

Unclassified

COM/DCD/TAD(2010)3

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

11-May-2010

English - Or. English

DEVELOPMENT CO-OPERATION DIRECTORATE
TRADE AND AGRICULTURE DIRECTORATE

COM/DCD/TAD(2010)3
Unclassified

AID FOR TRADE META-EVALUATION: TERMS OF REFERENCE

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

7 June 2010, OECD Conference Centre, Paris

*This document is submitted for INFORMATION under item 4 of the Draft Agenda of the joint meeting of the DAC
- WP/TC [COM/DCD/TAD/A(2010)4/PROV].*

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JT03283367

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AID FOR TRADE META-EVALUATION: TERMS OF REFERENCE

1. Background

1. The Aid-for-Trade Initiative has been successful in raising the profile of trade as a development tool. Partner countries have been mainstreaming trade in their development strategies. Donors have responded by mobilising additional resources for aid for trade. But continued success requires the assessment of aid-for-trade outcomes and impacts in terms of trade performances, poverty reduction and development.

2. In approaching the evaluation of their aid-for-trade programmes and projects, donors have varying definitions, objectives, approaches and resources. Consequently, a discussion concerning the conceptual challenges, in particular the linkages in the results chains, the attribution problem, the sequencing of different programmes and projects would bring greater operational clarity.

3. This work stream intends to inform OECD members where gaps remain and ways in which they can be overcome. A scoping paper presented at the November 2009 meeting on aid for trade examined the background for evaluating aid for trade, what donors and agencies are currently doing and discusses what should be expected from evaluations of aid for trade. It asks questions such as what we are trying to achieve. Where are we now? Where do we want to go? How do we get there? Working closely with Members, multilateral and regional agencies as well as the DAC Network on Evaluation this work stream aims to provide guidance on linking generic monitoring and evaluation guidelines to evaluating the outcomes and impacts of aid-for-trade policies, strategies, programmes and projects.

4. Evaluation has a double purpose, providing accountability on the one hand and on the other, a learning tool for improvement. The emphasis however is on the learning purpose. Which lessons can be learnt in order to develop more strategic, coherent and coordinated policies and programmes and how can results, ownership, harmonization and alignment be improved?

5. The policy dialogue on aid for trade held in 2008 suggested a meta-evaluation of trade-related evaluative information and this was subsequently identified as one of the three main output areas of the joint DAC-WP/TC programme of work and budget for 2009 – 2010. As part of efforts to improve the effectiveness of aid-for-trade projects and programmes, and develop good practices in the evaluation of aid for trade the OECD is asking consultants to conduct a meta-evaluation on aid for trade (A meta evaluation is an evaluation of evaluations designed to aggregate findings from a series of evaluations of smaller interventions).

2. Purpose and Objectives of the meta-evaluation

6. The objective of this meta-evaluation is to gather evaluations on aid-for-trade areas, provide an overview of, and a perspective on, the projects and programmes DAC donors and international agencies have implemented. These findings will provide examples of what has worked and not worked in aid for trade. The study will complement generic work being undertaken in the OECD on management of results in aid for trade and sector specific work on infrastructure and agriculture.

7. A previous meta-evaluation on trade-related *technical* assistance was completed by the OECD in 2006. This work gives some insights into the type of study that OECD is looking to undertake.¹ The current study will look at recent evaluation reports of trade-related assistance, focusing on two perspectives. The first is to look at a specific type of aid for trade (transport and storage). The second is to examine all aid-for-trade evaluations (trade policy and regulation, private sector development, trade development etc) for a representative selection of countries (with regional and income group balance) for which there are enough studies. Vietnam and Ghana were selected for the reasons outlined below.

8. This meta-evaluation will be based on approximately ten evaluations per country/sector and will involve desk studies and literature reviews. The primary source for the evaluations will be the DAC Evaluation Resource Centre (DEReC), which is designed as a one-stop-shop for use by partners, development agencies, civil society, researchers, students and the interested public to quickly and easily find, access and learn from a wide array of key evaluation publications.² Each year the Network's thirty bilateral and multilateral members contribute hundreds of new reports.

9. The DEReC database was used to identify the appropriate sectors and countries for the meta-evaluation. However it is clear that this resource alone will not be enough. The list of evaluations included will have to be complemented by further, newer studies from members to enhance the use and timeliness of the meta-evaluation for the wider aid-for-trade community. Studies will have to be identified by other means with the membership consulted about evaluation reports they could contribute. Some donors make regular submissions such as AsDB and Denmark, whereas others are largely absent. Asia dominates the aid-for-trade related categories. In addition many of the studies are older than five years so their use may be questionable. These points are clear from the examples in Appendix 1.

