

Lessons from a Meta-evaluation of Aid for Trade

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Overview

- **Goal: evaluate the existing evaluations classified as Aid for Trade (DEReC)**
 - It is **not** a set of original evaluations.
 - Ghana, Vietnam, Transport and storage (Transtor).

- **Three questions:**
 - What do we want to know?
 - What do the evaluations tell us?
 - What needs to be done?

- **Two approaches:**
 - Quantitative: based on the frequency of words in the evaluations (revealed preferences of the evaluators)
 - Qualitative: focuses on the narrow set of evaluations which have a very clear trade component.

- **Conclusion: recommendation.**

The dataset

- Overall set: 162 evaluations; Narrow set: 43 evaluations; 1990-2009.

	Ghana			Vietnam		
	overall	narrow	Period	overall	narrow	Period
A. Data on evaluations						
Number of evaluations	34	13	1999-2009	64	9	1999-2009
Number of pages	3312	1858	1999-2009	5719	814	1999-2009
Average length of evaluations	97	143	1999-2009	89	90	1999-2009
B. Trade data						
Exports (current \$)		5.3	2008		62.7	2008
Imports (current\$)		10.3	2008		80.7	2008
Tariffs						
average applied tariff (%)		13.0	2008		16.8	2008
average bound tariff (%)		92.5	2008		11.4	2008
binding coverage (%)		14.3	2008		100.0	2008
C. Macroeconomic data						
Population (million)		23.3	2008		86.2	2008
GDP (current \$ bio.)		16.1	2008		90.7	2008
GDP (at PPP \$ bio.)		33.9	2008		240.1	2008
GDP/capita (PPP \$)		1454.9	2008		2785.3	2008
Real GDP growth index		153.0	(2000=100)		179.0	(2000=100)
Gross external debt (\$ bio.)		5.8	2008e		23.7	2008e
Public debt (% GDP)		67.5	2008e		44.5	2008e
Economic aid (\$ bio.)		1.65	2006-2009		2.95	2006-2009
D. Poverty data						
Below poverty (% pop.)		28.5	2007		7.8	2009e
Gini index		39.4	2005		37.0	2004

The dataset

- ❑ Trade data suggest that trade policy needs more attention in Ghana than in Vietnam (unbound high tariffs).
- ❑ Macro and poverty data suggest that poverty reduction should be higher on the agenda for Ghana than for Vietnam (lower GDP per capita: growth focus) while sustainability, gender can be higher on the agenda for Vietnam than for Ghana (existing growth allows to open such files).
- ❑ As shown below, evaluations tend to have the opposite focus.

Question 1:

What do we want to know?

- Choice of key words in trade, development, and evaluation techniques.

Trade component	Development component	Procedures and techniques
trade	physical infrastructure	indicator
export	specific regulation	performance
import	regulatory framework	monitoring
trade balance	governance	review
comparative advantage	supply-side constraint	impact assessment
diversification	expenditure	cost efficiency
gains from trade	private sector growth	cost-benefit
trade restriction	technical assistance	short term
tariff	economic growth	long term
quota	competitiveness	discount rate
subsidy	efficiency	counterfactual
technical barriers to trade	effectiveness	control variables
sanitary/phytosanitary standards	sustainability	difference in differences
trade facilitation	poverty reduction	randomization
adjustment policies	gender	
trade assistance		
trade-related technical assistance		
WTO		
regional trade agreements		
preferential trade agreements		

Question 1:

What do we want to know?

- A few reasons behind the coloured words
- Trade:
 - import as a basic concern (the Mexican compressor story),
 - tariffs and quotas (on inputs as well as outputs) as key policy linkages and market structures in the recipient country which have the capacity to annihilate aid (IFC vs. WB),
 - TBT and SPS as key obstacles to be surmounted for exporting,
 - WTO as the superiority of multilateral liberalization because more uniform (less-discriminatory).
- Development:
 - regulations (specific and framework) as key domestic barriers shaping the degree and nature of competition in domestic markets (implicit focus on rules),
 - supply-side constraint, private sector, growth,
 - sustainability (poverty reduction and gender) as a sign of a dynamic reform process.
- Procedures and evaluation techniques:
 - Review and impact assessment: reforms as a dynamic process (Krueger's keynote speech)
 - Discount rate: attention to time.

