



Ministry of Foreign Affairs

# Development into the bargain

Evaluation of Technical Assistance for Trade Policy and Regulations

Terms of Reference

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## Colophon

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## Abbreviations

- ACP African, Caribbean, and Pacific Group of States
- ACWL Advisory Centre on WTO-Law
- Aft Aid for Trade
- AITIC Agency for International Trade, Information, and Co-operation
- ASEAN Association of Southeast Asian Nations
- CBI Centre for the Promotion of Imports from developing countries
- EPA Economic Partnership Agreements
- ESCAP Economic And Social Commission for Asia and the Pacific
- EU European Union
- FDI Foreign Direct Investment
- FTAA Free Trade Area of the Americas
- GATT General Agreement on Tariffs and Trade
- ICSTD International Centre for Trade and Sustainable Development
- IDH Initiative for Sustainable Trade Development
- IMF International Monetary Fund
- ITC International Trade Centre
- JITAP Joint Integrated Technical Assistance Programme
- LDCs Least Developed Countries
- M&E Monitoring & Evaluation
- NTB Non-Tariff Barriers to Trade
- NTP Netherlands Trainee Program
- ODA Official Development Assistance
- OECD Organisation for Economic Co-operation and Development
- OECD/CRS OECD/Creditor Reporting System
- OECD/DAC OECD/Development Assistance Committee
- ORET Ontwikkelingsrelevante Export Transacties
- PSD Private Sector Development
- QUNO Quaker United Nations Office
- RTA Regional Trade Agreement
- SADC Southern African Development Community
- SG Secretary General
- SPS Sanitary and Phytosanitary Measures
- STDF Standards and Trade Development Facility
- TA Technical Assistance
- TBT Technical Barriers to Trade
- TFF Trade Facilitation Facility
- TMEA Trade Mark East Africa
- ToC Theory of Change
- Tralac Trade Law Centre for Southern Africa
- TRTA Trade Related Technical Assistance
- UN/CEFACT United Nations Centre for Trade Facilitation and Electronic Business
- UNCTAD United Nations Conference on Trade and Development
- UNDP United Nations Development Programme
- WB World Bank
- WCOROCB World Customs Organization Regional Office for Capacity Building
- WSSD World Summit on Sustainable Development
- WTO World Trade Organization

## 1. Introduction

Aid for Trade has become an essential part of development as well as trade policy. The delivery of aid for trade is part and parcel of development policy as well as of bilateral and multilateral trade agreements. Already in the sixties of the previous century UNCTAD, the United Nations Conference on Trade and Development was founded, with the objective to study, discuss and promote the role of trade in development. Raul Prebisch, the first SG of UNCTAD, emphasized the importance of trade as a source of foreign exchange, needed to buy the capital goods required to achieve the productivity gains that underlie development<sup>1</sup>. In earlier days trade preferences, mainly given to former colonies, were seen as a means to safeguard the imports of tropical products and to maintain the traditional colonial trade relations. The successes of Japan, Korea and later China in export-led growth put trade at the heart of the development agenda.

The Netherlands have always supported the emphasis on the link between trade and development. Financial support has been given for many years to organisations and research aiming to help developing countries integrate in the world economy. This evaluation will focus on one category of this support, namely technical assistance for trade policy and regulations<sup>2</sup>. It assesses the assistance financed by the Netherlands between 2007 and 2014. The evaluation will (i) indicate how the Netherlands Ministry of Foreign Affairs supports technical assistance for trade policy and regulations by means of a policy reconstruction, (ii) examine the existing evidence for the effectiveness of Aid for Trade (technical assistance for trade policy and regulations in particular) in increasing trade, enabling economic growth and reducing poverty by means of a review of academic literature and donor evaluations, and (iii) assess whether the (induced) outputs<sup>3</sup> of the technical assistance for trade policy and regulations financed by the Netherlands between 2007 and 2014 were realised. The evaluation will additionally evaluate the extent to which it can be expected that the expected outcomes were realised as result of the technical assistance for trade policy and regulations that was provided.

Dutch development policy has re-emphasized the link between aid and trade recently in "A world to gain: A New Agenda for Aid, Trade and Investment". This policy document that is the flagship of Dutch development policy assumes that when there is synergy between aid and trade, it contributes effectively to poverty reduction. This evaluation of technical assistance for trade policy and regulations is a building block of a larger policy evaluation to be conducted by IOB that will evaluate Dutch policy as outlined in "A World to Gain". Technical assistance for trade policy and regulations aims to improve the trade-related enabling environment. As such, this specific category of Aid for Trade is an important element that affects the extent to which other categories of trade-related assistance (such as productive capacity building and trade-related infrastructure) reach their intended results<sup>4</sup>. Dedicating a study specifically to the support provided for technical assistance for trade policy and regulations is intended to serve three purposes:

1. to yield useful insights for the design of the upcoming policy evaluation;
2. to contribute to insights, lessons and best practices that may support the technical assistance for trade policy and regulations programmes that will be developed in the coming years;
3. to contribute to Dutch policy aiming at synergy between trade and development policies.

Chapter 2 provides the current policy and intervention logic. In Chapter 3 an overview of previous evaluations is given. In Chapter 4 the main research question is presented and explained. Chapter 5 describes Dutch interventions and the selection of programmes that will be evaluated. In Chapter 6 the chosen research methodology is explained. In that chapter we also discuss some expectations and insights we may acquire.

<sup>1</sup> Prebisch, R (1964) "Towards a New Trade Policy for Development", New York and Geneva (UNCTAD).

<sup>2</sup> A specification of the categories that fall under this heading can be found on page 9.

<sup>3</sup> By 'induced outputs' of Technical Assistance we mean the output that is the direct result of the output provided by the TA. Often induced outputs depend on synchronic or follow-up activities by the recipients of the technical assistance. In contrast outcome and impact take more time.

<sup>4</sup> This was concluded on the basis of a literature study in IOB, 2014, In search of focus and effectiveness | IOB Evaluation | no. 389.

## 2. Policy, definition, and intervention logic

Technical assistance for trade policy and regulations is a category within a larger set of interventions that aim at assisting developing countries to integrate better into the multilateral rules-based trading system: Aid for Trade. Section 2.1 will provide an overview of the Dutch policy throughout the years as it relates to trade and development. A policy overview more specifically concentrated on technical assistance for trade policy and regulations will be reconstructed as part of the evaluation. Section 2.2 will discuss technical assistance for trade policy and regulations in more detail.

### 2.1 Policy

Trade has always been part of Dutch development policy. Initially the focus was on the continuation of colonial trade flows, such as the trading of spices, cocoa, coffee, tea, rubber and tin. Later the orientation on trade became more general. Support to UNCTAD, ESCAP and Regional Economic Communities in Africa was combined with more specific support for exporting companies in developing countries through the Centre for Imports from Developing Countries (CBI). Dutch consultancy firms, builders and dredging companies, specialized in the construction of airports and harbours, were successful in the world, but in developing countries often only with government support. Trade flows between developing and developed countries consisted mainly of primary commodities and manufactures on the basis of preferential tariffs. The impact of these trade preferences was often offset by overvalued exchange rates in the exporting developing countries and high rates of import protection. Structural adjustment and preference erosion because of the successes of GATT and WTO in combination with the examples of export led growth in Asia changed the attitude of many developing countries towards trade. This led them to abandon the policy based on self-sufficiency and import-substitution.

At a time when countries like Brazil, India and Chile opened up unilaterally and led by example, Dutch development policy changed. It changed from stressing the need for protection based on the infant industry argument to stressing the benefits of openness and competition to improve productivity. And it changed from stressing the need for preferences to stressing the need to gradually lower transaction costs that formed a larger barrier to trade than tariffs had ever done.