10. The evaluation will assess the relevance, results and the effects of trade-related policies and programmes of the international community and participating donors and agencies in specific country and sector context. The evaluation will be carried out by applying the DAC evaluation criteria (see Appendix 4). The evaluation results offer learning opportunities for those responsible for the design of trade and development policy as well as for those involved in the execution of the programmes and projects.

3. Scope

11. This work will contribute to the development of good practices in evaluation and inform future evaluation studies. The Joint DAC/WP TC Meeting in November 2009 supported the idea of conducting this study. The OECD proposes to look at a specific sector and specific countries which have prioritised trade in their development strategies. The following sector and countries are selected:

- **Transport and storage** receives significant amounts of aid for trade, and therefore has more evaluation studies. Furthermore, connecting markets is an essential component for any sustainable aid-for-trade strategy.

¹ Available here: <http://www.oecd.org/dataoecd/19/3/37326353.pdf>

² Available here: www.oecd.org/dac/evaluationnetwork/derec

- **Ghana** is one of the largest recipients of aid for trade in Africa (3rd behind Ethiopia and Kenya in 2007). Thus, there are a number of evaluations available. It has expanded its trade by a significant amount since 2002 and has a number of ongoing aid-for-trade programmes.
- **Vietnam** has succeeded in achieving export-led growth, embraced the aid-for-trade agenda and invested significantly in infrastructure development, and recently became a member of WTO. It has been used as a model for a number of countries and therefore determining what works and does not work there would be particularly revealing (Details of Aid for Trade Fact Sheets and Questionnaire Responses for both countries are available in Appendix 3).

12. While examining the Transport and Storage Sector, and Vietnam and Ghana, we hope to take advantage of other work being undertaken around the OECD. The Trade and Agriculture Directorate (TAD) will be conducting a project on “The economic importance of agriculture for sustainable development and poverty reduction”. This will include case studies on Ghana and Vietnam.³

13. Also TAD will produce some macro analysis on investment in infrastructure and their impacts on trade and growth. The meta-evaluation will provide a micro perspective on the impacts of individual projects in transport and storage and this will complement the empirical study which will look at the macro-perspective.

4. Evaluation Questions

14. The evaluation questions follow the five OECD DAC criteria for evaluating development assistance, namely relevance, effectiveness, efficiency, sustainability and impact. Furthermore, the evaluation will pay attention to the additional criteria ‘coordination among donors and with implementing organisations’. The objective of the study is to gather evidence on evaluations undertaken in specific countries and contexts. What do we want to know in terms of building trade capacities (i.e. policies, institutions, infrastructure)? What do the evaluations tell us? Why do they tell us what they tell us? What needs to be done to tell us what we want to know?

15. The specific evaluation questions are:

- What aid-for-trade strategies and policies existed? How were they defined? Did they change over time?
- What was the role of the government and other parties?
- Did the aid for trade policies/ strategies and interventions provide an accurate and relevant response to trade related binding constraints? Were/ are the objectives appropriate and the priority ones to address?
- To what extent did the interventions achieve their objectives? Were objectives pre-defined and targets set? What indicators were used? What are the outcomes of the aid-for-trade interventions? Are they sustainable?
- What is the impact of the aid-for-trade policies and strategies on selected sectors such as agriculture, infrastructure etc

³ More details are available here: <http://www.oecd.org/dataoecd/12/39/44421358.pdf>

- To what extent do the donors coordinate their aid-for-trade evaluation amongst themselves or with government institutions and to what extent is their approach coherent?
- Did aid-for-trade interventions link up to the partner country trade/competitiveness strategy?

4.1 *Issues to consider*

- Role of stakeholders i.e. government, donors, private sector etc
- Ownership (i.e. strategies - operationalise)
- Alignment (donor-partner dialogue, coordination, harmonization, sequencing)
- Management for Results (what are the targets?)
- Mutual Accountability (partner involvement?)
- Link to regional challenges
- Lessons learned, how generalisable?

5. *Outline*

5.1 *Overview and Context*

16. Provide context for the report including literature reviews, and overviews of the country; placing their economic development and trade profile in context. An overview of the different projects carried out in transport and storage and the specific countries should also be provided.

5.2 *Summarise Results*

17. To summarise the assessments made in the previous evaluations and the results of aid-for-trade evaluations. The links between trade-related projects and national development plans should be examined. Also how evaluations have dealt with impacts if at all, and bridged the methodological gap between micro interventions and macro outcomes.

5.3 *Relevance and Applicability*

18. The applicability and relevance of these evaluations for aid for trade should be assessed.

5.4 *Draw Lessons*

19. Draw lessons about the instruments, methods and tools used in the evaluation for trade-related activities; on good practices in areas such as Aid Effectiveness, Capacity Development and Evaluation; for the elaboration of more precise guidelines for the design and implementation of aid-for-trade projects and programmes.