Question 2: What do the evaluations tell us?: Ghana—the whole picture

	Overall set Ghana		Narrow set Ghana
Expenditures (costs)?	34,2	Expenditures (costs)?	37,9
Effectiveness?	24,8	Exports?	27,7
Sustainability?	24,0	Poverty reduction?	27,7
Poverty reduction?	23,9	Sustainability?	27,1
Broad governance issues?	20,4	Effectiveness?	24,5
Gender gap?	19,2	Gender gap?	22,1
Exports?	15,7	Physical infrastructure problems?	20,5
Technical assistance?	15,5	Technical assistance?	20,4
Physical infrastructure problems?	15,3	Broad governance issues?	18,9
Efficiency?	11,4	Trade?	13,0
Trade?	8,2	Adjustment policies?	12,9
Imports?	6,2	Imports?	10,1
Economic growth?	6,0	Efficiency?	9,7
Specific regulations?	4,7	Economic growth?	8,1
Tariffs?	2,4	Specific regulations?	7,2
Subsidies?	2,2	Tariffs?	3,3
Comparative advantages?	1,8	Diversification?	2,8
Diversification?	1,8	Subsidies?	2,7
Broad regulatory framework?	0,9	Comparative advantages?	1,7
Competitiveness?	0,3	Broad regulatory framework?	1,5
WTO?	0,2	Competitiveness?	0,5
Private sector growth?	0,2	Private sector growth?	0,3
Quotas?	0,2	WTO?	0,3
Trade balance?	0,1	Quotas?	0,2
Trade restrictions?	0,1	Trade balance?	0,1
Adjustment policies?	0,0	Trade facilitation?	0,1
Gains from trade?	0,0	Trade restrictions?	0,1
Preferential trade agreements?	0,0	Gains from trade?	0,0
Regional trade agreements?	0,0	Preferential trade agreements?	0,0
Sanitary and phytosanitary standards?	0,0	Regional trade agreements?	0,0
Supply-side constraints?	0,0	Sanitary and phytosanitary standards?	0,0
Technical barriers to trade?	0,0	Supply-side constraints?	0,0
Trade assistance?	0,0	Technical barriers to trade?	0,0
Trade facilitation?	0,0	Trade assistance?	0,0
Trade-related technical assistance?	0,0	Trade-related technical assistance?	0,0

Question 2: What do the evaluations tell us?: Ghana—the 15 highest occurrences

- ❑ Trade: not much covered and no view on policy linkages
- ❑ Development: high frequencies of words hard to define precisely (operational)

	Overall set		Narrow set
	Ghana		Ghana
Expenditures (costs)?	34,2	Expenditures (costs)?	37,9
Effectiveness?	24,8	Exports?	27,7
Sustainability?	24,0	Poverty reduction?	27,7
Poverty reduction?	23,9	Sustainability?	27,1
Broad governance issues?	20,4	Effectiveness?	24,5
Gender gap?	19,2	Gender gap?	22,1
Exports?	15,7	Physical infrastructure problems?	20,5
Technical assistance?	15,5	Technical assistance?	20,4
Physical infrastructure problems?	15,3	Broad governance issues?	18,9
Efficiency?	11,4	Trade?	13,0
Trade?	8,2	Adjustment policies?	12,9
Imports?	6,2	Imports?	10,1
Economic growth?	6,0	Efficiency?	9,7
Specific regulations?	4,7	Economic growth?	8,1
Tariffs?	2,4	Specific regulations?	7,2

