nepal Livestock Sector Innovation Project'. For details of the plan, please refer to the "Supply Chain analysis of CP fibres coming from Upper Mustang" report.

iii. *Defined activities for sharing of knowledge and experience from directly assisted beneficiaries to other beneficiaries who are member of NPIA*

107   NPIA members who have been supported to participate in the International Trade Fairs are considered as directly assisted beneficiaries, whereas all other members of NPIA who are assisted with knowledge sharing from the directly assisted beneficiaries are called other beneficiaries. If the logic behind having a set of directly assisted beneficiaries and other beneficiaries who get benefited from 'one-to-one-to-many' model, then there should be a clear set of activities ensuring strong linkage between the two. Hence, knowledge of directly assisted beneficiaries needs to be captured and transferred to other beneficiaries in an effective manner in terms of lessons learned, know-how and experiences accumulated.

108   To ensure this other beneficiary should be linked to direct beneficiaries for knowledge transfer and create "communities of practice" which could be a group of CP entrepreneurs in which there could be one directly benefitted entrepreneur and 5 other beneficiaries, they would share a common work practice over a period of time,

getting together to share information and knowledge. These groups could be based on geographical proximity, product type or common interest of markets. Informal knowledge sharing sessions by beneficiaries are also recommended. Activities like these are important as along with knowledge transfer they also address the issue of most CP enterprises considering others as competitors and not collaborators.

109   Initiatives like the creation of Social media group (for example, Viber or Whatsapp) for entrepreneurs must be promoted by NPIA and information should be shared by entrepreneurs during monthly meetings.

110   It is recommended that NPIA, Project Manager, and NPC prepare a plan with a set of activities conducted in this direction. These activities should be started on a high priority basis within next 2 months.

Recommendations for Project Outcome 2

iv.   Collective procurement and sales

111   CP entrepreneurs accept that they have limited resources and manufacturing capacity to cater to the orders and compete in International market. According to the inputs received from NPIA and CP Entrepreneurs, collective procurement can help the entrepreneurs to get better quality raw material at more competitive price. Thus it is essential that the CP entrepreneurs collaborate for sales as well as procurement of raw material from Nepalese farmers to be more competitive in the international market. Initiatives like the creation of *social media* group for entrepreneurs must be promoted by NPIA and information should be shared by entrepreneurs during monthly meetings. NPIA and NPC should implement the recommendation on medium priority within next 3 months.

v.   Follow up with NCFT for implementation of activities

112   NCFT is one of the key partners of the project, but they don't seem taking initiatives towards completing the activities under PETS Project. Most of their activities are delayed and completed activity of, internship of students does not have satisfactory results. Most of the interns are not involved in pashmina designing or are passive observers or are working in products like silk etc. They seemed very unsure of the other activities as well. NCFT has to accelerate the project implementation, and NPC and NPIA need to follow up and support NCFT if they are unable to implement activities as planned.

It's also recommended requesting for an escalation personal designated for NCFT, who would be contacted in case of any delay or deviation from the activities mentioned under the MoU signed with NCFT.

vi.   *Access to Technology and Credit*

113   To be more competitive in the international market and innovate the products, CP entrepreneurs should also be given access to Technology and Credit. SME (Small and Medium Enterprises) Clusters and Technology Universities can be explored to work with NPIA and CP entrepreneurs. Also, concerned agencies, such as Ministry of Finance, Ministry of Industry, and Nepal Rastra Bank (Central Bank of Nepal) can be persuaded for Credit Guarantee for any investments related to technology and innovations in the Pashmina sector.

114   Project and NPIA should implement this recommendation with support from MOC on medium priority within next 6 months.

Recommendations for Project Outcome 3

vii.   *Quality control and supply chain assurance of CP products*

115   A strong quality control system of batches of export should be in place to ensure that integrity and value of CP Trademark are not put at risk. NPIA provides Trademark to the CP Manufacturer only after testing a sample product at Nepal Bureau of Standards Testing Lab. However, it is essential to ensure that the similar quality is maintained by the entrepreneurs in each manufacturing batch. Trademark surveillance will also be only useful if the above-mentioned points are addressed.

116   NPIA should ensure the quality control for each product sold under CP trademark and assure supply chain of products manufactured. It is recommended that the required activities should be completed within next 6 months on high priority basis.

117   Please note that his activity is not under the direct scope of PETS Project. However, NPIA is recommended to take action. Assistance from the project in terms of budget or human resources is not recommended.

Recommendations for Project Management

viii.   *Extension of project timeline*

118   The project has been delayed due to various internal and external reasons. External reasons include the devastating earthquake, border interruptions in the Southern border. These incidents were unforeseen, and the project could not have prepared

for such incidents. Also, negotiations for signing the LOA between ITC and MOCS were not estimated in the project timeline. These incidents have created a loss of approximately 13 months in the project implementation. Thus, to achieve the objectives of the project, it is essential to extend the timelines of the project. Hence it is recommended that project is given an extension of 13 months to compensate for the lost time due to these incidents. This extension can be a no-cost extension. Other incidents that resulted in delay are internal and should have been foreseen based on ITC, MOC, and NIU's past experiences and hence provisioned for.

119   Project Steering Committee should make a decision regarding extension of the project on an immediate basis. The decision should be taken immediately so that further planning for remaining activities can be done.

ix.   *Expediting the initiation of approved activities, decision making, and ensuring follow-up*

120   Coordination and decision-making are of paramount importance for successful completion of the project. Based on the complexity of decision to be made, appropriate time should be provided to the Focal Points (MOC, ITC, and NPIA). A follow-up mechanism should be established which can help in enhancing the project efficiency.

121   A follow-up mechanism for the project should be set up by Project Manager, and should provide sufficient time for decision-making each time inputs are sought from any stakeholder. This will help enhance the coordination and set clear expectations among stakeholders.

x.   *Knowledge exchange and convergence*

122   Knowledge exchange among NECTRADE, MAPS (GIZ), Ginger (FAO), Federation of Handicraft Association of Nepal (FHAN), Nepal Chamber of Commerce (NCC), Export Council of Nepal (ECON), Thamel Tourism Development Council, Planet Finance- SMElink, France; Helen Holzknechtiova – B2B Club, Checz Republic; World Craft Council Asia Pacific Region (WCCAPR) and PETS projects should be encouraged and facilitated by NIU.

123   NIU and Project should implement this recommendation on medium priority within next 3 months.

5. CONCLUSIONS

124   The evaluation team found the PETS project relevant to the current socio-economic situation in Nepal. The project is designed well to deliver the objective to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal. Existing implementation structure and processes followed are inclusive which take into consideration the suggestions by each stakeholder.

125   The NPIA has skills to mobilize resources which are evident through the establishment of Fibre testing lab with support from Government and donors, support of Government to register the trademark in 41 countries. However, to implement the PETS project, a dedicated, skilled, full-time staff is required at NPIA. Unless required human resources are appointed by NPIA, sustainability of the project will be in question.

126   The project has brought motivation and increased aspirations among the CP entrepreneurs. This increased aspiration will also lead to innovations and investment in the sector. The direct beneficiaries of the project have already seen an increase in overall turnover in the business. They are also taking efforts on their own to explore new export markets, find new ways to market their products and design new products in their own lab. There is also an observation regarding the behavioral change in the CP entrepreneurs who are now open to collaborating with each other and ready to share information with each other. These positive impacts of the project ensure that the project can achieve its end goal if the timeline of the project is extended for the time lost due to unavoidable circumstances.

ANNEX I: Terms of Reference

Date: 12 January 2016

TERMS OF REFERENCE
FOR THE

Midterm Evaluation of the Pashmina Enhancement and Trade Support (PETS) Project in Nepal

(IB41 - NEP/4B/04A, Tier 2 Enhanced Integrated Framework)

Nepal

INTERNATIONAL TRADE CENTRE

A SUBSIDIARY ORGAN OF THE UNITED NATIONS AND THE WORLD TRADE ORGANIZATION
GENEVA, SWITZERLAND

LIST OF ACRONYMS

ADB	Asian Development Bank
CP	Chyangra Pashmina
EC	Enterprise Competitiveness Section
EIF	Enhanced Integrated Framework
ES	Executive Secretariat
FP	Focal Point
GIZ	Gesellschaft für Internationale Zusammenarbeit
ITC	International Trade Centre
MIE	Main Implementing Entity
MOAD	Ministry of Agricultural Development
MOC	Ministry of Commerce
MOCS	Ministry of Commerce and Supplies
MOI	Ministry of Industry
MOU	Memorandum of Understanding
NIA	National Implementation Arrangements
NIU	National Implementation Unit
NPIA	Nepal Pashmina Industries Association
NSC	National Steering Committee
OAP	Office for Asia and the Pacific
OECD-DAC	Organisation for Economic Cooperation & Development- Development Assistance Committee
PETS	Pashmina Enhancement and Trade Support
PSC	Project Steering Committee
SC	Sector Competitiveness Section
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SWAp	Sector-Wide Approach
TC	Technical Committee
TEPC	Trade and Export Promotion Centre
TFM	EIF Trust Fund Manager
TOR	Terms of Reference
TRTA	Trade-Related Technical Assistance
TS	TSI Strengthening Section
UNOPS	United Nations Office for Project Services
UNDP	United Nations Development Programme

1.   BRIEF PROJECT BACKGROUND AND CONTEXT

The Pashmina Enhancement and Trade Support (PETS) project in Nepal is funded by the Enhanced Integrated Framework (EIF) Trust Fund.   The United Nations Office for Project Services (UNOPS) was appointed the Trust Fund Manager for EIF projects.   An MOU between ITC and UNOPS was signed on 18 June 2013. The project officially commenced on 20 November 2013, with the signing of the Letter of Agreement between the ITC and the Ministry of Commerce and Supplies (MOCS) of the Government of Nepal (GON), with a total budget of $1,861,603.00.[5]   It should be noted that since the singing of the project document, the name of the Ministry of Commerce and Supplies has been changed to Ministry for Commence (MOC).

Background

The purpose of the project is to contribute to economic and social development through export growth and market diversification of Chyangra Pashmina (CP) products, manufactured by pashmina exporters in Nepal.   The pashmina sector is a priority sector for export development identified by the Government.   The project will strengthen the competitiveness of the CP sector through interventions along its value-chain and through strengthening the institutional capacity at sector level.   Capacity will be built at the Nepal Pashmina Industry Association (NPIA) by developing a practical medium-term plan, developing its service potential towards the industry, undertaking supply chain analysis for fibre in goat farming areas as well as creating institutional capacities to develop and elaborate project documents and business plans to tap into existing donor support, especially at farmer level.   The international competitiveness of processed CP products will be strengthened by developing product development and design development capacities at institutional and enterprise level and subsequently assisting enterprises to expand existing markets and/or concur new ones.   Moreover, support will be provided to create awareness of the CP trademark that was already registered in more than 41 countries.   The trademark will be promoted in priority markets and domestic market surveillance well established. The project further aims to achieve long-term sustainable impact by strengthening national capacities throughout the implementation phase.

Project Objective and Outcomes

The overall development objective of the project is to contribute to economic and social development through export growth and market diversification of CP products, manufactured by pashmina exporters in Nepal.

The project was designed to achieve the following three outcomes:

1. NPIA provides sustainable services to its members and CP stakeholders;
2. CP manufacturers increase exports in target markets due to increased international competitiveness; and
3. New buyers in priority markets recognize CP label as a niche luxury product.

Further details regarding the project outcomes and outputs can be found in the logical framework found in Annex I.

Beneficiaries

Beneficiaries of the project are CP processors/enterprises at the enterprise level; assistance will be provided directly to them and through sector multipliers such as NPIA and a design school or university.   Thus, the CP sector-related institutional infrastructure is the major focus of assistance, which in turn will apply lessons learned, knowhow and experiences accumulated to the benefit of enterprises.   Ultimately, goat farmers in remote mountain areas will also benefit through increased fibre production, its linkage to the Nepalese CP value chain, and through the fibre value addition.

Under outcome two, the project targets 10 CP companies per identified markets.   With three markets envisaged the project provides direct assistance to 30 companies.   Subsequently, each directly-assisted company will support five other companies through the sharing of information and practical advice from lessons learned.   Thus, the project will reach out to 150 companies. In

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[5] *Note:* The EIF Project was approved on 22 May 2013, the EIF Implementation Letter was signed on 18 June 2013, and the Letter of Agreement between ITC and MoCS was signed in November 2013; these documents form an integral part of the EIF approval process.

addition, other NPIA members will be served by NPIA directly through dissemination and training workshops. The project does not specifically address gender aspects, however, in all marketing and training activities it is foreseen that at least 30% of all participants are women. The project will, therefore, contribute to gender mainstreaming in the CP sector in Nepal.

The logical framework (Annex I) contains further details of the project results and their direct link to objectives, activities, indicators, means of verification, and assumptions.

Project Coordination and Management
Below are the project's implementation arrangements as set out in the Letter of Agreement between the Government of Nepal and the ITC. A diagram of the project's implementation arrangements are provided below in Figure 1.

Main Implementing Entity (MIE)
The GON selected ITC as the MIE. ITC will implement the project in collaboration with the Ministry of Commerce (MOC), private sector especially NPIA, and other relevant agencies. Moreover, the second Project Steering Committee (PSC) meeting held on 19 October 2014 has authorized the nominated project Focal Points (FPs) from ITC, MOC and NPIA to jointly take decisions regarding all activities within the approved work plan and budget.

Within ITC the project will be implemented by the Sector Competitiveness Section (SC), which has expertise in natural fibres, textiles and clothing, in close cooperation with the Office for Asia and the Pacific (OAP). SC will technically implement the project with support from the TSI Strengthening Section (TS) for institutional support issues related to NPIA, and the Enterprise Competitiveness Section (EC) for trademark awareness creation and promotional tools. Other ITC technical sections will be involved should project activities require additional expertise.

OAP will ensure that the project is in line with country priorities and synergies with development initiatives that follow similar outputs; and will manage relations with EIF partners in the field, other technical organizations, and development agencies supporting Nepal in trade-related technical assistance (TRTA).

The roles and responsibilities of the ITC Technical Sections, in its capacity as MIE, include the following:

SC Section
- Provide technical expertise (fibre, textiles, clothing and with regard to target markets);
- Coordinate overall project activities within ITC;
- Oversee and manage project implementation;
- Review and adjust workplans as per EIF stakeholders' recommendations;
- Ensure agreed activities, timelines and outcomes are delivered as per plan;
- Undertake budget allocations and revisions;
- Prepare (jointly with OAP, technical sections and NIU and NPIA) reports to be provided to the Focal Point, TFM and/or NSC;
- Disseminate information and success stories of the project achievements;
- Liaise and report regularly and coordinate activities with all project stakeholders, in particular the Focal Point and the NIU;
- Ensure effective involvement of the NIU in project coordination; and
- Prepare job descriptions and work schedules for national and international consultants of the programme for specific product and market development related activities, brief them at the beginning of their missions, provide guidance and facilitate their work; **OAP Section**

- Guide ITC's technical sections on implementation in Nepal;
- Initiate and negotiate memoranda of understanding;
- Ensure that technical inputs are in lines with the country development policy and strategy;
- Review and validate grants to be proposed to local technical entities;

- Liaise and report regularly and coordinate activities with all project stakeholders, in particular the Focal Point and the NIU; and
- Informs trade-related stakeholders in Nepal about ITC activities in the country and AsiaPacific region.

Other ITC Technical Sections

- Ensure effective and timely implementation of individual project components;
- Propose local Trade Support Institutions (TSI) and other partners involved in project implementation;
- Oversee and manage project implementation of sub-implementing entities where appropriate;
- Prepare job descriptions and work schedules for national and international consultants of the programme for specific technical activities, brief them at the beginning of their missions, provide guidance and facilitate their work;
- Prepare grants to be proposed to technical counterparts for the implementation of selected activities;
- Provide guidance and advice to counterparts for the successful implementation of the programme's activities and for reaching its objectives; and
- Ensure quality and timely delivery of any reporting.

Key Implementing Partner

The Nepal Pashmina Industries Association (NPIA) will be the key implementing partner. The NPIA has been assigned roles and responsibilities:

- Work as the key implementing partner of the project and will coordinate with all stakeholders for carrying out project's work plan successfully
- Actively participate and work in close consultation with MOC, ITC, Donor and other stakeholders to implement PETS project
- as per the need and requirement of PETS project, NPIA will actively participate in conducting, organizing and implementing trainings, dissemination programmes etc. from time to time
- Actively engage its members in development of CP products designs, marketing tools, national and international market penetration and promotional work etc.
- Assist to NPIA-based National Project Coordinator for an effective project implementation
- Provide necessary office space with secretarial services to the National Project Coordinator in its Office Building to implement PETS project most effectively and successfully
- Acquire maximum benefits from the project by encouraging NPIA members and non-members for their participation in the project activities and disseminating all information to the pashmina sector
- Coordinate closely with Design Centre for development of new designs in pashmina industries and provide necessary information and guidelines
- Assist the Project Steering Committee with the monitoring and evaluation of project's performance
- Coordinate with other agencies and Chyangra farmers for chyangra pashmina fibres and its value chain development

National Implementation Unit (NIU)

The Head of the Planning and International Trade Cooperation Division of MOC has been designated as the NIU Coordinator. The unit works closely with other designated focal points in Government Ministries/Departments, particularly the Ministry of Finance, the National Planning Commission, the Ministry of Agricultural Development, the Ministry of Tourism and other trade-related institutions (public, private and civil society). The NIU aims at ensuring coordination at all stages of the EIF process.

Roles and responsibilities of the NIU include the following actions:

- Cooperate with ITC on project implementation;
- Facilitate work of Local Project Coordinator housed within NPIA;
- Assist ITC in selecting and mobilizing local technical counterparts and identify suitable national experts;
- Ensure information flow between the different stakeholders at the national level;
- Commit (together with NPIA that hosts the project office) to agreed activities, timelines and outcomes and to taking over the process sustainably after the project ends; and
- Create (together with NPIA) visibility for, and champion the project, at the national level throughout the process.

National Project Coordinator (NPC)

The NPC is housed within the NPIA and funded by the project, coordinates the day-to-day activities, under direct supervision from ITC and in close consultation with the NIU. The NPC takes responsibility for attaining the project results in Nepal, providing necessary inputs and ensuring the alignment and joint coordination of the different components of the project. The NPC is supported by a National Programme Associate for administration and finance, also housed within NPIA and technically by national consultants recruited for specific technical purposes.

NPC, under the guidance and supervision of the PSC and in close consultation with the NIU, is responsible for the following actions:

- Lead in-country facilitation for smooth project implementation;
- Ensure implementation of in-country communication strategy;
- Ensure information flow between the different stakeholders at the national level;
- Facilitate the work of national and international experts/consultants;
- Provide administrative backstopping and clearing-house functions for the project;
- Report directly to NIU and ITC on any relevant project related developments;
- Act as primary contact and information source for Nepalese implementing partners; and
- Carry-out miscellaneous duties as requested by the supervisor;
- Act transparently in all project implementation aspects;
  Contributes (together with NPIA) to the preparation and review of bi-annual reports and consolidated annual reports;
- Prepare (together with NPIA) Annual Project Steering Committee Review Meetings;
- Provide secretarial/administrative and logistics support to ITC experts during their missions in Nepal; and
- Prepare periodic reports and submits to NIU and ITC in quarterly basis.

Project Manager

The Geneva-based ITC sector specialist will act as the Project Manager by providing technical leadership, and strategic vision. The Project Manager, based in the SC Section, periodically travels to Nepal to ensure the effective implementation of such project components under implementation by ITC. The Project Manager provides technical guidance and technical inputs towards the three expected outcomes and is backed in his work by experienced consultants.

NIU-Based Project Support Team

The NIU-based project support team, led by NIU Chief, comprising Trade Sector-Wide Approach (SWAp) Coordinator and EIF National Program Manager closely monitors the project activities and coordinate/facilitate the above-mentioned entities, ensuring the project's alignment with the national EIF programme as well as its development plans.