20. Using the information gathered during the desk study, the final report should provide answers to the agreed evaluation questions.

6. Organisation and Timeframe

21. The study will be prepared by consultants. The consultants will report to the OECD aid-for-trade team. The aid-for-trade team will provide direction and guidance, in collaboration with colleagues in the Trade and Agriculture Directorate (TAD) and the DAC Evaluation Network.

22. The report will be submitted in three stages: first draft, final draft and a final report. After each stage, members will have the opportunity to comment on the report which will be considered by the consultants. The desk study shall be completed and approved by the joint meeting of the DAC/WPTC in Q4 2010.

23. A draft of the report will be completed by September and shared with colleagues in the Evaluation Network. The final report will be presented by the consultant at the autumn meeting of the DAC/WPTC for approval.

ANNEX 1: AVAILABLE EVALUATIONS

1.) Sector Evaluation

Overall there are 2088 evaluations in the DEREc database. Of this 32 are trade, 13 Trade Policy and Regulation, 14 Infrastructure, 58 Private Sector, Business and industry, 66 Transport and Storage. On the sector evaluation there are some viable candidates which contain enough relevant studies. Below are some representative examples.

1.1 *Transport and storage*

Evaluating the Impact of Rural Roads in Nicaragua (Denmark, 2008)

Transport and Trade Facilitation - Potential for Better Synergies in Mongolia (IADB, 2008)

Cameroon: Evaluation of Bank Group Assistance to the Transport 1996 - 2004 (AfDB, 2008)

Overview and Synthesis of Road Sector Evaluations (Denmark, 2008)

Evaluation of the Roads Development Project in Mongolia (ADB, 2008)

Transport Sector in India – Focusing on Results (ADB, 2008)

Evaluation of ADB's Assistance to the Road Sector in Pakistan (ADB, 2008)

People's Republic of China: Guizhou Shuibai Railway Project (ADB, 2007)

Ghana: Follow up study of the joint evaluation of the road sub-sector programme 1996-2000 (Denmark, 2006)

Evaluation on the Transport and Trade Facilitation in the Greater Mekong Subregion - Time to Shift Gears (ADB, 2008)

1.2 *Trade related technical assistance*

Joint evaluation of Co-ordination of Trade Capacity Building in Partner Countries (EC, 2006)

Evaluation Of DFID Support to Trade Related Capacity Building - Synthesis Report (DfID, 2005)

An Evaluation of Trade Capacity Building Programs: Overview (USAID, 2004)

An Evaluation of Trade Capacity Building Programs - USAID Behind-the-Border Trade Capacity Building (USAID, 2004)

An Evaluation of Trade Capacity Building Programs Regional Trade Agreements: A Tool for Development? (USAID, 2004)

2.) Country Studies

The only viable candidates based on the content in DEREc are Vietnam, India, and Ghana. This had neither the variety in income groups or regions that we hoped for, but for the all the other partner countries, the number of evaluations available for the relevant aid-for-trade categories was in adequate. Below are some examples of evaluations available for the three countries.

2.1 Vietnam (61 Total, 14 Relevant)

Energy,(1)

Advisory Technical Assistance for Power sector Institutional Strengthening in Viet Nam (ADB, 2004)

Forestry,(3)

Of Trees and People... An evaluation of the Vietnam-Sweden Forestry Cooperation Programme and the Mountain Rural Development Programme in the Northern Uplands 1991-2000 (Sweden, 2001)

Industry,(2)

Paper, prices and politics - An evaluation of the Swedish support to the Bai Bang project in Vietnam (SIDA, 1999)

Infrastructure,(3)

Évaluation rétrospective du projet RPE (réserve pays émergents) de fournitures d'équipements, de machines-outils et d'assistance technique au Vietnam (France, 2009)

07/46 Replicating the Model of Land Administration under the One Stop Shop (OSS) Mechanism in Five Provinces in the Central Region of Quang Tri Public Administration Reform (PAR) Project (SIDA, 2007)

Project Performance Audit Report on the Saigon Port Project (Loan 1354-VIE[SF]) in the Socialist Republic of Viet Nam (ADB, 2003)

Private sector, business and industry,(2)

Evaluation on ADB's Private Sector Development and Operations (ADB, 2007)

2007/31 Business Training for Entrepreneurs in Vietnam (SIDA, 2006)

Transport and storage,(2)

Vietnam: Highway Rehabilitation Project and Rural Transport Project (World Bank, 2004)

2.2 Ghana (39 in total, 11 relevant)

Transport and storage,(3)