Question 2: What do the evaluations tell us?: Vietnam—the whole picture

	Overall set Vietnam		Narrow set Vietnam
Trade?	31,0	Trade?	159,6
Physical infrastructure problems?	21,7	Exports?	60,9
Poverty reduction?	21,5	Physical infrastructure problems?	46,2
Broad governance issues?	20,3	WTO?	41,5
Gender gap?	20,2	Sustainability?	24,4
Effectiveness?	19,0	Trade facilitation?	23,5
Sustainability?	15,0	Effectiveness?	22,6
Technical assistance?	13,6	Technical assistance?	21,3
Exports?	12,8	Efficiency?	18,7
Efficiency?	11,2	Sanitary and phytosanitary standards?	18,3
Expenditures (costs)?	10,8	Specific regulations?	12,8
Broad regulatory framework?	9,7	Trade assistance?	12,5
Specific regulations?	9,1	Economic growth?	12,4
Tariffs?	8,2	Imports?	12,2
WTO?	6,9	Competitiveness?	12,0
Economic growth?	5,8	Tariffs?	12,0
Imports?	5,6	Technical barriers to trade?	11,4
Adjustment policies?	3,6	Poverty reduction?	8,1
Subsidies?	3,4	Broad governance issues?	6,8
Trade facilitation?	3,3	Gender gap?	6,5
Sanitary and phytosanitary standards?	2,6	Subsidies?	2,8
Competitiveness?	2,4	Adjustment policies?	2,7
Trade assistance?	1,8	Expenditures (costs)?	2,7
Technical barriers to trade?	1,6	Broad regulatory framework?	1,7
Comparative advantages?	1,5	Trade-related technical assistance?	1,6
Diversification?	0,7	Comparative advantages?	1,1
Quotas?	0,5	Diversification?	1,0
Trade-related technical assistance?	0,2	Preferential trade agreements?	0,4
Regional trade agreements?	0,1	Regional trade agreements?	0,4
Preferential trade agreements?	0,0	Private sector growth?	0,2
Trade balance?	0,0	Quotas?	0,1
Gains from trade?	0,0	Trade balance?	0,0
Private sector growth?	0,0	Gains from trade?	0,0
Supply-side constraints?	0,0	Supply-side constraints?	0,0
Trade restrictions?	0,0	Trade restrictions?	0,0

Question 2: What do the evaluations tell us?: Vietnam—the 15 highest occurrences

	<u>Overall set</u>		<u>Narrow set</u>
	Vietnam		Vietnam
Trade?	31,0	Trade?	159,6
Physical infrastructure problems?	21,7	Exports?	60,9
Poverty reduction?	21,5	Physical infrastructure problems?	46,2
Broad governance issues?	20,3	WTO?	41,5
Gender gap?	20,2	Sustainability?	24,4
Effectiveness?	19,0	Trade facilitation?	23,5
Sustainability?	15,0	Effectiveness?	22,6
Technical assistance?	13,6	Technical assistance?	21,3
Exports?	12,8	Efficiency?	18,7
Efficiency?	11,2	Sanitary and phytosanitary standards?	18,3
Expenditures (costs)?	10,8	Specific regulations?	12,8
Broad regulatory framework?	9,7	Trade assistance?	12,5
Specific regulations?	9,1	Economic growth?	12,4
Tariffs?	8,2	Imports?	12,2
WTO?	6,9	Competitiveness?	12,0