With the appointment in 1998 of Eveline Herfkens, a former Permanent Representative at the WTO, as Minister for Development Cooperation trade policy and support for trade policy became more important. She put Aft in a mainly multilateral perspective and in the light of a global, rules based trading system. This was in line with the Doha Development Round, which started in 2001. In 2001 the EU decided on zero tariffs for "Everything but Arms" for the least developed countries as part of their General System of Preferences and pleaded for lower tariffs among developing countries, in order to stimulate south-south trade.

Minister Agnes van Ardenne continued to stimulate trade integration for developing countries as she stated in a speech on June 10, 2004: *"By providing trade-related assistance we and other development partners will help poor countries develop their trade competitiveness, and thus strengthen their economies in their gradual integration in the global economy. A big shift for many economies, which requires measures to protect vulnerable groups, and capacity building to effectively take those measures. Aid for trade. I am shifting the focus of Dutch development assistance to that aim. And that works."*

The Sixth WTO Ministerial Conference in Hong Kong in December 2005 agreed that *"Aid for Trade (Aft) should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade."* This WTO process has come to be labelled as the 'Aid for Trade Initiative'. In that same year the EU member states promised to spend 2 billion per year on Aid for Trade and to increase ODA to reach the 0.7% of GNI target by 2015, thus reassuring those developing countries that argued that one could not call Aid for Trade compensation if paid from a constant ODA budget. The EU made that promise, knowing that Aid for Trade would also be needed

to agree on Economic Partnership Agreements with the ACP-countries as an alternative in the form of a Free Trade Agreement (FTA) for the preferential unilateral trade arrangements under the Cotonou Agreement, for which the 2000 waiver from the WTO lapsed in 2005.

Partly as a result of the emerging deadlock in the Doha round, bilateral agreements with large developing countries or with regional blocks became more important in Dutch policies. Additionally, the minister introduced policy objectives like sustainability, abolishing child labour, labour conditions, food safety and corporate social responsibility (non-trade concerns).

During the years of Minister Koenders (2007 - 2010) the Doha round did not move forward at all. The EU focused mainly on the Economic Partnership Programmes. Policy became slightly less liberal, asking only middle income countries to reduce their tariffs. Aid for Trade was still an important element in Dutch development policy, as stated in "Our Common Concern": *"An effective European and Dutch 'Aid for Trade' strategy is needed to ensure that developing countries can also benefit from increased market access. In this respect, the Netherlands is among the countries leading the way in Europe, giving 550 million euros a year in the form of Aid for Trade. This level of spending must at least be maintained over the coming years. Attention will also be focused on making international trade chains sustainable, on corporate social responsibility in developing countries and on promoting regional integration and regional trade."*

In 2010, the new centre-conservative government cut the budget for development cooperation from 0.8% to 0.7% as part of the austerity policy. Minister Ben Knapen (2010-2012) reduced the number of countries receiving bilateral aid to 15, but he did not restrict the broader bilateral private sector development (PSD) programmes of which Aid for Trade programme were part of, to only those 15 countries. The Minister phased out support to the social sectors, focusing more on economic sectors, emphasizing the role of private capital and the private sector for development. Dutch business would get a larger stake in the implementation of development programmes and projects.

In 2012 a new coalition of the liberal Party (VVD) and Labour (PvdA) combined foreign trade and development cooperation in the new post of minister for Foreign Trade and Development Cooperation. A new element in Dutch policy is the promotion of Dutch exports and investment as a government instrument that supports economic development in developing countries as well as in the Netherlands. The current minister Lilianne Ploumen has made the potential synergy between trade and aid the core element of her policy. The current policy on Trade and Development as described in "A World to Gain" (Ministry of Foreign Affairs, April, 2013) supports Trade Facilitation<sup>5</sup> as a down-payment for developing countries in concluding the Doha Round<sup>6</sup> (an agreement on Trade Facilitation was actually reached by the end of 2013 on Bali). But it also states that *"Trade 'aids' a developing country when improvements to its starting position are accompanied by the removal of barriers to trade and by corporate social responsibility"* and advocates the use of Dutch expertise (with an emphasis on business to business) to strengthen the supply chain.

Internationally, there is more emphasis on the role of international value chains (value chains involving trade in raw, intermediate and finished goods, trade in services and direct investment) and the role of the private sector. In this respect the role of FDI is often mentioned because of an assumed effect of government policy and governance and because FDI often provides access to capital, markets and internationally competitive technology.

<sup>5</sup> For a definition of trade facilitation see Granger, A. (2011) Trade a Conceptual Review, *Journal of World Trade* 45, no.1 (2011).

<sup>6</sup> A World to gain section 3.2.1: *"The Netherlands is, for example, committed to concluding a partial agreement on trade facilitation. According to studies conducted by the World Bank, the actual introduction of better rules on trade facilitation could lead in both developed and developing countries to improvements in welfare amounting to tens of billions of euros. Trade procedures – for example customs procedures – need to be harmonised and simplified in order to reduce the costs of trade. African countries, and countries like China, India and Brazil, say that trade facilitation calls for expenditure – investment in ICT, for example – which developing countries cannot afford. The Netherlands, the EU and other donors, will meet the need for technical assistance and capacity building. .... The members of the WTO have equal voting rights. But having equal voting rights does not by definition mean exerting equal influence. That calls for knowledge, of both the trading system and its requisite procedures and the problems local companies encounter in selling their products in international markets. The Netherlands supports low- and middle-income countries in acquiring the necessary knowledge. We were, for example, among the countries supporting the launch of the Advisory Centre on WTO Law which helps in the settlement of disputes. We will continue to support this initiative. We also wish to enable talks on trade liberalisation, based, of course, on a reliable analysis of the wishes of the private sector in low- and middle-income countries."*



## 2.2 Definition and Intervention logic

### 2.2.1 Definition

Aid for Trade can be defined in many ways and in some definitions comprises more than 25% of total ODA. We use the definition that was internationally agreed on by OECD and the WTO task force, which discerns the following categories:

1. technical assistance for trade policy and regulations;
2. trade-related infrastructure;
3. productive capacity building (including trade development)<sup>7</sup>;
4. trade-related adjustment; and
5. other trade-related needs if identified as development priorities in partner countries' national development strategies.

This evaluation looks specifically at proxy 1: technical assistance for trade policy and regulations. The technical assistance provided as part of this category is mainly needed to enable developing countries to deliver on multilateral and bilateral trade commitments, improve domestic policy-making and the regulatory environment, facilitate trade processes, and strengthen the bargaining power of developing countries in international trade negotiations.

Concretely, technical assistance for trade policy and regulations comprises assistance in the following six areas:

Table 1: Categories of technical assistance for trade policy and regulations

<b>Description</b>	<b>Clarifications</b>
<b>Trade policy and administrative management</b>	Trade policy and planning; support to ministries and departments responsible for trade policy; trade-related legislation and regulatory reforms; policy analysis and implementation of multilateral trade agreements e.g. technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS) except at regional level (see below); mainstreaming trade in national development strategies (e.g. poverty reduction strategy papers); wholesale/retail trade; unspecified trade and trade promotion activities.
<b>Trade facilitation</b>	Simplification and harmonisation of international import and export procedures (e.g. customs valuation, licensing procedures, transport formalities, payments, insurance); support to customs departments, tariff reforms.
<b>Regional trade agreements (RTAs)</b>	Support to regional trade arrangements, including work on technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS) at regional level; elaboration of rules of origin and introduction of special and differential treatment in RTAs.
<b>Multilateral trade negotiations</b>	Support for developing countries' effective participation in multilateral trade negotiations, including training of negotiators, assessing impacts of negotiations; accession to the World Trade Organisation (WTO) and other multilateral trade-related organisations.
<b>Trade education/training</b>	Human resources development in trade. Includes university programmes in trade.
<b>Trade-related adjustment</b>	Contributions to the government budget to assist the implementation of recipients' own trade reforms and adjustments to trade policy measures by other countries; assistance to manage shortfalls in the balance of payments due to changes in the world trading environment.