EIF Focal Point (FP)

The Commerce Secretary of the MOC of the GON acts as the FP, overseeing the functioning of the NIU, as well as staffing issues and operational supervision. The FP works closely with the

relevant line Ministries, the Donor Facilitator (DF)[6], the EIF Executive Secretariat (ES), other donors and EIF Core Agencies to ensure that TRTA projects are mainstreamed into the Poverty Reduction Strategy Paper (PRSP)[3] and respond to priorities identified within the Diagnostic Trade Integration Study (DTIS)[7].

Roles and responsibilities of the EIF FP include the following actions:

- Undertake the overall coordination of EIF programmes in Nepal;
- Provide guidance to the NIU on general direction of the project;
- Act as focal point for all project related reporting;
- Validate bi-annual reports prepared by ITC jointly with NIU support;
- Review consolidate annual report (to be endorsed by the NSC);
- Validate terms of reference (TOR) of the external evaluation to be conducted at the end of the project; and
- Disseminate project's results at country, regional and global levels.

National Steering Committee (NSC)

The NSC, under the Chair of the Chief Secretary is composed of members from Secretaries at different ministries, high-level officials from the concerned agencies, as well as representatives from the private sector. The NSC monitors the overall EIF processes and activities, including trade mainstreaming into national development plans. This committee also ensures effective coordination and buy-in among various Government institutions, the private sector, civil society and other EIF stakeholders. In addition, the NSC monitors EIF implementation issues, supervises the work of the NIU, assesses the DTIS and its Action Matrix[8] and approves prioritized interventions ensuring, if needed, the subsequent endorsement by the Government. Finally, the NSC provides national space for discussion and identification of DTIS priorities and issues to be taken into account in updating the DTIS.

In order to provide feedback on specific issues to both the NSC and the FP, five inter-ministerial Technical Committees (TCs) have been established under the NSC. The Secretary of the designated ministry chairs their respective TCs. Similarly, TCs may constitute various technical sub-committees to work on specific issues. In addition, the TCs will include private sector as well as development partner representatives; serving to ensure better coordination between the working groups created under the Nepal Business Forum Public-Private Dialogue, the action plans and project proposals developed by the TCs. Both the composition and focus of the TCs will be reviewed after the DTIS validation seeking to make them inclusive working structures. Development partners will be associated with the work of each TC, ensuring proper engagement and buy-in.

The NSC will promote the strategic alignment of the project with the EIF goals and other National Development Objectives. The NSC will determine the ways in which lessons and experiences coming out of the project are to be replicated or scaled-up in the design and implementation of other TRTA projects in Nepal.

Roles and responsibilities of the NSC include the following actions:

- Ensure that the project maintains coherence with the trade national objectives and regional priorities;

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[6] *Note:* The Government of Germany is the Donor Facilitator, through the Embassy of Germany in Kathmandu and its technical hand GIZ in facilitating the coordination of the various donors, as well as mobilizing further support for Nepal. [3]

International Monetary Fund (2003). *Nepal: Poverty Reduction Strategy Paper*. Washington. Available from https://www.imf.org/external/pubs/ft/scr/2003/cr03305.pdf

[7] Enhanced Integrated Framework (2003) *Nepal Diagnostic Trade Integration Study (DTIS): Nepal Trade and Competitiveness Study*. Geneva. Available from http://www.enhancedif.org/en/document/nepal-diagnostictrade-integration-study-dtis-2003

[8] *Ibid.,* xi-xvi

- Promote the strategic alignment of the project with the EIF goals and other national development objectives and plans;
- Determine the ways in which lessons and experiences coming out of the project are to be replicated or scaled-up;
- Review and facilitate synergies between the present project and other TRTA initiatives in Nepal;
- Review the project implementation strategy and advise the management team on strategic priorities;
- Provide guidance on resource mobilization and sustainability of the project;
- Assess areas of actual and potential risk and provide advice on suitable mitigation measures; •   Consider project results and advise on dissemination and application; and
- Ensure political support at the highest level in the country.

Project Steering Committee (PSC)

The PSC is responsible for the overall coordination and policy guidance of the project. The PSC is expected to meet as and when required but at least once in every six months, and reports to the NSC at least twice a year. The PSC membership is reflected in the sectoral nature of the project, and includes representatives of: ITC, MOC, Ministry of Agricultural Development (MOAD), Ministry of Industry (MOI), TEPC, DF, NPIA, and the NIU. It will be chaired by the Secretary, MOC. The PSC may invite concerned agencies and stakeholders to any meeting as required.

The PSC is responsible for taking any decisions related to the implementation of the project including:

- Monitoring and acting as oversight body for the project's overall approach and direction;
- Approving the project's annual work plan and budget prepared by ITC and NIU;
   Providing overall coordination and policy advice;
- Approving subsequent up-dates of the budget and work plan;
- Reviewing the bi-annual progress reports submitted by the Implementing Agency through the EIF FP;
- Reporting annually on project progress to NSC and provide NSC with the annual project progress reports as well as the midterm and final evaluations;
- Providing overall guidance and strategic direction to project implementation; and
- Validating the choice of local entities eligible to receive grants from ITC for the implementation of agreed activities.

2.   EVALUATION PURPOSE AND SCOPE

In-line with the EIF Monitoring and Evaluation Framework[9] and as stated in the project document, a midterm evaluation is planned to take place during the second year of project implementation. The purpose of the midterm evaluation is to provide an independent assessment of performance against the intended outcomes set out in the logical framework, and provide recommendations to take remedial action where the programme might not be on track.

The midterm evaluation will examine the relevance of the project's objectives and approach, how the project activities have proved efficient and effective, the extent to which the project has achieved its planned outcomes to date, and whether the project is likely to be sustainable. Particular attention will be devoted to analyse the causes of already observed time delays in the launch and implementation of the project. The principle clients of the midterm evaluation are MOC, ITC, EIF ES, UNOPS (EIF Trust Fund Manager - TFM), which are responsible for strategic and operational decision-making related to future direction, effectiveness, timely

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[9] Enhanced Integrated Framework (2011). *Compendium of EIF Documents: A User's Guide to the EIF*. Geneva.
Available from http://www.enhancedif.org/en/document/compendium-eif-documents-users-guide-eif

accomplishment of the project outcomes/results and sustainability of those outcomes. The midterm evaluation report will be made available by ITC to the EIF ES and the TFM, the EIF Donor Facilitator (UNDP) and the EIF FP who will share it with the PSC (for subsequent submission to the [NSC]). Finally, the midterm evaluation findings and lessons learned will be used to inform the final evaluation of the project.

3.   SUGGESTED EVALUATION QUESTIONS

Within the framework of ITC's overall technical assistance, and in-line with OECD/DAC criteria[10] and the United Nations Evaluation Group (UNEG) guidelines[11], the midterm evaluation of the Pashmina Enhancement and Trade Support (PETS) Project in Nepal will mainly focus on relevance, effectiveness, efficiency, and sustainability. As the project was started late, potential impact will be evaluated to the extent possible. The inception report will build on the following issues/questions:

Relevance
- Are the project objectives and design relevant to the development needs of the country and consistent with priorities of the Government of Nepal and the primary stakeholders in the country?
- How coherent was the project in terms of how it fits within the policies and programmes undertaken by the Government and other development partners?
- Are the project objectives and design, including the logical framework, relevant to the needs and priorities of the targeted beneficiaries?
- Was a needs assessment conducted at the design stage, and did it sufficiently consider the needs and priorities of the beneficiaries?
- Are the project objectives and design in-line with ITC's corporate objectives, strategies, and strengths?
- Were any major modifications made in the objectives and design, including the logical framework, during implementation? If so, what is/are the modification(s) and provide the reasons.
  Did the project benefit from available knowledge (e.g. the experience of other Aid for Trade agencies and/or initiatives) during its design and implementation?
- Was human rights and gender equality integrated into the project design and implementation arrangements? If so, how well does the design and implementation of the project align with national policies and strategies on human rights and gender equality?

Effectiveness
- What was the logic/fit of major activities/actions and outputs with the intended outcome?
- Are the objectively verifiable indicators and means of verification for the project development objective, outcomes, and outputs appropriate? Are the objectively verifiable indicators and means of verification being monitored and reported against?
- To what extent have the planned results of the project been attained both in quantitative and qualitative terms?
- Have all identified target groups access to project's results available thus far? Are there any factors which prevent target beneficiaries accessing the results/services?
- To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?

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[10] Organisation for Economic Co-operation and Development. *DAC Criteria for Evaluating Development Assistance*. Paris. Available from http://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm

[11] United Nations Evaluation Group (2014). *Integrating Human Rights and Gender Equality in Evaluations*. New York. Available from http://www.uneval.org/document/detail/1616

- How effective have the management arrangements been in the delivery of the project so far?
- What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
- What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
- From the primary stakeholders' perspective, is the project likely to achieve the expected outcome? Why?
- To what extent has the project interventions been effective in mainstreaming human rights and gender equality?

Efficiency
- Are inputs provided, or made available in time to implement activities?
- Are all contractual procedures clearly understood and do they facilitate the implementation of the project?
- What were the costs of the intervention to develop specific project outputs? The quality of work and/or supplies needs to be fully recognized for input/output comparisons.
- Is the cost ratio of outputs to inputs comparable to local, national or regional benchmarks? The benchmarks could be the cost of similar initiatives undertaken by or other agencies or partners.
- Was the administrative cost comparable to that of other development partners?
- How much time did it take to set-up the management and coordination structure? Was the project implementation period extended?
- To date were inputs delivered on time, and outputs achieved on time and on budget?
- What is the extent to which the allocation and use of resources to targeted groups takes into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
- What other factors help account for project efficiency of performance?
- Is the present decision-making process time-efficient?

Potential Impact
- If the project activities are not yet fully completed, what is the likelihood that the outputs and outcomes will be accomplished over the remaining duration of the project?
- What is the likelihood of the project contributing to the development objective of the project, and can the objectively verifiable indicators and means of verification be used to substantiate this contribution?
- Is there potential impact aligned to the UN Sustainable Development Goals (SDGs)?
- What is the potential impact generated in terms of human rights and gender equality? Has the project reduced any existing gender-based inequalities in access to the resources and benefits of development? Are there effective accountability mechanisms operating on human rights and gender equality?
- Has the project contributed to the advancement of gender equality in social, economic, and political development, including participation in decision-making?
- What are the changes made by the project in terms of the capacity of local organizations and grassroots institutions?
- What is the potential impact generated in relation to environmental sustainability?
- Are there any other positive or negative effects being observed as a consequence of the project's interventions? If so, what are the effects and why have they occurred?

Sustainability
- Was the implementation arrangement based on a stakeholder analysis?
- To what extent is the project embedded in the national/local structure?
- To what extent have the target beneficiaries and other relevant stakeholders been involved in the planning and implementation process?
- To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
- Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure sustainability?
- What is the likelihood that results/benefits will continue after the project ends? What are the factors in favour of or against maintaining benefits?
- Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
- Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?
- Is the institutional change conducive to systematically addressing human rights and gender equality concerns? Have accountability and oversight systems related to human rights and gender equality been established?
- What is the consideration on environmental sustainability?

4.   METHODOLOGY

Evaluation methods will be discussed during the briefing meetings with ITC at the beginning of the assignment. On this basis, the Evaluation Service Provider will decide on the evaluation methods that are most appropriate for the purpose of the midterm evaluation. An inception report will assess the evaluability of the project, present initial finding and determine the evaluation methods to be used. These may include, but are not restricted to, a mix of qualitative and quantitative methods such as:

- Desk review, including major project documents such as the project document, progress reports minutes of PSC meetings, and baseline data;
- Analysis of interviews with key stakeholders at ITC and in Nepal;
- Evaluability analysis;
- Stakeholder analysis;
- Surveys and/or questionnaires; and
- Case studies.

Triangulation between various data sources and methods will be used to ensure the reliability and consistency of data collected. A detailed statement of the evaluation methods to be used for conducting the midterm evaluation must be included in the Inception Report.

5.   MAIN DELIVERABLES

Inception Report

The Inception Report will be a strategic and technical analysis to pave the way for the evaluation process. It will build on, and be coherent with the TOR, and will set the context for the evaluation, particularly the conditions related to evaluability. The Inception Report will define what will be evaluated (including evaluation questions and a matrix), how the process for conducting the evaluation will be deployed (including evaluation methods, data sources, and a workplan), and field visits. The Inception Report will include an analysis of possible risks encountered during the evaluation process with a mitigation plan, and a strategy for communication/dissemination of the evaluation report. The Inception Report will be built on desk research and early interviews.

Annotated Table of Contents

After the Inception Report has been endorsed by the Evaluation Unit, the service provider should provide the Evaluation Unit an Annotated Table of Contents of the Midterm Evaluation

report, for discussion. It should outline the main structure of the report and key themes for in-depth study.

Draft Midterm Evaluation Report
In-line with the methods outlined in the Inception report and the Annotated Table of Contents, the draft midterm evaluation report will be submitted to the Evaluation Unit for comments. The midterm evaluation report will follow the layout for evaluations as set out in the ITC Guidelines for Evaluation Reports.[12] The draft midterm evaluation report will be subject to comments by key stakeholders, and the comments will be addressed accordingly. An audit trail, detailing how the report has or has not addressed stakeholder comments and why, will also be submitted.

Final Midterm Evaluation Report and Learning Note
In agreement with the Evaluation Unit, a final report should be submitted after having addressed the comments of stakeholders. For communication purposes, an Evaluation Learning Note, focusing a key learning issues generated by the midterm evaluation, will also be submitted.

6.   EVALUATOR COMPETENCIES
The midterm evaluation will be conducted by an Evaluation Service Provider. The Evaluation Service Provider will be responsible for the delivery of outputs as set out above in Section 5 above. In addition, the Evaluation Service Provider will be responsible for the process of editing the text for publication and transmission of the final report to the Evaluation Unit. The project team in Geneva and the EIF/NIU in Nepal will assist the Evaluation Service Provider by providing reports and baseline information, planning and participating in interviews with key informers and stakeholders at local level.

The Evaluation Service Provider should have the following qualifications, experience, and competencies, which will be needed to effectively conduct the midterm evaluation:

- Advanced degree in the field of project management, social science, development studies or a relevant field of study;
- Knowledge of EIF operations, with technical competency in trade issues, particularly Aid for Trade, and expertise in results-based management and capacity building;
- Demonstrated knowledge of and a strong record in designing and/or leading evaluations (using both qualitative and quantitative evaluation methods) - experience in evaluation within the UN system would be an asset;
- Prior project/programme evaluation experience, preferably in TRTA projects, including: indepth knowledge of evaluation principles, evaluation methodologies, data collection tools, and data analysis;
- Proficiency in English and excellent report writing skills, with the ability to write clear and concise analytical reports, and to communicate effectively with various stakeholders;
- Good facilitation, presentation and analytical skills for evaluation findings;
- Ability to communicate effectively with various stakeholders including Government, Donors, private sector, and other beneficiaries;
- Excellent organization and time management skills;
- Strong interpersonal skills, with the ability to work with people from different backgrounds to deliver quality products within short timeframe; and
- Ability to be flexible and responsive to changes and demands; and to be result-based and open to feedback.

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[12] International Trade Centre (2008). *ITC Guidelines for Evaluation Reports*. Geneva. Available from http://www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/How_ITC_Works/Evaluation/ Guidelin es%20for%20Evaluation%20Reports.pdf

In accordance with the Compendium of EIF Documents: A User's Guide to the EIF[13] the procurement process of the Evaluation Service Provider will follow ITC procedures[14].

7.   MANAGEMENT ARRANGEMENTS, WORKPLAN AND TIMEFRAME

During project implementation, ITC (the MIE) ensures that the midterm evaluation takes place in a timely manner. The ITC Evaluation Unit will manage the progress of the midterm evaluation.

ITC

In accordance to the EIF Midterm Project Evaluation Guidance Note, in preparing the midterm evaluation, together with project staff and key stakeholders, the ITC will undertake the following:

- Consult with key stakeholders to prepare for the midterm evaluation;
- Prepare a draft TOR for the midterm evaluation including key evaluation questions (final approval is given by the ES and TFM);
  Manage the midterm evaluation, including: the hiring of the independent evaluation service providers; supervising the evaluation process; involving proper stakeholders in the evaluation process including the ES and TFM; ensuring the quality of the evaluation deliverables; and conducting regular consultations and consensus building activities during the process;
- Determine the key evaluation questions the evaluation should answer and the target audience for the evaluation;
- Manage the process of preparing the midterm evaluation report, including the circulation of the draft report and collecting comments and ensuring follow-up;
- Circulate the draft inception report to the NIU, ES, TFM, NSC and PSC for comments;
- Collect comments and send to the Evaluation Service Provider;
- Circulate the draft midterm evaluation report to the NIU, ES, TFM, NSC and PSC for comments;
- Collect comments and send to the Evaluation Service Provider;
- Send the final midterm evaluation report to the ES, TFM, NSC and PSC;
- Conduct communication and learning events, based on the evaluation findings, recommendations, and lessons; and
- Follow-up on the implementation of recommendations.

ES and TFM

- Participate in the consultations during the midterm evaluation process and provide feedback, comments and clarify expectations on accountability and learning issues;
- Comment on and endorse the TOR;
- Comment on the Draft Inception Report;
- Comment on the Draft Midterm Evaluation Report;
- Endorse the Final Midterm evaluation Report; and
- Participate in communication, learning and follow-up actions.

NSC and PSC

- Comment on the Draft Inception Report;
- Comment on the Draft Midterm Evaluation Report; and
- Participate in communication, learning and follow-up actions

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[13] Enhanced Integrated Framework (2011). Op. cit. p. 93

[14] *Note:* Further information regarding ITC procurement and procedures can be found on the ITC website at:
http://www.intracen.org/itc/about/working-with-itc/procurement/

__NIU__
- Participate in the consultations during the midterm evaluation process and provide feedback, comments and clarify expectations on accountability and learning issues
- Provide comments on the Draft Inception Report;
- Provide Comments on the Draft Midterm Evaluation Report; and
- Participate in communication, learning and follow up actions

__NIU and ITC__
The second Project Steering Committee (PSC) meeting held on 19 October 2014 has authorized the nominated project Focal Points (FPs) from ITC, MOC and NPIA to jointly take decisions regarding all activities within the approved work plan and budget. For the purpose of the evaluation, the NIU and ITC are jointly responsible for facilitating and monitoring the midterm evaluation, including arranging stakeholder meetings, controlling quality of the report and consultation with local stakeholders, ESTFM on the midterm evaluation findings and conclusions.

Tentative Timeframe for the Midterm Evaluation Process
The implementation period of the midterm evaluation process covers a tentative period between 1 February 2016 and 20 May 2016. Within this period, the estimated 38 work days would be required over a period of four months. Details of the timeframe and deliverables, as well as duration and an estimated number of work days are provided in the below table:

Tentative Timeframe and Deliverables	Duration	Estimated Number of Work days
Service Provider completes initial round of desk research and preliminary review of documentation to determine the evaluability of the project, including initial interviews to determine methodology. At the end of this period, the Service Provider submits a **Draft Inception Report** to the MIE.	+ 2 weeks	10
MIE circulates the Draft Inception Report to all stakeholders for comments. Feedback and comments are sent to the MIE. At the end of this period the MIE sends comments to the Service Provider.	+ 1 week	
Service Provider answers questions, provides justifications, and/or incorporates changes into the Inception Report. At the end of this period the Service Provider submits the **Final Inception Report** to the MIE, which includes the methodology, questionnaire design, and complete analysis of data collection methods, for approval.	+ 1 week	5
The Service Provider implements agreed methodology in the Inception Report (interviews, data collection, field visits, and survey/ questionnaires). At the end of this period, the Service Provider sends an **Up-date** to the MIE on collected findings.	+ 4 weeks	10
Service Provider completes the write-up of the Draft Midterm Evaluation Report. At the end of this period, the Service Provider submits the **Draft Midterm Evaluation Report** to the MIE.	+ 1 week	5
MIE reviews the Draft Midterm Evaluation Report to ensure its conformity with the TOR and quality requirements.	+ 2 weeks	
MIE circulates the Draft Midterm Evaluation Report to all stakeholders for comments. At the end of this period, all stakeholders submit comments on the content of the draft report to the MIE for onward transmission to the Service Provider.	+ 2 weeks	
Service Provider answers questions, provides justifications, and/or incorporates changes into the Midterm Evaluation Report. At the end of this period the Service Provider submits the **Final Midterm Evaluation Report** to the MIE.	+ 1 week	5
The MIE submits the Final Midterm Evaluation Report to the ES/TFM and all key stakeholders for endorsement. At the end of this period, the MIE approves the Final Midterm Evaluation Report.	+ 1 week	
ITC and Service Provider meet with Nepal project stakeholders to discuss implementation of recommendations and the way forward.	+ 1 week	3
TOTAL	**16 weeks**	**38**

It should be noted that the above timeframe is tentative; it is only to provide an indication as to the amount of time that should be expected for each step. It should be understood that if more or less time is required for any of the above steps; it will be discussed between the Evaluation Service Provider and the MIE.

