Aid for Trade Indicators

The European Commission experience

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EuropeAid - Business, Trade and Regional Integration
Paris, 22nd October 2010
Indicators – what are we talking about?

• Indicators useful but related to a context:
  What to measure and why?

• Assessing progress on Aid for Trade at different levels:
  - “Global” level (ex. donor Aid for Trade strategy)
  - Country level
  - Programme/project level
From programmes to country-level performance

Country-level trade strategy
(increased trade, job creation, growth...)

- Project A (donor x on transport)
- Project B (donor Y on trade policy)
- Project C (donor z on customs)
- Project D (partner country on industrial parks)

Private sector investments
(domestic, FDI)

External factors
(financial crisis, fluctuation in commodity prices, trade policies...)

Private sector investments
(domestic, FDI)
Example of intervention logic in the road sector

**Output Clusters**

- Infrastructure (construction/maintenance)
- Institutional Reform
- Economic
- Environment
- Social

**Results (Outcomes)**

- Lower Road Transport Time
- Lower Road Transport Costs
- Improved Institutional Management of Road System
- Increased Employment

**Specific Impacts**

- Greater Economic Accessibility
- Greater Accessibility to Social Services
- Environmental Impacts of Roads Minimised
- Enhanced Safety & Health Linked to Roads

**Intermediate Impacts**

- Improved Conditions for Economic Growth
- Enhanced Human Capacity

**Global Impacts**

- Economic Growth
- Poverty Reduction
- Social Development

Enhanced Human Capacity
Example of the road sector: short-term outcome indicators

**Output Clusters**

- **Infrastructure (construction/maintenance)**
- **Institutional Reform**
- **Economic**

**Results (Outcomes)**

- Lower Road Transport Time
- Lower Road Transport Costs
- Improved Institutional Management of Road System
- Increased Employment

**Indicators**

1. Travel Times
2. Transportation costs
3. Implementation and enforcement of laws related to roads
4. Employment resulting from construction and maintenance of roads
Example of the road sector: “Medium term” outcome indicators

Output Clusters

- Infrastructure (construction/maintenance)
- Institutional Reform
- Economic
- Environment
- Social

Results (Outcomes)

- Lower Road Transport Time
- Lower Road Transport Costs
- Improved Institutional Management of Road System

Specific Impacts

- Greater Economic Accessibility
- Greater Accessibility to Social Services
- Environmental Impacts of Roads Minimised
- Enhanced Safety & Health Linked to Roads

Indicators

1. Access to roads
2. Use of public transportation
3. Business productivity
4. Access to social services
5. Environmental effects of road system
6. Access to roads
7. Use of public transportation
8. Business productivity
9. Access to social services
10. Environmental effects of road system
11. Disease transmissions influenced by improved mobility
Trade and Private Sector Development: examples of programme indicators

<table>
<thead>
<tr>
<th>Results</th>
<th>Indicators</th>
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<tbody>
<tr>
<td>The BDS market is developed and expanded</td>
<td>- Market size, demand: Number of MSMEs purchasing BDS</td>
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<tr>
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<td>- Market size, supply: Amount of annual sales of BDS</td>
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<td>- Market penetration: % of MSMEs accessing BDS services</td>
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<td>Processes to register and to close a business</td>
<td>- Reduction in no. days required to register/ to close a business</td>
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<td>shortened and simplified</td>
<td>- Reduction in the no of documents and procedures required to register / to close a business</td>
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<td>- Reduction in costs (fees to be paid) to register/ to close a business</td>
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<td>IPR institutional capacity building</td>
<td>- Number of officials trained in search and examination techniques and provided with automation tools</td>
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<td>- Increase in registrations in Trademark, Industrial Designs and other Databases</td>
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Aligning indicators to trade strategies: the sector approach

- Sector approach ensures appropriate alignment

- Sector strategies vary significantly across countries (no standard)

- “Sector” definition broad and partner country focus specific to identified priorities

- Indicators: mix of process and output/outcome indicators in policy dialogue
## Indicators – Ghana example, Key PSD indicators

<table>
<thead>
<tr>
<th>Purpose/Output</th>
<th>Performance indicator</th>
<th>Baseline N</th>
<th>N+1</th>
<th>N+2</th>
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<td>WB CPIA scores for competitiveness</td>
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<td>Competence</td>
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<tr>
<td>and capacity</td>
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<td>Government</td>
<td>Number of IO participating in policy formulation</td>
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<td>5</td>
<td>10</td>
<td><a href="http://www.busac.org">www.busac.org</a></td>
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<td>capacity</td>
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*WB CPIA: World Bank Country Policy Assessment*
Indicators – Dominica example, Key PSD indicators

P1: First draft of National Investment Strategy launched,. (strategy not in place at the time of the preparation of the GBS)

   Final draft of NIS adopted.

P2 An Action plan for the Restructuring of National Development Corporation approved by Cabinet,.

   Legislative instruments for the new structure of the NDC approved by Cabinet.

P3: A framework for the Investment Promotion Authority operational approved by Cabinet.

   IPA fully operational with staff in place.

P4: Days to process investment reduced from 60-30 days verified by the PCU Reports/Reform Management Unit.

   Days to process investment reduced from 30-25 days verified by the PCU Reports/Reform Management Unit.

P5: Modernisation and financing Plan for a semi-autonomous Registry developed,

   Semi-autonomous Registry established.
Aggregating results across projects: the EC experience of standard indicators

Pilot use of standard indicators in 2007-2009

In selected sectors, including road transport:

- % of rural access to roads
- % of road network in good or fair condition
- number of Km maintained, rehabilitated, constructed

Objective to aggregate results from different projects

Mixed results: not sufficiently integrated in national systems, not sufficiently linked to project expected results, lack of “critical mass” of projects, lack of reliable statistics
Issues for discussion

• Variety of results, difficult definition of relevant indicators and quantifying them

• Use of short list challenging (AfT a broad concept)

• Improve the “menu” of indicators?

• Work on indicators per sector (linked to CRS codes)?