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**HOW TO MANAGE FOR RESULTS:
SOME REFLECTIONS ON THE USE OF COMMON INDICATORS**

**Joint Meeting of the Development Assistance Committee and the Working Party of the Trade Committee
on Aid for Trade**

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This document is submitted for COMMENT to the joint meeting of the DAC and the TC/WP under item 3 of the draft agenda [COM/DCD/TAD/A(2010)4/PROV].

By building on the scoping paper [COM/DCD/TAD(2009)4/REV1], this paper aims to further the discussion on how to monitor results in aid for trade by focusing on the role of indicators (on what to measure). In particular, it examines whether there is much to gain from establishing a harmonised approach to results measurement in aid for trade via the use of a limited set of common indicators at the outcome level.

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EXECUTIVE SUMMARY

Building upon the scoping paper [COM/DCD/TAD(2009)4/REV1] which presented the ‘how to’ of managing for results, this paper aims to further the discussion by focusing on the measurement dimension of managing for results, i.e. the choice of indicators.

Increasingly bilateral and multilateral donors are putting in place essential building blocks for results-based management to ensure that their activities achieve the desired objectives and targets. They manage *for* results through articulating a chain of results from project inputs, to activities, outputs, outcomes and long-term impacts. The results chain provides a framework within which to monitor and measure expected changes that will result from donor programmes. Key changes described in the results chain are translated into targets and associated indicators for tracking results. Therefore, the selection of indicators is critical for results-based management systems.

When it comes to measuring results at the outcome level, donors and partners alike are often confronted with the problem of attribution, *i.e.* what part of the observed changes have resulted from aid-for-trade activities at the project level? However, despite this unresolved question of attribution, this paper argues that measuring results at the outcome level is essential in order to monitor and show progress towards the goals of the Aid for Trade Initiative.

As targets and results are specific to individual projects and programmes, their associated indicators also vary. Still, there are or should be commonalities between sector or programme level outcomes that can be quantified and aggregated into summary indices for benchmarking and cross-country comparison. A myriad of indicators related to aid for trade have been generated in recent years. This paper illustrates some of those existing indicators and presents the rationale for and the benefit of a harmonised approach towards aid-for-trade results measurement. More specifically, it proposes to establish and agree on a small set of common indicators that measure aid-for-trade outcomes.

As the next step, the paper suggests organising an informal meeting in September to discuss further the validity of the proposal as well as the methodology to arrive at such indicators. This work forms part of the *performance assessment framework* output result of the joint DAC-TC 2009-2010 PWB [COM/DCD/TAD(2008)7] that looks at how best to integrate results-based approaches into aid-for-trade performance assessments. Hence, it will be carried out in tandem with the evaluation work [COM/DCD/TAD(2010)2 & 3] with the objective of consolidating the three outputs into a single final output, a guidance document on how to improve the performance assessment of aid for trade.

HOW TO MANAGE FOR RESULTS: SOME REFLECTIONS ON THE USE OF COMMON INDICATORS

1. Introduction

1. Increasingly DAC donors and multilateral agencies are putting in place management frameworks to ensure that their activities achieve the desired objectives and targets. This implies articulating a chain of results from project inputs, to activities, outputs, outcomes and long-term impacts. The results chain provides a framework within which to monitor and measure expected changes that will result from project activities. Key changes described in the results chain are translated into targets and associated baseline value, and indicators are identified for tracking results at each step in a programme's logic. Therefore, indicators are a critical component of the results-based management systems, enabling donors to integrate measurement of results into all phases of the project or programme implementation.

2. As targets and results are specific to individual programmes and country contexts, partners and donors need to design programme-specific logical frameworks and measure their intended results. Consequently, the types of indicators used will vary between donors and between projects and programmes. However, at the sector level there are (or should be) commonalities between outcomes that can be quantified and aggregated into summary indices for benchmarking and cross-country comparison. By way of monitoring the direction of these key metrics over time, donors and partners can assess the impact of their combined efforts at the sector and country level.

3. In some aid-for-trade sectors, such as building productive capacities, donors are already pursuing this approach by developing focused sets of "universal" indicators to determine the levels of achievements and compare these across countries. As more donors look to develop results frameworks for their aid-for-trade programme, we should seize this opportunity to move toward a harmonised approach to monitoring and reporting aid-for-trade results as stipulated in the Paris Declaration. More importantly, donors and partner countries need to work together to develop a manageable number of indicators in order to avoid "an indicator cloud" descending on partner countries to create "a fog of confusion."¹

4. The objective of this work stream is to enhance performance management through managing for results. The scoping paper [COM/DCD/TAD(2009)4/REV1] outlined the main principles and methods of results-based management, *i.e.* the 'how to' of managing for results. This paper aims to further the discussion by focusing on the role of indicators, *i.e.* 'what to measure.' In particular, it suggests potential benefits of harmonising different results measurement systems in aid for trade.

5. The remainder of this note is structured as follows. The next section briefly discusses the issue of attribution. Section 3 explains the roles and types of indicators for measuring results. Section 4 presents some of the indicators used to track progress in trade-related programmes. Section 5 highlights some of the ongoing efforts to identify aid-for-trade indicators. Section 6 describes the recent effort by the Donor Committee for Enterprise Development to develop common indicators. Section 7 summarises with a

1. "100 indicators of well-being or just one? Stiglitz v Layard" from Duncan Green's *From Poverty to Power* blog site (<http://www.oxfamblogs.org/fp2p/?tag=oeecd>)

proposal for establishing a set of common aid-for-trade indicators. The final section flags a number of issues for discussion on how to proceed with the work.

2. Attributing results

6. Managing for results is about managing and implementing aid in a way that focuses on development outcomes and impacts. However, the further one gets from specific project or activity-level results, the more difficult it becomes to attribute those results. Therefore, when it comes to monitoring results at the outcome level, donors are often confronted with the problem of attribution, *i.e.* what part of the observed changes have resulted from aid-for-trade activities at the project output level? There are several ways to estimate attribution, each varying in their level of sophistication (Table 1). Nevertheless, the complexity of assessing the impact of individual donor projects on the beneficiary's overall trade capacities and performance appear to be a key methodological challenge identified by most evaluators (OECD, 2007).