8.   ETHICAL CODES OF CONDUCT

The midterm evaluation will be undertaken in accordance with international norms and standards for the United Nations, and ITC14. Evaluations should be carried out in an ethical manner. The midterm evaluation should take account of cultural differences, local customs, religious practices, gender roles and age throughout the planning, implementation and reporting phases. The Evaluation Service Provider shall have no past involvement with the project so that conflicts of interest are avoided and the credibility of the evaluation process and product is not undermined. Principles on avoiding conflict of interested should be referred to the relevant section in ITC Evaluation Policy 201515. The Evaluation Service Provider should avoid acceptance of gifts, and adhere to the highest technical ethical standards of evaluation. The Evaluation Service Provider should fulfil the criteria of professionalism, impartiality and credibility. In addition, the Evaluation Service Provider should:

- Ensure honesty and integrity of the entire evaluation process;
- Respect the security, dignity and self-worth of the respondents, project participants, and other stakeholders with whom they interact;
- Articulate and take into account the diversity of interests and values and protect the rights and welfare of individuals and institutions involved in the evaluations; and
- Produce and convey accurate information about the project's merit and value, provide information in confidence, and report impartially.

9.   REFERENCES FOR THE MIDTERM EVALUATION

The reference materials for the midterm evaluation include the following documents:

i. The project proposal document including the project logical framework which outlines the outcomes, outputs and activities, and corresponding indicators and assumptions;

ii. The memorandum of understanding (MOU) and specifically the Board approval letter, which indicates the approval conditions set but the Board for the implementation of the project; and

iii. The monitoring and evaluation plan, progress reports and other relevant project documents such as supervision mission recommendations are also key sources of information for the evaluation process.

The above documents will be made available to the Evaluation Service Provider at the onset of the midterm evaluation.

ANNEX II: Organizations and places visited and persons met

Key stakeholders interviewed ¨

Stakeholder	Contact person
Following stakeholders were interviewed by KPMG and FACTS team	
NPIA Focal Point	▪ Vijoy Kumar Dugar, Secretary General
PETS Focal Point, MoC	▪ Buddhi P Upadhyaya, Under Secretary MoC
NPIA President	▪ Pushpa Man Shrestha
National Project Coordinator	▪ Bhushan Shah
EIF National Implementation Unit (NIU):	▪ Toya Narayan Gyawali, Joint Secretary, MoC and EIF NIU Chief ▪ Anita Niraula, Under Secretary, MoC ▪ Sharada Chalise; Section Officer, MoC
Design University	▪ Gyani Shova Tuladhar, Founder Principal ▪ Jeebeswor Lal Shrestha, Vice-Principal ▪ Jyoti Bajracharya, Coordinator – PETS Project & Faculty ▪ Richa Tuladhar, HR Manager ▪ Avtar Tuladhar, Administrative Manager
Students - Design University	▪ Ms. Sunita Shahi; Ms. Pratigya Paudel; Ms. Prashamsa Dangol
MIE - PETS Focal Point, ITC	▪ Matthias Knappe, Project Coordinator, SC, DMD
MIE - Project Officer, ITC	▪ Kidest Teklu, SC, DMD
MIE – Senior Advisor, ITC	▪ James Howe, International Marketing and Branding, EC, DBIS
Following stakeholder was not interviewed due to his unavailability	
EIF Focal Point	▪ Naindra P Upadhaya, Secretary, MoC and Chair, PETS PSC

Direct beneficiaries interviewed

#	Name of the CP Manufacturing Company	Target Country	Name of the Representative	Phone Number	Email Address
1	EVEREST CASHMERE INDUSTRY	USA	Chiranjivi Kafle	14783064	kcraft@wlink.com.np
2	GURU CASHMERE AND BLENDS PVT. LTD	USA	Tika Raj Baral	9851015055	suman@gurupashmina.com
3	EMPOWER INTERNATIONAL EXPORT GROUP	Japan	Sita Shrestha	9849403820	empowernepal@gmail.com
4	SANGRILA SILK AND PASHMINA PVT.LTD	USA	Kamal Raj Bista	9851031108	sangrilacashmere@gmail.com
5	BAJRAYOGINI PASHMINA PVT.LTD	Japan	Ashim Pandey	14268791	bajracashmere@gmail.com
6	KAMALA QUALITY PASHMINA	Japan	Bishnu P Dhakal	9851082766	kamalaqt@gmail.com
7	DIVYA PASHMINA UDHYOG	USA	Upendra Giri	9851074180	dibya@wlink.com.np
8	EVEREST PASMINA PVT LTD	USA	Surya Gurung		everestpasmina@yahoo.com
9	INDECOM SOIE PVT. LTD.	USA	Puran Bdr Baniya	9851025740	indecom@indecomsoie.com

#	Name of the CP Manufacturing Company	Target Country	Name of the Representative	Phone Number	Email Address
10	GANADEEP PASHMINA UDHYOG	USA	Ganesh Kumar Khadka	9851077179	ganesh999k@gmail.com
11	ASHIRBAD PASHMINA INDUSTRIES	Japan	Lasman	9851079270	asbpashmina@gmai.com
12	SHREE PASHMINA UDHYOG	Hong Kong	Mr Govinda B Tandon	9851030672	drgovinda.tandon@gmail.com
13	OM SHREE KNITTING UDHYOG	USA	Mr.Kumar Singh Karki	9851096121	
14	SAMANTA PASHMINA CAFTS	Hong Kong	Mr Manoj P Panta	9851018726	pranjali@mos.com.np
15	HARATI WOOLLEN KNITWEAR PVT. LTD	Hong Kong	Narendra Raj Shakya	9841718065	info@haratiwears.com
16	PALANCHOWK BHAGWATI PASHMINA INDUSTRY	Japan	Parbati	9841178018	p.bpashmina@yahoo.com
17	SAGARMATHA SKILLS	Japan	Mr Shanker Pandeya	9851027009	himal@silks.wlinks.com.np
18	NIP COLLECTION PVT.LTD	USA	Sunil Shrestha	9801073668	npicollection@gmail.com
19	TARA ORENTAL	USA	Anin Rajbhandari		
20	HIGH HIMALAYAN GARMENTS	USA	Mr. Netra Raj Giri	9851027610	netraraj@gmail.com
21	ALPINE PASHMINA HOUSE PVT.LTD	Japan	Dinesh Kumar Shrestha	9851009007	
22	KANDEL ENTERPRISE	Japan	Nissan Kandel	9841299673	kandelpashmina@hotmail.com
23	VEG AND SWISS PASHMINA UDHYOG	Japan	Kumar Khadka	9851146377	kum.hah@gmail.com
24	SUNKOSHI CRAFT	Japan	Durga Bikram Thapa	9851025099	thapadbt@gmail.com

Indirect beneficiaries interviewed

#	Name of CP Manufacturing Company	Name of Representative	Phone Number	Email address
1	C. S. CASHMERE PVT. LTD.	Krishna Prasad Pangeni	9851071815	cscashmere@gmail.com
2	ARIHANT COLLECTION PVT. LTD.	Jitendra baid	9851107088	appi@mos.com.np
3	EURO PASHMINA PVT. LTD	Gopal Das manandhar	4276200	gopal.europashmina@gmail.com
4	KRISHNA PASHMINA UDHYOG	Achut Raj Sharma	9851042762	info@krishnapashmina.com
5	MODERN HANDICRAFT PVT. LTD.	Pralad Kandel	9851056729	mhandicraft3@gmail.com
6	NATURE KNIT PVT. LTD.	Bharat Prasad Adhikari	14483178	info@natureknit.com
7	VISION PASHMINA INDUSTRY PVT. LTD	Tulsi Ram Acharya	9808707544	visionpashmina@gmail.com
8	PASHMINA CREATION NEPAL PVT. LTD	Laxman Nepal	14784811	pashminacreationnepal@gmail.com
9	YETI FASHION & DESIGN	Satrudhan Lal Shrestha	9851057278	yetiknit@gmail.com
10	MANDALA SILK DESIGN PVT. LTD.	S. R. Tuladhar	9851035251	yyexport@mos.com.np

#	Name of CP Manufacturing Company	Name of Representative	Phone Number	Email address
11	DEEP PASHMINA INDUSTRIES	Pradip Nepal	9841270427	pradeepnepal27@gmail.com
12	KANKESWARI WOOLENS KNITWEAR PVT.LTD	Saroj Shahi	14262552	woollenknitwear@gmail.com
13	TRICOT INDUSTRIES PRIVATE LIMITED	Rajesh Pradhan	14671200	ea@westargalaxy.com
14	RITA INDUSTRIES	Ramesh Adhikari	9841569311	ramesh@newreetacarpets.com
15	NEPAL STAR FASHION IMPEX	Pratik Singh Karki	9841311066	pratikkarki@yahoo.com
16	DHAULAGIRI PASHMINA INDUSTRY	Shiva Shrestha	14284990	pashminas@gmail.com
17	NEPAL HANDICRAFT	Dhurba raj nepal	14283560	nepaldhurbaraj@gmail.com
18	CACHEMIRE PARACHUTE	Achut Bikram Rana	9851023862	abr@mos.com.np
19	FEWA PASHMINA COMPANY PVT LTD	Jagadiswor Pokharel	5547940	mail@fewapashmina.com
20	OM PASHMINA SCRAFTS UDHYOG	Rabindra Kumar Giri	9851066744	omcashmere@gmail.com
21	S. K PASHMINA INDUSTRIES	Nawadutta Kafle	9851033453	info@skpashmina.com
22	CLASSIC PASHMINA INDUSTRIES	Puskar Nath Maskey	9851025438	puskermaskey@hotmail.com
23	GAYATRI PASHMINA INC.	Vivekanand Mishra	9851017089	gayatripashmina@gmail.com
24	YUKO HANDICRAFT PVT. LTD.	Suraj Sharma Neupane	015203461, 9851092594	suraj@yukohandicraft.com
25	FINE WEAVES PVT. LTD.	Lily eren tuladhar	9851071475	fineweavesnepal@gmail.com
26	POPULAR PASHMINA FASHION	Santosh Panta	9851097893	santababu@hotmail.com
27	MM INTERNATIONAL	Bachu Gopal Banshi	9851025366	
28	CLASSIC CASHMERE ART PVT. LTD.	Rit Man Shrestha		info@nepalpashminastore.com
29	PASM NEPAL	Balkrishna Burlakoti	9851056099	
30	HIMALAYAN FEBS INT'L	Padam Thapa	9851043599	info@himalayanfabs.com
31	YETI PASHMINA	Nihar Amatya	9851029971	
32	SANGRILA MULTINATIONAL PVT. LTD.	Nabin Kandel	9851026513	
33	ROYAL SILK & PASHMINA	Ramesh Kumar Shrestha	9851027581	ramesh_ks85@yahoo.com

ANNEX III: Assessment Questionnaires

Midterm Evaluation

CP Questionnaire (Direct Beneficiaries)

Form No:

Name of CP Manufacturing Company	
Year of establishment of Company	
PETS target country	USA | Japan | Other (mention):
Name of Representative	
Designation	Owner | Manager | Other:
Phone Number	
Email address	
Commencement of association with PETS project	Month | Year |

1. For how long you have been manufacturing Pashmina products?
   Years:

2. To which countries do you export Pashmina products?

Country	Before PETS project support (tick √)	After PETS project support (tick √)
USA		
Japan		
China		
India		
France		
Germany		
Other countries: (Mention)		

3. What Pashmina products do you manufacture for USA | Japan markets under PETS project?
   i.

   ii.

   iii.

   iv.

   v.

4. How did you come to know about the PETS project? *(multiple options can be selected)*
   i. From NPIA
   ii. Any other business association (specify here):
   iii. Other CP Company
   iv. Media
   v. Any other source (specify here):

5. How often do you attend meeting and activities for PETS project?
   a. Fortnightly
   b. Monthly
   c. Bi-monthly

    d.   Quarterly
    e.   Attended only once or twice
    f.   Never

6. Select all information that you have received to date? *(multiple options can be selected)*
   i. Design inputs
   ii. Packaging of products inputs
   iii. Branding and communication inputs
   iv. Any other inputs (please specify):

7. Select all support that you have received to date? *(multiple options can be selected)*
   i. Trainings
   ii. Application of design
   iii. Application of marketing
   iv. Participation in exhibition at Nepal
   v. Participation in exhibition at Japan
   vi. Participation in exhibition at USA
   vii. Linkages to enterprises in other markets
   viii. Any other inputs (please specify):

8. Have you attended any training under PETS project? Yes | No
   i. Yes
   ii. No
   If Yes, how useful did you find the training?
       i. Very useful
       ii. Useful
       iii. Not useful

9. What did you like about trainings? *(multiple options can be selected)*
   i. New designs were taught
   ii. New marketing methods were taught
   iii. New methods of communication with buyers were taught
   iv. Networking with other Pashmina Enterprises / Companies was useful
   v. Preparation for participation in International Trade Fair was useful
   vi. Any other:
       a.
       b.

10. What other trainings do you think will be useful?
    i.
    ii.
    iii.

11. What do you like about the design inputs? *(multiple options can be selected)*
    i. Fetches more price than traditional design
    ii. Innovative design
    iii. Customers appreciate the designs
    iv. Can be sold to customers from multiple countries (more generic choice)
    v. Easy to apply the design
    vi. Less time consuming
    vii. Less material consumed

viii. Less skilled labour required
ix. Any other:
  a.
  b.

12. What do you like about the marketing / branding inputs?
    i. Association with bigger brand
    ii. Customers know this brand as niche brand
    iii. Easy to access foreign markets
    iv. Exposure to larger markets within Nepal
    v. Linkages with other Companies / Business Associations
    vi. Quality assurance processes incorporated
    vii. Any other:
      a.
      b.

13. What are the communication material for your new pashmina products? *(Multiple choice questions)*
    i. Brochures
    ii. Pamphlets
    iii. Website
    iv. Other (Mention):

14. Has your turnover increased since adoption of inputs from PETS project?
    i. Yes, it has increased significantly
    ii. Yes it has increased marginally
    iii. It is same as it was before
    iv. No, it has decreased
    v. No, I have suffered loss due to adoption of inputs from PETS project

15. Has your profit margin increased after adoption of inputs from PETS project?
    i. Yes, it has increased significantly : _____%
    ii. Yes it has increased marginally : _____%
    iii. It is same as it was before : _____%
    iv. No, it has decreased : _____%
    v. No, I have suffered loss due to adoption of inputs from PETS project : _____%

16. Can you share approximate Total Turnover of your Company during 2070-71 to 2071-72

Year after joining PETS project (2071-72)	NPR
Year before joining PETS project (2070-71)	NPR

17. Can you share approximate turnover from Pashmina products during 2070-71 to 2071-72?

Year after joining PETS project (2071-72)	NPR
Year before joining PETS project (2070-71)	NPR

18. Percentage turnover form export of Pashmina Products?

Year after joining PETS project (2071-72)	%
Year before joining PETS project (2070-71)	%

19. Please provide following information about your company.

	After PETS		Before PETS	
Number of artisans working at your company	Male:	| Female:	Male:	| Female:
Number of staff (non-artisans) working at your company	Male:	| Female:	Male:	| Female:
Number of interns from Design Institute working with you			Male:	| Female:
Number of designers hired at your company from Design Institute			Male:	| Female:
Number of Pashmina farmers associated with Company	Number:		Number:	

20. After involvement in PETS project, have you started exploring new foreign markets on your own?
    i. Yes
    ii. No
       If yes, which markets:

21. After involvement in PETS project, have you started exploring new designs for Pashmina products on your own?
    i. Yes
    ii. No
       If yes, which designs (narrate):

22. After involvement in PETS project, have you started exploring new ways of communication / advertisement for attracting customers on your own?
    i. Yes
    ii. No
       If yes, elaborate methods used:

23. What do you think are the 3 key factors behind the success of the PETS project?
    i.
    ii.
    iii.

24. What areas of the PETS Project could be improved?
    i.
    ii.
    iii.

25. Do you think, challenges due to socio-political and natural disaster has affected the programme?
    i. Yes (explain):

    ii. No (explain):

    iii. No applicable

26. Are you associated with any other project similar to PETS project?

Name of project	Organization supporting the project	What are the inputs received

		under the project

27. What additional inputs would you like to receive from the PETS project? *(mention as per priority)*
    i.

    ii.

28. What suggestions you would give for more effective implementation of PETS project? *(mention as per priority)*
    i.

    ii.

    iii.

Any other comments:

Midterm Evaluation

CP Questionnaire (Indirect Beneficiaries)

Form No: _____

Name of CP Manufacturing Company	
Year of establishment of Company	
PETS target country	USA | Japan | Other mention:
Name of Direct Beneficiary CP Manufacturer that you are associated with	
Commencement of association with PETS project	Month | Year |
Name of Representative	
Designation	Owner | Manager | Other:
Phone Number	
Email address	

1. For how long you have been manufacturing Pashmina products?
   Years:

2. To which countries do you export Pashmina products?

Country	Before PETS project support (tick √)	After PETS project support (tick √)
USA		
Japan		
China		
India		
France		
Germany		
Other countries:		

3. What Pashmina products do you manufacture for USA | Japan markets under PETS project?
   i.
   ii.
   iii.
   iv.

4. How did you come to know about the PETS project? *(multiple options can be selected)*
   i. From NPIA
   ii. Any other business association (specify here):
   iii. Other CP Company
   iv. Media
   v. Any other source (specify here):

5. How often do you attend meeting and activities for PETS project?
   a. Fortnightly
   b. Monthly
   c. Bi-monthly
   d. Quarterly
   e. Attended only once or twice
   f. Never

6. Select all information that you have received to date? *(multiple options can be selected)*
   i. Design inputs
   ii. Packaging of products inputs
   iii. Branding and communication inputs
   iv. Any other inputs (please specify):

7. Select all support that you have received to date? *(multiple options can be selected)*
   i. Trainings
   ii. Application of design
   iii. Application of marketing
   iv. Participation in exhibition at Nepal
   v. Participation in exhibition at Japan
   vi. Participation in exhibition at USA
   vii. Linkages to enterprises in other markets
   viii. Any other inputs (please specify):

8. Have you attended any training under PETS project?
   i. Yes
   ii. No
   If Yes, how useful did you find the training?
      i. Very useful
      ii. Useful
      iii. Not useful

9. What did you like about trainings? *(multiple options can be selected)*
   i. New designs were taught
   ii. New marketing methods were taught
   iii. New methods of communication with buyers were taught
   iv. Networking with other Pashmina Enterprises / Companies was useful
   v. Any other:
         a.
         b.

10. What other trainings do you think will be useful?
   i.
   ii.
   iii.

11. What do you like about the marketing / branding inputs?
    i. Association with bigger brand
    ii. Customers know this brand as niche brand
    iii. Easy to access foreign markets
    iv. Exposure to larger markets within Nepal
    v. Linkages with other Companies / Business Associations
    vi. Quality assurance processes incorporated
    vii. Any other:
        a.
        b.