Ghana: Review Of Bank Assistance To The Transport Sector (AfDB, 2005)

Ghana: Follow up study of the joint evaluation of the road sub-sector programme 1996-2000 (Denmark, 2006)

Private sector, business and industry,(2)

Developing Capacity? An Evaluation of DFID funded Technical Cooperation for Economic Management in sub-Saharan Africa - Volume 1 - Synthesis report (DfID, 2006)

Developing Capacity? An Evaluation of DFID funded Technical Cooperation for Economic Management in sub-Saharan Africa - Volume 2 - Case studies (DfID, 2006)

Agriculture and rural development,(4)

PPER Summary of four agriculture sector projects - Informal Note (AfDB, 2006)

Report on the final evaluation for ADRA's projet d'augmentation des ressource[s] alimentaires de Siguiri (PADRAS) program (USAID, 2005)

Energy,(2)

Ghana: Review of Bank Assistance to the Power & Telecommunications Sectors (AfDB, 2005)

Sambangalou and Kaléta hydro-electric power schemes and the interconnection line for the electric power grids of OMVG countries (AfDB, 2005)

2.3 India (74 in total, 24 relevant)

Evaluation summary - Export promotion in India - (IGEP) (Germany, 2007)

Evaluation of the Karnataka Urban Infrastructure Development Project (ADB, 2007)

Special Evaluation Study on Urban Sector Strategy and Operations (ADB, 2006)

Evaluation of The Energy Conservation and Commercialization (ECO) and Energy Partnership Program (EPP) Activities for USAID/India (USAID, 2005)

Industrial Energy Efficiency Project in India (ADB, 2005)

Evaluation on ADB's Private Sector Development and Operations (ADB, 2007)

Performance Evaluation Report on the Private Sector Infrastructure Facility in India (ADB, 2006)

ANNEX 2: SCOPING NOTE ON HOW TO EVALUTE AID FOR TRADE

[http://www.oecd.org/olis/2009doc.nsf/LinkTo/NT000069F6/\\$FILE/JT03272165.PDF](http://www.oecd.org/olis/2009doc.nsf/LinkTo/NT000069F6/$FILE/JT03272165.PDF)

ANNEX 3: FACT SHEETS AND QUESTIONNAIRE RESPONSES FOR GHANA AND VIETNAM

GHANA

Fact sheet

<http://www.oecd.org/dataoecd/16/25/43190801.pdf>

Questionnaire

<http://www.oecd.org/dataoecd/16/23/43190865.pdf>

VIETNAM

Fact sheet

<http://www.oecd.org/dataoecd/3/13/43196558.pdf>

Questionnaire

<http://www.oecd.org/dataoecd/24/32/43194801.pdf>

ANNEX 4: DAC PRINCIPLES FOR EVALUATION OF DEVELOPMENT ASSISTANCE

When evaluating programmes and projects it is useful to consider the following DAC Criteria, as laid out in the DAC Principles for Evaluation of Development Assistance:

Relevance

The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor.

In evaluating the relevance of a programme or a project, it is useful to consider the following questions:

- To what extent are the objectives of the programme still valid?
- Are the activities and outputs of the programme consistent with the overall goal and the attainment of its objectives?
- Are the activities and outputs of the programme consistent with the intended impacts and effects?

Effectiveness

A measure of the extent to which an aid activity attains its objectives.

In evaluating the effectiveness of a programme or a project, it is useful to consider the following questions:

- To what extent were the objectives achieved / are likely to be achieved?
- What were the major factors influencing the achievement or non-achievement of the objectives?

Efficiency

Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.

When evaluating the efficiency of a programme or a project, it is useful to consider the following questions:

- Were activities cost-efficient?
- Were objectives achieved on time?
- Was the programme or project implemented in the most efficient way compared to alternatives?

Impact

The positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main impacts and effects resulting from the activity on the local social, economic, environmental and other development indicators. The examination should be concerned with both intended and unintended results and must also include the positive and negative impact of external factors, such as changes in terms of trade and financial conditions. When evaluating the impact of a programme or a project, it is useful to consider the following questions:

- What has happened as a result of the programme or project?
- What real difference has the activity made to the beneficiaries?
- How many people have been affected?

Sustainability

Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable.

When evaluating the sustainability of a programme or a project, it is useful to consider the following questions:

- To what extent did the benefits of a programme or project continue after donor funding ceased?
- What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?

Sources:

The *DAC Principles for the Evaluation of Development Assistance*, OECD (1991), *Glossary of Terms Used in Evaluation*, in 'Methods and Procedures in Aid Evaluation', OECD (1986), and the *Glossary of Evaluation and Results Based Management (RBM) Terms*, OECD (2000).

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