Table 1. Estimating attribution

Method	Application	Advantages	Disadvantages
Opinions of key informants and expert interviews	May be important when the key change is driven by one person (e.g. politician changing a policy)	Low cost	May be influenced by interviewer; likely to be somewhat subjective.
Comparison of treatment and control group (randomised samples)	When samples are large enough – in measuring changes attributable to one step in the results chain (probably not feasible for the whole model in one trial)	Held by statisticians to be the most reliable way to measure results (albeit based mainly on experiences with simple / single treatments)	Difficult to design and administer if the treatment group is self-selecting (e.g. buying a service). In that case, a randomised sample would need to be refused a service they tried to purchase.
Quasi-experimental design (difference-of-difference: comparing before and after for treatment and control groups)	Often appropriate for pilot efforts and/or measuring attributable changes in one step in the results chain	More approximate, in acknowledging that the control group is not an exact control	Cheaper than randomised controlled trials, but still expensive. Careful design and measurement needed to ensure accuracy. Not valid when the target group is unique, as is often the case with large urban clusters, or when interventions can influence the control group as well as the treatment group.
Participatory approaches (focus groups etc.)	Where the change in behaviour might have been caused by different factors	May be the only way to show attribution in some cases	May be subjective, open to bias (e.g. high subsidies may attract positive ratings, even though not sustainable).
Observation	Where attribution is fairly clear (e.g. resulting from new technology)	Low cost	May not be perceived as convincing – especially where attribution is not obvious.
Regression analysis	Where a wide range of data can be accurately gathered	Can be reasonably accurate if well designed and executed	High level of skill needed; Accuracy relies on identifying and gathering data on other significant factors contributing to the change.
Extrapolation of attribution proven in pilot or case study	Where funds are not available for large-scale measurement	Low cost, relatively convincing	Needs periodic verification by other means (e.g. through surveys or additional case studies).
Trend analysis	Where other large trends are very significant and trends can be reasonably tracked and estimated	Takes into account larger economic and market trends; relatively low cost	Risks assuming that the identified and measured trends are the only (or main) ones applicable; best used, therefore, in combination with other methods.
Case studies analysing behaviour and performance changes at each step of the results chain	Where qualitative understanding is needed, in order to interpret quantitative data	Low cost; can be a good indication of attribution if well designed and executed	May not represent the universe of beneficiaries; can be time consuming; may be influenced by interviews.

Source : DCD, 2010: Table 3, p.33

7. In the case of aid for trade, this problem is compounded by the fact that there are many other variables that may also affect trade performance such as geographical characteristics, legal system, regional effects, income levels, population size and governance (Cali and te Velde, 2009). For this reason it would be impossible to track all of the causal factors that affect the attainment of the higher-level results. Rather, as Toffolon-Weiss *et al.* (1999) explain, “the results-framework approach focuses on key results that can be influenced by the intervention and will contribute to the desired outcome.” Moreover, Elliot (2007) argues that “(...) as long as measure of (...) ultimate development objectives are moving in the desired direction, then donors should not be overly concerned about being able to attribute the results to aid. If the measures are not showing improvement, then closer scrutiny of the effectiveness of aid delivery and implementation, relative to other factors that affect growth, development and poverty is merited.”

8. Therefore, despite the methodological challenge, monitoring results at the outcome level is important to ensure that progress is being made on the ultimate objective of the Aid for Trade Initiative. And this requires, among other things, results-based indicators for continuous monitoring and evaluation – an important component of the results-based management which the rest of this paper will now focus on.

3. Streamlining the concept of indicators

9. What actions are expected to lead to what results? In order to establish the basis for measuring impact, relevant indicators are needed for each step in the result chain (*i.e.* inputs → activity → outputs → outcomes → impacts) to show how changes at each level lead to changes at the next level, ultimately impacting on the long-term development objectives (*e.g.* poverty reduction).²

10. Although donors sometimes use slightly different terms and/or definitions (Figure 1), in general, indicators are classified into three types.

i) Input, Activity and Output indicators

11. Micro-level (*i.e.* Input, Activity and Output) indicators concern narrow, project-related measures. They are used for the project-level management and help to track implementation progress based on benchmarks and baseline data. Indicators at the output level describe and quantify the goods and services produced directly by the implementation of an activity. These results, in turn, represent the building blocks that provide the basis for (and valuable monitoring information on progress towards) the attainment of the desired macro-level (*i.e.* Outcome and Impact) results.

ii) Outcome indicators

12. The country-level results will consist in large part of the targets/objectives achieved by individual projects. Outcome indicators are used to measure the “intermediate” effects of an activity or set of activities and are directly related to the output indicators. Outcome indicators refer to the degree to which results are achieved over time and so can be further classified as short- and medium-term outcomes.

13. *Short-term outcome indicators* are more directly linked (*i.e.* do not need additional intermediate results to understand the linkage) with the short-term changes brought about by the project. These are a set of “lower-level” intermediate results that need to be reached to achieve a longer-term objective. Unlike

2. The DAC defines indicators as a “quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor” (OECD, 2002). They need to be simple but also SMART (specific, measurable, attainable, relevant and time-bound) and comparable across countries (OECD, 2008). Moreover, indicators should be used to “provide approximate answers to a few important questions rather than seek to provide exact answers to many less important questions” (UNDP, undated).

estimating a relationship between aid and growth, the links between aid for trade and trade-related performance are more direct. For example, in terms of aid for transport infrastructure or trade facilitation, improvements in trade costs and competitiveness may be closely linked to the aid provided.

14. *Medium-term outcome indicators* are used to measure medium-term changes brought about by the project on beneficiaries. An intermediate result is a discrete result or outcome essential for the achievement of the final outcome (or another intermediate result critical to achieving the final outcome). For example, changes in trade or investment flows are the expected result of aid for trade at this level of objectives. However, these occur for any number of reasons and the lags between the provision of aid and improved trade performance can be long, making attribution of this result to aid difficult.

iii) *Impact indicators*

15. Impact indicators are used to measure broad-based, long-term changes (directly or indirectly, intended or unintended) brought about by the project on beneficiaries (i.e. ultimate goals, growth and poverty reduction). In the case of the Aid for Trade Initiative, the goals are to “enable developing countries, particularly LDCs, to use trade more effectively to promote growth, development and poverty reduction and to achieve their development objectives, including the Millennium Development Goals (MDGs)” (WTO, 2006). Given such broad-based goals, it will be even harder to trace back clearly to the micro-level aid-for-trade activities. The disaggregated and distributional impact of aid for trade on the poor (including on gender, wherever possible) will also need to be looked at.