12. After involvement in PETS project, have you started exploring new foreign markets on your own?
    i. Yes
    ii. No
       If yes, which markets:

13. After involvement in PETS project, have you started exploring new designs for Pashmina products on your own?
    i. Yes
    ii. No
       If yes, which designs (narrate):

14. After involvement in PETS project, have you started exploring new ways of communication / advertisement for attracting customers on your own?
    i. Yes
    ii. No
       If yes, elaborate methods used:

14. Would you like to be directly associated with the PETS Project?
    i. Yes
    ii. No

15. If yes then will you be able to spare resources?
    i. Yes
    ii. No

16. What areas of the PETS Project could be improved?
    i.
    ii.
    iii.

17. Do you think, challenges due to socio-political and natural disaster has affected the programme?
    i. Yes (explain):
    ii. No (explain):
    iii. No applicable

18. Are you associated with any other project similar to PETS project?

Name of project	Organization supporting the project	What are the inputs received under the project

19. What additional inputs would you like to receive from the PETS project? (mention as per priority)
    i.
    ii.
    iii.

20. What suggestions you would give for more effective implementation of PETS project?
    i.
    ii.
    iii.

Any other comments:

Midterm Evaluation

NPIA Focal Point Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1 Have all identified target groups access to project's results available thus far?
2 Are there any factors which prevent target beneficiaries accessing the results/services?
3 To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
4 How effective have the management arrangements been in the delivery of the project so far?
5 What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
6 What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
7 Is the project likely to achieve the expected outcome? Why?
8 To what extent has the project interventions been effective in mainstreaming human rights and gender equality?
9 Are inputs provided, or made available in time to implementing activities?
10 What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
11 What other factors help account for project efficiency of performance?
12 Is the present decision-making process time-efficient?
13 Was the implementation arrangement based on a stakeholder analysis and to what extent is the project embedded in the national/local structure?
14 To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
15 Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
16 Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?

Governance and Leadership

17 What are the long term and short term goals?
18 What are the roles and responsibilities of NPIA in PETS?
19 What is the mechanism to evolve NPIA through PETS?
20 How do you ensure the inclusiveness, sustainability, effectiveness of the programme?
21 How are the technical, operational and financial risks identified and mitigated?

Human Resources

22 Are the deployed human resource as per the plan?
23 Is the deployed staff capable to perform his/her functions?

24 Is there a mechanism to pro-actively build the capacities of the staff?
25 Is there a functioning training policy?
26 Are there any training plan/calendar?
27 How adequate are the training modules?
28 Is there a system to assess the training needs and collect the feedback on training?
29 How is the staff recruitment policy?

Finance
30 Are there any unapproved expenditures? If so, what are the reasons?
31 Is there corresponding convergence from the government? If no, what are the reasons?
32 Is there corresponding contribution from the community? If no, what are the reasons?
33 Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"
34 Is the programme / project being operated as per the approved timeline?
35 Has the programme / project achieved the planned progress as per timeline?
36 If there are any deviations, what are the reasons for those?

M&E
37 Is there a documented SOP's for each of the activities?
38 Is there active involvement of various stakeholders such as government, community and others as envisaged in the project documents?
39 Are there any challenges in implementation? If so, what is the mitigation strategy?"
40 What are the tools used for monitoring and evaluate the progress?
41 Is there a well-defined log frame for programme / projects?
42 What are the various types of reporting formats used?
43 Is there a baseline data available for all the beneficiaries?
44 Is data collected on a regular basis to track programme outcomes? What data points are collected?
45 What are the data reporting systems?
46 Is there a mechanism to incorporate the learnings into the programme document?
47 How does the information flow from beneficiaries to NPIA and ITC?
48 What are the major challenges in monitoring and evaluating the performance?
49 How are learnings/ updates/ progress communicated to the ITC?"

Communication Strategy
50 Has the organization communicated its progress and learnings so far to stakeholders?
51 Which stakeholders do the client reach out to?
52 How does the organization communicate its activities and learnings?
53 What is its relationship with the government, teachers, and community? "
54 Is the so-far progress as per the plan in terms of time and budget?

Midterm Evaluation

NPIA President Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1 Have all identified target groups access to project's results available thus far?
2 Are there any factors which prevent target beneficiaries accessing the results/services?
3 To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
4 How effective have the management arrangements been in the delivery of the project so far?
5 What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
6 What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
7 Is the project likely to achieve the expected outcome? Why?
8 To what extent has the project interventions been effective in mainstreaming human rights and gender equality?
9 Are inputs provided, or made available in time to implementing activities?
10 What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
11 What other factors help account for project efficiency of performance?
12 Is the present decision-making process time-efficient?
13 Was the implementation arrangement based on a stakeholder analysis and to what extent is the project embedded in the national/local structure?
14 To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
15 Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
16 Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?

Governance and Leadership

17 What are the long term and short term goals?
18 What are the roles and responsibilities of NPIA in PETS?
19 What is the mechanism to evolve NPIA through PETS?
20 How do you ensure the inclusiveness, sustainability, effectiveness of the programme?
21 How are the technical, operational and financial risks identified and mitigated?

Human Resources

22 Are the deployed human resource as per the plan?
23 Is the deployed staff capable to perform his/her functions?

24 Is there a mechanism to pro-actively build the capacities of the staff?
25 Is there a functioning training policy?
26 Are there any training plan/calendar?
27 How adequate are the training modules?
28 Is there a system to assess the training needs and collect the feedback on training?
29 How is the staff recruitment policy?

Finance
30 Are there any unapproved expenditures? If so, what are the reasons?
31 Is there corresponding convergence from the government? If no, what are the reasons?
32 Is there corresponding contribution from the community? If no, what are the reasons?
33 Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"
34 Is the programme / project being operated as per the approved timeline?
35 Has the programme / project achieved the planned progress as per timeline?
36 If there are any deviations, what are the reasons for those?

M&E
37 Is there a documented SOP's for each of the activities?
38 Is there active involvement of various stakeholders such as government, community and others as envisaged in the project documents?
39 Are there any challenges in implementation? If so, what is the mitigation strategy?"
40 What are the tools used for monitoring and evaluate the progress?
41 Is there a well-defined log frame for programme / projects?
42 What are the various types of reporting formats used?
43 Is there a baseline data available for all the beneficiaries?
44 Is data collected on a regular basis to track programme outcomes? What data points are collected?
45 What are the data reporting systems?
46 Is there a mechanism to incorporate the learnings into the programme document?
47 How does the information flow from beneficiaries to NPIA and ITC?
48 What are the major challenges in monitoring and evaluating the performance?
49 How are learnings/ updates/ progress communicated to the ITC?"

Communication Strategy
50 Has the organization communicated its progress and learnings so far to stakeholders?
51 Which stakeholders do the client reach out to?
52 How does the organization communicate its activities and learnings?
53 What is its relationship with the government, teachers, and community? "
54 Is the so-far progress as per the plan in terms of time and budget?

Midterm Evaluation

PETS Project Focal Point, MOC Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1 Have all identified target groups access to project's results available thus far?
2 Are there any factors which prevent target beneficiaries accessing the results/services?
3 To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
4 How effective have the management arrangements been in the delivery of the project so far?
5 What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
6 What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
7 Is the project likely to achieve the expected outcome? Why?
8 To what extent has the project interventions been effective in mainstreaming human rights and gender equality?
9 Are inputs provided, or made available in time to implementing activities?
10 What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
11 What other factors help account for project efficiency of performance?
12 Is the present decision-making process time-efficient?
13 Was the implementation arrangement based on a stakeholder analysis and to what extent is the project embedded in the national/local structure?
14 To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
15 Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
16 Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?

Governance and Leadership

17 What are the long term and short term goals?
18 What are your roles and responsibility in PETS?
19 How do you ensure the inclusiveness, sustainability, effectiveness of the programme?
20 How are the technical, operational and financial risks identified and mitigated?

Human Resources

21 Are the deployed human resource as per the plan?
22 Is the deployed staff capable to perform his/her functions?
23 Is there a mechanism to pro-actively build the capacities of the staff?

24 Is there a functioning training policy?

25 Are there any training plan/calendar?

26 How adequate are the training modules?

27 Is there a system to assess the training needs and collect the feedback on training?

28 How is the staff recruitment policy?

Finance

29 Are there any unapproved expenditures? If so, what are the reasons?

30 Is there corresponding convergence from the government? If no, what are the reasons?

31 Is there corresponding contribution from the community? If no, what are the reasons?

32 Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"

33 Is the programme / project being operated as per the approved timeline?

34 Has the programme / project achieved the planned progress as per timeline?

35 If there are any deviations, what are the reasons for those?

M&E

36 Is there a documented SOP's for each of the activities?

37 Is there active involvement of various stakeholders such as government, community and others as envisaged in the project documents?

38 Are there any challenges in implementation? If so, what is the mitigation strategy?"

39 What are the tools used for monitoring and evaluate the progress?

40 Is there a well-defined log frame for programme / projects?

41 What are the various types of reporting formats used?

42 Is there a baseline data available for all the beneficiaries?

43 Is data collected on a regular basis to track programme outcomes? What data points are collected?

44 What are the data reporting systems?

45 Is there a mechanism to incorporate the learnings into the programme document?

46 How does the information flow from beneficiaries to you and ITC?

47 What are the major challenges in monitoring and evaluating the performance?

48 How are learnings/ updates/ progress communicated to the ITC?"

Communication Strategy

49 Has the organization communicated its progress and learnings so far to stakeholders?

50 Which stakeholders do the client reach out to?

51 How does the organization communicate its activities and learnings?

52 What is its relationship with the government, teachers, and community? "

53 Is the so-far progress as per the plan in terms of time and budget?

Midterm Evaluation

EIF and ITC (including the ITC PETS Project Focal Point) Representative Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:
Programme
1   Have all identified target groups access to project's results available thus far?
2   Are there any factors which prevent target beneficiaries accessing the results/services?
3   To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
4   How effective have the management arrangements been in the delivery of the project so far?
5   What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
6   What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
7   Is the project likely to achieve the expected outcome? Why?
8   To what extent has the project interventions been effective in mainstreaming human rights and gender equality?
9   Are inputs provided, or made available in time to implementing activities?
10 What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
11 What other factors help account for project efficiency of performance?
12 Is the present decision-making process time-efficient?
13 Was the implementation arrangement based on a stakeholder analysis and to what extent is the project embedded in the national/local structure?
14 To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
15 Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
16 Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?

Governance and Leadership
17 What are the long term and short term goals?
18 What are the roles and responsibilities of EIF in PETS?
19 What is the mechanism to evolve EIF through PETS?
20 How do you ensure the inclusiveness, sustainability, effectiveness of the programme?
21 How are the technical, operational and financial risks identified and mitigated?

Human Resources
22 Are the deployed human resource as per the plan?
23 Is the deployed staff capable to perform his/her functions?

24 Is there a mechanism to pro-actively build the capacities of the staff?
25 Is there a functioning training policy?
26 Are there any training plan/calendar?
27 How adequate are the training modules?
28 Is there a system to assess the training needs and collect the feedback on training?
29 How is the staff recruitment policy?

Finance
30 Are there any unapproved expenditures? If so, what are the reasons?
31 Is there corresponding convergence from the government? If no, what are the reasons?
32 Is there corresponding contribution from the community? If no, what are the reasons?
33 Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"
34 Is the programme / project being operated as per the approved timeline?
35 Has the programme / project achieved the planned progress as per timeline?
36 If there are any deviations, what are the reasons for those?

M&E
37 Is there a documented SOP's for each of the activities?
38 Is there active involvement of various stakeholders such as government, community and others as envisaged in the project documents?
39 Are there any challenges in implementation? If so, what is the mitigation strategy?"
40 What are the tools used for monitoring and evaluate the progress?
41 Is there a well-defined log frame for programme / projects?
42 What are the various types of reporting formats used?
43 Is there a baseline data available for all the beneficiaries?
44 Is data collected on a regular basis to track programme outcomes? What data points are collected?
45 What are the data reporting systems?
46 Is there a mechanism to incorporate the learnings into the programme document?
47 How does the information flow from beneficiaries to EIF and ITC?
48 What are the major challenges in monitoring and evaluating the performance?
49 How are learnings/ updates/ progress communicated to the ITC?"

Communication Strategy
50 Has the organization communicated its progress and learnings so far to stakeholders?
51 Which stakeholders do the client reach out to?
52 How does the organization communicate its activities and learnings?
53 What is its relationship with the government, teachers, and community? "
54 Is the so-far progress as per the plan in terms of time and budget?

Midterm Evaluation

NPC Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1 Have all identified target groups access to project's results available thus far?
2 Are there any factors which prevent target beneficiaries accessing the results/services?
3 To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
4 How effective have the management arrangements been in the delivery of the project so far?
5 What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
6 What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
7 Is the project likely to achieve the expected outcome? Why?
8 To what extent has the project interventions been effective in mainstreaming human rights and gender equality?
9 Are inputs provided, or made available in time to implementing activities?
10 What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
11 What other factors help account for project efficiency of performance?
12 Is the present decision-making process time-efficient?
13 Was the implementation arrangement based on a stakeholder analysis and to what extent is the project embedded in the national/local structure?
14 To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
15 Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
16 Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?

Governance and Leadership

17 What are the long term and short term goals?
18 What are the roles and responsibilities of NPC in PETS?
19 What is the mechanism to evolve NPC through PETS?
20 How do you ensure the inclusiveness, sustainability, effectiveness of the programme?
21 How are the technical, operational and financial risks identified and mitigated?

Human Resources

22 Are the deployed human resource as per the plan?
23 Is the deployed staff capable to perform his/her functions?

24 Is there a mechanism to pro-actively build the capacities of the staff?
25 Is there a functioning training policy?
26 Are there any training plan/calendar?
27 How adequate are the training modules?
28 Is there a system to assess the training needs and collect the feedback on training?
29 How is the staff recruitment policy?

Finance
30 Are there any unapproved expenditures? If so, what are the reasons?
31 Is there corresponding convergence from the government? If no, what are the reasons?
32 Is there corresponding contribution from the community? If no, what are the reasons?
33 Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"
34 Is the programme / project being operated as per the approved timeline?
35 Has the programme / project achieved the planned progress as per timeline?
36 If there are any deviations, what are the reasons for those?

M&E
37 Is there a documented SOP's for each of the activities?
38 Is there active involvement of various stakeholders such as government, community and others as envisaged in the project documents?
39 Are there any challenges in implementation? If so, what is the mitigation strategy?"
40 What are the tools used for monitoring and evaluate the progress?
41 Is there a well-defined log frame for programme / projects?
42 What are the various types of reporting formats used?
43 Is there a baseline data available for all the beneficiaries?
44 Is data collected on a regular basis to track programme outcomes? What data points are collected?
45 What are the data reporting systems?
46 Is there a mechanism to incorporate the learnings into the programme document?
47 How does the information flow from beneficiaries to NPC and ITC?
48 What are the major challenges in monitoring and evaluating the performance?
49 How are learnings/ updates/ progress communicated to the ITC?"

Communication Strategy
50 Has the organization communicated its progress and learnings so far to stakeholders?
51 Which stakeholders do the client reach out to?
52 How does the organization communicate its activities and learnings?
53 What is its relationship with the government, teachers, and community? "
54 Is the so-far progress as per the plan in terms of time and budget?

Midterm Evaluation

NIU Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1 Have all identified target groups access to project's results available thus far?
2 Are there any factors which prevent target beneficiaries accessing the results/services?
3 To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
4 How effective have the management arrangements been in the delivery of the project so far?
5 What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
6 What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
7 Is the project likely to achieve the expected outcome? Why?
8 To what extent has the project interventions been effective in mainstreaming human rights and gender equality?
9 Are inputs provided, or made available in time to implementing activities?
10 What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?
11 What other factors help account for project efficiency of performance?
12 Is the present decision-making process time-efficient?
13 Was the implementation arrangement based on a stakeholder analysis and to what extent is the project embedded in the national/local structure?
14 To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?
15 Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?
16 Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's results?

Governance and Leadership

17 What are the long term and short term goals?
18 What are the roles and responsibilities of NIU in PETS?
19 What is the mechanism to evolve NIU through PETS?
20 How do you ensure the inclusiveness, sustainability, effectiveness of the programme?
21 How are the technical, operational and financial risks identified and mitigated?

Human Resources

22 Are the deployed human resource as per the plan?
23 Is the deployed staff capable to perform his/her functions?

24 Is there a mechanism to pro-actively build the capacities of the staff?
25 Is there a functioning training policy?
26 Are there any training plan/calendar?
27 How adequate are the training modules?
28 Is there a system to assess the training needs and collect the feedback on training?
29 How is the staff recruitment policy?

Finance
30 Are there any unapproved expenditures? If so, what are the reasons?
31 Is there corresponding convergence from the government? If no, what are the reasons?
32 Is there corresponding contribution from the community? If no, what are the reasons?
33 Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"
34 Is the programme / project being operated as per the approved timeline?
35 Has the programme / project achieved the planned progress as per timeline?
36 If there are any deviations, what are the reasons for those?

M&E
37 Is there a documented SOP's for each of the activities?
38 Is there active involvement of various stakeholders such as government, community and others as envisaged in the project documents?
39 Are there any challenges in implementation? If so, what is the mitigation strategy?"
40 What are the tools used for monitoring and evaluate the progress?
41 Is there a well-defined log frame for programme / projects?
42 What are the various types of reporting formats used?
43 Is there a baseline data available for all the beneficiaries?
44 Is data collected on a regular basis to track programme outcomes? What data points are collected?
45 What are the data reporting systems?
46 Is there a mechanism to incorporate the learnings into the programme document?
47 How does the information flow from beneficiaries to NIU and ITC?
48 What are the major challenges in monitoring and evaluating the performance?
49 How are learnings/ updates/ progress communicated to the ITC?"

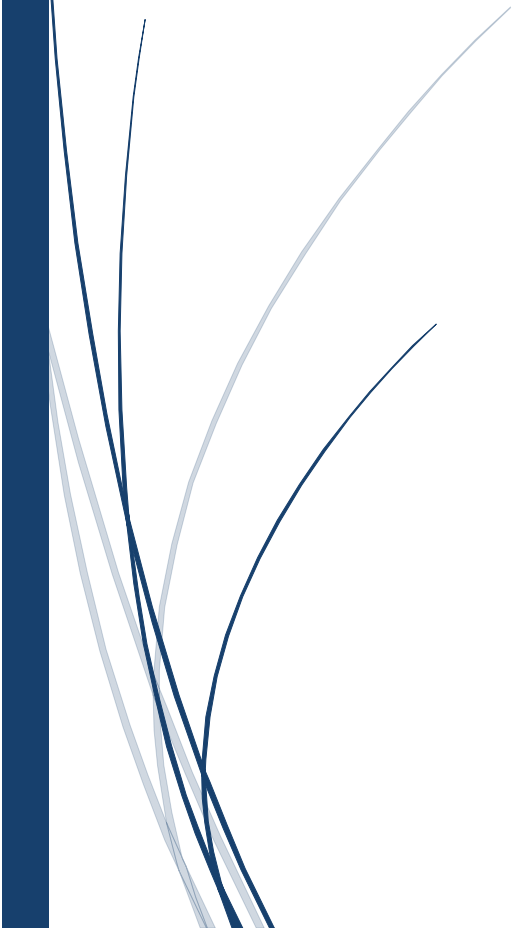*Communication Strategy*
50 Has the organization communicated its progress and learnings so far to stakeholders?
51 Which stakeholders do the client reach out to?
52 How does the organization communicate its activities and learnings?
53 What is its relationship with the government, teachers, and community?
54 Is the so-far progress as per the plan in terms of time and budget?

