



**MEASURING AID-FOR-TRADE RESULTS  
AT THE COUNTRY LEVEL**

**OECD EXPERTS MEETING ON INDICATORS**

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# IDB Aid for Trade Fund

- ◆ Fund established in 2009, operational in 2010.
- ◆ A Multidonor Trust Fund, created as a Strategic Thematic Fund under the new IDB Framework for Technical Cooperation
- ◆ Fund financed primarily with donors contributions... but additional resources from the net income of the ordinary capital of the Bank currently being explored as way to expand Fund activities to enhance South-South cooperation in AfT.

# IDB Aid for Trade Fund

Fund rests on the following considerations:

- Need for the Bank to work in coordination to mobilize the multi-sectoral expertise across different stakeholders (government, non-governmental, and private sector);
- Need for strengthened coordination and partnerships with multilateral and regional organizations and donor agencies;
- Need for flexibility to work with beneficiaries in the public and private sectors;
- Need for ability to work at the national and regional levels, including assistance through regional economic organizations

# Managing for results: initial considerations

- ◆ Need to define clear specific objectives and verifiable outputs, outcomes and impact at the outset of the program.
  - ◆ *-narrowing scope of the Fund by targeting specific areas /countries where resources will be focused based on demand and more urgent needs/challenges in LA*
  - ◆ *Good identification and assessment of existing baseline*
  - ◆ *Aligning actual programming of the Fund with agreed targeted results*

# Managing for results: initial considerations

- ◆ Developing a results reporting system, which is consulted and discussed with partner countries and Bank experts working on the field;
- ◆ Being realistic and selective in what to measure and how to measure;
- ◆ Ensuring project monitoring systems are in place and able to assess periodically project and program performance against defined targets;
- ◆ Assigning resources (human and financial) to improve data availability, project monitoring systems and evaluation

# General Objective

**Strengthen LAC governments and the private sector's capacity to integrate into the global economy and to benefit from liberalized trade and increased market access.**

## ◆ Expected Results

- 1) Sound and inclusive design and implementation of trade and integration-related policies and regulatory frameworks.
- 2) Deepening of a business-friendly environment enabling export-led growth and the provision of public goods, complementary to large scale infrastructure investments, needed by the private sector to take advantage of market access opportunities.
- 3) Reduction of trade costs generated by frictions due to imperfect integration of local and national markets.
- 4) Identification, design, and implementation of complementary policies needed to promote deeper integration into global markets, strengthen the consensus on trade liberalization and facilitate the transition to a more equitable distribution of the gains from trade.

# Three thematic priorities...

## Improve Trade Policy Making

- Enhance institutional capacity to implement trade agreements
- Strengthen public-private sector policy dialogue on trade policy
- Increase private sector understanding of trade agreements and market access opportunities

## Streamline Trade Facilitation and reduce transactions costs

- Support Customs Reform and Modernization
- Enhance trade logistics
- Increase automation and interconnectivity
- Increase availability of hard data

## Support to meet export market standards

- Promote compliance with international standards and best practices
- Support economic integration through standards harmonization
- Enhance agricultural export value chain development and increase participation of SMEs

# ...and focusing on specific cross-cutting issues

## Mainstream Gender and Environment in AfT

- Promoting the inclusion of a gender and environment focus within the Fund
- Increase dialogue, strategic alliances, coordination and awareness

## Increase South-South Cooperation

- Enhance monitoring of south-south AfT flows in the region
- Increase south-south cooperation through the development of financial and other incentives/mechanisms



# ...agreeing on concrete short to medium term goals and indicators

## Outcomes

## Indicators

- Promote economic integration by increasing automation and interconnectivity among countries and the use of information and communication technologies

- Increase the flow of goods within countries of the region

- Increase security at borders and along the supply chain

- Increase the availability of hard data on the economic gains of trade facilitation and logistics

- Number of upgrades to customs and logistic infrastructure systems
- Common or harmonized cross border documents and instruments and clearance procedures

Existence of an applied regional international transit of goods system

Number of new /enhanced risk techniques and pre-inspection implemented in priority countries

% of new hard data available as public good/Number of time data and knowledge produced has been used for country strategy, country

# ...agreeing on concrete short to medium term goals and indicators

<b>Outcomes</b>	<b>Possible Indicators</b>
▪ Increase compliance with international standards on food safety	▪ Number of amended laws and regulations to meet international requirements ▪ Number / % of increase of accreditations issued to local business for compliance with international food safety regulations
▪ Promote the adoption of processes in food supply chain according to international best practices	Number / % of increase of business adopting international product traceability standards
▪ Increase knowledge of private sector on supply chain standards	Number / % of increase of domestic firms, particularly SMEs, investing in training
▪ Promote economic integration through harmonization of standards	% of increase of standards for industrial products harmonized

# ...but challenges remain

- ✓ Availability and reliability of data, lack of factual information and evidence-based analysis, including lack of baseline data;
- ✓ Absence or dispersion of information
  - Policy dialogue is weak;
  - Strategic planning and with it, formulation of public policies are severely affected;
  - Governments have problems to prioritize actions and to formulate result-based budget allocation

# ...but challenges remain

- ✓ Attribution and causality: key challenges when measuring long-term impacts.
  - Importance of other factors outside the scope of the program being equally or more important
  - limitations to assess impact against broader objectives
    - time required to observe results;
    - amount of resources dedicated to the program vis-à-vis desired long term impacts

# ...but challenges remain...

- ✓ Engage partner countries and having good monitoring report systems on the ground (*change partner countries mind-set and culture*)
- ✓ Dedicate financial and human resources to managing for results
- ✓ Agreeing on specific target for evaluation at the onset of the projects and programs

# Measuring impact: possible indicators

Contribution of the Program to:

Results	Indicator
Increased market access	World and Regional Trade Statistics
Enhanced economic integration and increased intra-regional trade	Regional Trade and Integration Statistics Databases
Trade Mainstreamed into Development Strategies	National/Regional Development Strategies -OECD AfT Self Assessments
Strengthened contribution of AfT to inclusive growth	-National/Regional Development Strategies

# Maximizing impact...

- ✓ Scaling-up resources;
- ✓ Increasing donor coordination on the ground;
- ✓ Sustainability of expected impact;
- ✓ Potential to contribute to regional integration



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