Question 2: What do the evaluations tell us?: Transtor—the whole picture

	Overall set		Narrow set
	Transtor		Transtor
Physical infrastructure problems?	38,0	Physical infrastructure problems?	66,5
Sustainability?	26,8	Trade?	43,6
Technical assistance?	26,0	Efficiency?	34,5
Efficiency?	24,0	Sustainability?	33,4
Trade?	22,2	Technical assistance?	28,8
Effectiveness?	16,3	Poverty reduction?	24,6
Expenditures (costs)?	14,7	Effectiveness?	19,1
Poverty reduction?	14,4	Expenditures (costs)?	13,8
Tariffs?	9,9	Tariffs?	12,8
Specific regulations?	9,0	Exports?	12,7
Gender gap?	8,3	Economic growth?	12,4
Exports?	7,9	Trade facilitation?	11,3
Economic growth?	7,9	Specific regulations?	9,5
Broad governance issues?	5,0	Broad governance issues?	8,5
Adjustment policies?	4,0	Imports?	6,5
Imports?	3,9	Adjustment policies?	4,3
Trade facilitation?	3,9	Gender gap?	3,9
Subsidies?	3,1	Subsidies?	3,7
Broad regulatory framework?	1,9	Competitiveness?	2,5
Competitiveness?	1,6	Broad regulatory framework?	2,4
Comparative advantages?	0,7	Comparative advantages?	1,7
WTO?	0,5	WTO?	1,5
Diversification?	0,1	Diversification?	1,0
Private sector growth?	0,1	Private sector growth?	0,1
Quotas?	0,1	Trade assistance?	0,1
Trade balance?	0,0	Trade balance?	0,0
Gains from trade?	0,0	Gains from trade?	0,0
Preferential trade agreements?	0,0	Preferential trade agreements?	0,0
Regional trade agreements?	0,0	Quotas?	0,0
Sanitary and phytosanitary standards?	0,0	Regional trade agreements?	0,0
Supply-side constraints?	0,0	Sanitary and phytosanitary standards?	0,0
Technical barriers to trade?	0,0	Supply-side constraints?	0,0
Trade assistance?	0,0	Technical barriers to trade?	0,0
Trade restrictions?	0,0	Trade restrictions?	0,0
Trade-related technical assistance?	0,0	Trade-related technical assistance?	0,0

Question 2: What do the evaluations tell us?: Transtor—the 15 highest occurrences

	<u>Overall set</u>		<u>Narrow set</u>
	Transtor		Transtor
Physical infrastructure problems?	38,0	Physical infrastructure problems?	66,5
Sustainability?	26,8	Trade?	43,6
Technical assistance?	26,0	Efficiency?	34,5
Efficiency?	24,0	Sustainability?	33,4
Trade?	22,2	Technical assistance?	28,8
Effectiveness?	16,3	Poverty reduction?	24,6
Expenditures (costs)?	14,7	Effectiveness?	19,1
Poverty reduction?	14,4	Expenditures (costs)?	13,8
Tariffs?	9,9	Tariffs?	12,8
Specific regulations?	9,0	Exports?	12,7
Gender gap?	8,3	Economic growth?	12,4
Exports?	7,9	Trade facilitation?	11,3
Economic growth?	7,9	Specific regulations?	9,5
Broad governance issues?	5,0	Broad governance issues?	8,5
Adjustment policies?	4,0	Imports?	6,5
Imports?	3,9	Adjustment policies?	4,3

Question 2 on Donors:

What do the evaluations tell us?: Ghana

- A wide range of frequencies with no systematic pattern among donors (not even for different evaluations for the same donor).

