Aid for Trade - Reviewing EC and DFID Monitoring and Evaluation Practices
ODI, London, 05 March 2013

Recommendations - donors

- Greater accountability by donors is required through conducting more regular evaluations that go beyond monitoring information, and which are independent, and publishing these.
- Exploring the possibility of conducting impact assessments, ex post and ex ante, to better understand the poverty impacts and trade outcomes.
- Donors should provide greater transparency of monitoring information and better quality data in order that others can conduct more high-quality independent research and analysis, ex ante and ex post.
- Donors should develop more realistic assumptions, theories of change and intervention logic behind projects and programmes.
- This will require increased research and analysis linking activities and interventions, and outputs delivered, with outcomes and ultimately impacts.
- Better understanding of the impact of AIT projects and programmes on the poor and poverty (whether to inform direct targeting or ensure the effects are known, positive and negative).

Recommendations - NSAs

NSAs can help achieve the above by offering greater transparency and accountability through, for example:
- Facilitating greater transparency (e.g., in data) and accountability (e.g., in testing).
- Undertaking more in-depth research to strengthen the evidence base of the impacts of AIT on poverty reduction and better informing advocacy efforts on AIT.
- Developing a network of key allies, including farmers, in AIT.
Recommendations - donors

- Greater accountability by donors is required through conducting more regular evaluations that go beyond monitoring information, and which are independent, and publishing these.
- Exploring the possibility of conducting impact assessments, ex post and ex ante, so better understand the poverty impacts and trade outcomes.
- Donors should provide greater transparency of monitoring information and better quality data in order that others can conduct more high-quality independent research and analysis, ex ante and ex post.
- Donors should develop more realistic assumptions, theories of change and intervention logic behind projects and programmes.
- This will require increased research and analysis linking activities and interventions, and outputs delivered, with outcomes and ultimately impacts.
- Better understanding of the impact of AFT projects and programmes on the poor and poverty (whether to inform direct targeting or ensure the effects are known, positive and negative).

Recommendations - NSAs

NSAs can help achieve the above by lobbying for greater transparency and accountability through, for instance:
- Lobbying for greater transparency (e.g. on data), and accountability.
- Undertaking more in-depth research to understand the mechanisms of the impacts of AFT on poverty reduction and better inform accountability efforts via AFT.
- Developing a network of key allies, including beneficiaries, on AFT.
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Scope of the study

- How do DFID and the EC measure or assess poverty impact of their Aid for Trade (AFT) projects and programmes?
- Do evaluations examine the effect on different sizes of enterprise (especially SMEs and the informal sector)?
- Do the evaluations differentiate between different groups including men and women?
- Do the evaluations examine the impact on winners and losers?

Methodology

- Literature review
- Interviews with DFID and the EC
- Data analysis based on information as reported by DFID and the EC: 58 DFID and 30 EC projects and programmes (where data was available)

Hypothesis

- Strategy informs the design of projects and programmes including M&E
- M&E frameworks consider poverty impact
- Evaluations explore the poverty impact of AFT interventions...
- ...and inform the design of future projects and programmes
Scope of the study

- How do DFID and the EC measure or assess poverty impact of their Aid for Trade (AfT) projects and programmes?
- Do evaluations examine the effect on different sizes of enterprise (especially SMEs and the informal sector)?
- Do the evaluations differentiate between different groups including men and women?
- Do the evaluations examine the impact on winners and losers?
Aid for Trade categories

Trade policy and regulations: to support countries to develop trade strategies, to negotiate regional and international trade agreements and to implement the outcomes of trade agreements.

Economic infrastructure: to support countries to develop the infrastructure hardware and software necessary to connect the domestic market to the global economy.

Building productive capacity (including trade development): to support countries to develop an enabling business environment and to promote the private sector to exploit comparative advantage and diversify exports.