Figure 1. Different levels of indicators and terms used

	INPUTS	ACTIVITY	OUTPUTS	OUTCOMES	IMPACTS
EU	Input indicators: Financial, human, material, organisation or regulatory resources mobilised during the implementation of the intervention.	Activity indicators: Implementation and management process.	Output indicators: Goods and services that are delivered under the responsibility of the managers of the intervention.	Results indicators: Immediate effects of the intervention for its direct addressees.	Impact indicators: Far reaching and indirect consequences of the intervention.
MCC		Process Milestone Indicators measure progress towards the completion of project activities; a precursor to the achievement of output indicators and a way to ensure the work plan is proceeding on time to sufficiently guarantee that outcomes will be met as planned.	Output indicators directly measure project activities. They describe and quantify the goods and services produced directly by the implementation of an activity.	Outcome indicators and Objective indicators measure the intermediate (medium- to long-term) effects of an activity or set of activities and are directly related to the output indicators.	Goal indicators measure the economic growth and poverty reduction changes that occur during or after implementation of the programme. For MCC Compacts, goal indicators will almost always be a direct measure of income and/or poverty.
JICA	Input indicators express the resources introduced into the project.	Process indicators express the progress of activities within the project, e.g. indicators showing how much a budget has been depleted.	Output indicators measure the results of the project activities, or the products (goods & services) created by the project, i.e. the outputs of the logic model.	Direct Outcome indicators express direct and short-term changes brought about by the project. Intermediate Outcome indicators express medium-term changes brought about the by project for beneficiaries and society.	Final Outcome indicators express broad-based and long-term changes brought about by the project for beneficiaries and society (also referred to as impact indicators).

Source : Compiled by the author based on EU (2006), MCC (2009) and JICA (2005)

16. Micro-level indicators are used to monitor specific project needs and priorities and thus vary by project. However, there are some commonalities between desired results at the outcome level. This paper focuses mainly on the outcome indicators and the next section describes some of those existing indicators related to aid for trade.

4. Examples of existing trade-related indicators

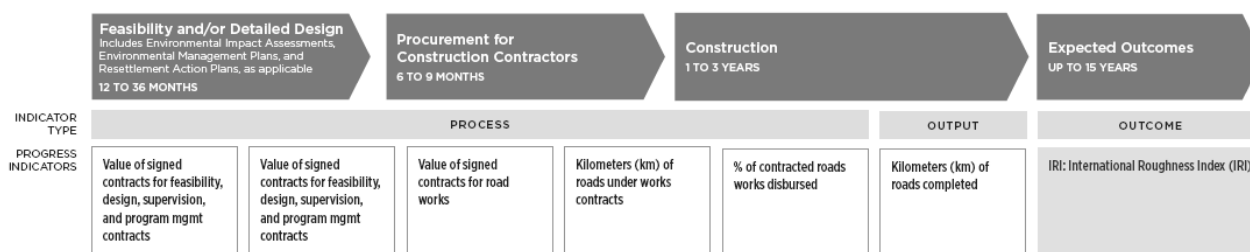
17. Although attribution is a problem, outcome indicators are useful to point towards the direction of changes with which the programme can be associated. While the choice of indicators tend to be driven in part by data availability, a myriad of indicators related to different areas of aid for trade are available today. This section presents some of those existing trade-related indicators, including: those established by certain donor programmes (e.g. the Enhanced Integrated Framework and the U.S. Millennium Challenge Cooperation); those specifically related to certain sectors of aid for trade (e.g. trade facilitation, logistics and infrastructure); and those used for assessing the broader trade enabling environment and performance at the country level (e.g. the Trade Performance Index and the Trade Enabling Index).

4.1 Donor programme-specific indicators

18. There are several donor programmes within the aid-for-trade realm that have adopted approaches to manage for results.

19. For example, the monitoring framework used by the U.S. Millennium Challenge Corporation (MCC) keeps the focus on results throughout the programme development and implementation process, with the aim of providing clarity on what MCC and its partners are expected to achieve (Wiebe, 2008). MCC focuses on objectively measurable outcomes to reduce “the ambiguity and sometimes conflicting objectives that can undermine development assistance” (Wiebe, 2008). Sector-wide “common” indicators (specified at all indicator levels, *i.e.* Activity, Output and Outcome) are employed to measure progress and aggregate results across recipient countries within certain sectors.³ For instance, for monitoring roads project results, MCC uses the following indicators (Figure 2).

Figure 2. MCC roads project progress indicators



Source : MCC web site (<http://www.mcc.gov/mcc/panda/activities/mande/sector/mande-roads.shtml>)

20. The Enhanced Integrated Framework (EIF) has defined explicit targets and corresponding indicators for key results areas at each level of the logical framework (*i.e.* short-term outcomes, medium-term outcomes and impacts).⁴ These indicators are used to aggregate results across all EIF partner countries and assess the overall contribution of EIF to the performance of LDCs (Smith, 2009a). Because the scope and range of each project is specific to the intended results of the project – hence indicators will also vary by project – the EIF monitoring and evaluation framework does not specify project –level output indicators. To illustrate, Table 2 shows the programme-wide indicators proposed for measuring the

3 . <http://www.mcc.gov/mcc/panda/activities/mande/index.shtml>

4 . <http://www.integratedframework.org/news.htm#Monitoring%20and%20Evaluation%20Framework>

medium-term outcomes (expected results).⁵ All EIF countries are expected to work towards the achievement of these results, although means to achieve them can vary.

Table 2. EIF logical framework at the programme level: Medium-term outcome indicators

Medium-term Outcomes	Indicators
LDCs have enhanced capacity to formulate and implement trade-related policies and development strategies	<ul style="list-style-type: none"> • % of LDCs that demonstrate increased capacity to advocate for trade reforms and trade mainstreaming (baseline/present) • % of LDCs where the IF National Implementation Arrangement (NIA) activities/functions are sustainable and continue after Tier 1 projects are completed • % of LDCs that feel their capacity has increased (not at all, somewhat, significantly) • No. of stakeholders that perceive capacity within LDCs have increased (not at all, moderately, significantly)
LDCs effectively mainstream trade policies and strategies into their national development plans and strategies	<ul style="list-style-type: none"> • % of national development plans / PRSPs which incorporate trade priorities identified in DTIS (baseline/present) • Perception of level of integration of trade priorities into national development plans (fair, moderate, weak) (baseline/present) • % and no. of participating countries where (none, some, or many) other government sector strategies make reference to DTIS or recommendations in Action Matrix (e.g. macroeconomic, fiscal, social policy, women, youth, etc.) • % of stakeholders (civil society, private sector, other government departments) that feel DTIS adequately reflects their country's needs
LDCs demonstrate achievement of expected results outlined in their DTIS / Action Plan / country-level frameworks	<ul style="list-style-type: none"> • % of LDCs exceeding, achieving and not achieving the collected expected results outline in their country-level frameworks
Delivery of aid for trade is coordinated in accordance with the identified and prioritised needs of LDCs	<ul style="list-style-type: none"> • \$ and % of trade-related technical assistance leveraged as a result of trade mainstreaming / DTIS process, as identified under categories of trade policy and regulations, trade development, trade-related infrastructure, building productive capacity, trade-related adjustment (baseline to present) • % of LDCs that view donor assistance as better coordinated, matches their identified priorities, and overall meeting their needs (not at all, somewhat, completely)

Source : Smith, 2009b: p.7

4.2 Sector-specific indicators

21. Trade facilitation – one of the aid-for-trade priority areas most frequently identified by developing countries (OECD/WTO, 2009) – is an area where large volumes of data have been collected by different organisations in recent years. Trade facilitation is of great relevance to low-income countries to improve their trade performance. The use of sector outcome indicators enables these countries to better assess which area of trade facilitation leads to higher increases in trade and greatest reductions in trade costs, thus deserving priority.

