

AID FOR TRADE

What have we learnt? Which way ahead?



AID FOR TRADE

What have we learnt? Which way ahead?

I - Aid for Trade: Looking Ahead

Olivier Cadot and Jaime de Melo

II - Evaluation in Aid for Trade: From Case Study Counting to Measuring

Olivier Cadot and Jaime de Melo

III - Aid for Trade: What can we Learn from the Case Studies?

Richard Newfarmer

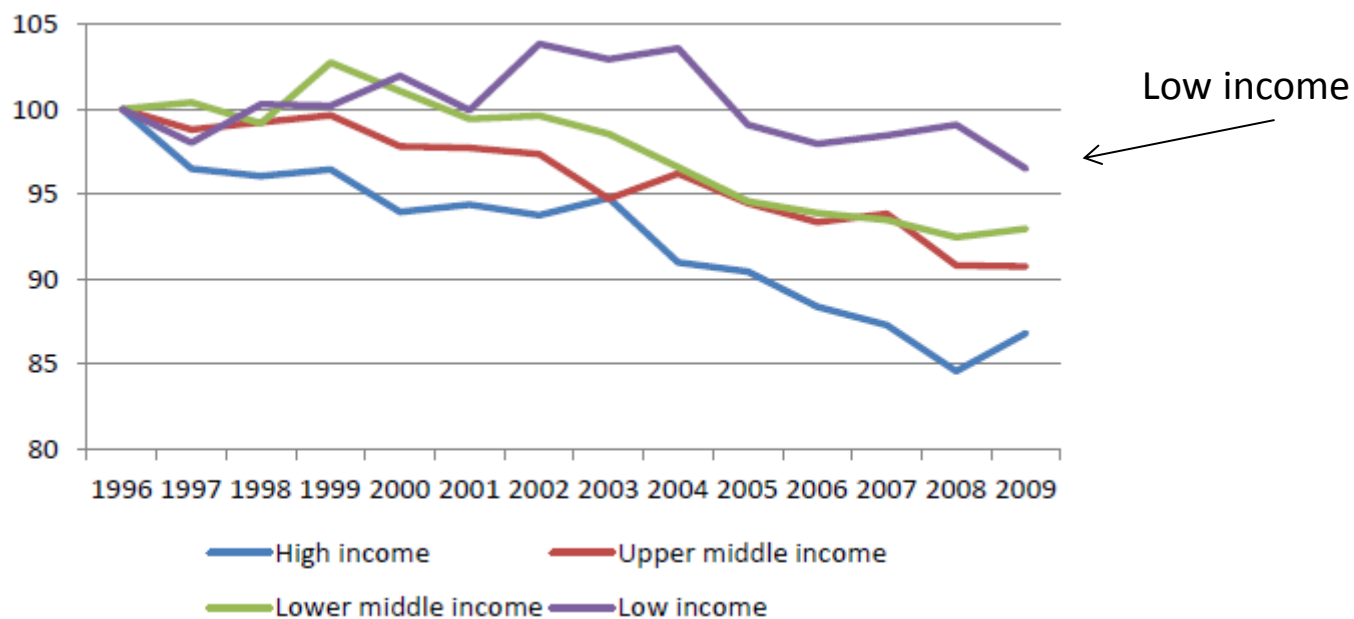
IV - Diagnostic Trade Integration Studies and their Updates under the Enhanced Integrated Framework – A Retrospective

Paul Brenton and Ian Gillson

What Have we Learnt?