Midterm Evaluation

Namuna College of Fashion Technology (NCFT)
Representative Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1. Please explain your relationship with PETS project?
2. Please share your experience about this partnership/ internship/ job?
3. Are there any factors which prevent you accessing the results/services?
4. To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
5. How effective have the management arrangements been in the delivery of the project so far?
6. What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
7. What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
8. Is the project likely to achieve the expected outcome? Why?
9. Are inputs provided, or made available in time to implementing activities?
10. What other factors help account for project efficiency of performance?
11. Is the present decision-making process time-efficient?
12. Are you prepared to continue the project activities and benefits at their own cost/as a job? Is the opportunity conducive to the maintenance of the activity?

Human Resources

13. Are the deployed human resource as per the MoU /Agreement?
14. Is the deployed team capable to perform his/her functions?
15. Is there a mechanism to pro-actively build the capacities of the designers?
16. Is there a functioning training policy?
17. Are there any training plan/calendar?
18. How adequate are the training modules?
19. Is there a system to assess the training needs and collect the feedback on training?
20. How is the staff recruitment policy?

Finance

21. Are there any unapproved expenditures? If so, what are the reasons?
22. Is there corresponding convergence from the government? If no, what are the reasons?
23. Is there corresponding contribution from the community? If no, what are the reasons?
24. Is there corresponding contribution from the other stakeholders? If no, what are the reasons?"
25. Is the programme/project being operated as per the approved timeline?
26. Has the programme /project achieved the planned progress as per timeline?
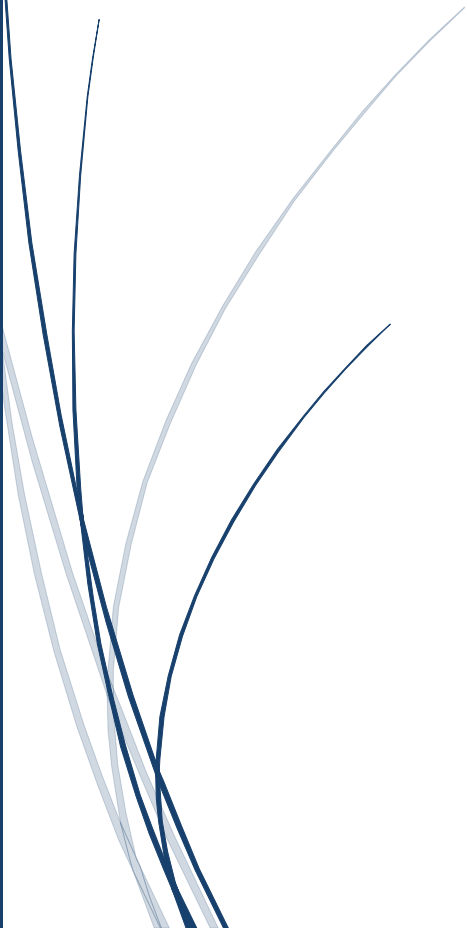27. If there are any deviations, what are the reasons for those?

Design

28 Please explain depth your feedback on new designs?

29. How difficult/easy is the new design development?

30 How is the feedback from the market/CP companies?

31 Please share your views on improvement of CP designs and PETS project?

Midterm Evaluation

Design Students/ Interns (from NCFT) Questionnaire

Name of Representative	
Designation	
Name of Organization	
Phone Number	
Email address	

Interview checklist:

Programme

1 Please explain your relationship with PETS project?
2 Please share your experience about this partnership/ internship/ job?
3 Are there any factors which prevent you accessing the results/services?
4 To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?
5 How effective have the management arrangements been in the delivery of the project so far?
6 What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?
7 What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?
8 Is the project likely to achieve the expected outcome? Why?
9 Are inputs provided, or made available in time to implementing activities?
10 What other factors help account for project efficiency of performance?
11 Is the present decision-making process time-efficient?
12 Are you prepared to continue the project activities and benefits at their own cost/as a job? Is the opportunity conducive to the maintenance of the activity?

Design

13 Please explain depth your feedback on new designs?
14 How difficult/easy is the new design development?
15 How is the feedback from the market/CP companies?
16 Please share your views on improvement of CP designs and PETS project?

ANNEX IV: Relevant Materials

List of documents reviewed

Sr. No	Document Name
1	Supply Side Review And Domestic Market Review In Nepal Of The Chyangra Pashmina
2	Capacity Development Of Nepalese Chyangra Pashmina Manufacturers
3	In Fashion Products & Design Development
4	Nepalese Pashmina/Cashmere U.S.A. Market Entry Strategy
5	Nepalese Pashmina/Cashmere Japan. Market Entry Strategy
6	Study of Pashmina Sector in India
7	Brief of Los Angeles Show
8	Report to ITC on Cashmere World Fair Participation and Local Industry Visit
9	Directions to Trade Fair Participation
10	NPIA Midterm Plan
11	Project Communications Strategy for PETS Project
12	Supply Chain analysis of CP fibres coming from Upper Mustang
13	Progress and Financial Reports
14	1st, 2nd, and 3rd PSC Minutes
15	Budgets
16	Documents on trade fare participation
17	PETS Stakeholder List with Contact details
18	PETS CP List (Direct and Indirect) with Contact details
19	Training Reports and Training Evaluation reports

ANNEX V: Evaluation Matrix

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
Evaluation Criteria: Relevance: Assessing if the project is geared to respond to the development needs of the country and key stakeholders. How well the project responded to needs of target beneficiaries, including how these needs evolved.			
Are the project objectives and design relevant to the development needs of the country and consistent with priorities of the Government of Nepal and the primary stakeholders in the country?	Alignment of objectives and project design to Government of Nepal and the primary stakeholders in the country	Review of Project document and National level Development Plan review	MIE and Govt. of Nepal documents
How coherent was the project in terms of how it fits within the policies and programmes undertaken by the Government and other development partners?	Coherence of the objectives and project design policies and programmes undertaken by the Government and other development partners	Review of Project document and National level Development Plan review	MIE and Govt. of Nepal documents
Are the project objectives and design, including the logical framework, relevant to the needs and priorities of the targeted beneficiaries?	Alignment of project objectives, design, and logical framework to the needs and priorities of the targeted beneficiaries	Review of - project document	MIE
Was a needs assessment conducted at the design stage, and did it sufficiently consider the needs and priorities of the beneficiaries?	Quality, depth and appropriateness of Need Assessment study	Review of - project document	MIE
Are the project objectives and design in-line with ITC's corporate objectives, strategies, and strengths?	Alignment of project and ITC corporate objectives	Review of PETS Project Document and ITC Policy	MIE
Were any major modifications made in the objectives and design, including the logical framework, during implementation? If so, what is/are the modification(s) and provide the reasons.	Major changes	Review of Steering committee meetings minutes, progress reports and workplan	MIE
Did the project benefit from available knowledge (e.g. the experience of other Aid for Trade agencies and/or initiatives) during its design and implementation?	Benefit from available knowledge	Review of PETS project document	MIE
Was human rights and gender equality integrated into the project design and implementation arrangements? With national policies and strategies on human rights and gender equality?	Policy level mention and alignment with national policy on human rights and gender rights	Review of PETS Project document/Govt policy	MIE
Evaluation Criteria: Effectiveness: Assessing the extent to which the planned results of the project have been achieved in quantitative and qualitative terms. The probability to achieve the set targets and key success / constraint factors in programme implementation.			
What was the logic/fit of major activities/actions and outputs with the intended outcome and are the objectively verifiable indicators and means of verification for the project development objective, outcomes, and outputs appropriate?	Logic and fit to Goals-Outcomes-Outputs-Activities	Review of Logical framework	MIE
To what extent have the planned results of the project been attained both in qualitative and quantitative terms			MIE

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
Output 1.1: NPIA's medium-term plan developed	Medium-term plan	The actual document	MIE
	1 inclusive stakeholder meeting/workshop	Workshop report and evaluation forms (gender disaggregated)	MIE
Output 1.2: NPIA's business development portfolio defined and a plan for delivering business development services developed	Inclusive NPIA stakeholders/members meeting	Workshop/meeting report and evaluation forms (gender disaggregated)	NPC
	At least 30% women trained	Training report, evaluation forms and photographs	NPC
	NPIA service portfolio in place, including a cost structure	Training report and evaluation forms (gender disaggregated)	NPC
	Cost structure for the service portfolio according to domestic customs	Actual document	NPC
	At least 2 workshops and for on the-job mentoring to NPIA staff to deliver on the new services	Workshop/meeting report and evaluation forms (gender disaggregated)	NPC
Output 1.3: Capacity Built to carry out industry surveillance to enforce trademark protection in Nepal	NPIA and other CP Stakeholder undertake at least 2 national survey in Nepalese tourist market	Actual 2 surveys	MIE
	Infringement detected	NPIA infringement report	NPC
	Workshop and on-the-job training in tourist areas, Taregt-2 workshops and 3 on-the-job trainings	Workshop report and feedback/evaluation forms	NPC
	Cooperation agreements with the other entities in Nepal (e.g. Tourist authority, tour operations or hotel Target: 3	Actual agreement	NPC
		Report on Joint activities	NPC
		Evidence of distributed material to tourists & feedback from tourists	NPC
		Report by NPIA on WIPO Introduction	NPC
Output 1.4: Supply chain analysis for CP undertaken	Supply analysis undertaken by NPIA In at least 2 2 locations of Mustang and another location	The actual supply analysis	MIE
	Workshop(s) on value chain analysis conducted; at least 15 NPIA members trained	Workshop report (disaggregated by gender and VC partners), feedback and photographs	MIE
Output 1.5 Capacity built to access existing donor support and to design bankable project proposals to	At least 3 new project documents{ business plans developed that follow donor	The actual project documents/business plans	MIE

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
develop CP projects along its value chain	requirements		
	No. of donors contacted (at least 5)	Communications with and feedback from donors (approval or explanation in case of rejection)	NPC
	At least 2 workshops on business plan and project development conducted	Workshop report and evaluation forms (gender disaggregated), Photographs	NPC
Output 2.1: Requirements in priority markets and shortcomings at enterprise level to adhere to the requirements identified	2-3 target markets identified by NPIA (i.e. USA, Japan and France) verified and agreed upon (ITC, NPIA)	Documentation on transparent market selection / Joint and transparent selection of pilot enterprises communicated In a document by NPIA	NPC
	Report of buyer and client requirements in each identified market (ITC)	Report of market/buyer requirements	NPC
	Nepalese CP producers identified & selected (10 per market)	Short report on enterprises ability to meet buyer/market requirements (NPIA,ITC),	NPC
	Implementation workshop and continuous collaboration with the 20-30 companies that were trained	Workshop report and evaluation forms (gender disaggregated), Photographs, Feedback from Direct and Indirect Beneficiaries (CP Manufacturers)	NPC
Output 2.2 Product development and design capacities developed and embedded at institutional and enterprise level	At least 1 local design centre linked to CP manufacturers	Short report on the local design schools (NPIA, NC)	NPC
	Regular placement of student to selected enterprises: Target 20	Communication from the selected design centre, selected enterprises and students	Direct and Indirect Beneficiaries (CP Manufacturers)
	A schedule for product and collection development elaborated by company	Agreement with a design school	MIE
	At least one new design per enterprise per season developed.	New designs presented by companies	Direct and Indirect Beneficiaries (CP Manufacturers)
		The actual product/collection (photos, etc.)	NPC
		Workshop/course reports, inclusive of gender aggregated data	NPC
		Report of study tour (ITC/NPIA)	NPC
		Enterprise feedback (gender	Direct and Indirect Beneficiaries (CP

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
		disaggregated)	Manufacturers)
Output 2.3 CP products promoted in priority markets	Market penetration plan	Actual market penetration plan	NPC
	1 trade fair participation of selected enterprises organized p.a.	Mission/visit reports Enterprise reports and feedback and evaluation forms of missions/trade fair participation, etc. (gender disaggregated)	NPC
	Prospective buyers identified and match-making facilitated	List of prospective buyers Feedback from buyers (oral or written)	NPC
	1-2 meetings with buyers and marketing missions	Photos of before and after shop reorientation	NPC
	1-2 buyer visits to Nepal	Documentation	NPC
	5 shops reorganized	List of shops	NPC
Output 3.1: Awareness creation toolkit developed	Toolkit developed, consisting of promotional materials (e.g. industry brochure, leaflets, industry standard folder A4 mailer, CP display, information board, retail counter cards, email campaigns, advertisements, etc.) as well as a web-portal.	The actual toolkit	NPC
	Web-portal of NPIA upgraded as a trademark support tool	NPIA reports on its utilization	NPC
		Web-portal operational	NPC
Output 3.2 CP label promotional campaign(s) launched in the priority markets	1 marketing campaign per selected priority market	Details and documentation on the actual campaign Press Reports of campaign launch,	NPC
	Feedback from the industry and potential buyers	Oral and written feedback collected from potential buyers and CP exporters: Analysis report on the results	Direct and Indirect Beneficiaries (CP Manufacturers)
	Dissemination workshop on the results	Workshop report and evaluation forms (gender disaggregated) Feedback from CP stakeholders and analysis of accessibility of the tools (e.g. website)	NPC
	Promotional tools applied in global markets (NPIA)	Photographs/New Paper Stories/Online Availability	NPC
Output 4: Project operational and an overall management and monitoring system in place	Project Monitoring System (PMS) in Place	Actual presence of PMS	PMS
		Analysis and	NPC

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
		monitoring as per project plan on a quarterly basis	
Have all identified target groups access to project's results available thus far?	Availability/accessibility to reports/workshops/meetings	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
Are there any factors which prevent target beneficiaries accessing the results/services?	Reasons for hindrance to access	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
To what extent have the various project stakeholders adapted or are able to adapt to changing external conditions in order to ensure benefits for the target beneficiaries?	Change to external conditions	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
How effective have the management arrangements been in the delivery of the project so far?	Performance of PETS Project Nepal	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
How effective have the management arrangements been in the delivery of the project so far?		Review of Time lines/trackers/PSCs MoMs/MPRs/QPRs	NPIA, Design University, MIE, EIF
What factors in the project design and implementation arrangements account for the estimated results in terms of effectiveness?	Critical aspects of project design for effectiveness	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
What major changes in the overall context (e.g. policy framework, political situation, institutional set-up, environmental and/or economic shocks, civil unrest, etc.) have affected or are likely to affect project implementation and overall results?	Changes and reasons for changes in implementation and results	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
From the primary stakeholders' perspective, is the project likely to achieve the expected outcome? Why?	Feedback on future of the project regarding expected outcomes (1, 2,3)	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF
To what extent has the project interventions been effective in mainstreaming human rights and gender equality?	Feedback on gender equity and human rights	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
Efficiency: Comparative measurement of input to output results. Use of systems and processes established for the ease of implementation to achieve ultimate goal.			
Are inputs provided, or made available in time to implementing activities?	Inputs received	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
			University, MIE, EIF, NPC
Are all contractual procedures clearly understood and do they facilitate the implementation of the project?	Clarity of reports and alignment with objectives	Review of consultant reports	MIE
What were the costs of the intervention to develop specific project outputs? The quality of work and/or supplies needs to be fully recognized for input/output comparisons. Is the cost ratio of outputs to inputs comparable to local, national or regional benchmarks? The benchmarks could be the cost of similar initiatives undertaken by or other agencies or partners. Was the administrative cost comparable to that of other development partners?	Cost effectiveness, timeliness and quality of consultant reports	Review of consultant reports and Analysis of budgets/progress reports	MIE
How much time did it take to set-up the management and coordination structure? Was the project implementation period extended, To date were inputs delivered on time, and outputs achieved on time and on budget?	Timeliness of the project implementation	Review of progress reports and project plans	MIE
What is the extent to which the allocation and use of resources to targeted groups take into account the need to prioritize women and individuals/groups that are marginalized and/or discriminated against?	Sensitivity of the project management towards gender, marginalized etc.	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
What other factors help account for project efficiency of performance?	Feedback to improve the project	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
Is the present decision-making process time-efficient?	Response time	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
Potential Impact: Identifying intended and unintended outcomes of the programme. Probability of achievement of impact as per the impact indicators in logical framework.			
If the project activities are not yet fully completed, what is the likelihood that the outputs and outcomes will be accomplished over the remaining duration of the project?	Likelihood of accomplishment of project outputs and outcomes	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers),
What is the likelihood of the project contributing to the development objective of the project, and can the objectively verifiable indicators and means of verification be used to substantiate this contribution?	Is the project contributing to the development objectives laid down and are the achievements verifiable	Review of progress reports, midterm plans, steering committee reports, logframe	MIE
What is the potential impact generated in terms of human rights and gender equality? Are there	Gender equity and human rights level benefits Accountability mechanism	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers),

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
effective accountability mechanisms operating on human rights and gender equality?	in the project implementation		
Has the project contributed to the advancement of gender equality in social, economic, and political development, including participation in decision-making?	Gender equality in social, economic, and political development, including participation in decision-making	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers),
What are the changes made by the project in terms of the capacity of local organizations and grassroots institutions?	Change in capacities of NPIA and CP Manufacturers	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers),
What is the potential impact generated in relation to environmental sustainability?	Environmental sustainability related impact	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), and NPIA
Are there any other positive or negative effects being observed as a consequence of the project's interventions? If so, what are the effects and why have they occurred?	Social Impact (Positive or Negative)	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers),
Sustainability: Assessing if the benefits delivered by the programme will be sustained after the project ends. Identifying the extent and how has the project built the capacity of target community. Lessons learnt from the project implementation in terms of- innovative approaches/ strategies adopted, e.g. localized service providers, customized machinery, etc. Good practices that can be up-scaled and replicated.			
Was the implementation arrangement based on a stakeholder analysis and To what extent is the project embedded in the national/local structure?	Level of Customization of plan to fit local context of Nepal	Review of project document	MIE
To what extent have the target beneficiaries and other relevant stakeholders been involved in the planning and implementation process?	Level and extent of participatory techniques used	Review of PETS baseline report	MIE
To what extent are relevant target groups actively involved in decision-making concerning the project orientation and implementation?	Part of decision making	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), NPIA, Design University, MIE, EIF, NPC
Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure sustainability?	Presence and execution of exit strategy	Review of Project Document	MIE
What is the likelihood that results/benefits will continue after the project ends? What are the factors in favour of or against maintaining benefits?		Evaluators feedback on output/outcome results	-
Is there a clear indication that Government and/or other key partners have committed financial and human resources to maintain benefits and results?	Government's contribution	Semi Structured Interview	MIE, EIF,NPIA,, NPC
Are the project target groups and their organizations prepared to continue the project activities and benefits at their own cost? Is the business environment conducive to the maintenance of the project's	Carry to project without support/ what support continuously required	Semi Structured Interview	Direct and Indirect Beneficiaries (CP Manufacturers), Design University, NPC

Focused Questions	What do we want to know? (Indicators)	Where we will get this information? (Means of verification)	Who will give this information? (Stakeholder)
results?			
Is the institutional change conducive to systematically addressing human rights and gender equality concerns? Have accountability and oversight systems related to human rights and gender equality been established?		Evaluators feedback on output/outcome results	-
What is the consideration on environmental sustainability?	Presence and execution of environmental sustainability	Review of PETS Project Documents	MIE

ANNEX VI: Comments on the Draft Report

Sr. No	Recommendation / paragraph	Question/ Comment	Evaluation Team Remarks
1	Overall	The evaluation report is first and foremost repetitive. Second, it lacks any real assessment whatsoever and settles for several assumptions and interpretation i.e lacks clarity.	Addressed wherever relevant.
2	Recom 1	A capacity assessment of NPIA was done as part of the medium-term strategy. The strategy itself addresses the identified shortcomings. This needs to be correctly reflected in the text.\n\nAs regards the areas identified for capacity building, they are fine and also mentioned in the strategy for NPIA.	Addressed\n\nAdded text "A capacity assessment of NPIA was done as part of the medium-term strategy. The strategy itself addresses the identified shortcomings"
3	Page 4-5, recommendation One	Based on MTE and the recommendations it shows that there is lack of capacity of the NPIA to support the implementation of the project and achieve the expected results. Since this is key to successful project implementation, it is proposed that a review of the work plan for the extension phase is carried out so that NPIA is enhanced with the necessary skills set.	Review of work plan is not recommended at this point in time, rather execution of the recommendation in the work plan and MTE is needed.
4	Recom 2	The conclusions drawn on the tageline "CP – High mountain Cashmere from Nepal" are wrong. "Sourcing of raw material from Nepalese CP farmers is desirable but not essential as the tageline is correct as explained below. Moreover, it is wrong to write that "sourcing from Nepalese CP farmers is essential to **ethically claim** the message on (the) product label.\n\nThis statement and the corresponding recommendation are wrong as they do not take into account the specific Rules of Origin requirements in the target markets. In the three target markets (i.e. the USA under MFN, in Europe under the Everything But Arms provision of the GSP system and Japan under GSP), but also in other markets, a Nepalese product (including CP products) are labelled made in Nepal if the last stage of transformation is taking place in Nepal, i.e. form yarn into woven or knitted products and/or if there is a change in the tariff heading at the 4 digit level. Both are the case. Therefore, the product is being correctly labelled made in Nepal independent of the fact where the fibre of yarn comes from.\n\nMoreover, the tagline "CP – High Mountain Cashmere from Nepal" does not imply that the fibre itself comes from Nepal, but that the fibre comes from the high mountains. By the definition of cashmere (please refer to the Wool Products labelling Act) all fibres come for the Chyangra (cashmere) goat which only lives in the high	Addressed.\nRemoved the statement on ethical claim.\n\nRecommend NPIA to take lead in identifying projects under which funding can be secured for implementation of plan developed after pilot study in Mustang.