Narrow set of evaluations (13)								
Ghana								
	AfDB	AFD	DANIDA	DFID	EC	WB	All	W. std
Expenditures (costs)?	12.2	8.6	43.3	69.3	26.6	50.0	44.0	0.7
Exports?	29.6	19.0	8.3	4.7	58.9	84.1	17.9	0.9
Poverty reduction?	65.6	0.0	30.7	21.6	89.5	38.6	37.3	0.8
Sustainability?	38.1	19.0	26.2	18.7	45.2	45.5	27.7	0.4
Effectiveness?	19.6	0.0	22.8	40.3	27.4	11.4	26.8	0.7
Gender gap?	25.4	0.0	38.8	12.8	38.7	25.0	26.8	0.6
Physical infrastructure problems?	45.5	0.0	24.2	4.2	37.1	43.2	21.9	0.8
Technical assistance?	6.9	13.8	31.3	14.5	23.4	22.7	20.9	0.5
Broad governance issues?	12.7	0.0	25.4	31.4	33.1	59.1	26.2	0.7
Trade?	2.1	6.9	4.7	9.1	54.0	25.0	11.1	1.2
Adjustment policies?	3.7	0.0	6.5	1.7	7.3	45.5	5.7	1.6
Imports?	5.8	0.0	2.0	2.0	4.0	50.0	4.2	1.8
Efficiency?	33.9	0.0	7.9	18.9	0.0	0.0	13.6	1.4
Economic growth?	17.5	5.2	6.7	4.9	12.1	6.8	8.1	0.6
Specific regulations?	6.9	0.0	15.4	5.2	6.5	13.6	9.5	0.7

Question 2 on Donors:

What do the evaluations tell us?: Vietnam

	Narrow set of evaluations (9)						All	W. std
	Vietnam							
	AsDB	EC	GTZ	SECO	SIDA			
Trade?	167.1	340.4	35.3	199.2	14.1	159.6	0.9	
Exports?	31.4	36.4	13.0	246.2	2.6	60.9	1.5	
Physical infrastructure problems?	90.6	0.0	1.7	13.1	2.6	46.2	1.8	
WTO?	1.3	278.8	0.9	41.5	2.6	41.5	1.9	
Sustainability?	13.0	50.5	31.3	28.5	32.1	24.4	0.4	
Trade facilitation?	47.4	2.0	0.0	2.3	0.0	23.5	2.0	
Effectiveness?	24.2	49.5	5.2	17.7	14.1	22.6	0.8	
Technical assistance?	32.7	26.3	2.6	11.5	1.3	21.3	0.9	
Efficiency?	22.7	41.4	4.3	10.8	3.8	18.7	1.0	
Sanitary and phytosanitary standards?	0.0	78.8	0.0	54.6	0.0	18.3	1.4	
Specific regulations?	11.0	12.1	32.2	6.1	3.8	12.8	0.9	
Trade assistance?	0.0	102.0	0.0	0.8	0.0	12.5	2.2	
Economic growth?	15.6	16.2	1.7	2.3	34.4	12.4	1.0	
Imports?	20.4	11.1	0.0	5.4	1.3	12.2	1.1	
Competitiveness?	6.9	8.1	46.1	6.2	2.6	12.0	1.3	

Question 2 on Donors:

What do the evaluations tell us?: Transtor

Narrow set of evaluations (20)							
Transtor							
	AsDB	AfDB	DANIDA	Japan	WB	All	W. std
Physical infrastructure problems?	55.3	40.6	93.6	94.7	114.1	66.5	0.4
Trade?	51.3	29.4	27.7	0.0	31.1	43.6	0.7
Efficiency?	36.5	31.9	17.0	10.5	33.7	34.5	0.4
Sustainability?	30.5	46.9	21.3	5.3	39.6	33.4	0.6
Technical assistance?	38.0	9.4	8.5	0.0	13.7	28.8	1.0
Poverty reduction?	27.2	5.0	57.4	5.3	23.0	24.6	0.9
Effectiveness?	19.7	25.6	6.4	5.3	15.9	19.1	0.6
Tariffs?	38.0	1.3	2.1	0.0	4.1	12.8	1.8
Exports?	34.1	14.4	8.5	26.3	6.7	12.7	0.7
Economic growth?	13.9	8.8	19.1	21.1	7.8	12.4	0.4
Trade facilitation?	16.9	0.0	0.0	0.0	1.5	11.3	2.0
Specific regulations?	10.1	2.5	12.8	0.0	11.9	9.5	0.8
Broad governance issues?	8.0	0.6	14.9	0.0	14.4	8.5	0.9
Imports?	7.6	10.0	2.1	5.3	1.1	6.5	0.7
Adjustment policies?	3.4	7.5	0.0	0.0	6.7	4.3	1.0

Question 2: Qualitative approach

- Confirms quantitative results.
- Trade impact was never explicitly addressed.
- Policy linkages rarely well defined and substantiated by hard evidence.
- No *ex ante* evaluation (impact assessment) available as a source of robust information and benchmark for *ex post* evaluation.
- Time: the missing factor.