Trade Costs have fallen less rapidly for low income countries

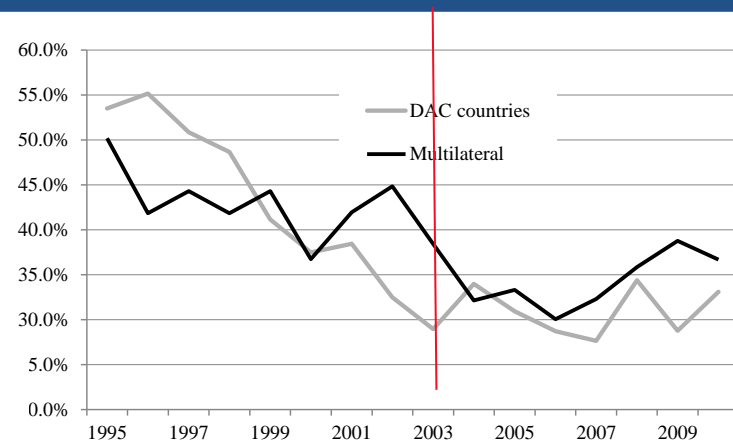
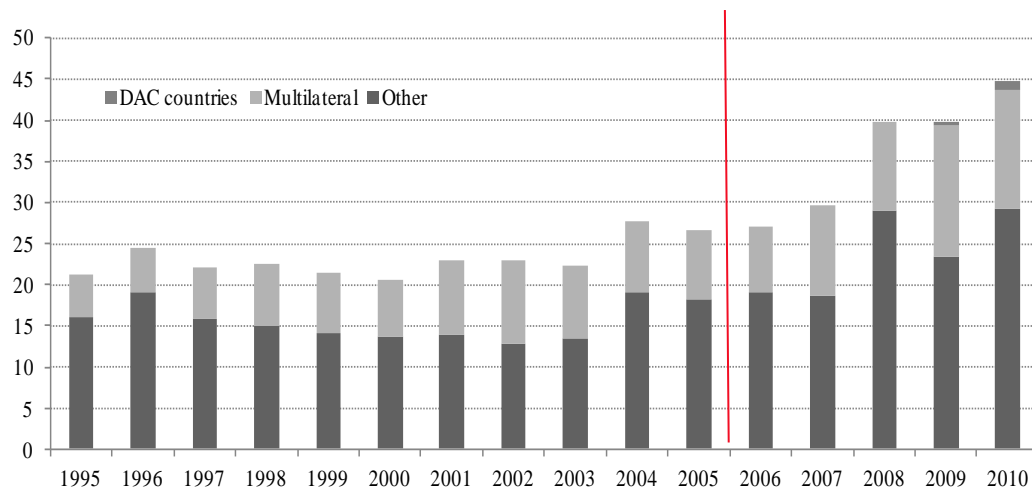
Evolution of simulated trade costs from a gravity equation:



What Have we Learnt?

Some apparent success in mobilizing funding...

Decline of the share of AFT in ODA has been arrested,



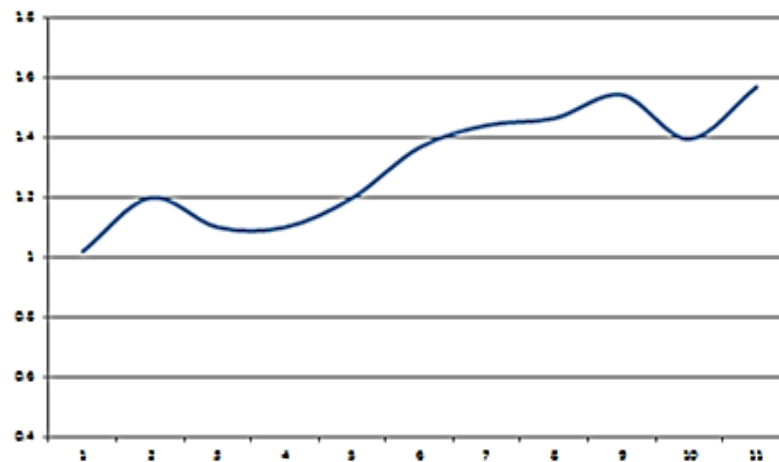
What Have we Learnt?

... and in mainstreaming trade in national development strategies (...sometimes)

Applying OECD word-count approach to Uganda's budget speeches

Trade has received more attention in successive budget speeches...

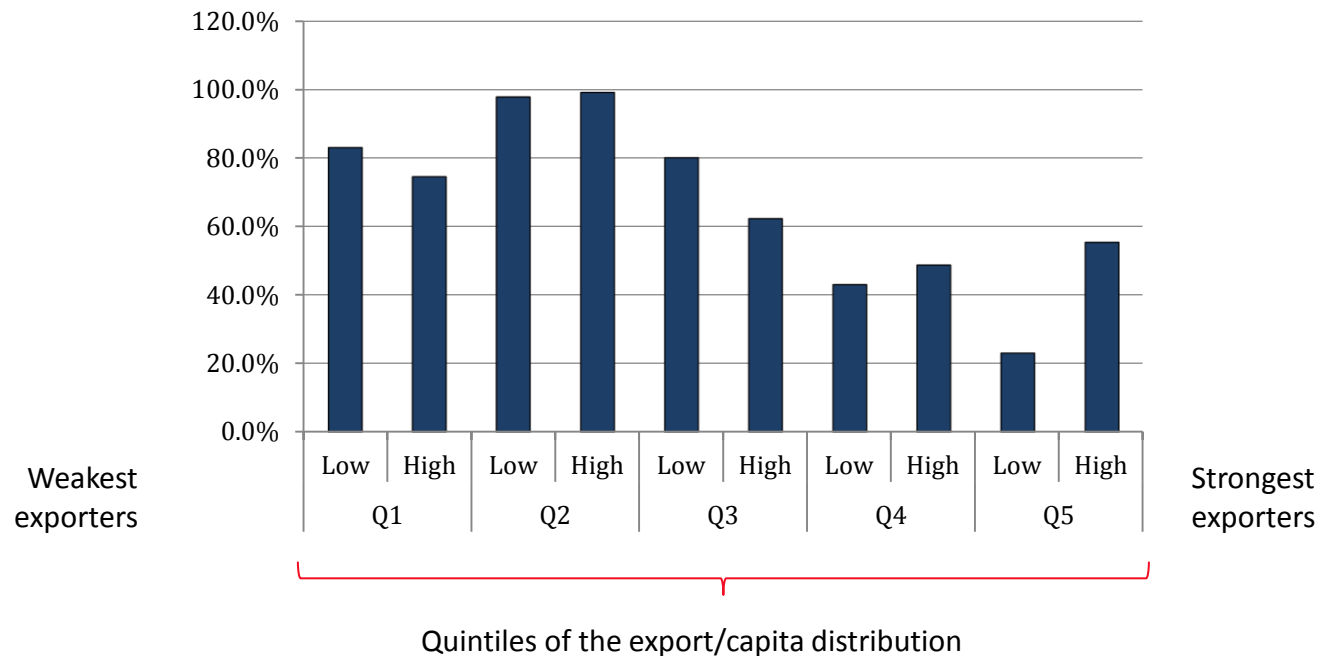
Mentions of trade-related key words as a percent of total words, 2000-2011