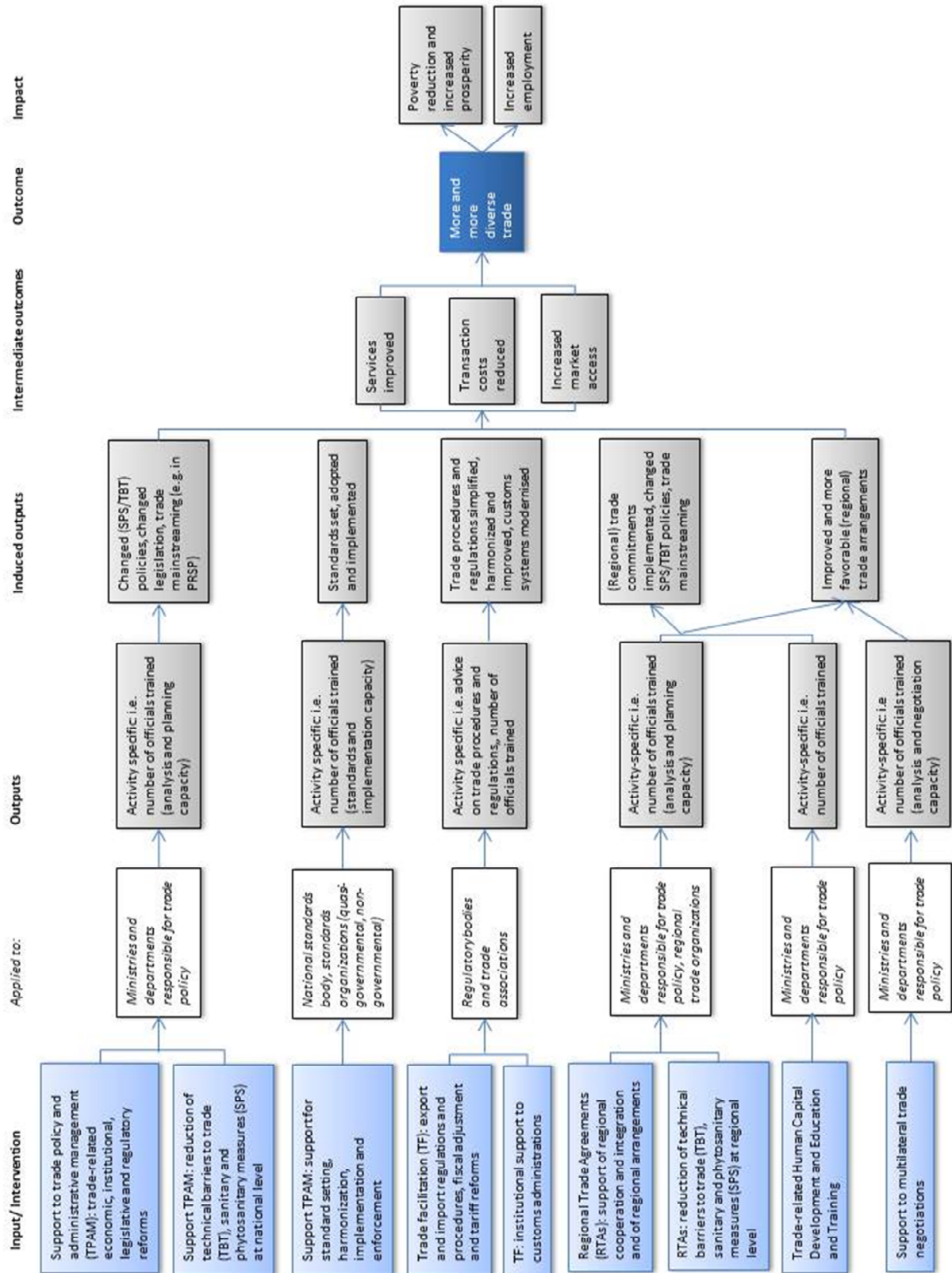
Source: OECD/WTO (2013), *Aid for Trade at a Glance 2013: Connecting to Value Chains*.

<sup>7</sup> Within category 3 a "Trade Marker" was introduced by the OECD in 2008, which gives the opportunity to separate trade development from the development of productive capacity for the domestic market.

2.2.2 Provisional intervention logic

This section presents the (provisional) intervention logic underpinning technical assistance for trade policy and regulations<sup>8</sup>. In the course of the evaluation this intervention logic will be developed further.

Figure 1: Provisional reconstructed intervention logic



<sup>8</sup> Figure 1 is largely based on an adapted version of the intervention logic of the European Union's (EU) support to trade-related assistance. See: Kröger, A. and P. Voionmaa (2015), *Aid for Trade, Policies and Strategies in German Development Cooperation*, German Institute for Development Evaluation.

Aid for Trade aims to stimulate further integration of developing countries in the world trading system. The WTO Task Force on Aid for Trade outlined multiple goals for aid for trade. They include: increasing trade, diversifying exports, maximizing linkages with the rest of the economy, increasing adjustment capacities, regional integration, and contributing to inclusive growth and poverty reduction (OECD 2011). In this evaluation the focus will only be on two goals: trade growth and trade diversification, looking at both the intensive (current traders/countries trade in greater volumes) and extensive margin (more markets and more diverse products).

There are various ways in which providing technical assistance for trade policy and regulations can obtain these goals. Figure 1 gives an overview of the intervention logic, providing the steps and processes that lead from intervention to more and/or more diverse trade. These measures of progress in the direction of more and more diverse trade will be the focus of the evaluation. The assistance is provided to governmental, quasi-governmental and non-governmental organizations. The stakeholders include the private sector, both in the assisted country and in the Netherlands.

Outputs are the direct immediate term results associated with the technical assistance. The 'induced outputs' of the technical assistance for trade policy and regulations are the outputs that are the direct result of the output provided by the technical assistance. Often induced outputs depend on synchronic or follow-up activities by the recipients of the technical assistance. In contrast outcomes and impact take more time. The various interventions are discussed below.

The first is assistance to ministries and departments responsible for trade policy to improve trade policy and administration, and to regulate technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) at the national level. Trade policy may be motivated by all kinds of considerations, agreements being part of those. Aft can support countries in formulating better trade policy and in implementing agreements. An example is the delivery of Diagnostic Trade Integration Studies. But trade policy also deals with legislation, regulatory reform, implementation of policies, mainstreaming trade within government and trade promotion. The assistance may be given in many ways.

Assisting countries in standard setting, harmonization, implementation and enforcement is such an important part of trade policy and regulations that it is mentioned separately. A lot of technical assistance is given in this field to governmental, quasi-governmental and non-governmental standards organizations. The induced output of this TA is that there are standards, that they are implemented, which means that people are informed about them, and that they are enforced. This is a qualitative side of aid for trade, that is expected to lead to more trade (but see footnote 7).

The next intervention is assisting countries in improving the regulatory environment and improving the facilitation of trade. When improving regulations one can think of all administrative requirements such as customs rules, tax rules, security rules, visa formalities, phytosanitary and health controls, environmental rules, consumer protection rules, trade licensing, e-customs procedures, regulations on foreign exchange accounts and on payments in foreign currencies, etc. Trade facilitation is defined by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) as "the simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment". So there is an overlap between improving regulations and trade facilitation.

Assistance on regional integration and regional trade policy is to a large extent similar to assistance provided for multilateral integration. The support is geared towards regulating technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS) at the regional level, and promoting regional cooperation, integration and regional arrangements. The improved arrangements, and regional trade-related technical capacity are expected to lead to increased market access, improved services, and a reduction in transaction costs.