Question 3:

What needs to be done?

- Procedures, economic techniques, econometric techniques.

	Overall set			Narrow set		
	Ghana	Vietnam	Transtor	Ghana	Vietnam	Transtor
Refer to indicator(s)?	20.9	13.9	61.2	15.3	17.0	16.3
Refer to performance(s)?	49.3	28.0	23.0	41.4	31.2	78.9
Refer to monitoring?	28.7	24.4	37.1	25.7	23.0	18.8
Refer to review?	55.0	44.4	18.7	47.2	41.6	38.1
Refer to impact assessment(s)?	1.6	0.7	3.0	2.5	3.8	2.0
Refer to cost-efficiency?	0.1	0.6	0.1	0.2	0.0	0.1
Refer to cost-benefit?	0.6	0.6	0.6	1.1	0.0	0.4
Refer to time horizon: short term?	5.6	4.0	2.2	7.2	2.5	2.0
Refer to time horizon: long term?	13.8	12.3	9.2	16.8	8.7	11.3
Refer to discount rate?	0.1	0.2	0.2	0.2	0.2	0.1
Refer to counterfactual(s)?	1.1	1.2	0.3	0.8	0.0	0.3
Refer to control variable?	0.0	0.0	0.2	0.0	0.0	0.0
Refer to differences in differences?	0.0	0.0	0.0	0.0	0.0	0.0
Refer to randomization?	0.0	0.0	0.0	0.0	0.0	0.0

Conclusion (recommendation)

- Two options:
 - Full economic analysis: focus on firms raises questions to the extent that it is dominated by existing stakeholders, tends to ignore (by construction) mavericks and opportunists.
 - More « operational » analysis: focus on rules more than on outcomes on the assumption that « good » rules should on average bring « good » results.
- Key constraints:
 - need for domestic and independent institutions.
 - cost dimension.
- Using Australian Office of Best Practice Regulation (OBPR) framework as a basis for new guidelines on evaluations on Aid for Trade .

Conclusion (recommendation)

Step 1. Identifying the problem

- 1.1. markets concerned ('relevant' markets)
- 1.2. market failure
- 1.3. regulatory failure
- 1.4. unacceptable risk
- 1.4. social goals
- 1.5. assessing the consequences of no action

Step 2. Defining the objectives of government action

- 2.1. defining the objective
- 2.2. defining the outcome

Step 3. Examining the options that may achieve the objective/outcome

- 3.1. no action
- 3.2. market-based instruments
- 3.3. subsidies, taxes
- 3.4. is there a regulatory option?
- 3.5. is there other possible options?

Step 4. Impact analysis – costs, benefits and risks

- 4.1. who is affected by the problem?
- 4.2. who is likely to be affected by proposed solutions?
- 4.3. costs
 - to producers
 - to consumers
 - to the community and/or environment
 - to governments
- 4.4. Benefits
 - to producers
 - to consumers
 - to the community and/or environment
 - to governments
- 4.5. Analyzing risk
- 4.5. A few key additional points
 - competition assessment
 - effect on small businesses
 - effect on trade
 - ecologically sustainable development
 - deviation for international standards
- 4.6. Quantifying the impacts where significant
 - valuing costs and benefits where there is no market
 - discounting
 - sensitive analysis
 - quantifying the compliance costs

Step 5. Consultation

Step 6. Conclusion and recommended option

Step 7. Implementation

Step 8. Review



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Thank You for Your Attention