22. For example, based on data from the 23 OECD countries and Hong Kong, China, OECD constructed a set of specific indicators covering the different dimensions of trade facilitation and tested these for their relevance and robustness (OECD, 2010). The study showed that the greatest impact on trade volumes can be achieved through improvements in the following policy areas: information availability, advance rulings, fees and charges, formalities and procedures; border agency co-operation – internal and external. OECD is also currently developing a services trade restrictiveness index (STRI) by country and by sector to assess the degree to which regulations restrict the international exchange of services. The inter-temporal aspect of these STRI will also provide valuable insights into performance, for example, as a proxy for a country's policy commitment to trade openness.

5. For the rest of the expected results and indicators, see Smith (2009b).

23. The World Bank has generated various indicators on trade facilitation and logistics, namely the Logistics Performance Index and the Trading Across Borders indicators (drawn from the Doing Business database).

24. *The Logistics Performance Index (LPI)* is the international benchmarking tool focused specifically on measuring the trade and transport facilitation “friendliness” of countries.⁶ It reflects the overall perception of a country’s logistics environment based on more than 5,000 individual country assessments made by nearly 1,000 international freight forwarders to compare the trade logistics profiles of 155 countries (World Bank, 2010). LPI summarises the performance of countries in six areas that capture the most important aspects of the current logistics environment: i) Efficiency of the customs clearance process; ii) Quality of transport and transport-related infrastructure; iii) Ease of arranging competitively priced shipments; iv) Competence and quality of logistics services; v) Ability to track and trace consignments; and vi) Frequency with which shipments reach the consignee within the scheduled or expected time. Logistics performance is rated on a scale from one (worst) to five (best). The LPI is used as a key indicator in the logical framework for the new World Bank’s Trade Facilitation Facility.

25. *The Trading Across Borders* indicator series represents a country’s trade facilitation capabilities and consists of objective measures of the trade facilitation environment: i) Number of documents for import and export; ii) Time (in days) for import and export; iii) Cost (USD per container) to import and export.⁷ They focus on red-tape obstacles to the movement of goods across borders and the ease of export and import for small and medium-size enterprises by looking at such things as the number of documents and signatures for imports and exports. It estimates the monetary costs associated with shipping goods from the factory gate to the port, and from ports to retail outlets for a standard container (World Bank Institute, 2010).

26. Although each is designed for a specific purpose and measures a different aspect of the international supply chain, both LPI and the Trading Across Borders indicators correlate in their relative rankings of countries (World Bank, 2010). A number of empirical researches used these indicators to estimate their impact on trade (Box 1).

27. Infrastructure is another major sector closely linked to trade facilitation where large sets of data readily exist. The *Africa Infrastructure Country Diagnostic* programme, for instance, developed a suite of indicators (containing a total of 893 variables) to measure performance in nine major infrastructure sectors (air transport, ICT, irrigation, ports, power, railways, roads, water and sanitation) across 24 African countries.⁸ Quantitative indicators include infrastructure performance measures of access, efficiency, quality, and financial performance, with a focus on infrastructure service providers such as utilities. Qualitative indicators measure the institutional, legal and regulatory frameworks of each sector. These macro-level indicators, taken together, can be used to benchmark and compare performance across countries and time.

6. The LPI database can be accessed at: <http://go.worldbank.org/88X6PU5GV0>

7. The Doing Business can be accessed at: <http://www.doingbusiness.org/>

8. The database can be accessed at: <http://www.infrastructureafrica.org/aicd/tools/data>

Box 1.
**Using indicators to encourage effective aid for trade:
 some evidence from regression analyses**

A number of recent studies used the World Bank's indicators to show that aid for trade facilitation has a significant cost-reducing effect on the costs of handling exports. Using a cross-section gravity model, Hoekman and Nicita (2010) show how domestic trade costs are both statistically and quantitatively significant determinant of trade volume (a more limiting factor for international trade than tariffs). A lack of trade facilitation and related infrastructure (i.e. high trade costs) substantially reduces trade volumes. Improving the LPI of low-income countries to the level observed in high-income countries would increase their trade flows by more than 50%, holding everything else equal. Similar results were obtained for the effect of internal trade costs as captured by the Trading Across Borders indicators for exports and imports: a 10% reduction in the cost associated with importing (or exporting) would increase imports (or exports) by about 5% (Hoekman and Nicita, 2010).

Cali and te Velde (2009) also used the Trading Across Borders indicators to estimate whether aid for trade facilitation had any impact on trade costs. Indeed, in terms of cost to export and import a standard-size container (20-foot container), they estimated that a one million dollars increase in aid for trade facilitation would reduce the "per container" cost of packing, loading and transporting a 20-foot container to the port of departure and unloading it on the vessel or truck by 6% or about USD 70. The return on aid for trade facilitation (aggregated savings) could be substantial when considered more than 7 million 20-foot containers were loaded and unloaded in African ports alone in 2000 (Cali and te Velde, 2009).

In the same study, Cali and te Velde (2009) also measured the impact of aid for trade by matching sub-sets of aid with more specific sector-level changes (or outcome variables). They analysed aid to the different sectors (food production, manufacturing, mineral extraction and tourism) and then related sectoral aid to sector-specific exports to identify: whether sectors in the same country that received more aid for trade experienced relatively faster growth in their exports, or whether exports of a sector grew faster in years in which that sector received relatively higher levels of aid for trade. However, their analysis comes with a caveat; there is the possibility of donors allocating more aid for trade to better performing and/or faster reforming countries relative to others, biasing the impact of that aid, i.e. the endogeneity of aid for trade. Indeed, some recent studies (Brenton and von Uexkull, 2009; Cali and te Velde, 2009) have found that the positive effects of sector or product-specific aid for trade (building productive capacity) on exports appear to coincide with aid allocation skewed towards already well performing sectors.

4.3 *Country-level trade performance indicators*

28. The International Trade Centre developed the *Trade Performance Index (TPI)* with the aim of assessing and monitoring the multi-faceted dimensions of export performance and competitiveness by sector and by country. At present, the TPI covers 184 countries and 14 different export sectors. The index calculates the level of competitiveness and diversification of a particular export sector and compare across countries. In particular, it brings out gains and losses in world market shares and sheds light on the factors causing those changes. Moreover, it monitors the evolution of export diversification for products and markets. The TPI is limited by its purely quantitative approach, although it does provide a systematic overview of a country's sectoral export performance and competitive advantages.