Support to trade-related human capital development, education and training strengthens the capacity of trade officials to contribute to regional and multilateral negotiation and policy-making.

Supporting developing countries to improve their negotiating capacities is the final sub-category. The interventions are often training and analyses. These can then lead to more favourable trade arrangements that provide the recipient countries with better and cheaper market access for their exports and cheaper imports (especially when they do not compete with domestic production and thus do not imply adaptation costs). The support can e.g. result in deals on sequencing of trade liberalization (tariffs), exemptions for sensitive sectors and tailor-made rules to respect policy space in areas such as public health, education and public utilities. Trade agreements may force a country to change its trade policy and may thus lead to improved regulation and trade facilitation and may require tax reform. In the figure above, this link between agreements, trade policy and domestic reform is not visible.

The improvements in trade policy, standards, regulation and trade facilitation, regional and multilateral agreements and human capital development are expected to result in improved services, increased market access, and lower transaction costs. We expect that as a result there will be more (diverse) trade, which could lead to increased prosperity and increased employment, and possibly less poverty<sup>9</sup>. The exact description of the changes in behaviour that cause the changes in trade volumes and trade composition will be specified in the evaluation and are in fact part of the assessment of the likelihood that the interventions will have an impact.

<sup>9</sup> It is also conceivable that rather than causing trade to increase, the assistance prevents trade from decreasing. This could be the case especially with standard setting, where complying with standards enables continued market access and trade of products (but not necessarily an increase). Without the assistance, there is a likelihood that exports of those products would have decreased.

### 3. Previous evaluations

#### 3.1 The 2003/4 Evaluation by IOB

In 2003 and 2004 IOB evaluated Trade Related Technical Assistance over the period 1992-2002. The report was published in October 2005 (IOB-report 300). The evaluation looked at the same assistance as the current: trade policy and regulations, consisting of support to aid recipients' effective participation in multilateral trade negotiations, analysis and implementation of multilateral trade agreements, trade policy mainstreaming and technical standards, trade facilitation, including tariff structures and customs regimes, support to regional trade arrangements, and human resource development in trade (categories taken from the WTO/OECD, 2002, First Joint WTO/OECD Report on TRTA and Capacity Building).

The 2003/4 evaluation looked in particular at multilateral programmes, because at the time it was part of Dutch policy to mainly support TRTA through multilateral channels. The following programmes were selected based on criteria of diversity, policy relevance and budget:

- UNCTAD TA programme
- Integrated Framework for TA for Trade Development in LDC's (by UNCTAD, ITC, WB, IMF, and UNDP)
- The Joint Integrated Technical Assistance Programme (JITAP) by UNCTAD, ITC and WTO
- The Agency for International Trade, Information, and Cooperation (AITIC)
- The Quaker United Nations Office (QUNO) (negotiation support in the context of TRIPS and biodiversity), and
- The Advisory Centre on WTO-Law (ACWL)

The methodology used in the evaluation was a mix of desk study (analysis of annual reports and evaluations) and interviews. Both providers and recipients of support were interviewed. Main question was whether the direct objectives of the programmes were realized and if tangible results could be found.

The main conclusions were:

- there are few measurable indicators,
- the large broad programmes are not effective and efficient,
- trade policy in the recipient countries is hardly incorporated in the development plans,
- single-issue organisations serving non-LDCs are efficient and effective,
- country ownership is weak, and
- embassies of the Netherlands do not support and follow up on the programmes supported by The Hague.

#### 3.2 Other evaluations of Aid for Trade

The OECD/WTO-report *Aid for Trade at a Glance 2013* gives in Chapter 5 an overview of evaluations at cross-country, country, and programme/project level. They start with the remark that "*Aid for Trade is about assisting developing countries to increase exports of goods and services, to integrate into the multilateral trading system, and to benefit from liberalised trade and increased market access. Effective Aid for Trade will enhance growth prospects and reduce poverty in developing countries, as well as complement multilateral trade reforms and distribute the global benefits more equitably across and within developing countries.*" Beyond expanding trade to propel growth, other goals emphasised progressively changing the composition of trade. This includes diversifying exports away from reliance on a few raw material commodities with volatile prices, increasing the domestic value-added in exports, and expanding intra-regional and South-South trade. One can conclude that the OECD and WTO put the bar high and have high expectations form Aid for Trade.

The reports states further that "...: *since complementary policies can support or detract from the effectiveness of a particular aid-for-trade programme, an analysis of the policy context should be*

*central to any final assessment of aid for trade.*" This could be read as an excuse in advance for failure, but could also be a sincere worry.

One of its main conclusions on the evaluations of Aid for Trade is that *"While virtually all the programmes have found that aid for trade has been effective for the most part in helping developing countries to take advantage of opportunities in international trade, tracing the complex link from donor funds as inputs through the results chain to greater trade and greater trade-led growth, much less poverty reduction, remains a persistent challenge."*

Other shared conclusions that are reported in this overview by OECD are:

- that donors do not pay enough attention to the mitigation of negative effects of liberalisation and trade reform;
- that baselines and comparison groups are often lacking;
- that there is little cross-country learning;
- that the effect of trade policy reform on other donor programmes is often not taken into account;
- that there is a disconnect between donor head-quarters and field missions and that the latter often lack expertise on trade issues; and
- that trade policy is often not a subject in policy dialogues between donor and recipient government.

A final point to take into account is that most evaluations only look at exports, whereas imports could be as important. That is why the intervention logic presented in the previous chapter specifies an increase in (diversity of) trade, i.e. exports as well as imports, as the determinant outcome indicator.

## 4. Delineation and Evaluation Questions

### 4.1 Delineation

#### 4.1.1 Unit of analysis

For the policy review of private sector development (PSD), IOB has evaluated in 2014 parts of Dutch Aid for Trade policies<sup>10</sup>. In addition, the department recently finalised an evaluation of one of the main instruments for infrastructure development (ORET).

The IOB PSD evaluation concluded that trade development, like all market development, "is more a result of programmes that improve the enabling environment than a driving force for structural change in itself". The OECD also notes that constraints may prevent programmes and projects concentrating on trade-related infrastructure and trade development from contributing to trade growth. The outcomes of these aid-for-trade programmes and projects, that we do not evaluate, are not only a function of the way they were implemented, but also of complementary policies, e.g. on the business environment (OECD 2011, IOB 2014). It is precisely this business environment that is affected by trade policy and regulations. Potentially the programmes on policies and regulations therefore have a large impact.

The importance of providing technical assistance for trade policy and regulations has increased with the growing importance of global value chains (GVCs). Determinants for participation in GVCs include: regional trade agreements, lower investment barriers to multinational corporations, high-quality infrastructure, speed and flexibility of movement of physical goods and information, effective legal and regulatory systems, efficient systems and the capacity of domestic firms to contribute to the supply chain<sup>11</sup>. This underscores particular areas of action for the aid for trade initiative. It was researched by the WEF<sup>12</sup>, which outlined the following elements as relevant areas of focus for aid for trade within the current context:

- *Border administration and trade facilitation*, as time spent at borders and ports is more important in GVCs;
- *Market access barriers*, including non-standardized, restrictive safety and sanitary regulations;
- *Services development* because transport and communications, standards, accounting norms, quality assurance functions and transport logistics are of increased importance.
- The *business environment* since regulations can handicap supply chains, and physical insecurity due to social conflict or lawlessness stifles supply chain growth.

This evaluation therefore focuses on technical assistance for trade policy and regulations, a theme that has not received much attention since the evaluation of 2003. The evaluation is relevant for a policy review of the Aid, Trade and Investment agenda of minister Ploumen. The lessons learned from the projects financed in this field by the Netherlands between 2007-2014 will also provide relevant inputs for discussions on future directions for the Aid for Trade initiative.