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		mountains. Thus there is nothing wrong with the tagline and you cannot claim it us unethical or others. In addition, the branding/marketing material in the written text under the tagline clearly indicates that yarn is "produced from locally produced fibre or sourced internationally". Furthermore, in the market you could find branding and marketing slogans referring to e.g. Italian cashmere products. This refers to the same aspect as explained above under rules of origin requirements of the importing countries. Please see attachment one Thus, the only recommendation technically acceptable would be that it 4would be desirable to increase the amount of local fibres in order to increase the benefits along the value chain. This, however, is not the core of the project as it was designed and agreed upon. Moreover under timeline it is stated that "to meet the objectives of the project, this recommendation ... needs to be prioritized". Please note that it is <u>not</u> essential to source fibre from Nepal to reach the objective of the project, but only desirable.	
5	Findings under recommendation 2	To reformulate "CP entrepreneurs had **admitted**" as this has a wrong negative connotation. The project document clearly describes where the fibres come from. And as described above there is nothing wrong with it. Therefore, we suggest the evaluators only write that "enterprises do not only purchase"	Addressed Removed the term admitted. However, the language "*do not only purchase*" is not correct as it gives the reader a feeling that most of the entrepreneurs are purchasing raw material from Nepal and only a few are purchasing raw material from China, India and Mongolia but fact is other way round. Hence rephrasing "Most of the CP entrepreneurs import the material from China, India or Mongolia and a few purchase the raw material from Nepalese farmers"
6	Recom 2	Sourcing of raw materials from Nepalese CP farmers: the fibre sourcing part, which, in fact, is only an add on to the project but does not form part of the project concept, objectives and logframe. The evaluation misses the bigger picture while ignoring the synergies developed with the HIMALI project and the new World bank project that is being developed that focuses on this aspect.	Noted. Addressed under Sr. No.4

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		Moreover, the evaluation misses on the point that it was precisely the EIF Donor facilitator, i.e. the German embassy that was strongly recommending NOT to engage in the fibre production part as it is essentially a related but completely different project	
7	Findings under recommendation 3	Kindly correctly state that for all market activities the following reports were done and shared with all stakeholders, including market penetration strategies for the US and Japanese market, Findings on trade fair participations in Magic (2), Cashmere World, and Tokyo (JFW). Moreover, for all these events dissemination workshops were held for ALL stakeholders. We believe that these are very relevant documents and events. If they are not regarded as relevant kindly substantiate it with facts!	We agree that these are very relevant documents and events but the recommendation is directed to the model of 'one-to-one-to-many' in which CP enterprises learn from each other. There might be one to one interaction during these workshops however one to one interactions of CP enterprises needs much more stress, as most CP enterprises consider others are competitors and not collaborators.
8	Recom 3	This is a generic recommendation: more specific suggestions would be needed to put them into action.	Addressed
9		Again the issue is how capacitated is the NPIA to facilitate connectivity and thus spread of benefits amongst its membership? What it the role of ITC in this direction?	Addressed Addressed in Sr. No. 7
10	Page 6, recommendation 3	This puts the whole project idea into jeopardy. If finished primary material/fiber is sourced from China, India and Mongolia, then the idea of improving the lives of the mountain goat rearers and using the raw product from the mountains is grossly defeated, and thus the label of the export. The question then is, if branding objective of the project potential threatened at this stage should the project be reappraised?	Already addressed under feedback on Sr. No 4
11	Recom 4	These are, in fact, 2 recommendations in one. It would be useful to separate them and to be more specific on what exactly could be improved on NPIA's side	Addressed. "Initiatives like creation of Social media group (for example, Viber or Whatsapp)….." added to recommendation 3 as it is more appropriate there.
12	Recom 4	The evaluation seems to focus to a large extend on the fibre sourcing part only and misses the fact that the fibre sourcing part is only an add on to the project but does not form part of the project concept, objectives and logframe. It was added on at a later stage to satisfy the demand of some stakeholders and in order to link to other potential donors with concrete proposal. This, actually, has been achieved as a new World Bank project will focus on goat farming to produce CP fibres.	Addressed: This recommendation is independent of the source of raw material and/or market for supply.

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		Therefore, joint sourcing under this project could only focus on jointly sourcing yarn from either China, Mongolia or India, which still makes sense.	
13	Recom 4	"Collective procurement and sales" This is an important topic but the recommended solutions are too superficial to lead to the change required (*"like creation of Social media group (for example, Viber or Whatsapp) for entrepreneurs"*) What is needed is for NPIA to be empowered to take collective buying and selling decisions on behalf of members. At the moment it is not agreed that NPIA can have such a transactional role. Enabling it to do so would indeed open up new possibilities to share costs of procurement, sales and marketing. This is in turn would enable greater shared benefits of the project – increasing the international competitiveness of smaller firms. For instance, to engage in active sales promotions of goods labelled with the CP brand – NPIA could run sales campaigns and receive orders for goods. The profits made could be used to ensure the economic sustainability of NPIA and its related initiatives. Equally on the procurement side NPIA could enter into agreements on behalf of groups of members: reducing costs and sharing access to a broader group of companies. This procurement does not have to be limited to raw material, it could be for services such as: - Transport and logistics - Training and certification in quality standards	Addressed. Usage of social media is more applicable in recommendation 3, hence moved it. We agree to the idea of empowering NPIA to take collective buying and selling decisions on behalf of members. Added to the recommendations.
14	Page 7, recommendation 5	Similarly, if school interest has changed, the project work plan can be reviewed within this context.	Addressed It is not recommended bring these level of changes at such later stage of project implementation especially when NCFT has very limited role. We are hopeful that NCFT can still be brought on track.
15	Recom 5	This is a superficial recommendation: "follow up and support NCFT" would mean exactly what? The grant given to NCTF under a MoU was exactly to assist NCTFT to create capacity.	Addressed Added details "It is also recommended to request for an escalation personel designated for NCFT, who would be contacted in case of any delay or deviation from the activities mentioned

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			under the MoU signed with NCFT."
16	Under the Recommendation 6 of executive summary (summary table	The MoC is not concerned authority to provide credit guarantee for any investment as mentioned in the report. However, it may persuade concerned agencies, such as Ministry of Finance, Ministry of Industry, and Nepal Rastra Bank (Central Bank of Nepal) for providing such credit guarantee.	Addressed Added text "Also concerned agencies, such as Ministry of Finance, Ministry of Industry, and Nepal Rastra Bank (Central Bank of Nepal) can be persuaded for Credit Guarantee for any investments related to technology and innovations in the Pashmina sector"
17	Finding under Recommendation 7:	The phrase "Thus claiming a product tag line which says "Chyangra Pashmina – High Mountain Cashmere from Nepal" is an ethical issue." Should be removed for the reasons explained under recommendation 2 on page 5.	Addressed. Removed the line.
18	Finding under Recommendation 7:	"claiming a product tag line which says "Chyangra Pashmina – High Mountain Cashmere from Nepal" is an ethical issue." This is a misunderstanding on the part of the auditors as to how a brand works. - Firstly, notice it is commonplace to find cashmere articles labelled as "Made in Italy" or "Made in France" when neither of these countries produces cashmere fibre. - All cashmere fibre is "high mountain" – the goats come from the mountain regions of Nepal but also China, Mongolia - All Chyangra Pashmina fabrics and goods are made in Nepal Therefore there is no ethical issue related to the sourcing of the fibre and CP can be labelled "high mountain cashmere from Nepal". This has been very carefully reviewed and will be specified in the branding guidelines. However, the comments miss the bigger point from a branding strategy point of view. The claims must result in consistent behavior and processes on the part of the producers in the area of: - Quality of souring and manufacturing - Health and safety - Environmental impact - And also an implication in the economic and social development of Nepal Greater proof needs to be offered in these areas	Addressed. Removed the line.

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		that the sector is making good on the promises of its brand.	
19	Recom 7	"Quality control and supply chain assurance of CP products" It is not clear that responsibility for this is properly placed within outcome 3, nor is QC / supply chain the responsibility of the "Senior Adviser International Marketing and Branding" However, the issue of increasing the control of quality in the supply chain is very important and does need to be better addressed: the Senior Adviser shares the concern and the potential damage to the brand from inconsistent or poorly applied quality procedures. What is needed is for the sector to adopt a few basic international quality standards for process, health and safety and environmental impact. These could be collectively organized and procedure by NPIA on behalf of members. NPIA itself should be certified (at least for its process of according the use of the label)	Addressed. It is suggested the NPIA should take the responsibility for this.
20	Page 8, recommen dation 7	Is this not against marketing ethics. Branding something that is not really what it is meant to be?. This should be treated seriously because it poses reputational risk to the EIF and the donors.	Addressed under **Question/ Comment** on Sr. No 4
21	Recom 7	The phrase "Similarly, assurance of supply chain for CP fibre should be provided by NPIA to claim the tagline in the product label." Should be removed for the reasons explained under recommendation 2 on page 5.	Addressed. Removed the line.
22	Page 8 and 9, recommen dation 8	This can be done with review of workplan and budget.	Noted
23	Recom 8	The recommended extension of 12 months is not coherent with the figures given later in the text: under para 10 you mention 4 months for the earthquake, 4 months for the border blockage, 5 months for the LoA signing with MoC and 6 months for appointing staff i.e. 19 months. If you exclude the appointment of staff it adds up to a minimum of 13 months and a maximum of 19 months. Moreover, in para 40 on page 21 you even indicated that the earthquake had an effect of 4-6 months on the project.	Addressed: Corrected to 13 months for extension. Changed 4-6 months to 4 months.
24	Recom 9	There is no Focal Point EIF: There are 3 Focal points as follows: MoC, NPIA and ITC! "Responsibility: project Manager should ensure that respective stakeholder department or organization provide required authority for decision making to the	Mail dated 11th March 2016 sent by ITC mentioned Mr. Naindra P Upadhaya as EIF Focal Point.

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		respective Focal Points.": This recommendation is not feasible: The Project manager is the Focal Point of ITC! He has no authority over MoC or NPIA on how they manage internal processes with regard to their own Focal Points "Follow up mechanism should be set up by Project Manager and sufficient time for decision making should be provided by Project Coordinator.": This recommendation is not clear: the present practice provide sufficient time for Focal Points to come back on decisions which is set at 5 working days. It is the responsibility of the Focal Points to respect this. If by 5 days no feedback has been provided the proposal is assumed to be approved.	Responsibility changed from Project manager to PSC. Regarding time to be given is always 5 days: This time needs to be more flexible as it is not feasible to take decisions within 5 days for each concern. It may happen that the focal point need consultation with respective department seniors or focal point has other prior commitments during this period and they may not be in position to provide inputs.
25	Under the Recommendation 9 of executive summary (summary table)	There is already a set mechanism to decide at operational level. Sharing information with higher officials and consulting for appropriate decision has contributed to build ownership of project activities without taking much time. Therefore, consultation with higher officials has not caused any delay in project implementation. However, insufficient follow up of ongoing activities, and delay in taking initiatives to implement the approved activities of the work plan might have caused delay in project implementation. Additionally, there is already a mechanism of monthly meeting of focal points and breakfast meeting of NPIA members to make follow up of project implementation and share information. Therefore, additional mechanism may not be required.	We agree with the comment. The recommendation is focused on enhancing follow up mechanism and decision making process.
26	Page 9, recommendation 9	Project team to be encouraged to set up an M&E plan with scheduled for activities.	Noted, Monitoring system is already functional
27	Page 10, recommendation 10	Strengthen NIU and for projects to recognize and respect the coordinating role of the project	Noted, as mentioned in the program document
28	Para 1	The objective of the supply side review and domestic market review as the title implies is to capture the supply/market capacity and not institutional assessment i.e the study has no relation to the Assessment of NPIA's capacity to carry forward the "Project". For NPIA capacity, the evaluation should have reviews NPIA business plan and service portfolio	Noted. We agree that the supply side review and domestic market review as the title implies was to capture the supply/market capacity. But this document has been considered as a baseline document and the same was reconfirmed by NPC, Project Manager and NPIA. Hence if we are considering a document

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			as baseline, then capacity of the private sector partner needs to be captured.
29	Para 2	"NPIA does not play major role" NPIA through the project FP takes ALL decisions jointly with ITC and MOC from approval of ToR/selection of Consultants/ participation in trade fairs/preparation of annual workplan and budget. NPIA review, amend and approve Terms of reference for consultants. ITC provide a minimum of 3 candidates for each consultancy and then again NPIA review and approve our recommendation.	Addressed. We have corrected the description of the issue.
30	Para 2	The following sentence is wrong: "But, as NPIA does not play major role in decision making." As pointed out elsewhere in the evaluation the project management is inclusive as ALL decisions are jointly done by MoC, NPIA and ITC through their respective Focal Points!!!!	Addressed.
31	Para 3	PSC meeting has approved /budgeted for NPIA to hold a monthly meeting. However, only 1 meeting over a 9 month period has taken place.	Noted and added in the report
32	Under the concise summary of executive summary point 3	The project implementation does not rely on skilled and full time staffs of NPIA but relies on the skilled and full time staffs of the Project itself. The Project has dedicated and highly skilled staffs in Kathmandu and also in ITC headquarter, Geneva (fully responsible for the implementation if the Project).	NPIA competencies are critical and directly affecting sustainability of the project. Hence it is essential to have skilled and full time staffs at NPIA.
33	Para 4	NPC-who does this refer to NPC for the PETS project or PETS FP from MoC. Confusing line throughout the document	NPC is National Project Coordinator as mentioned in mail dated 11th March 2016 sent by ITC. Please refer to the list of stakeholders interviewed in Annexure II
34	Para 4	The following sentence is wrong: "The NPC has not coordinated regularly with NIU and NECTRADE". In fact the NPC had always coordinated with NIU and NECTRADE as the coordinator was the MoC Project Focal Point until December 2015. Only as from then on was there some confusion with regard to the MoC project participation as the same Focal Point, who was transferred to another department remained, while a new NECTRADE Programme Manager was appointed. MoC had never clearly communicated any changes in responsibilities towards the project.	Addressed. We have mentioned period (Dec 2015) in the observation.
35	Under the concise summary of executive summary point 4 and under the	It may not be appropriate to mention "…it resulted in coordination failure with NIU and NECTRADE" in such an important report. Because, NIU Chief/Coordinator and Project Director of NECTRADE Project has been well consulted in and informed of all activities of the PETS Project that were shared with the Focal Point of MoC. Similarly, the NIU Chief/Coordinator is member of Project	Coordination with NIU and NECTRADE is the role of NPC hence the responsibility lies with NPC too.

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	lesson learned and good practices heading point 95:-	Steering Committee of the PETS Project and he has regularly attending the PSC meetings. Additionally, all NIU members have been invited in the PSC meetings and other major activities of the Project since the beginning. However, because of some new deputation and recruitment of NIU members, new members might have not much information and idea about the project at the beginning but they have also been informed about and involved in the major Project activities.	
36	Para 5	NPIA has strong reservation to the mentioned remark in the report by the evaluation team under the title '**The major finding of the evaluation**' Page -11 (S.No: 5), " while few were not aware of the project". The Evaluation Team seems to have either missed to collect the various media coverage published in the several national and business dailies, pre-PETS Project launching and post-PETS project launching or the team could not logically question the said NPIA members about their information/intention when most business people know about NPIA and PETS project let alone the NPIA members.	Addressed Removed the text "while few were not even aware of the project"
37	Para 6	It is impossible to test every product and unrealistic to expect NPIA to implement such sophisticated quality assurance system. Pre issuance mechanism can however be strengthened to ensure quality is maintained.	Noted, Mentioning "Pre issuance mechanism can however be strengthened to ensure quality is maintained."
38	Par 6, page 12	This branding should be revisited since ES recent visit in the presence of the NPC proved that the difference is fussy and that some enterprises including the people of Nepal cannot tell the difference and even consider both to be the same.\n\nAlso they need to be true to the client on the source of the primary product. It may pose reputational risk.	Addressed under **Question/ Comment** on Sr. No 4
39	Para 6	"Ethical validity of branding a product …is under question: This statement is wrong as explained above.\n\n"The CP manufacturers also questioned on business sense to brand a product as Chyangra Pashmina when Pashmina has negative connotations in international market due to inconsistent quality in the market. All the CP enterprises mentioned that Cashmere is preferred name in the international market and they have been selling the CP products under the name of Cashmere in past": This was pointed out also in both market penetration strategies developed for the US and Japanese market, and discussed by ITC with both NPIA and MoC. However, it was a political decision by MoC and NPIA to keep the word Pashmina as it is a Nepalese name that was misappropriated abroad. Thus, while ITC had broad this subject to the attention of all stakeholders at an	Addressed Added "This was pointed out also in both market penetration strategies developed for the US and Japanese market, and discussed by ITC with both NPIA and MoC. However, it was a ~~political~~ decision by MoC and NPIA to keep the word Pashmina as it is a Nepalese name that was misappropriated abroad. Thus, while ITC had broad this subject to the attention of all stakeholders at an early stage, it was decided by NPIA to keep it that

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		early stage, it was decided by NPIA to keep it that way. Therefore, this statement that the CP stakeholders mentioned is rather an internal NPIA problem in the sense that the association does not seem to represent the views of all their members rather than an issue for marketing purposes. At the end the project can only do what stakeholders, represented through their association, want (and they wanted the word Chyanga Pashmina)	way." Removed: "Evaluation team thinks that the CP entrepreneurs may be reluctant in using CP Trademark due to use of Pashmina word in the brand name. Thus NPIA can consider if the brand name should have Pashmina or Cashmere in the name" However, we cannot remove "The CP manufacturers also questioned on business sense to brand a product as Chyangra Pashmina when Pashmina has negative connotations in international market due to inconsistent quality in the market. All the CP enterprises mentioned that Cashmere is preferred name in the international market and they have been selling the CP products under the name of Cashmere in past" as this statement was made prominently by all the CP enterprises, hence no mention in the report would not be appropriate.
40	Para 10	Same as above with regard to the calculation of the extension: the math's does not add up: The extension should either be 13 or 19 months or any time in between but not 12 months. Moreover in para 40 on page 21 you even mention that the earthquake damage costed the project 4-6 months. So if the impact of the earthquake were 6 months it would add up overall to a minimum of 15 and a maximum of 21 months.	Addressed: Corrected to 13 months.
41	Page 13, par 10	While some of the issues are internal that should have been foreseen by stakeholders, the external issues do warrant an extension as proposed though this will be accompanied by a review of the work plan and probably the logframe based on the findings of the MTE.	Noted
42	Under the concise summary	it would be better to mention "border interruption in Southern border" instead of mentioning political protest by any particular political party. Additionally,	Addressed comment on border interruptions and noted the point of