29. For each country and each sector, the TPI provides three types of indicators: i) a general profile; ii) a country position for the latest available year; and iii) changes in export performance in recent years. Altogether, the TPI makes use of around two-dozen quantitative performance indicators. For ease of reference, these indicators are presented in absolute terms and, in addition, ranked among the 184 countries covered by the TPI. Moreover, one composite ranking referring to the overall position of a country and sector is calculated. This composite ranking is based on five criteria, namely value of net exports, per capita exports, world market share, diversification of products and of markets.

30. Since 2008 the World Economic Forum publishes the *Enabling Trade Index (ETI)* in its Global Enabling Trade Report.⁹ The ETI is an aggregate indicator constructed from a range of both hard data and survey data, and focuses on the broader trading environment in a country (World Economic Forum, 2009). In his presentation of the 2009 report, one of the principal authors Professor Robert Z. Lawrence of Harvard University argued that the ETI provided clear country based aid for trade needs.¹⁰

31. The ETI is composed of four sub-indices: i) Market access; ii) Border administration; iii) Transport and communications infrastructure; and iv) Business environment. Each of these sub-indices are, in turn, composed of nine pillars of enabling trade: i) Domestic and foreign market access; ii) Efficiency of customs administration; iii) Efficiency of import-export procedures; iv) Transparency of border administration; v) Availability and quality of transport infrastructure; vi) Availability and quality of transport services; vii) Availability and use of ITCs; viii) Regulatory environment; and ix) Physical security. These pillar indicators are derived from a pool of primary indicators collected from different sources, including the above World Bank indicators (see Annex 2 for the full list).

32. Using a gravity model, the authors of the ETI tested whether the rating of a country in the ETI was correlated with its trade performance (World Economic Forum, 2009). The results of the regression analysis showed that the ETI had notable explanatory power with respect to a country's trade performance. It quantified the effects of improvements in the ETI score on a country's trade performance: a 1% increase in the ETI score in the exporting country was associated with an increase of 1.7% in its exports, holding everything else constant (World Economic Forum, 2009).

33. The World Bank Institute's *World Trade Indicators (WTI)* database, first launched in 2008, is another useful tool that enables countries to benchmark their trade policy and performance and compare across countries and country groupings (e.g. by region, income group, regional trade agreements, etc.).¹¹ It contains a broad set (about 450 variables) of trade-related policy and outcome indicators for 211 countries and territories. It allows donors and partners to identify border and behind-the-border constraints to trade integration. The WTI database is organised around five thematic pillars: i) Trade policy; ii) External environment; iii) Institutional environment; iv) Trade facilitation; and v) Trade outcome.

5 Towards aid-for-trade indicators

34. The idea of developing a set of indicators on aid for trade was first introduced at the first Global Aid for Trade Review in 2007 to assess at a glance the progress being made in achieving the objectives of the Initiative. As a follow-up to this recommendation, an Expert Symposium, organised by the WTO in September 2008, discussed with key stakeholders a set of possible indicators. Furthermore, there was also a general discussion on monitoring, evaluation and the identification of indicators at the November 2008 OECD Policy Dialogue on Aid for Trade.¹²

35. The key to a light but effective monitoring system is to have a clear focus on results. As more donors look to develop results frameworks for their aid-for-trade programmes¹³, working towards a harmonised approach to results measurement with a common set of indicators would enable donors and partners to "add up" impacts across a variety of programmes for benchmarking and for cross-country

9. The 2009 report can be accessed at: http://www.weforum.org/pdf/getr09_dev/GETR09_Fullreport.pdf

10. <http://www.youtube.com/watch?v=uvkZ1zvx4-c>

11. The database can be accessed at: <http://go.worldbank.org/7F01C2NTP0>

12. <http://www.oecd.org/trade/aftdialogue2008>

13. Few donors (DFID, IADB, World Bank) have started to develop results frameworks for their aid-for-trade programmes and strategies.

comparability. This is also in line with the spirit of the Paris Declaration and the Accra Agenda for Action which called for the maximum effort to arrive at harmonised international indicators.

36. In terms of determining indicators that are most relevant, Gamberoni and Newfarmer (2009) identified a set of indicators to measure “potential demand” for aid for trade. First, they identified five key indicators of trade performance. Next, they looked at the causes of poor trade performance, what they defined as trade-related domestic capacity constraints (*i.e.* infrastructure, institutions, and policy-induced price incentives), and identified corresponding indicators. Table 3 lists the resulting sets of aid-for-trade indicators.

Table 3. Indicators to measure potential demand for aid for trade

Dimension	Indicator	Source
Trade performance	Real growth of exports of goods and services	WB, World Trade Indicator
	Change in export market share of goods and services	WB, World Trade Indicator
	Competitiveness effect (change in market share)	ITC, Trade Performance Indicator
	Demand effect (change in market share)	ITC, Trade Performance Indicator
	Index of export concentration (Herfindhal)	WB, World Trade Indicator
Infrastructure	Quality of transport and IT	WB, Logistics Performance Index
Institutions	Efficiency of customs	WB, Logistics Performance Index
	Time to export/import	WB, Doing Business
Incentives	Trade restrictiveness index (tariffs only)	WB, World Trade Indicator
	Share of tariff lines with domestic peaks	WB, World Trade Indicator

Source: Gamberoni and Newfarmer, 2009

37. An alternative framework is presented by Elliot (2007) who proposes a number of potential indicators at the project output level, as well as the outcomes and the impact levels to assess the impact of donor support aimed at addressing supply-side constraints (Table 4).

38. In the light of the broad discussion on indicators taking place in Geneva and elsewhere, the OECD jointly with the WTO launched in its 2009 *Aid for Trade at a Glance* report the aid-for-trade fact sheets.¹⁴ The fact sheet provides an overview of country-specific aid-for-trade priorities, aid-for-trade flows, trade policy and performance. It is a tool meant to enable cross-country comparisons at a glance based on a limited number of indicators drawn from existing sources highlighted above.¹⁵ These indicators, taken together, provide a sense of the progress and challenges at the country level. The fact sheets also complement the individual countries’ self-assessment reports.

39. The presentation of the indicators is, first and foremost, a political tool for assessing overall trends and progress. The fact sheet aims to stimulate and facilitate an in-country dialogue among local stakeholders on how to improve trade performance by focusing attention on aid-for-trade constraints and needs (*i.e.* demand). This will, in turn, promote greater accountability within the country. In addition, the dialogue should also contribute to developing more precise country and programme specific performance indicators and assessment of aid-for-trade commitments and disbursements.