Conducting an in depth study will maximize the potential for learning about technical assistance for trade policy and regulations. In their 2013 review and monitoring exercise of the aid for trade initiative, the OECD and WTO state that "*evaluations undertaken by donors often have such a wide focus – on various countries, sector, instruments and dependent variables – that at times clear conclusions that would promote learning are lost*"<sup>13</sup>. In narrowing the scope of the evaluation, this study can complement the existing IOB evaluations and jointly inform policy discussions on potential synergies between trade and development policy.

<sup>10</sup> IOB, 2014, In search of focus and effectiveness | IOB Evaluation | no. 389

<sup>11</sup> OECD (2013), *Succeeding with Trade Reforms: The Role of Aid for Trade, The Development Dimension*, OECD Publishing, Paris. DOI: <http://dx.doi.org/10.1787/9789264201200-en>

<sup>12</sup> WEF (2013), *Enabling Trade Valuing Growth Opportunities* (in collaboration with Bain & Company and the World Bank), WEF, Geneva. <http://www.weforum.org/reports/enabling-trade-valuing-growth-opportunities>

<sup>13</sup> OECD/WTO (2013), *Aid for Trade at a Glance 2013 : Connecting to Value Chains*; [http://dx.doi.org/10.1787/aid\\_glance-2013-en](http://dx.doi.org/10.1787/aid_glance-2013-en)

### 4.1.2 Evaluation objective

Based on the internationally formulated objective, AFT should lead to better integration of developing countries into the international multilateral trading system. However integration is a means rather than an end. Since AFT is financed by ODA, it has to contribute to poverty alleviation or economic development. If we assume that increased trade leads to economic growth, with possibly poverty reduction<sup>14</sup> an evaluation of AFT should ideally investigate the link between TA and trade performance. But attributing increased trade to agreements, rules and regulations and procedures, will in general still be too difficult. A realistic evaluation with a limited budget within a limited time frame can therefore only look at tangible inputs and (induced) outputs, and try and verify the likelihood of the assumed intervention logic.

The *objective* of this evaluation is to generate insights and conclusions with respect to the (induced) outputs and likely results of the Dutch contribution to technical assistance for trade policy and regulations in recipient countries. The evaluation will focus on the Ministry's support to International, Southern and Dutch organizations and programmes that provide technical assistance for trade policy and regulations. Therefore we shall look at programmes that improve trade policy (including supporting trade negotiation capacities), programmes that support regional trade, programmes on standards, and programmes supporting trade facilitation, i.e. programmes focussing on improvement of the institutional and regulatory trade environment (see project selection in Chapter 5). Some of these programmes have been evaluated already or will be evaluated internationally by a group of donors. In those cases we shall use the outcomes (if available) in a supplementary way. In some cases the improvement of trade policy and regulations is only a (small) part of a programme. This is in particular the case where trade development programmes contain an institutional development part, such as standard setting and the implementation of standards. In those cases we shall only evaluate that part.

The evaluation will assess whether the (induced) outputs of the technical assistance for trade policy and regulations financed by the Netherlands between 2007 and 2014 were realised. The evaluation will additionally evaluate the likelihood that the expected outcomes were realised as result of the provided technical assistance. The evaluation will not statistically measure the outcomes of the selected TA in terms of more and/or more diverse trade, but will only assess the likelihood of such an effect on trade on the basis of the case studies. The evaluation will neither measure the effect of an (assumed) TA related trade increase on economic growth or on poverty. There is substantial literature on the effects of trade agreements on trade and economic growth and on the effects of trade on poverty. This literature will be used as part of the evaluation, and will provide the theoretical and empirical foundations of the study. The literature will also, in conjunction with interviews with stakeholders, be used to make an assessment of the extent to which it can be expected that the (induced) outputs of the evaluated programmes have led to the expected outcomes. The likelihood thus entails the extent in qualitative terms to which the conjunction of literature, interviews and existing evaluations point towards the fact that the outcomes have or haven't been achieved as a result of the technical assistance provided.

## 4.2 Evaluation questions

*Central evaluation question:*

Has the technical assistance for trade policy and regulations financed by the Netherlands between 2007 and 2014 achieved its intended results?

*Subquestions:*

1. What was the policy of the Ministry with respect to supporting technical assistance for trade policy and regulations between 2007 and 2014? (Policy reconstruction)
2. What were the intended (induced) outputs of the technical assistance for trade policy and regulations programmes financed by the Netherlands between 2007 and 2014?
3. Were Dutch policies effective in realising these (induced) outputs?

<sup>14</sup> this assumption has been studied extensively with various outcomes.



4. Was the Dutch support in the area of technical assistance for trade policy and regulations between 2007 and 2014 coherent with and complimentary to interventions financed by other donors (bilateral and multilateral)?
5. What evidence is there for the effectiveness of Aid for Trade (technical assistance for trade policy and regulations in particular) in increasing trade, enabling economic growth and reducing poverty? (Literature review)
6. To what extent can it therefore be expected that the technical assistance for trade policy and regulations programmes financed by the Netherlands between 2007 and 2014 have led to the intended outcomes?

These questions will be elaborated in a set of more detailed questions, and intervention specific questions that will be used in the evaluation. Appendices B and C provide lists of questions that can be of use. We do not intend to answer all these questions, but will use them as a checklist to assess the available evaluations and as points of reference for our primary data collection.

## 5. Selection of Programmes

### 5.1 Technical assistance for trade policy and regulations supported by the Netherlands

Dutch spending on technical assistance for trade policy and regulations, as defined by the CRS codes 33110 to 33181 listed in Appendix A, increased steadily between 2003 and 2013. Annual disbursements, registered as Aid for Trade, went up from 19 million euro in 2003 to over 87 million euro in 2013. At the same time the concentration of spending (the average amount per programme) increased. The number of supported programmes decreased from 34 to 23 in the same period. In 2013 more than half of the budget was spent on only two programmes: the Centre for Imports from Developing Countries (CBI) (32 million) and the Initiative for Sustainable Trade Development (IDH) (20 million)<sup>15</sup>. The Trade Facilitation Facility was supported by 10 million euro and Trade Mark East Africa received Dutch support (both from headquarters and Kampala) to the amount of 14.5 million. A Public-Private Partnership Agreement on Market development by Solidaridad received 6 million in 2013. So whereas in 2003 many programmes were supported, in 2013 more than 90% of the budget went to only 5 beneficiary organisations. The total reported to technical assistance for trade policy and regulations between 2007 and 2014 was in the order of 440 million Euros. Part of this support, with a maximum of 240 million, may, as we explain in 5.2, in fact refer to trade development and business to business support. The remaining at least 200 million has been used to finance programmes that were almost always financed by several donors. We estimate that Dutch support was on average not more than 20%, which means that the population of programmes that we look at in this evaluation has a total value of at least one billion euro. Support to organisations in Geneva (capacity building for trade negotiation and trade facility) moved from DDE to IMH, indicating that there may indeed be a relation with Dutch trade interests. The current evaluation can be used to assess the shifts or supposed shifts in orientation of Dutch support and seems therefore very well timed.

### 5.2 Programmes that will be evaluated

Appendix A provides a list of programmes and projects supported by the Netherlands. Not all programmes are good candidates to be evaluated. Some are too small and some were completed long ago, which makes it difficult to connect them to current policy. The selection of programmes was mainly based on size and type of intervention. After discarding the programmes that were too small, too old, or not at all representative for the average intervention policy, we ended up with a list of programmes that turned out to be relatively small. As is shown by the overview of this selection, these programmes nicely cover the different categories. However, this selection is still provisional. On the basis of a more in depth study of programme documents and available evaluations the selection may be adjusted or refined. An element to take into account is the heterogeneity of the programmes. Detailed analysis has to shed light on the aspects that these programmes share in order to be able to generalize the evaluation lessons.