What Have we Learnt?

... but no faster export growth for large recipients of AFT flows

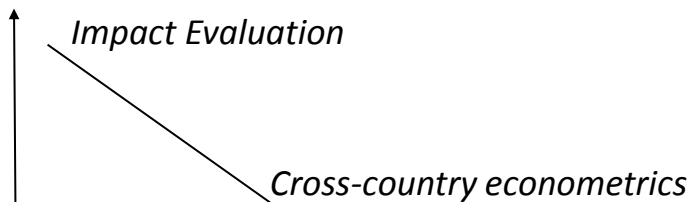
- Split countries by the median in terms of 2000-2005 AFT receipts (per dollar of export)
- Check if high-receivers' exports grew more over subsequent 5-year period (2005-10)



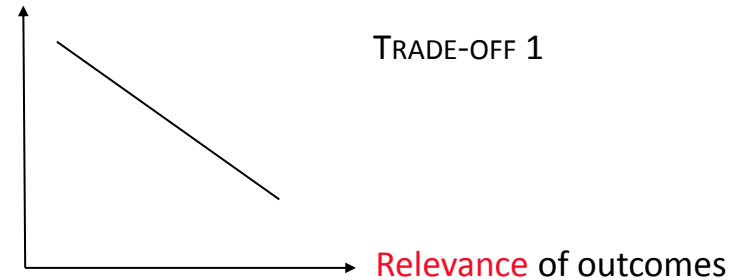
What have we Learnt?

Macro and Micro face different trade-offs

Internal validity (ability to identify a causal relation)



Identification of causal chain



TRADE-OFF 2

Which way ahead?

Randomista or not, evaluate

RCT is not the alpha and omega of impact evaluation

- What matters is baseline data collection + control group
- Wealth of quasi-experimental methods available, even ex post

«RCT controversy» should not be an excuse to not evaluate

- Every intervention left un-evaluated is a missed learning opportunity
- Evaluation raises incentive issues; incentive-compatible setups can be designed (e.g. making IE the «default» in all cases; decoupling IE results from project manager's performance evaluation, ...)

Toward an «evaluation-friendly» AFT

- Cut costs; e.g. use existing stats as much as possible; put pressure on governments to share statistics, in particular firm-level data
- Encourage a culture of project design for evaluation (all projects designed like Progresá?)

Which way ahead?

Streamline the initiative

Exploit the opportunity offered by the Trade Facilitation Agreement

- Help make trade portals useful repositories of NTMs
- Provide technical assistance to Trade Facilitation Committees (Art. 13) to develop trade-related regulatory-oversight capabilities (not just counting documents to export)

Better use Diagnostic Trade Integration Studies

- DTIS updates already a crude form of progress monitoring; clear learning curve from first generation
- Still lack of ownership (government side) and visibility (donor side)
- Need for leaner, more focused action matrices (already largely the case)
- Mainstream regional integration in trade policy; region-level DTISs

Which way ahead?

In sum...

AFT's broad achievements...

- Mainstreaming of trade in national development strategies
- Creating a crude form of donor coordination around «competitiveness strategies»
- Mobilizing funding

... are at risk unless a «culture of evaluation» builds up

- Donor budget pressures require credible identification of outcome improvements + causation; the instruments are there to use
- Successful globalizers have all experimented with policy, but no learning from experimentation without evaluation

... and the initiative gets a second wind from the TFA

- A tool for the TFA's application, focused on NTMs
- A vehicle to foster deep regional integration