14. http://www.oecd.org/document/5/0,3343,en_2649_34665_39119685_1_1_1_1,00.html

15. Annex 1 provides additional examples of potential indicators for different types of aid-for-trade projects and programmes.

Table 4. Possible indicators for supply-side constraints

Achievement of immediate project goals (Outputs)	Measures of trade costs & competitiveness (Short-term outcomes)	Measures of trade & investment flows (Medium-term outcomes)	Impact on ultimate goals
<ul style="list-style-type: none"> • Km of roads built & maintained • Increases in sea/air port capacity • Increases in access to landlines, cell phones, internet • Access to credit • Reductions in power outages • Access to cold storage, especially in rural areas • Increased compliance with SPS, other international standards • Rationalisation, harmonisation of regulations related to trade, transit in regional trade agreements, especially involving land-locked countries 	<ul style="list-style-type: none"> • Reduction in no of forms required to import/export • Reductions in days for goods to clear customs • Reduction in trade taxes, especially on key technologies, other inputs • Reduction in internal transit time to market, port, or end user • Reduction in total time to get goods to destination • Reduction in the share of output not reaching market due to delivery delays • Competition measured by market shares of top 5 or 10 firms providing logistics, transportation services • Reduction in transportation costs (changes in cif/fob) • Size of inventories held • Effects of aid on exchange rate 	<ul style="list-style-type: none"> • Increased capacity in sectors producing tradable goods and/or services • Increased value-added in tradable goods and/or services sectors • Increased firm-level productivity • Change in global export shared (total & in key sectors) • Diversification of exports (share of top 5 products in total exports) • Increased private investment (foreign or domestic) in and around infrastructure projects and in productive sectors receiving assistance 	<ul style="list-style-type: none"> • Higher employment levels in tradable goods and/or services sector • Increased no of subsistence farmers engaging in market activities (local or export) • Lower shares in economic activity / employment for informal sector • Higher & sustained growth following increases in trade • Higher overall employment if growth stimulated • Reductions in poverty rates

40. The fact sheet is comprised of four main elements or pillars of the logical framework underlying the Aid for Trade Initiative:

- The *first pillar* presents a number of basic socio-economic indicators, including those that provide indication on progress towards the MDGs. Indicators include population, GDP, share of productive sectors in GDP, government budget, aid dependency, poverty, income distribution, gender, and the UNDP Human Development Index country ranking.
- The *second pillar* presents country specific aid-for-trade flow data based on the OECD/DAC Creditor Reporting System (CRS) aid activity database.
- The *third pillar* contains indicators related to the country's trade policy. First, it highlights the extent to which trade is mainstreamed (i.e. integrated) in national development strategies and other strategic plans. Next, it presents the level of trade restrictiveness of imports and exports as a proxy for the policy commitment to trade openness. Finally, the country's progress vis-à-vis the top three aid-for-trade priorities specified in its self-assessment report is assessed based on indicators relevant to those specific priority areas. These indicators range from the quality of infrastructure to the Trade Performance Index. All of these indicators can be considered reliable in predicting the country's future ability to trade – in other words, if governments can improve the policies or conditions on which these indicators are based, they will be in a better position to expand their exports more rapidly and reap the benefits of integration in the multilateral trading system.

- The *fourth pillar* looks at trade performance and provides an overview of the past and current ability to effectively participate in the global market. In addition to export and import growth of both commodities and services, the section presents a sectoral breakdown of data. It also indicates the main destinations and origins of both exports and imports of commodities.

41. There are however three important caveats to note about the fact sheets:

42. *Methodological challenges*: available data do not exactly match the logical framework underlying the Aid-for-Trade Initiative, thereby making it necessary to rely on proxies, which are imperfect and whose selection is open to debate.

43. *Attribution*: The fact sheet does not imply a direct correlation between aid for trade, economic growth and poverty reduction. While aid for trade can improve trade performance – an important engine for economic growth and a powerful instrument for poverty reduction – one needs to bear in mind that the impact of trade on income (and poverty) depends on local conditions and can be positive, negative or neutral.

44. *Time lags*: Implementing aid-for-trade projects and programmes takes time and after completion more time is required to establish impacts. Consequently, the impact of aid for trade may not be immediately felt.

6. A harmonised approach to measuring results (in enterprise development)

45. Faced with the need to show results, the members of the Donor Committee for Enterprise Development (DCED) agreed on developing a common methodology for quantifying and measuring results in private sector development (PSD) programmes in ways that are comparable. The rationales for establishing a common standard for measuring results are to:

- i) Enable implementing organisations to quantify and communicate their achievements in ways which are credible, and which can ultimately be benchmarked;
- ii) Save implementing organisations from having to ‘reinvent the wheel’, wasting time and energy in developing a results measurement system that duplicates what others are doing, and what funding organisations may later ask them to do;
- iii) Enable donors to add together and ‘bulk up’ the results of the initiatives they fund, for example to report to their Parliamentarians and tax-paying constituencies against the MDGs; and,
- iv) Support all involved, including partner organisations, in focusing increasingly on outcomes and impacts, rather than on outputs (DCED, 2010).

46. Consequently, DCED agreed on and established the following three “universal” indicators to be used to determine the level of achievements of the programme. They emphasised limiting the number of universal indicators to only a few. These refer to medium-term indicators and will enable donors and others to aggregate and benchmark impact across different programmes (DCED, 2010).¹⁶ These indicators are recommended to be integrated in the relevant results chains across all participating PSD programmes. However, it is also important to note that such measures can also be subject to external shocks that are beyond a country’s control and thus performance results will need to be adjusted accordingly.

16. In addition, DCED also suggests a number of general indicators for broad application in PSD programmes (Annex 1)

- *Scale*: Number of target enterprises who received a financial benefit as a result of the programme's activities, each year and cumulatively. The programme must define its "target enterprises".
- *Net income*: Additional net income (additional sales minus additional costs) accrued to targeted enterprises as a result of the programme per year. In addition, the programme must explain why this income is likely to be sustainable.
- *Net additional jobs created*: Net additional, full time equivalent jobs created in target enterprises as a result of the programme, per year and cumulatively. "Additional" means jobs created minus jobs lost. The programme must explain why these jobs are likely to be sustainable. Jobs saved or sustained may be reported separately (DCED, 2010).

47. Are there lessons to be learned from the above approach taken by DCED in establishing the common indicators? Can a similar approach be pursued for the work on monitoring results in aid for trade?