Table 2: Overview of the provisional selection of programmes for the evaluation

<b>Program</b>	<b>Goal(s)</b>	<b>Beneficiaries</b>
<i>Trade policy and administrative management (TPAM): economic, institutional, legislative and regulatory reform</i>		
<b>Globalizing Trade Justice</b>	Policy makers are informed about (the dangers of) globalization	Policymakers and influencers in the field of trade policy
<i>TPAM: Reduction of technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS)</i>		
<b>Standards and Trade Development Facility (WTO)</b>	Projects in the area of SPS standards are successfully developed, coordinated and implemented.	Donors, partners, policy makers, international, regional and national organizations
<i>TPAM: Standard setting, harmonization, implementation and enforcement</i>		

<sup>15</sup> The reason why CBI and IDH were categorised under regional trade agreements and trade policy and administrative management is not clear. A lot of what these programmes do falls unmistakably under trade development. However policy advisors of this ministry have apparently valued their work on standards, regulations, procedures and trade promotions in such a way that these programmes are listed under trade policy and regulations. This should be taken seriously and is in itself a reason to study the evaluations and reviews of these programmes carefully as part of this evaluation.

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<b>IDH</b>	Companies implement sustainability standards and obtain relevant certifications.	Coalitions of companies, civil society organization, governments and other stakeholders
<b>CBI</b>	Exporters and producers are more competitive, and the institutional infrastructure is improved.	Key actors in the value chain
<b>Solidaridad</b>	Farmers and workers enhance the sustainability of their work.	Farmers and workers
<b>Fair Trade Original</b>	Sustainable supply chains are set up, farmers participate in those supply chains and obtain relevant certifications.	Key actors in the value chain
<b>Fair Wear Foundation</b>	Labor conditions for garment workers are improved.	Companies and factories, business associations, trade unions, NGOs
<i>Trade facilitation (TF)</i>		
<b>World Customs Organization, Regional Office for Capacity Building in Abidjan</b>	Customs administrations are modernized and reformed, and regional cooperation is increased.	Customs administrations
<b>Trade Facilitation Facility</b>	Trade facilitation systems are modernized and improved.	Activities at country, regional and global levels
<b>Multi-Donor Trust Fund on Trade and Development II (WB)</b>	Countries' capacity to trade is improved in the areas of: trade competitiveness and diversification, trade facilitation, market access and international trade cooperation.	Activities at country, regional and global levels
<i>Regional Trade Agreements (RTAs)</i>		
<b>Trade Mark East Africa</b>	Regional integration.	Ministries responsible for trade policy, East African Community (EAC) organs and institutions
<b>Trade Law Centre for Southern Africa (Tralac)</b>	Policy makers are informed about issues relating to EPAs.	Policymakers and influencers in the field of trade policy
<i>Trade-related Human Capital Development and Education and Training</i>		
<b>ICTSD training</b>	Policy makers are informed about policy developments in the trade and sustainable development field.	Policymakers and influencers in the field of trade policy
<b>NL Trainee program (WTO)</b>	Officials from developing countries are capacitated and informed about matters dealt with in the WTO.	Junior public officials from ministries and departments responsible for trade policy
<i>Multilateral trade negotiations</i>		
<b>ACWL</b>	Developing countries successfully participate in WTO dispute settlement.	Ministries and departments responsible for trade policy

The reason some of the programmes, like IDH and CBI, have been categorised by policy officers under 'trade policy and regulations' is not clear, since these programmes are focused mainly on trade development. In the evaluation we will assess to what extent (part of these) these programmes fit within the 'trade policy and regulations' category of Aid for Trade. A programme will be considered to fall under technical assistance for trade policy and regulations if:

- it deals with preparing, formulating or implementing trade policy, either nationally, bilaterally regionally or multilaterally;
- it deals specifically with standard setting and/or implementation; and/or
- it deals with regulatory or procedural reform.

Private standards are included in this definition, since they are a form of self-regulation and by virtue of their developmental relevance. The evaluation will be confined to those parts of the programme that deal specifically with the aspects listed above.

Not all programmes will need to be reviewed with the same level of intensity. In fact, for several, evaluations have already been undertaken. In these cases (a.o. ICSTD, ACWL, TFF), the existing evaluations will be reviewed. In addition, the Trade Mark East Africa (TMEA) programme is currently in the process of being evaluated jointly by the international donor group that supports the programme. IOB (Jan Bade) takes part in an advisory role in the donor reference group of this evaluation. Some early results may come in time to be used for triangulation.

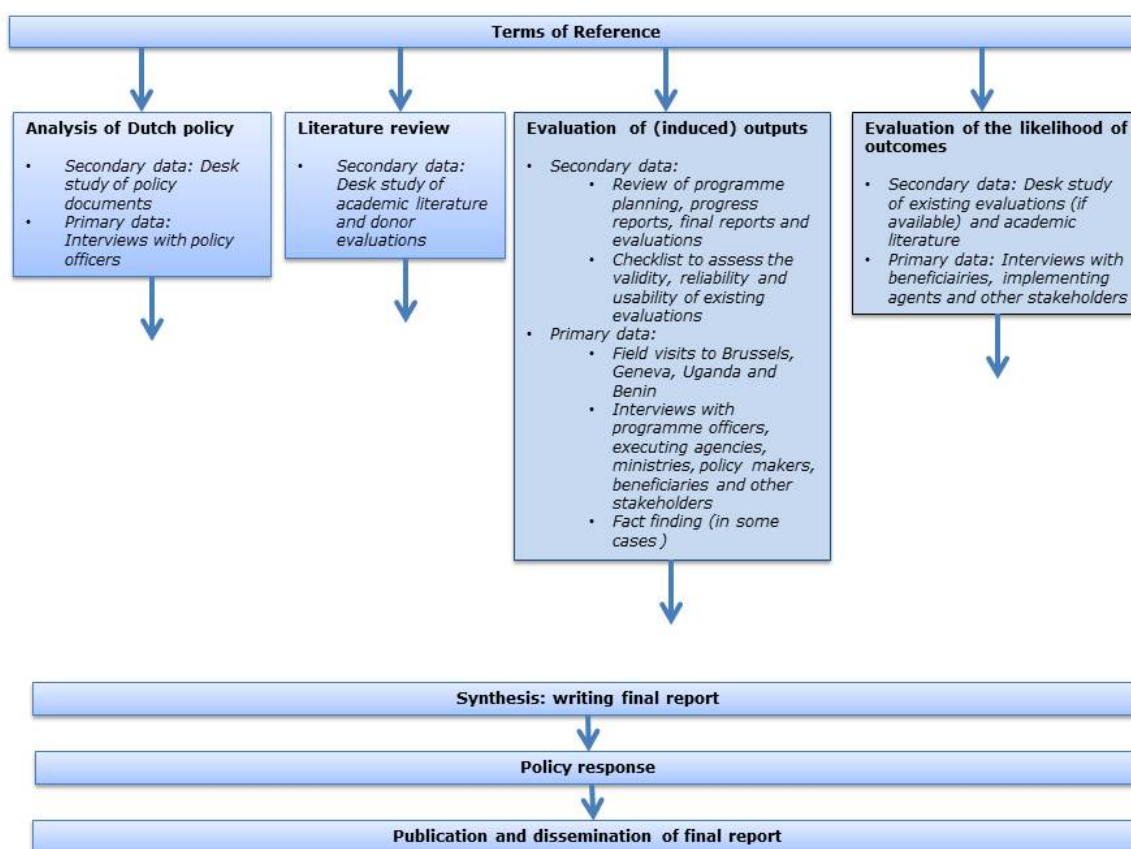
## 6. Methodology and expected insights

### 6.1 Methodology

In order to answer the questions listed in section 4.2 we shall use a combination of secondary and primary data. Because this research is limited in time secondary data are our main source. It will not be possible to collect primary data for all the programmes listed in section 5.2. Depending on an in depth study of the secondary sources we shall focus our collection of primary data on programmes that have no convincing monitoring and evaluation system in place and/or have not evaluated the effectiveness of their endeavours.

