AID FOR TRADE
What have we learnt? Which way ahead?
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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:
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 keywords 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)

Impact Evaluation

Cross-country econometrics

Identification of causal chain

Relevance of outcomes

TRADE-OFF 1

External validity (ability to derive generalizable results)

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 Progresa?)
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