7. Conclusion

48. The need to show results in aid for trade is growing, particularly in the light of the significant additional resources that have been directed toward trade-related development activities in recent years [COM/DCD/TAD/RD(2010)4/RD1]. However, at the same time, because the Initiative encompasses a broad range of activities – each with differing objectives, some not even solely trade-related – such task of quantifying and measuring results in aid for trade is also rather complicated. Moreover, as the paper illustrated, there are a myriad of indicators that are being generated and currently used to assess progress towards achieving specific aid-for-trade results.

49. This paper has shown that there is much to gain from establishing a harmonised approach to aid-for-trade results measurement. The main proposal is that there is a considerable benefit in agreeing on a small number of common indicators in key results areas to facilitate a coherent monitoring of the Aid for Trade Initiative. This should be done at the outcome level to allow for the aggregation of results. These common indicators would be systematically integrated in the relevant aid-for-trade results frameworks across all donors. This, in turn, would enable donors and partners alike to aggregate key aid-for-trade results for benchmarking individual countries' trade performance and for cross-country comparability. The aid-for-trade country fact sheet was the first attempt at developing a relative simple framework with a limited set of key indicators. It was presented as an evolving tool and should be further strengthened by focusing on a small but critical set of common indicators.

8. Next steps

50. In order to take this work forward, the Secretariat proposes to convene an informal meeting to continue discussing the validity of establishing a common set of outcome indicators for the monitoring of the Aid for Trade Initiative (similar in ways the aid-for-trade monitoring framework and questionnaire was first developed, see COM/DCD/TAD/M(2007)2/PROV) and what such indicators might be. This informal meeting would be most effective if members, representatives from multilateral/regional institutions and partner country governments – particularly those who are themselves developing their own frameworks for monitoring and evaluating aid for trade – would participate. By working in close co-operation with members and other stakeholders, it should ensure both broad-based support and assistance for the work area as well as avoiding duplication with related work elsewhere.

51. The Secretariat suggests organising this meeting in September, so as to take account of the outcomes of the planned workshop on monitoring and evaluation of aid for trade, to be held at the WTO in

July. Finally this work will also be carried out in tandem with the evaluation work with the objective of consolidating the two outputs into one.

Issues for discussion

- *Do members agree with the above conclusion and the proposed approaches in the next steps?*
- *How should we engage partner countries in the discussion on indicators?*
- *Do members have specific recommendations and suggestions? Are there important issues that need further attention?*

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ANNEX 1 EXAMPLES OF INDICATORS

Trade capacity building

In its 2001 guidelines, *Strengthening Trade Capacity for Development*, the DAC identified a number of indicators for assessing donor support for trade capacity building (OECD, 2001).¹⁷

Objective	Indicator
Enhancing country participation in world trade	<ul style="list-style-type: none"> • What is the country share in world trade (target %)?
Ensuring trade reforms and policy formulation	<ul style="list-style-type: none"> • What reform measures have been undertaken? • What are the implications?
Enhancing human & institutional capacity to participate in the multilateral trading system	<ul style="list-style-type: none"> • How many LDCs are represented in Geneva/Brussels? • How many LDC delegations participate in meetings and negotiations?
Organising trade capacity development activities	<ul style="list-style-type: none"> • What is the scope of participation? • How many firms and sectors are represented?
Enhancing institutional aspects of the implementation of WTO agreements	<ul style="list-style-type: none"> • Are institutions – e.g. enquiry points for the GATS, TBT and SPS agreements – up and operational? • Is the private sector able to comment in a timely manner on most WTO notifications relevant to the country exporters' interests?
Setting up and enhancing institutional capacity for policy formulation and implementation	<ul style="list-style-type: none"> • Are national consultative bodies operational? • Who takes part? • Have strategies been developed for implementation?
Developing access to information on trade issues and networks between public and private sectors	<ul style="list-style-type: none"> • What types of information are governmental institutions and the private sector getting? • From what sources? • Is it relevant and up-to-date? • Are mechanisms and institutions such as the WTO reference centres operational and open to the private sector?
Setting up co-ordination mechanisms on WTO matters at national level	<ul style="list-style-type: none"> • Have national committees (or focal points) to co-ordinate WTO related issues been established and functioning?
Adapting domestic legislation and regulations to international trade agreements	<ul style="list-style-type: none"> • Have new laws and regulations adopted been notified? • Has a programme of legislative reform been agreed by government?
Enhancing private sector competitiveness	<ul style="list-style-type: none"> • Have exports by local enterprises increased?
Using multilateral mechanisms to protect rights	<ul style="list-style-type: none"> • What have been the results of using the WTO dispute settlement system and safeguard mechanisms? • How many cases have been brought to the WTO?

17. Trade capacity building covered the trade policy environment, policy-making capacities relevant to national, regional and multilateral trade, export-related capacities and infrastructure, trade facilitation and support services, and market access (OECD, 2001: p.22).

Trade policy & regulations and trade development

OECD (2007) compiled a list of performance indicators used by various donor agencies to assess different types of trade-related assistance:

(1) Trade policy and regulations

Objective	Indicator
Strengthen institutional capacity for trade policy or strategy formulation & implementation	<ul style="list-style-type: none"> No of national consultative bodies with relevant Ministries, private sector associations and civil society Degree of sustained participation in those bodies No of sustainable business associations interacting amongst themselves & with government Existence of trade development strategies ready for implementation Degree of progress in implementation Degree of clear division of labour between stakeholders
Enhance compliance with WTO agreements & standards or other trade agreements	<ul style="list-style-type: none"> Timeframe of implementation and adapting domestic legislation Available local support Degree of consultation with the private sector and civil society
Enhance capacity to participate in, and shape, the multilateral trading system	<ul style="list-style-type: none"> Degree of participation in WTO negotiations (no of proposals) No of bilateral or regional agreements negotiated No of national co-ordination mechanisms on WTO or specific regional trade agreement matters No of cases brought to WTO dispute settlement body Timeframe and progress in WTO accession
Support trade reforms	<ul style="list-style-type: none"> No of reforms and regulatory adjustments undertaken
Support mainstreaming of trade	<ul style="list-style-type: none"> To what degree are trade objectives or IF Action Plans integrated into national development plans or PRSPs? Are there joint committees or consultations between the IF or trade policy teams and PRSP teams? Are there joint donor round tables for the IF and PRSP?
Strengthen capacity to produce and access coherent and sound local statistics, research and information	<ul style="list-style-type: none"> No of trade research centres No of trade policy networks & degree of co-operation between the different national and regional research centres Quantity and quality of data collected No of trade policy papers produced Degree of access to information for the private sector Degree of use of local statistics and research in policy making
Improve trade facilitation	<ul style="list-style-type: none"> Customs clearance time Efficiency of the customs institutions