The following schedule provides an overview of the various parts of the evaluation with an overview of the proposed methodology at aggregate level.

Figure 2: Method



The analysis of Dutch policy on Aid for Trade, confined to technical assistance for trade policy and regulations will be based on a review of the available policy documents. In addition, policy advisors of the Ministry will be interviewed to find out about their perception of the relation between intervention and policy goals.

In order to put the evaluation in perspective and assess the choice of interventions to reach the policy goals an overview of evaluations and literature will be given. This overview will provide a benchmark as well as a theoretical and empirical foundation of the relation between inputs and direct outputs of the programmes and an increase in trade (diversity).

The realisation of (induced) outputs of the technical assistance for trade policy and regulations programmes will be evaluated by desk research, interviews and field visits. The desk research will look at programme planning, progress reports, final reports and other reports and will include an assessment of (in)coherence and value for money. This exercise will concentrate on direct output of the programmes that are supported with Dutch financial contributions. Field visits will be used to interview programme officers, executing agencies as well as policy makers, beneficiaries and other

stakeholders, and in some cases for fact finding. Existing evaluations will be used to complement our research. The validity, reliability and usability of existing evaluations will be assessed using a predetermined checklist of indicators.

The evaluation will also try to get information on the likelihood that the expected outcomes have materialized. This assessment will be based on interviews and existing (internal) evaluations (if done). Primary data collections will concentrate on the beneficiaries of the programmes. Triangulations may be possible in some cases. Traders may for instance be interviewed to find out about regulatory improvements and standards.

Existing evaluations will be assessed on the basis of the questions listed in Appendix C. The extent to which the likelihood of expected outcomes can be established provides an input to the design of future IOB evaluations in the field of aid and trade.

Primary data collection will take place during short visits to Brussels, Geneva, Uganda and Benin. Brussels and Geneva were selected because of the policy makers from developing countries that work there and the fact that many executing agencies have their offices in Geneva. Uganda and Benin have been selected because these countries are to our knowledge the only non-fragile partner countries where relevant programmes were executed that were not financed from central budget. This increases the involvement of the embassy.

The evaluation will be complemented with existing measurements and indicators, such as data from the World Integrated Trade Solution, Doing Business and the Logistics Performance Index. This serves the purpose of giving a sense of baseline performance in countries of interest, and the trends in those indicators. Without any attempt at attribution, these quantitative indicators will serve as a framework to anchor the evaluation.

The evaluation will provide insight in:

- how the interventions fit in Dutch development policy
- the way the interventions are supposed to serve the formulated development goals,
- the (induced) outputs, and
- the likely outcomes of the programmes.

The emphasis however is on the realisation of (induced) outputs of the programmes, in order to increase our understanding of these programmes and the reasons why they have been executed.

### **6.2 Product**

The evaluation will result in one final report. The main findings will answer the evaluation questions. The report will also give recommendations for improvement and/or policy changes. The evaluation report will be written in English with a summary in Dutch.

## Appendix A: Technical assistance for trade policy and regulations

### **B1 CRS-codes**

#### **33110 - Trade policy and administrative management**

Trade policy and planning; support to ministries and departments responsible for trade policy; trade-related legislation and regulatory reforms; policy analysis and implementation of multilateral trade agreements e.g. technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS) except at regional level (see 33130); mainstreaming trade in national development strategies (e.g. poverty reduction strategy papers); wholesale/retail trade; unspecified trade and trade promotion activities.

#### **33120 Trade facilitation**

Simplification and harmonisation of international import and export procedures (e.g. customs valuation, licensing procedures, transport formalities, payments, insurance); support to customs departments; tariff reforms.

#### **33130 Regional trade agreements (RTAs)**

Support to regional trade arrangements [e.g. Southern African Development Community (SADC), Association of Southeast Asian Nations (ASEAN), Free Trade Area of the Americas (FTAA), African Caribbean Pacific/European Union (ACP/ EU)], including work on technical barriers to trade and sanitary and phytosanitary measures (TBT/SPS) at regional level; elaboration of rules of origin and introduction of special and differential treatment in RTAs.

#### **33140 Multilateral trade negotiations**

Support developing countries' effective participation in multilateral trade negotiations, including training of negotiators, assessing impacts of negotiations; accession to the World Trade Organisation (WTO) and other multilateral trade-related organisations.

#### **33150 Trade-related adjustment**

Contributions to the government budget to assist the implementation of recipients' own trade reforms and adjustments to trade policy measures by other countries; assistance to manage shortfalls in the balance of payments due to changes in the world trading environment.

#### **33181 Trade education/training**

Human resources development in trade not included under any of the above codes. Includes university programmes in trade.

### **B2 list of eligible Dutch programmes (2007-2014)<sup>16</sup> under the CRS-codes**

The following programmes on trade policy and regulations were the main programmes supported between 2007 and 2014 (with programme support in brackets). Highlighted programmes are candidates for in depth evaluation or can be incorporated by using existing evaluations:

Multilateral trade negotiations:

- Support ACWL (2007-2010; 2 million euro; 2012-2016 2.7 million euro IMH)
- Support to ICTSD training (2005-2009; 2.7 million euro; 2010-2016 2.7 million euro (?) IMH)
- NL Trainee programme WTO (2005-2008 2 million euro; 2013-2016 ?? million euro, IMH)
- Netherlands Chair Program (2013-2016; ?? million euro, IMH)
- TRTA WTO Doha Dev Agenda (2005-2007; 2.7 million euro)
- Support to Quno (2005-2007; 0.45 million euro)

Regional trade negotiations:

- Support to CBI (2005-2016, 280 million)

<sup>16</sup> Very small projects and support to Dutch policy are not listed.

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- TRTA EPAs support to Trade Law Centre for Southern Africa (Tralac) (2005-2010; 1 million euro) (Stellenbosch, South Africa).

### Trade facilitation:

- Support of wereldwinkels (2006-2011; 1.7 million euro)
- Support of the Standards and Trade Development Facility (2004-2006 1.2 million euro and 2008-2014 >9.75 million euro) (based in Geneva) now IMH and until 2016?
- Support to Fair Trade Original (based in Culemborg) (2006-2011); 6.4 million euro)
- Support to Fair Wear Foundation (2006-2010; 1.35 million euro)
- Support Fair Trade Assistance (2004-2007; 0.7 million euro)
- Support to World Customs Organisation Regional Office for Capacity Building in Abidjan (2009-2011; 1 million euro)
- Support to CODEX trust fund (2009-2014; >1.4 million euro)
- WSSD market access / capacity building (2005-2007; 1.7 million euro)
- Multi Donor Trust Fund on Trade and Development II (WB, 2012-2015; 5 million euro)
- Trade Mark East Africa (2010-2016; 50 million euro)
- Trade Facilitation Facility (2012-2015; 10.3 million euro) (first phase being reviewed)

### Trade policy and administrative management:

- Support to IDH (2008-2016, 67.5 million),
- Support to Solidaridad (2006-2015, 49.5 million)
- Support International Lawyers & Economists against Poverty (2005-2009; 0.9 million euro)
- Support EUREPGAP & small producers in Developing Countries (2005-2009; 0.45 million euro)
- Support to AITIC (Sponsoring memberships) (2004-2008; 2 million euro)
- Globalizing Trade Justice (2003-2008 ; 1.4 million euro), mainly through the in 2006 dissolved organisation "Zuid Noord Federatie" a.o. with Both Ends and working in Benin, Bolivia and Kenya.
- UNCTAD Biotrade Initiative (2003-2007; 2.15 million euro)
- WSSD Partnership Market Access (2003-2010; ca. 1 million euro)
- Establishment of Commodity Business Support Centers for palm oil, sugarcane farmers, soy and farmworkers (2008-2013; 4.8 million euro) (Schokland project by Solidaridad)

## Appendix B: Guiding questions

The following questions will be used to guide the desk and field research (interviews, and fact finding):

- What were the objectives of the programme?
- On which evidence-based theory of change was the intervention logic based (if any)?
- Did the programme contribute to the reduction of a barrier to trade?
- Was the programme additional?
- What were the direct outputs? Was there a baseline? Were performance indicators formulated? Is there other evidence of an effect?
- Was there an M&E-system in place or has the programme been evaluated?
- To what extent were the objectives of the programmes reached?
- Which conclusions on results have been drawn from the programmes (by Dutch policy makers and programme officers, by the implementing agencies, by beneficiaries and by other stakeholders)?