Trade-related adjustment: to support countries to adjust to the costs associated with trade liberalisation.
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- Strategy informs the design of projects and programmes including M&E
- M&E frameworks consider poverty impact
- Evaluations explore the poverty impact of AfT interventions...
- ...and inform the design of future projects and programmes
**Inputs**
Financial, human and material resources - e.g. expenditure, staff time, etc.

**Activities**
Tasks undertaken to transform inputs into outputs - e.g. developing one stop border posts with integrated border management

**Outputs**
Products and services produced/delivered - e.g. number of one-stop border posts with integrated border management systems

**Outcomes**
Results achieved due to products and services provided
E.g. Reduction in trade costs (intermediate); increased regional trade

**Impacts**
Long-term widespread improvement in society
E.g. Increased growth and poverty reduction
Measuring outcomes and impact

- Given increased focus on results over recent years, donors are under greater scrutiny to deliver and measure results.
- Are expected changes associated with a specific activity defined and being measured? Using appropriate indicators?
- Are the observed changes attributable to the specific activity, or other factors, or a combination of effects, etc?

AfT-specific M&E frameworks and practices

- In 2009, DFID developed an overarching M&E framework for the AfT portfolio.
- EU annual AfT monitoring report.
- EC is finalising two evaluations: ‘trade-related assistance’ and ‘private sector development’.

M&E projects and programmes

- Both DFID and the EC monitor projects and programmes annually and on completion.
- Insufficient time elapsed to assess the impact on poverty (as well as on trade and growth) - unless the impact is direct (e.g., employment effects directly resulting from a project).
- Few evaluations are undertaken years after the close of a project or programme.
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Findings (1)
- Very little publicly available information on whether AfT projects and programmes are impacting on the poor
- In fact, in many cases the evidence of impact on trade (as well poverty) is limited
- Poverty reduction often a high-level result (goal) and attribution is not assessed
- According to the last OECD-WTO AFT Global Review, attributing trade and poverty impacts to projects and programmes is one of the major challenges for donors

Findings (2)
- Often a gap between strategic ambitions and statements on poverty reduction (e.g. in AfT strategies) and project and programme design, implementation and M&E
- In cases where AfT projects and programmes focus on, for instance, institutional strengthening and improving policy making processes, the pathways to poverty is often long, complex and indirect
- Poverty impact is often discussed in case stories of smaller projects where the impact is easier to isolate (not systematically across the portfolio)

Findings (3)
- In many cases, the casual linkages between project activities and impact on poverty is based on a series of assumptions (and in some cases a leap in logic) unless the poor are direct beneficiaries of the project
- ICAI study (Drew, 2011): evaluators face practical challenges in conducting rigorous evaluations. For instance, absence of a robust framework to evaluate against - many DFID programmes do not have explicit ‘theories of change’ (ToC) (defines the sequence of activities/events that is expected to lead to a desired outcome/impact) making it difficult to conduct robust evaluations to determine DFID’s contribution to particular outcomes
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- In many cases, project assessment is based on a series of assumptions about the general leap in living standards for beneficiaries
- ICAI study (2022) indicates challenges with attribution
- For instance,  a project to evaluate and implement
Findings (2)

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• Over recent years, DFID has adopted a stronger results focus
• However there are concerns about DFID's results focus: tension between the long-term processes of change (impact/outcome) vs. the needs/desires of donors to produce quick results (outputs)
• The importance of demonstrating tangible, measurable and attributable results -> lead to greater focus on activities and results that can be easily measured
• Where the linkages between activities and the impact on the poor or poverty are direct, measurement will be naturally easier, however, the impact of AfT on the poor or poverty levels in many cases is not direct
Recommendations - donors

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Recommendations - NSAs

NGOs can help achieve the above by lobbying for greater transparency and accountability through, for instance:

- Lobbying for greater transparency (e.g. on data) and accountability (e.g. on results)
- Undertaking more in-depth research to strengthen the evidence base of the impact of AfT on poverty reduction and better inform advocacy efforts on AfT
- Developing a network of key allies, including influencers, on AfT
Thank you!