(2) Trade development

Objective	Indicators
Support the development & implementation of export strategies	<ul style="list-style-type: none"> Existence & degree of implementation of a comprehensive and coherent (national/sectoral) export strategy Degree of consultation with the private sector
Strengthen trade support services	<ul style="list-style-type: none"> No of support structures and range of services provided Level of co-ordination between support structures Use, relevance and efficiency of services provided
Enhance export performance & diversification	<ul style="list-style-type: none"> Export volume & export growth rate

	<ul style="list-style-type: none"> • Share of exports of a sector, or of the economy as a whole, in world trade • Share of exports of targeted firms • Change in export structure • Change in share of value-addition to exports
Enhanced integration in the world economy	<ul style="list-style-type: none"> • Change in share of value-addition to exports
Improve firm-level (business) practices & capacities	<ul style="list-style-type: none"> • Change in productivity or gross profit margin • Degree of compliance with standards & ability to obtain certification • No of joint ventures and partnerships with other firms
Support regulatory (sector-specific) adjustments (improve the business climate)	<ul style="list-style-type: none"> • No & quality of new regulations or law
Support employment and income increase	<ul style="list-style-type: none"> • No of jobs created in a sector, or the economy as a whole • Change in income of those producing export goods
Improve access to trade finance	<ul style="list-style-type: none"> • No & quality of specialised financial services (e.g. credits) for local exporters and importers • No of guarantees and revolving credit facilities for local banks • No of trade finance specialists in local banks
Supportive infrastructure development	<ul style="list-style-type: none"> • No of infrastructure impediments • Availability and cost of transportation • No of storage facilities

Building productive capacity

In addition to the universal impact indicators, DCED (2010) suggests a number of general indicators for broad application in private sector development programmes.

Level	Broad area of measurement	Indicators	When appropriate
Household level (Impact)	Poverty reduction	<ul style="list-style-type: none"> Net additional income for SME workers and owners Changes in other poverty indicators (nutrition, empowerment, working conditions, etc.) 	
Enterprise level (Medium-term outcome)	Enterprise competitiveness	<ul style="list-style-type: none"> Change in SME productivity Change in SME net income Jobs created as a result of programme activities Promising innovations / changes in business practices (e.g. sustainable eco-efficient products and processes) 	Ideally each intervention will have measurable impact on as many indicators as possible from this "menu"
Service Market level (Short-term outcome)	Changes in framework conditions	<ul style="list-style-type: none"> Changes in policies or regulations as a result of programme activities Documented changes that will modify how a policy or regulations, aimed at the target group, is implemented by a public agency (institution) Target group's opinions concerning how the change has impacted on their businesses 	When the services or deliverables which the target group expects come from the government
	Changes in the demand for services	<ul style="list-style-type: none"> Target groups awareness of the service and the benefits it can deliver 	When measuring impact of services that might only have a direct impact on the target group in the long run
		<ul style="list-style-type: none"> Willingness to pay for service 	Fee-based or stand alone services
		<ul style="list-style-type: none"> Level of satisfaction with service Changes in business practices as a result of service No of new service providers entering the market 	When measuring changes in demand for embedded services
	Changes in the supply of services	<ul style="list-style-type: none"> Changes in no of clients serviced Changes in volume of business Changes in range of products offered Changes in no of service providers 	All intervention types – to measure change in service quantity
		<ul style="list-style-type: none"> Target group's opinion of service provision 	To measure change in service quality
	<ul style="list-style-type: none"> Level of supplier satisfaction with success of service 	When measuring changes in supply of embedded services	
Service Provider level	Immediate outputs in the business service markets	<ul style="list-style-type: none"> No of service providers trained 	

ANNEX 2
THE WORLD ECONOMIC FORUM'S ENABLING TRADE INDICATORS

Sub-index	Pillar	Indicator (Source)
Market Access	Domestic and foreign market access	<ul style="list-style-type: none"> • Tariff barriers (ITC) • Tariff barriers for non-agricultural products (ITC) • Tariff barriers for agricultural products (ITC) • Non-tariff barriers (ITC) • Complexity of tariffs • Variance of tariffs (ITC) • Domestic tariff peaks (ITC) • Specific tariffs (ITC) • No of district tariffs (ITC) • Share of duty-free imports (ITC) • Tariffs faced (ITC) • Margin of preference in major export markets (ITC)
Border Administration	Efficiency of customs administration	<ul style="list-style-type: none"> • Burden of customs procedures (WEF survey) • Customs services index (Global Express Association)
	Efficiency of import-export procedures	<ul style="list-style-type: none"> • Effectiveness & efficiency of clearance (WB/LPI) • Time for imports (WB/Doing Business) • Documents for import (WB/Doing Business) • Cost to import (WB/Doing Business) • Time for export (WB/Doing Business) • Documents for export (WB/Doing Business) • Cost to export (WB/Doing Business)
	Transparency of border administration	<ul style="list-style-type: none"> • Irregular payments in exports and imports (WEF survey) • Corruption Perceptions Index (Transparency International)
Transport & Communication Infrastructure	Availability & quality of transport infrastructure	<ul style="list-style-type: none"> • Airport density (IATA, SRS Analyser) • Trans-shipment connectivity index (UNCTAD) • Paved roads (WB/WDI) • Road congestion (WB/WDI) • Quality of air transport infrastructure (WEF survey) • Quality of railroad infrastructure (WEF survey) • Quality of roads (WEF survey) • Quality of port infrastructure (WEF survey)
Business Environment	Availability & quality of transport services	<ul style="list-style-type: none"> • Liner Shipping Connectivity Index (UNCTAD) • Ease & affordability of shipment (WB/LPI) • Competence of the logistics industry (WB/LPI) • Ability & ease of tracking (WB/LPI) • Timeliness of shipments in reaching destination (WB/LPI) • Postal service efficiency (WEF survey) • GATS commitments in the transport sector (ITC)
	Availability & use of ITCs	<ul style="list-style-type: none"> • Firm-level technology absorption (WEF survey) • Mobile telephone subscribers (ITU/WTI) • Broadband Internet subscribers (ITU/WTI) • Internet users (ITU/WTI) • Telephone lines (ITU/WTI)
	Regulatory environment	<ul style="list-style-type: none"> • Property rights (WEF/GCR) • Ethics & corruption (WEF/GCR) • Undue influence (WEF/GCR) • Government inefficiency (WEF/GCR) • Domestic competition (WEF/GCR) • Openness to foreign participation • Ease of hiring foreign labour (WEF survey) • Prevalence of foreign ownership (WEF survey) • Business impact of rules on FDI (WEF survey) • Capital controls (WEF survey)
	Physical security	<ul style="list-style-type: none"> • Reliability of policy services (WEF survey) • Business costs of crime & violence (WEF survey) • Business costs of terrorism (WEF survey)