This last question will have to be made intervention specific (see also Appendix C). Depending on the type of intervention stakeholders will be asked to indicate the outcome based on the following questions that focus on the types of intervention that will be evaluated and the effect on donor countries (*italics*):

- Did the support change the position, the quality of the arguments or the effectiveness of developing countries in *trade negotiations*? Did/does the support lead to more favourable trade arrangements?
- Was the TA provided as part of, or with the objective to achieve, a *trade policy* that was integrated in the overall development strategy of the country? Did the TA lead to improved trade policy? Was trade integrated in the overall development plan of the country? Was this reflected by inter-ministerial cooperation or a visible influence of trade on other policy areas?
- Did the TA lead to improved rules and regulations and different (application of) procedures. Did this reduce *the transaction costs* (time, payments) of imports and exports?
- Did TA in *standard setting and implementation* result in an increase in trade or competitiveness?



## Appendix C: Checklist for M&E of individual programmes

The questions in this section address the main subjects of the OECD evaluation guidelines: relevance, effectiveness, efficiency, impact and sustainability. Each programme that is to be evaluated is ideally expected to have a monitoring and evaluation system in place that will assess the programme against its own theory of change, objectives and indicators and how these have evolved over time. Specific questions in this list depend on whether the programme is aiming at negotiations (ii), trade policy (iii), transaction costs reduction (iv), or standard setting (v). In addition questions are formulated with respect to the overall assumptions and the consistency in Dutch policy (i) and with respect to donor benefits (vii). These are not our research questions but provide a framework to find out in interviews and field work what kind of knowledge on outcome and impact is available.

- i. *On the assumptions and consistency of Dutch policy formulations and execution***
  - To what extent are the assumptions underpinning the Theory of Change evidence-based or verified?
  - To what extent do the programmes benefit from robust analyses of the link between trade and poverty?
  - Are complementary Dutch development policies being adopted to translate the benefits of increased trade into poverty reduction?
  - Do the programme interventions complement other ongoing initiatives (both government and private sector)?
  
- ii. *On the trade negotiations capacity building programmes***
  - Are the logframe targets and milestones appropriate and realistic in order to attain the goals and objectives as well as the intended impacts and outcomes?
  - To what extent does the programme support trade integration priorities and address the right set of issues?
  - To what extent have recipients been able to utilize the programmes?
  - To what extent does the programme result in more favourable trade agreements?
  - How have changes in policy and in the political economy (in the region) impacted on the programme or on its relevance?
  
- iii. *On the trade policy integrations programmes (including regional aspects)***
  - Are the logframe targets and milestones appropriate and realistic in order to attain the goals and objectives as well as the intended impacts and outcomes?
  - To what extent does the programme support trade integration priorities and address the right set of issues?
  - To what extent has the programme contributed to improved harmonised policies and programmes of key regional and national actors?
  - To what extent have the programme activities led to increased capacity of key national and regional agencies to implement regional integration commitments?
  - How have improved trade policy and an improved trade policy environment led to additional or more diverse trade as compared to a situation without the programme?
  - Are complementary policies being adopted to translate the benefits of increased trade into poverty reduction?
  - Are measures being taken and successful in mitigating potential negative impacts on any sub-groups, in particular poor people in localised areas?
  
- iv. *On the transactions costs reduction programmes (including regional aspects)***
  - Are the logframe targets and milestones appropriate and realistic in order to attain the goals and objectives as well as the intended impacts and outcomes?
  - To what extent does the programme support trade integration priorities and address the right set of issues?
  - To what extent has the programme activities led to a reduction in trade costs (reduced transport costs, reduced regulatory and operating costs, and non-tariff barriers)?
  - What is the impact of achieved trade cost reductions on increased trade (both intra-regional and extra-regional)?
  - To what extent have the removals of NTBs contributed to an enhanced trade environment and to increased trade?

- Where relevant, how have the programme activities (including customs/revenue authority reforms as well as activities to promote trade flows) led to increased national revenues?
- v. ***On the standard setting programmes (including regional aspects)***
  - Are the logframe targets and milestones appropriate and realistic?
  - To what extent does the programme support trade integration priorities and address the right set of issues?
  - To what extent have activities led to greater standards harmonisation and compliance?
  - To what extent have standards harmonisation and standards testing impacted on the trade environment and trade flows?
  - Is the programme leading to increased access to (new) markets?

The following questions on crosscutting issues, sustainability, value for money, operational efficiency, alignment, and M&E arrangements are to be asked for all programmes under ii-v that are evaluated in detail:

***On crosscutting issues***

- To what extent has the programme benefited women or minority groups? Have there been any negative consequences on women or minority groups? How could the programme increase benefits to women and minority groups within its trade focus?
- What has the impact been on corruption, rent seeking behaviour or clientelism across the various components, notably within the fields of customs and rules and regulations in general?
- What impact has the programme had on other crosscutting issues, such as environment/climate and private sector development in general (not trade related)?

***On sustainability***

- What benefits (both social and financial) of the programme are likely to be sustainable and would continue with the programme?
- What were/should be the essential components of the exit strategy in order to sustain impact, in particular a lasting positive impact on the poor?
- How are stakeholders engaged through the programme and beyond and how do they take lessons learnt into account?

***On value for Money***

- In which activities/components and countries does the programme achieve high value for money and what are the lessons learnt for maximizing value for money across the board?
- What is the value added (effectiveness) of the regional dimension of the programme?

***On operations***

- To what extent are the Programme's institutional mechanisms efficient and effective in delivering programme outputs and regional integration objectives?
- What are the strengths and weaknesses of the implementing organisation?
- To what extent are the programme's governance arrangements, together with its financial (including procurement), human resource and risk management processes, leading to delivery of high quality and timely outputs in ways which represent value for money?
- Is the operational model at donor level the most appropriate and efficient for delivering the intended outputs? What are the key enablers which need to be preserved, and what are the remaining constraints arising from donors' systems?

***On alignment and ownership***

- Did the programme align with country systems and agencies in the most effective manner for ownership, and for impact? How could this be strengthened?
- To what extent have programme activities led to the civil society exercising a positive influence on trade in general and regional integration in particular, including on policy changes?
- To what extent have programme activities led to the private sector exercising a positive or negative influence on trade in general and regional integration in particular?

- Is the complementarity and coordination between national and regional trade policy optimal throughout all programme components and activities? What is the effect of constraining factors?
- Are the focus and activities of the programme consistent with, and additional to, those of others' trade policy and regulations programmes in the region? To what extent has the programme facilitated improved coordination?
- What sorts of approaches have been successful in working with regional institutions in Africa?

***On M&E arrangements***

- Are the monitoring and evaluation tools and processes in place appropriate, both on results and on finances? How could they be strengthened?

***vi. On donor trade***

- To what extent has the programme created goodwill in the sense that it may have had a positive influence on the willingness of the recipient country to sign a trade agreement?
- To what extent has the programme contributed to a disproportionate increase in bilateral trade between the Netherlands and the recipient countries?