



EXPERTS MEETING ON INDICATORS: MEASURING AID-FOR-TRADE INDICATORS AT THE COUNTRY LEVEL

-- Summary Report --

The OECD Development Assistance and Trade Committees jointly organised a technical-level meeting on aid-for-trade indicators on 22 October 2010. The meeting brought together Member Country representatives, experts who are responsible for designing aid-for-trade programmes and projects, and agencies that collect and generate trade-related indicators. The objective of the meeting was to review the use of indicators to measure results across various types of aid for trade programmes, and to consider how best to collectively measure and report these results at the country level. In particular, it addressed three questions:

- (1) What is the demand and supply of aid-for-trade indicators?
- (2) Which indicators to select?
- (3) How do we go forward?

1) What is the demand and supply of aid-for-trade indicators?

Demands for indicators to monitor and evaluate aid-for-trade projects and programmes were articulated by presentations from representatives of the Government of Vietnam and the European Commission. Participants were reminded that there was a growing demand for and focus on results in aid for trade. This need for results was particularly pressing considering the significant additional resources that had been directed toward aid for trade over the past five years. However, because aid for trade, as an umbrella concept, covered a wide range of activities – each with different objectives, some not even strictly or exclusively trade-related – most participants shared the view that such a task of quantifying and measuring results was rather complicated.

Moreover, it was generally acknowledged that the harmonisation of the use of indicators was neither feasible nor desirable given differences in operational needs and strategic priorities of different donor and partner countries. There was consensus around the idea to establish a menu of indicators drawn from the existing sources. The menu of indicators should be representative of the key characteristics of aid for trade – as defined by the WTO Task Force – and be subject to periodic improvements as our knowledge base improves.

Several participants noted that there were countless indicators related to aid for trade which had been generated and used in recent years. This session ended with presentations (*via* videoconference) from two such institutions that produced these indicators. The International Trade Centre and the World Economic Forum informed the meeting about their respective trade-related indicators and indices and described how they were developed.

2) Which indicators to select?

At what level should the results be measured? Participants generally agreed with the proposal of focusing on outcomes or measuring “intermediate” effects of aid-for-trade activities. But a number of participants also expressed concerns about the problem of attribution or the “missing middle” that donors were often confronted with – *i.e.* the further we moved away from specific output results to higher-level results, the more difficult it would become to attribute those results to a specific donor intervention. A few outputs might result in several outcomes and even more impacts. The complexity of assessing the impact of individual donor projects on the country’s overall trade capacities and performance was identified as a key methodological challenge and a dimension that needed to be “chewed over” more closely as this work advances forward.

This session informed participants about what some donors were doing to improve their results management systems and how they applied indicators to measure progress. In particular, presentations were made by agencies that had already gone through, or were going through, the process of selecting indicators for results management. The Donor Committee on Enterprise Development shared the experience – and the challenges it encountered in the process – of agreeing on ‘universal’ indicators for private sector development. The Inter-American Development Bank focused on its ongoing process of developing a results framework for its Aid-for-Trade Fund and shared some of its early reflections regarding the use of indicators.

3) How do we go forward?

Following a full day of brainstorming, the following outcomes emerged to move this work forward.

- All agreed that indicators to monitor aid-for-trade results were needed and that it would be useful to have a menu of these indicators for measuring progress during the implementation as well as for *ex-post* evaluations. Some participants highlighted that narratives about results were also needed for political reasons. This would help facilitate the dialogue with taxpayers and beneficiaries.
- Nobody wished for a “one-size-fits-all” menu of indicators, neither at the country level nor for the whole Aid-for-Trade Initiative. Rather, there was a preference for developing a menu of indicators for programmes and projects. It was also strongly emphasised that partner countries and donors in the field – *i.e.* the eventual users of these indicators – were to be involved in the process.
- It was agreed to select these programme-level indicators through a number of pilot studies in partner countries. The OECD Secretariat would develop a proposal for the pilot studies and a road map to take this work forward.