

DEfR Methodology Review

CAREC Consultation Meeting with the
National Focal Points

Bangkok, 27-28 September 2013

Monitoring CAREC Program

- Annual monitoring tool, all parts of the CAREC Program
- Based on the 2009 Results Framework endorsed at the 8th MC (CAP, Sector Strategies, Implementation Action Plans)
- Pragmatic. Latest – 2012 DEfR fourth in series, minor adjustments
- New developments at level of CAREC Program (CAREC 2020 Strategic Framework), and at sector level (Transport and Trade Facilitation, Trade Policy, Energy)

DEfR: 3 Levels

- Level 1: Development Outcomes
- Level 2: Sector Outputs
- Level 3: Operational and Organizational Effectiveness

Logic of Results Framework

- Logical links and causal relationship between Inputs (resources) and Activities → Outputs (products or services produced) → Outcomes (intermediate benefits from outputs) → Impacts (long term changes)
- The underlying risks or assumptions must also be recognized
- Stronger links => better quality of indicators that more adequately measure performance + more streamlined and succinct

Level 1: Outcome

- Population living on less than \$2 a day
- GDP per capita, real GDP growth
- Labor force participation rate – substitute with employment rate
- Trade openness
- Intraregional energy trade
- Foreign direct investment
- Time and cost to start a business
- Logistics performance index
- HDI

Level 1: Issues

- Current Level 1 development outcomes are conceptually too distant from CAREC Program inputs
 - it is difficult to justify attribution or causal links owing to long gestation and the presence of numerous other factors
 - it may be more realistic to restate “economic growth and poverty reduction” as CAREC’s long-term vision
- Macro-level information useful for context, not evaluation

Level 1: Alternatives

- CAREC Program – Development through cooperation
- CAREC 2020 – Trade Expansion and Improving Competitiveness – 2 strategic objectives
- The Program thus needs to be evaluated in terms of the ease with which goods, people, and other resources are able to move within and across borders, and in turn the economic activity resulting from such mobility. Integration and economic interconnectedness are thus more relevant as Program outcomes, such as intra- and inter-regional trade, FDI flows
- Specific indicators dependent on data availability

Level 2: Outputs

- Outputs are the products or services directly resulting from CAREC priority sector activities. They may be the product of the activity or the effect of that product.
- Easiest and most direct for transport; other indicators cover software (TTF), institutional (trade policy): roads and railways built or improved; time and cost to cross border; trade liberalization index; energy transmission lines installed
- Most directly affected by new/revised sector strategies

Level 3: Operational Effectiveness

- Need improved database and alignment with revised strategies
- Consistency across MIs
- Updating; “technical assistance project financing gap” must be reconsidered
- Refinement of knowledge management indicators will be guided by the CAREC Institute Work Plan 2013-2017

Other Methodological Issues

- Some data series have been terminated
- Equal weights for different indicators; inappropriate reference population weights
- 3-year moving average, which obscures annual changes
- No adjustment for inflation
- Data from previous year as substitute for current year
- Absence of numerical targets
- Varied periodic changes in target setting
- Non-uniform application of rating system
- Difficulty in assessing cumulative indicators
- SOM suggested an analysis of the reasons for underperformance, and accounting for qualitative aspects.

STEPS AHEAD

The DEfR Methodology Review will require the following:

1. Review and explore modifications to outcomes at the 3 levels
2. Review and determine associated indicators as well as data availability and sources
3. Additional analysis of the other methodological issues, e.g. weighting scheme

2 OPTIONS

OPTION A. Minor Review will streamline existing DEfR by picking out the most relevant outcomes and indicators and dropping those logically distant, and retain equal weighting scheme

- Completed and reported to SOM in Oct 2013, start implementation with DEfR 2013

2 OPTIONS (2)

OPTION B. Expanded Review will cover the tasks under the Minor Review plus analysis of whether alternative outcomes and associated indicators may provide a better monitoring tool, and review of weighting scheme. This will need adequate consultations with member countries and the sector CCs.

Timeline for Expanded Review

TASK	COMPLETION
A. Consultations and approval of refined Results Framework (RRF)	
1. Present Note and proposed RRF for discussion with NFPs	Sep 2013
2. Revise RRF, incorporating comments and suggestions of NFPs, and specifying data sources and collection method	Oct 2013-Jan 2014
3. Circulate revised RRF among Sector committees and MIs	Jan 2014
4. Revise RRF, incorporating comments and suggestions of Sector committees and MIs	Feb 2014
5. Circulate revised RRF among NFPs, Sector committees and MIs	Mar 2014-May 2014
6. Finalize revised RRF, incorporating comments and suggestions from NFPs, Sector committees and MIs	Jun 2014
7. Present revised RRF to SOM	Jun 2014
B. Establish data collection mechanism with NFPs; complete data requirements for refined outcome and output indicators	Jan – Jun 2014
C. Collect data for unchanged indicators	Jan – May 2014
D. Analysis and write up of DEfR (assuming June 2014 approval)	Jun – Jul 2014