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	of executive summary point 10	further delay of 6 months for appointment of permanent staffs and setting up of the Project office might not have much effect in delay because a short term consultant Mr Murari Prasad Gautam had been recruited at the beginning of the Project and he had worked to build necessary foundation and carried out required tasks of the Project at the beginning.	consultant appointment. Replaced the text with "border interruption in Southern border". Extension explained in Sr. No. 16
43	Para 12 b	A capacity assessment of NPIA was done as part of early project activities. This formed part of the NPIA Medium term strategy	Addressed Added "A capacity assessment of NPIA was done as part of early project activities. This formed part of the NPIA Medium term strategy" to the para
44	Para 12 b	Replace EIF Focal Point with ITC Focal Point "However, considering the complexity of decisions to be made, sufficient time should be provided for all the Focal Points to revert and adequate follow-up should be made": sufficient time is provided as each Focal Point has 5 working days to respond to requests. There is no need to follow up as each Focal Point has the responsibility to come back to the other within the 5 days. That is part of their duty.	Addressed in Sr. No 17. Applied same changes in Para 12 d.
45	Para 13	"There has to be more coordination between the stakeholders": This blunt statement is contradictory what you said under para 11 where you praise the project as the "PETS project is implemented in an inclusive mode and suggestions by each stakeholder are considered by the Project. An isolated issue with the new NIU/NECTRADE team should be treated as such and not be generalized	This point is added under "Lesson learnt" section as per ITC Guidelines for Evaluation Reports. This point is generalized learning from the issue faced with NIU/ NECTRADE team.
46	Para 14	Concerning ITC rules and regulations: MOC and NPIA project focal points were brought to Geneva ITC HQ for exactly such purpose i.e to familiarize them with the ITC procedures/ rules and departments. Additionally. ITC rules are communicated on a regular basis and clarifications provided.	Addressed. Highlighted the early training in report.
47	Para 14	WE take note that "Stakeholders like NPIA, MOC Focal Point, and even NPC are not well versed with the ITC rules and regulations." However, it needs to be highlighted that both Focal Points from MoC and NPIA visited ITC at an early stage of the project to exactly do this: understand how the UN/ITC operates so that both organizations the procedures of operations, It seems that this did not trickle down sufficiently.	Addressed as in Sr. No 47
48	Under the concise summary of executive summary	Focal Point of NPIA and MoC have clear role and responsibility and do not need to know about the detailed of ITC rules and regulations and it has also not affected the Project implementation negatively.	It was noted in consultations with different stakeholders that there is requirement to understand the rules and regulations for more

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	point 14		clearly on project implementation process.
49	Page 14, par 16. Also page 20, par 38	The MIE to take note of this in the extension request of the project if there is going to be any need for a redesign. Especially the clarity of roles.	Noted
50	Para 16	This part is confusing as it contains 9 separate recommendations. It should be separated in bullet form. Regarding recommendation 1) extension by 12 months see comments above On recommendation 2 replace EIF wit ITC Focal Point On recommendation 5: this is already part of the project with regard to the Indian and Chinese value chain studies and linkages On recommendation 7 (product quality and consistency) this is a generic statement that is already assured by the project as only quality products of quality consistency are marketed. On recommendation 8 (extension of the project to rural areas) the evaluators need to come up with adequate cost estimates to ensure this. In our view it is not feasible to change the objective of the project!	Bullet form: As it is summary section, paragraph format is used. Bullet points for recommendations forms the A 1 part of the report. Reco 1: Addressed. Reco 2: addressed in Sr. No. 17 Reco 5: Noted. Reco 7: Noted. Reco 8: Addressed: Added that it is not essential to source fiber from Nepal to reach the objective of the project, but only desirable.
51		Maybe could be helpful to provide on the how to do this. That is, what should be the key roles of the MIE and NPIA in ensuring quality and sourcing raw material/fiber from Mustang?	Sourcing of raw material is a separate project with much broader scope, The scope of this activity was limited to commence study in some of the potential remote Himalayan districts and establish institutional networking with local farmers for incessant supply of Chyangra Pashmina fibers. As a result of such study NPIA has succeeded in including the 'Chyangra Livestock Project' in all the 16 Himalayan districts of Nepal bordering Tibet under 'Nepal Livestock Sector Innovation Project' financed by the World Bank.
52	Page 15, par 25	There are no objectives stated: Based on the understanding of the Terms of Reference, evaluators have targeted to achieve following objectives as part of this evaluation.	Addressed Typological error
53	Page 19, par 33	The sentence should read: This draft report is submitted for review to the MIE and other key stakeholders.	Addressed

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54	Para 34	The closure meeting is scheduled for the second week of August in Kathmandu	Addressed, Highlighted the information in report.
55	Para 35	The rules and regulation of ITC are constantly reminded in emails, communications and can be checked with ITC staff. "Similarly, ITC team is not experienced to work with protocols followed by the GON officials and members of local associations in Nepal " Is this in reference to ITC HQ team or ITC national team? What are the protocols being referred here? Such a blanket statement without any analysis is irresponsible and incorrect.	Addressed. Statement is removed. However, delay of 6 months in signing the contract between ITC and MOC, GoN was to reach to common terms and conditions for project. This would have been not the case if the stakeholders had better familiarity of terms and conditions.
56	Para 35	Same as above: We take note that "Stakeholders like NPIA, MOC Focal Point, and even NPC are not well versed with the ITC rules and regulations." However, it needs to be highlighted that both Focal Points from MoC and NPIA went to ITC for one week at an early stage of the project to exactly do this: understand how the UN/ITC operates so that both organizations the procedures of operations. It seems that this did not trickle down sufficiently.	Noted.
57	Para 37	"Consultant report" not clear as to why FPs would obtain consent from higher authorities to review reports.	Addressed: FPs discuss and obtain consent from higher authorities as a protocol of their own organization. For example: NPIA FP takes consent from the board/ President.
58	Para 37	"However, it was noted that, for various decisions such as review of consultant report, Focal Points (MOC, EIF and NPIA) have to obtain consent from respective higher authorities in the department or organization, leading to delay in decision making.": Replace EIF with ITC Focal Point. Moreover, take note that this is not true for the ITC Focal Point, who is empowered to make his own judgements and decisions.	As already mentioned above we have not been informed about ITC FP. Please see Sr. No. 17
59	Under the analysis of finding heading 2.1.1 point 37	Consulting higher authority has not delayed in decision making but has built ownership of the Project activities. It is also a part of decision making and should be accepted easily.	We agree with the comment. The recommendation is focused on enhancing follow up mechanism and decision making process.
60	Para 38 a) i)	The statement that "Most of the project related decisions are made from ITC Geneva office / as per UN protocols. Thus, NPIA does not play key decision maker role in the project though they are Partner for the project" is fundamentally wrong: As mentioned early in the report the project is inclusive and ALL decisions are done jointly by the 3 Focal Points. Not a single decision was done by ITC	Addressed. Removed this point.

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		alone. Moreover, the ITC Focal Point has never opposed the opinion of the MoC or NPIA focal points. Once a decision is JOINTLY done it is implemented by ITC following UN rules and regulations ("UN protocols"). The agreement to do so is outlined in the Letter of Agreement signed by IT and MoC. Moreover it follows the MoU that ITC signed with the Trust Fund Manager.	
61	Para 38a) ii)	While it is true that "Members of NPIA are entrepreneurs, and they need to focus on their businesses as well. Thus, complete focus on PETS project activities is not possible for NPIA members", NPIA needs to appoint and recruit competent secretarial staff to exactly do that! Moreover, the Focal Point is the one who interacts with the project on a daily basis and provides sufficient time. NPIA needs to better trust and empower this focal point so that they feel better represented.	Addressed: "Empowering of NPIA focal point would be crucial for better implementation of PETS Project" Highlighted in the document.
62	Para 38 b	The lack of coordination with NIU and NECTRADE only refers to a period of 5 months and cannot be generalized as explained above. Moreover, it is subject to interpretation whether the reason for it is found in MoC (which runs the NIU/NECTRADE while having the project Focal Point in a different department) or with the NPC. If at all this should be formulated in a neutral way.	Addressed. Time period is mentioned. Coordination with NIU and NECTRADE is the role of NPC hence the responsibility lies with NPC too.
63	Para 39	"Need for improved coordination and better clarity of roles and responsibilities among the ITC Geneva office and NPC Kathmandu office to ensure that the project does not suffer due to geographic distance or time difference": this is not clear. Kindly substantiate and provide clear examples.	Addressed: There are gaps in understanding of each other's situation.
64	Para 43	"Broadly speaking the project implementation is not even midway: This statement if wrong. Financial delivery and delivery out outputs/activities is more than half way as per June 2016. Nevertheless, an extension of approx. 15 months or so would be required.	The financial report provided for evaluation purpose were updated on 31st Dec 2015 only.
65	Para 45 output 1.2 box	This output is actually completed i.e. the service portfolio was defined and the action plan developed, so kindly show completed. What the project, however, is doing additionally is to help NPIA to use the plan and portfolio to deliver services. This form part of the capacity building of NPIA	Activity 1.2.3 i.e. "Training of NPIA staff and selected CP stakeholders to deliver on the (re-) designed business service offering." is ongoing. Hence, we cannot claim completion of Output 1.2.
66	Sections 2.1.2, par 43-54	It will be good to provide per cent completion per outcome.	Providing per cent completion was not possible as ITC do not maintain expenditure record as per outcome. Hence we have only budget heads percent

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			completion per outcome.
67	Page 22, par 46 and 47	Noting that there is currently confusion or no clarity in differentiating pashmina from cashmere and limited involvement of the producers in the control of their product/fiber, it will add value for the evaluators to probe further on quality control and differentiation.	Addressed under **Question/ Comment** on Sr. No 4
68	Para 46	The first sentence is misleading. The activity has not yet started because NPIA argued that the legal requirements are no yet in place in Nepal, including a clear definition by NBSM of why exactly CP stands for. Without this no surveillance could be done.	Addressed: Highlighted "the legal requirements are no yet in place in Nepal, including a clear definition by NBSM of what exactly CP stands for. Without this no surveillance could be done."
69	Para 47	For the reasons explained above there is no need to reconsider the CP branding	Addressed: Removed "reconsider the CP branding"
70	Para 49	Incorrect information: Visit to only upper Mustang completed. This is clearly indicated in the reports provided to the evaluators	Addressed
71	Para 49	2 visits were done to Mustang and one is planned to Manang. The last PSC decided to remove Dolpa and Humla!	Addressed
72	Para 52	The following sentence "Most of the activities from 2.2.2 to 2.2.5 are pending or delayed." is too general and thus misleading. Activity 2.2.2 started and is ongoing, but is delayed by NCFT. Activity 2.2.3 a) is completed with regard to enterprises that went to trade fairs. It is on-going for NCFT and enterprises that will go to trade fairs next year. Activities 2.2.3 b) – d) have not yet started but are not delayed. Activity 2.2.4 is ongoing and a continuous activity and as such not delayed (even though the actual collaboration between NPIA and NCFT could be improved). Activity 2.2.5 is completed for enterprises that participated in past trade fairs. It will be taken up again for enterprises that will go to trade fair next year.	Addressed Mentioned "Activity 2.2.2 started and is ongoing, but is delayed by NCFT. Activity 2.2.3 a) is completed with regard to enterprises that went to trade fairs. It is on-going for NCFT and enterprises that will go to trade fairs next year. Activities 2.2.3 b) – d) have not yet started but are not delayed. Activity 2.2.4 is ongoing and a continuous activity and as such not delayed (even though the actual collaboration between NPIA and NCFT could be improved)."
73	Para 54 and box on output 3.2	Output 3.2 has started and is work in progress: the status needs to be changed to „work in progress". The CP label was promoted in the Magic and JFW trade fairs alongside trade fair participation. It was also showcased in Hong Kong on a high level cashmere seminar! The revaluation report itself in para 67 mentions that that the CP trade-mark is gradu023y gaining visibility and as such must have been launched! Also on	Addressed: Color changed and mentioned work in progress in the status box.

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		page 33 (box on outcome 3 in the last row) it says that the CP label was launched!	
74	Para 53	Booking for travel tickets by stakeholders – UN travel rules have been explained repeatedly. For instance. if the ticket is under USD 500, travel tickets can be purchased directly by the traveller (provided it is allowed by travel unit)	Noted
75	Para 55	If regular "Sessions are held" to ensure successful adoption and execution of the plan. At the same time the evaluation indicates NPIA lacks management capacity. This is contradictory – has the business plan been reviewed to comprehend its content?	Addressed, Language change done. We meant to say NPIA is conducting sessions but they still need to hire qualified staff.
76	Section 2.1.3, par 55-60	To be emphasized and further probed with options in the final report or during presentation and final validation of the report.	Noted, we can have discussion on each of the results presentation and final validation of the report.
77	Para 56	The first sentence "CP trademark and related outputs have been questioned by CP Entrepreneurs due to the presence of impure and poor quality products in the market" is misleading and does not make logical sense. In fact the CP trademark has been set up (outside of the project!!!) because of impure products in the market and the need to fight against this. The sentence that "quality testing is done only at the time of approval of membership" gives wrong information. Products and/or batches of products are tested whenever a company (that needs to be a member of NPIA) would like to use the CP label. Moreover, the sentence "Currently there are no actions taken to ensure consistency of quality of the products" is wrong. For example all products that were shown by the enterprises at trade fairs were of high quality as ensured by ITC and as feedback from buyers suggest! In general terms the evaluation needs to draw a clear line of what the project does and what are the inputs from Nepalese stakeholders to ensure that the project can optimally be implemented. The project itself does NOT work on quality testing as NPIA and MoC have clearly spelled out that quality testing is already been done through other channels i.e. NBSM. If the evaluators feels that the project cannot fully achieve its expected results because the parallel activities set up by NPIA or MoU do not function well it needs to be spelled out clearly and a recommendation formulated of how the project could adapt because the parallel activities (but not the project itself) do not work properly	It is noted during the conversation with the stakeholders that enterprises get CP Trademark certification by testing their product at the beginning and then they are allowed to use the Trademark. It was not mentioned anywhere that the products / batches are tested whenever a company would like to use the CP label. Noted that the quality testing is out of scope for PETS project.
78	Para 56	I disagree with the remark of the Evaluation team under clause- 2.1.3 (Achievement of Results) Page-25, S.No: 56 - "Quality testing is done only at	Addressed. Replaced 'membership' with 'issuing of

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		the time of approval of membership". NPIA membership is granted to entrepreneurs as per the provisions of the "Constitution of Association" which has different eligibility criteria. The membership is not granted on the result of the quality testing of samples of their product line. The use of CP trademark by NPIA members is regulated and the members are allowed to use the CP trademark only if the test results of their raw materials and products of the particular production batch intended for the use of CP trademark is positive. NPIA has never claimed that the "Chyangra Pashmina trademark" is issued to or should be used by only those products that are manufactured from the fibers obtained from the Himalayan mountain goats of Nepal. "Chyangra" is the Nepali name of the mountain goat (*capra hircus lanigar*). The CP trademark can be issued only to NPIA members who comply with a set of stringent quality specifications and standards. I request the evaluation team to amend this statement as it is either a factual error or a misunderstanding by the interviewing team.	Trademark'. Removed point of source of raw material concern.
79	Para 57	The sentence "Hence, use of the tagline – 'High mountain cashmere from Nepal' - looks deceptive" is a wrong interpretation and should be removed as explained in comments above	Addressed. Removed from the report.
80	Para 57	In regards to the evaluation team's remarks pursuant to clause No: 2.1.3 (Achievement of Results) Page-25, S.No: 57- NPIA totally differs from the view. NPIA considers that Nepal produces about 40 M/Tons of Chyangra Pashmina fibers (Please Refer to ITC Report on 'Chyangra Cashmere Products' published on June-September, 2007) under Advisory Services on Export Development of Priority Sectors in Nepal (Project NEP/A1/01A). These fibers goes to Tibet (China) as we do not have sophisticated processing and spinning facilities in Nepal and we buy back the processed/finished yarn from them. The tagline "High Mountain Cashmere from Nepal" represents the cashmere products manufactured in the high mountains of Nepal, not the cashmere fibers from Nepal. NPIA members are not permitted to export or trade in cashmere fibers as such there is no point promoting the cashmere fibers from Nepal. This tagline was selected for creating a story theme for the upcoming branding strategies. Therefore it must not be taken as deceptive or unethical.	Addressed. Removed from the report.
81	Para 56/57	The presence of poor quality pashmina in the market is not a Nepalese problem but a global problem. Hence the reason for introducing the CP trademark backed by the GON. Moreover, the TM	Noted.

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		goes beyond fibre testing and addresses social and environmental good practices in the sector when producing CP products i.e from fibre to end product. Therefore the comment that "The Use of tagline "High mountain cashmere from Nepal" is deceptive fails to understand the full picture and focuses on the fibre source by leaving out the making of these products. The tagline is meant to signal to global buyers and consumers that the product is "Made in Nepal" which is not deceptive but in line with the set of quality standards as expressed in the TM.	
82	Para 59	The sentence "This does not tell how it is ensured that the campaign will reach out to a significant number of consumers who will recognize the CP label as niche luxury product" is misleading and should be removed. The project does NOT target the consumer level with its CP branding activities; this is clearly spelled out in the project document and in various other communications and reports. The project only targets professional buyers in target markets! As such para 59 could be removed entirely!	Addressed: Removed the part "This does not tell how it is ensured that the campaign will reach out to a significant number of consumers who will recognize the CP label as niche luxury product""
83	Para 60	While it is a good recommendation to gather knowledge among all projects implemented under NIU the causality that this improves the monitoring system is not logical. This para needs to be reformulated.	Addressed. Effective coordination and risk assessment can be shared among projects
84	Page 26-27, par 61-64	From the table of budget and expenditure outlay, it seems that most of the funds were spent on contracts, travel and staff. It will add value for the evaluator to conduct a value for money analysis. For instance, what is the cost per output ratio? From qualitative results presented in this report, most of the activities are either ongoing or not undertaken while an expenditure of first allocation stands at 100.32%. Is there a link between results and expenditure or is there a disconnect?	Value for money analysis is outside the scope mentioned in ToR. As mentioned in **Question/ Comment** on Sr. No 61 referencing first allocation is not recommended. Link between results and expenditure cannot be accessed due to reason mentioned in Sr. No. 76
85	Page 27, Par 62	If the objectives of this project are to be achieved and considering what is to be done in relation to the budget, training should be key. Based on the analysis of the evaluators in this report with emphasis on capacitating the NPIA, the reallocation of unspent funds from heads like Training & Workshop to subcontract is questionable and may not augur well for the required results of the project. A review of this par 62 is advised for a more appropriate budget review/reallocation advice in light of the current project implementation status and potential of achieving results.	Addressed Removed the reallocation recommendation.
86	Para 62	This para gives a wrong interpretation of the financial rules of the EIF and is therefore misleading. What counts is the expenditure against the total budget and not the first allocation. As such the BL was not overspent.	Addressed: Removed the first allocation column.

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		But this is in any case history as a budget revision was already approved by the TFM with a new budget allocation that takes these concerns into account. The lasts financial figures from May 2016 are given below: | Category	Description	Total Budget (USD)	Expenditures 2013 (USD)	Expenditures 2014 (USD)
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71200	Int. Experts	410,000.00	-	64,151.55
71300	Support Staff	50,000.00		6,431.75
71400	National Experts	420,000.00	-	39,813.81
71600	Travel and Missions	307,900.00	5,292.19	69,125.33
72100	Subcontracts	206,000.00	-	26,916.27
72200	Equipment	35,000.00	-	9,700.39
72600	Grants	54,000.00	-	-
74100	Prof. Services	-	-	-
73100	Premises	-	-	-
75700	Training & Workshops	190,000.00	-	7,037.40
53.01	Sundry	66,916.00	7.60	1,221.70
	Subtotal	1,739,816.00	5,299.79	224,398.16
56.07	Support costs	121,787.12	370.99	15,690.72		
87	Para 63	Pls explain how you come to the conclusion that the project suffers from a staff crunch as no analysis was presented in this regard? In ITC's view having a PSC and a support staff is more than enough to implement the project in the field. Both will be fine to ensure efficiency and effectiveness of the project. In our view any possible problem rather lies with NPIA and its ineffectiveness to absorb the project due to its weak secretariat. If the secretariat were strong 2 staff at project level was more than enough. The problem lies with the fact that project staff are asked to do NPIA secretarial work rather than focusing on the project. To support NPIA it was already agreed by Focal Points in September last year to recruit someone to assist NPIA to increase its absorption capacity. Unfortunately, however, NPIA did not yet come up with a ToR or proposal to do so. Therefore, suggest substantially reformulating and rectifying this paragraph.	Addressed: Added explanation and mention "To support NPIA it was already agreed by Focal Points in September last year to recruit someone to assist NPIA to increase its absorption capacity. Unfortunately, however, NPIA did not yet come up with a ToR or proposal to do so."
88	Page 27, Par 64	Substantiating the following statement with further probe by the evaluators or example of the cost analysis will add value to this report: One of the good initiative by the project team is that they have started to analyze the costs of major events separately. These expenditures are big share of the project budget. This separate analysis would help the project team to improve project efficiency.	Addressed Added costing of events on page 31
89	Para 65	The offer received to implement this activity was extremely high. In this regard and noting the fact that this was an additional activity the PSC meeting deemed important to create a backward linkage-a decision was made to further investigate the matter following the value chain study visit in Mustang. Plus, what is the justification to reallocate fund from workshop and training?	Addressed: Removed the paragraph
90	Page 28,	Please substantiate this statement	This is based on

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	par 68	The direct beneficiaries of the project have demonstrated an increase in CP export revenues by 23%, due to which there has been an increase in overall revenues by 21%. From what level. That is what the baseline is? What was the initial revenue that has increased by 23%. How much was exported and what price before the project and how much is exported now and at what price. Is the project the key determining factor for this change?	response of direct beneficiaries. They have provided this information during the interview. It is requested to read the full 3 paragraphs to understand the meaning. Para 68 is not be read in isolation
91	Page 28, par 69	This in a way contradicts par 68. Here over half of beneficiaries see no change while par 68 assumes all direct beneficiaries are gaining. Clarity is necessary here.	Addressed This is an average calculation. Made changes in the text.
92	Page 28, par 70	How can par 70 be related to par 68? Contradictory or supportive?	Para 68 is an average calculation based on revenues quoted by the CP enterprises
93	Page 28, Chart	Please state source of data and provide which is the right title of the graph. Is the x-axis about 18 beneficiaries or company or enterprises? Is it a subgroup of the 24 CP enterprises noted in par 69?	Yes these 18 are sub group of 24 respondents. Other 6 respondents did not provide information.
94	Para 70	ITC agrees that it is important to share knowledge and market intelligence gained by directly supported and other enterprises. However, the sentence "Currently, there are no activities observed which ensure that the experience and knowledge is shared with other CP Companies as planned in the project document" is false. In fact after each trade fair there is not only a report elaborated and shared with all members and other stakeholders but also a dissemination workshop organized. The evaluators from the FACTS team were invited to one of those workshops on 31 May 2016. Unfortunately they only came for the dinner afterwards. Moreover, all not directly supported enterprises are always invited to all trainings by consultants, Namuna and other institutions. Thus, the project offers ample possibilities for not directly sponsored companies. The problem is that these enterprises do not show much interest and that NPIA is not able to mobilize them! It is not the responsibility of the project but rather NPIA to do so! Finally, the reports elaborated, we believe, are very much relevant for companies. If the evaluators feel they are not relevant kindly share your analysis of why they are not relevant refereeing to the 2 reports on Magic, Hong Kong as well as Japan! The project is open to receive additional clearly formulated suggestions on how to further engage	Addressed: We agree that these are very relevant documents and workshops but the comment is directed to the model of 'one-to-one-to-many' mentioned in programme document in which CP enterprises learn from each other. There might be one to one interaction during these workshops however one to one interactions of CP enterprises needs much more focused, as most CP enterprises consider others as competitors and not as collaborators. Moreover, if the CP enterprises are do not show interest or NPIA is not able to mobilise them, project should make relevant changes in the implementation model.

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		non directly sponsored companies.	
95	Para 71	The evaluation team seems more focused on the projects' activities in the supply chain side related to backward linkages while this activity is only an 'Add-on' activity to the broad project's objective as mentioned in clause - 2.1.4 **(Attainment of Objectives)** Page-28, S.No: 71. The scope of this activity was limited to commence study in some of the potential remote Himalayan districts (Mustang, Manang, Dolpa, etc.) and establish institutional networking with local farmers for incessant supply of Chyangra Pashmina fibers. As a result of such study NPIA has succeeded in including the 'Chyangra Livestock Project' in all the 16 Himalayan districts of Nepal bordering Tibet under 'Nepal Livestock Sector Innovation Project' financed by the World Bank.	Noted:
96	Para 76	The projects concept, outline and logframe does not foresee any activities on CP goat farming. Some activities were incorporated to accommodate the keen interest of some stakeholders to do so only on a pilot basis. If the evaluators now recommend accelerating further activities in this regard this will have further implications for which the evaluators should provide an analysis. This includes: • A revision of outputs and activities • A revision of the logframe • A revision of the workplan and corresponding budget i.e. if additional activities on goat farming are foreseen some other activities needed to be canceled as wit the existing budget not all activities could be carried out!	Noted. Removed from the report.
97	Section 2.2, pages 30-33	While color coding is great, please provide legend to it and percentage achievement of the outcomes	Addressed Added the legend.
98	Page 32 para 77, page 33 para 80 and page 35 opara 87e	In these parts of the report you give different figures of how many students were actually placed as interns in companies: Pls clarify whether it were 21, 16 or 15	Addressed 16 students
99	Page 34, Par 84	What does this mean? Thus, PETS Project cannot be attributed for not engaging in the child labor. Do you mean PETS project do not engage Child labor or they do?	Addressed Language was misleading hence changed. PETS project do not engage in child labor
100	Page 34, Par 88	Is this really shown at this stage of the MTE? See also 87(d)- Does it support or contradict 86.	We have removed Para 86 as it is not related to the project.
101	Para 79	Remove the word trader and replace by enterprises	Addressed
102	Para 80	"It was observed that the quality of experience of both from interns and companies are not as	Addressed

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		expected. It is recommended that internships should be planned in a better way to ensure better results": please provide some analysis of why it was not working well and give clear recommendations on how it could be implemented in a better way.	Added explanation and clear recommendations
103	Page 34 para 81	"Outcome 3 can only be achieved with longer term investment of resources and increased number of activities". This is a blunt statement and lacks any analysis. Kindly substantiated this statement with facts keeping in mind that outcome 3 is entirely geared towards professional buyers only and not the wide public as stated in the project document.	Addressed Removed the comment "Outcome 3 can only be achieved with longer term investment of resources and increased number of activities"
104	Para 83	Remove EIF Focal Point and replace it by ITC Focal Point	Explained in Sr. no 24
105	Para 84	This is a very serious statement: First, it implies that the reason child labor is not present in the CP sector is attributed to the fragile nature of the raw material and the final product? Second, how does this lead to the conclusion that PETS project "cannot be attributed for not engaging in CL" does the project claim in any way to tackle this issue?.	Addressed Changed language and removed statement on attribution.
106	Para 84	The causality to state that there is no child labour does not make sense. How can one say that due to the raw material and the product itself there is no child labour? Would this mean that there would be child labour if it were other products or raw material. While there is no evidence of child labour the finding needs to be spelled out clearly!	Addressed: Same as sr. No 99
107	Page 36, Figure 5 and 6,	Avoid double titles of charts	Addressed Removed double titles
108	Sections 3 and 4, pages 39 to 45	A forum for all key players to discuss the lessons and recommendations will be a good foundation for translating the recommendations into action and move the project to improved implementation in the post MTE /NCE phase.	The closure meeting is scheduled for the second week of August in Kathmandu. The objective of this meeting is exactly the same as recommended by you.
109	Para 86	How? And how is this relevant in the context of this evaluation report	Removed the statement
110	Para 87c	Did the evaluators have a follow up question on this- for example-who from theses enterprise participated in a trade fair? And who in the preparatory meetings. Could this be a case where these individuals were appointed to go to the trade fairs? Statements such as these raise more questions as it lacks clarity	Addressed Statement deleted As team had interacted with one representative from each enterprise.
111	Para 88	"The project has a clear **intent** to involve beneficiaries and other key stakeholders in decision making. The development of plan based on supply chain analysis of Pashmina Fibre supply and capacity building of Farmers is another evidence of such **intent**": Pls remove the word intent as the project not only has the intent but actually involves all stakeholders in the decision making process, as clearly pointed out by the report.	Addressed Replaced "intent" with "activities"
112	Para 91	This is a repetition. As outlined above this is based	Addressed

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		on a wrong interpretation of the evaluators and should be removed.	Statement removed
113	Para 94 c)	This is not clear. All project planning and timelines are jointly done by all three focal points. These are done when the ITC Focal Point is in Kathmandu. Thus, be definition and with the full involvement of MoC and NPIA Focal Points all local protocols are adhered to as local Focal Points ensure that this is done!	Removed
114	Under the lesson learned and good practices heading point 94 (d)	Less authority of focal point is not the reason of delay, but consulting with senior officials has supported to build ownership of the Project activities.	We agree with the comment. The recommendation is focused on enhancing follow up mechanism and decision making process.
115	Para 94 d)	There is no Focal Point EIF: There are 3 Focal points as follows: MoC, NPIA and ITC! "However, considering the complexity of decisions to be made, sufficient time should be provided for Focal Points (MOC, EIF ITC and NPIA) to revert and adequate follow-up should be made": this recommendation is not clear: the present practice provide sufficient time for Focal Points to come back on decisions which is set at 5 working days. It is the responsibility of the Focal Points to respect this. If adequate follow-up is to be made by whom should it be done any why?	Explained in Sr No 24
116	Para 95	The first sentence "There has to be a lot more coordination between the stakeholders" is misleading any needs to be reworded. In fact, the project coordination works well with the three Focal Points as pointed out by the report. Project implementation and decision making is inclusive as also pointed out by the evaluation report. The incidence further elaborated was an isolated incidence once the NIU/NECTRADE Programme manager changed while the MoC kept the same project Focal Point who was moved to another department in the Ministry. It is inappropriate to blow up this single incident, especially as it has been resolved already. In no way is this an indication of how stakeholders coordinate.	Addressed. Clarified as 'all' stakeholders. This is a lessons learned section. Thus we think that the point can be mentioned so that this kind of situation is not repeated in future.
117	Under the point 98	Focal points do not need to know much about the ITC rules and therefore this is also not necessary to mention in the report.	Addressed under Sr. No 25
118	Para 99	Three marketing studies were already undertaken under the project with regard to the US, Japan and local market. These were used as inputs to developing the branding strategy. Thus pls remove this para or analyse the studies in detail.	Addressed Statement deleted

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119	Para 100	This is a repetition of earlier statements for which comments were made. As pointed out above the evaluators wrongly interpreted the tagline. Moreover, the text after the tagline clearly spells out that fibres come from cashmere goats not only from Nepal but also other high mountain countries. So no wrong message was given.	Addressed Statement deleted
120	Para 105	The sentence "Coordination and efficient decision making is the key constrain faced by PETS Project" is misleading. In fact and as pointed out in the evaluation report the project follows an inclusive approach. Thus coordination and decision making among the Focal Points is good, even though it could be improved. The actual constraint lies in the fact that once decisions are made either NPIA Board members question the decision made jointly with the NPIA Focal Point or the same happens at MoC level. Thus Focal Points at MoC and NPIA need to be empowered vis-à-vis their own constituencies. This, however, cannot be done by ITC as both entities are sovereign in their own rights. The empowerment needs to come from within each organization.	Removed this constraint.
121	Para 106 a)	This is a wrong statement and needs to be removed/reformulated. In fact, and as pointed out elsewhere in the report, ALL decisions are done jointly with NPIA and MoC through the 3 Focal Points. That means that ALL decisions are made together with NPIA. All entities can suggest any consultant they would like to have and then the three Focal Points will make a joint selection. It is not advisable to allow either party to unilaterally select consultants. Unfortunately NPIA never proposes any consultant. The statement "Even list of CP entrepreneurs who would participate in the international trade fair is finally approved by ITC while NPIA propose the list" is false! ITC always accepted any list of CP entrepreneurs received from NPIA (as there was no need for approving it as long as NPIA could show that a transparent selection process was followed). ITC only requests to receive the list in order to ensure that the details of each enterprise/traveller are registered in the UN system to allow for administrative processing. This statement is to be removed	Addressed. Highlighted dedicated staff issue
122	Para 106b	NPIA takes decisions jointly. To date, ITC has NEVER taken any decisions whatsoever concerning the list of CP entrepreneurs who would patriciate in trade fairs. The list is provided to ITC by NPIA via NPC with the assurance the selection process is transparent and participatory. ITC only process and makes the	Addressed. Removed the comment.

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		necessary arrangement for effective participations. Concerning the participation of NPIA: the agreed upon modality is one representative per institutions with MoC as the exception where high level representation is necessary	
123	Para 107	Elsewhere in the report you mention that the earthquake had an impact on the project of 4-6 months and not only 4 months.	Addressed Corrected to 4 months
124	Para 109	The Medium term Strategy of NPIA provides a capacity assessment of NPIA and its capacities. The evaluators should take note and provide suggestions if this needs to be widened. Moreover, the statement "However, issues like lack of quality full time human resources should be addressed at immediate effect" needs to be qualified. Who would be responsible for this? In ITC's view the project cannot and should not finance a NPIA management position as this would not be sustainable, i.e. NPIA would need to ensure with its own funding that such a position is being created	Addressed Mentioned midterm plan for NPIA. Added reason for recruitment at immediate effect and added a note on who should hire.
125	Para 109c)	Kindly indicate how behavioural change could be initiated!	Addressed Added the group activities added under knowledge sharing for CP entrepreneurs
126	Para 112	Pls remove the sentence "Hence, use of tagline – 'High mountain cashmere from Nepal' looks deceptive" for the reasons explained in earlier comments.	Addressed Removed the statement
127	Para 113	If the evaluators feel that more activities need to be implemented with goat farmers, the evaluators need to provide recommendations with regard to the implications as explained earlier. The projects concept, outline and logframe do not foresee any activities on CP goat farming. Some activities were incorporated to accommodate the keen interest of some stakeholders to do so only on a pilot basis. If the evaluators now recommend accelerating further activities in this regard this will have further implications for which the evaluators should provide an analysis. This includes: • A revision of outputs and activities • A revision of the logframe • A revision of the workplan and corresponding budget i.e. if additional activities on goat farming are foreseen some other activities needed to be cancelled as with the existing budget not all activities could be carried out! Moreover, remove the statement that it should not be ethically to claim the tagline, for the reasons explained above under earlier comments.	Addressed. Updated the point.

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128	Para 114	While we agree that "knowledge of directly assisted beneficiaries needs to be captured and transferred to other beneficiaries in effective manner in terms of lessons learned, knowhow and experiences accumulated", the project did so with shared reports and dissemination workshops. An analysis by the evaluators would have been useful of how far these instruments have been used and how they could be improved. Moreover, additional instruments are expected to be proposed by the evaluators.	Addressed Added analysis and additional instruments
129	Para 119	It would be useful to have more recommendations on how follow up should be done. As such this statement is not useful as constant follow up has not shown any major improvements	Addressed Added information related to escalation point to be nominated
130	Under the recommendation heading point 120	The MoC cannot provide credit guarantee for any investor but only may persuade for it.	Addressed as per Sr. No 16
131	Para 122	It is important to state and outline that this process is done outside of the actual project. NPIA had set up a process well before the project started with testing of products/fabric samples/ raw material by NBSM. It was the understanding of the project that this system functions well as confirmed by NPIA and MoC. If this system does not work well the evaluators needs to provide clear recommendations to NPIA and MoC to fix it. If they feel that the project need to intervene specific activities need to be proposed with a potential budget and the corresponding implications i.e. activity and budget cuts elsewhere in the workplan.	Addressed "Please note that his activity is not under direct scope of PETS Project, however seeing its direct impact on the results of the project, NPIA is recommended to take action. Assistance from project is not recommended."
132	Para 123	Is this under PETS project?	Addressed Same as above
133	Para 124	As commented on earlier the recommendations of a 12 months extension does not add up with the delays indicated by the evaluators which were between 13 and 19 months.	Addressed Changed to 13 months
134	Para 125	The PSC already decided on a project extension of 12 months. The PSC should consider a further extension or reconfirm the 12 months. ITC will then approach the EIF Secretariat for the actual extension to be approved.	It is not a further extension. These 13 months are inclusive of the 12 months extension approved by PCS.
135	Para 126	Remove EIF and replace by ITC Focal Point. Pls note that the ITC Focal Point has full decision making authority and does not need to be further empowered. The last sentence needs clarification and merits a more clearly formulated recommendation.	Please refer to comment in Sr. No. 24
136	Under point 127	Less authority to focal point is not a problem.	Addressed under Sr. No. 25

Sr. No	Recomme ndation / paragraph	Question/ Comment	Evaluation Team Remarks
137	Para 127	This is almost a repetition of para 126 with the same comments. The recommendation "A follow-up mechanism for the project should be set up by Project Manager and the Project Coordinator should provide sufficient time for decision making each time any inputs are sought from any stakeholder" is not clear: the present practice provides for sufficient time for Focal Points to come back on decisions, which is set at 5 working days. It is the responsibility of the Focal Points to respect this. If adequate follow-up is to be made by whom should it be done any why? The NPC already follows up if Focal Points are delayed with their responses!	Regarding time to be given is always 5 days. This time needs to be more flexible as it is not feasible to take decisions within the span for 5 days.
138	Reco 9	Further to the PSC meeting held in Kathmandu early August, we note that the wording of recommendation 9 has been revised, as reflected in the management response. Below is an extract from the management response (pg. 15) regarding this point: "The formulation of this recommendation is rejected as focal points are fully empowered within the limits of its organizational context. The Focal Points, implementation partners and the Evaluation team discussed this recommendation and jointly agreed on the following reformulation of the recommendation, which could be fully accepted: "Expediting the initiation of approved activities, decision making, and ensuring follow-up." The below suggested action points refer to the reformulated recommendation."	Addressed. Related comments across report are also revised.

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- We have prepared this report solely for the purpose of providing select information on a confidential basis to the management of International Trade Centre (ITC), regarding the Midterm Evaluation of Pashmina Enhancement and Trade Support (PETS) project in Nepal carried out by KPMG Advisory Services Pvt. Ltd. and FACTS Research and Analytics Pvt. Ltd. in accordance with the letter of engagement dated March 2nd, 2016 executed between United Nations and us.

- This report sets forth our views based on the completeness and accuracy of the facts stated to KPMG and any assumptions that were included. If any of the facts and assumptions is not complete or accurate, it is imperative that we be informed accordingly, as the inaccuracy or incompleteness thereof could have a material effect on our conclusions.

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Contact us

Narayanan Ramaswamy
Partner and Head, Social Sector Practice,
KPMG Advisory Services Private Limited, India
T: +91 9840078242
E: narayananr@kpmg.com

Manish Jha
General Manager,
FACTS Research and Analytics, Kathmandu, Nepal
T: +977 980 1073775
E: manish@samriddhi.org

Sandeep Kothawade
Manager, Social Sector Practice,
KPMG Advisory Services Private Limited, India
T: +91 9810804360
E: skothawade@kpmg.com

Devashish Dass
Consultant, Social Sector Practice,
KPMG Advisory Services Private Limited, India
T: +91 9823232668
E: devashishdass@kpmg.com