# Initial Review of the CAREC DEFR Methodlogy

**CAREC Secretariat** 

CAREC Senior Officials' Meeting 23 October 2013 Astana, Kazakhstan



## Prerequisites for DEfR Methodology Review

- Adoption of new Strategic documents: CAREC Strategy 2020, Transport and Trade Facilitation 2020, Trade Policy Strategic Action Plan (2013-17)
- Poor alignment of indications at different levels of the Framework
- Little causal relationship between higher level (Outcomes) indicators and Input indicators
- Limited use of selected indicators

Proposed approach: start with Minor Review in 2013 and continue with Expanded Review upon approval at the SOM



#### **Level 1 Indicators review**

	Level 1 Indicator	Suggested Action
1	Population living on less than \$2 a day	Remove; Use for Providing Context
2	Human development index	Remove; Use for Providing Context
3	Gender inequality index	Remove
4	GDP, GDP per capita	Remove; Use for Providing Context
5	Real GDP growth rate	Remove; Use for Providing Context
6	Labor force participation rate	Remove
7	Women employed in non-agricultural	Remove
	sector	
8	Real growth in trade of goods and services	Remove; Discontinued series
9	Trade openness	Retain
10	Intraregional energy trade	Retain
11	GDP per unit of energy use	Remove
12	Foreign direct investment (% of	Retain
10	GDP)	
13	Time required to start a business	Remove; Use for Providing Context
14	Cost of business start up	Remove; Use for Providing Context
15	Intraregional trade in total CAREC trade	Retain
16	Logistics Performance Index	Retain? Consider appropriate level

### **Level 2 Indicators**

	Level 2 indicator	Suggested Action
	Transport and Trade Facilitation Sector	
1	Expressways or national highways built or improved	Retain
2	Proportion of total CAREC road corridor built or improved	Retain
3	Time taken to clear a border crossing	Retain
4	Costs incurred at a border crossing clearance	Refine and Retain
5	Speed to travel 500km on CAREC corridor section	Refine and Retain
6	Costs incurred to travel corridor section	Refine and Retain
	Trade Policy Sector	
7	CAREC Trade Liberalization Index	Under Review
8	Institutional Quality Index	Under Review
	<b>Energy Sector</b>	
9	Transmission lines installed or upgraded	Retain
10	Increased energy generation capacity	Retain

### **Level 3 Indicators**

	Level 3 Indicator	Suggested Action
1	Volume of approved investment projects, cumulative	Recompute (annual figure?)
2	Number of approved investment projects, cumulative	Recompute (annual figure?)
3	Number of completed investment projects, cumulative	Remove
4	Annual average volume of new approved investment projects, 3-year moving average	Retain with review
5	CAREC technical assistance project financing gap	Remove
6	Ratings of CAREC-related technical assistance projects completed	Retain
7	Knowledge production and dissemination	Remove (identify alternate)
8	Participants in CAREC-supported training programs	Retain (introduce gender)



#### **DEfR Hierarchy of Indicators**

Level 1
Development outcomes



Level 2
Sector outputs



Level 3
Organizational and
Operational
Effectiveness



Impacts
long term changes

Outcomes singipulation outputs

Outputs products delivered

Activities actions implemented

Inputs resources invested



#### Refining Alignment of CAREC Strategies and Results Monitoring

#### Regional **Impacts**

#### [Expanded trade and improved competitiveness]



Sector Outcomes



Sector **Outputs** 



**CAREC** Interventions



Competitive Corridors Est ab lish ed

Efficient movement of goods and people along corridors, across borders

Sustainable, safe, user friendly networks

Multimodal corridor network developed

Improved Operational and Institutional Effect iven ess

**Improved** Trade and Border Crossing Networks

WTO accession achieved for all WTO commitments implemented Trade-tax regime liberalized

Non-tariff barriers (TBT, SPS) reduced or eliminated

Trade in services expanded

Road projects; Railways new; eléctrification 'of existing

Logistics centers

Integrate road safety and maintenance into each project

Customs modernization /NSW

Coordinated Border Man agement

SPS Cooperation

VAT and excise taxes uniformly applied: miscellaneous taxes on imports eliminated; average tariff reduced

Quantitative restraints abolished International standards on SPS measures and technical regulations on industrial goods adopted; Certification of accredited conformity bodies in trade partners accepted; Regulations improved

Temporary movement of labor within CAREC, provision expanded; improve services regulations

Capacity building and knowledge on WTO accession, trade policy, SPS

New generation and transmission facilities added to and existing assets rehabilitated

Energy networks of CAREC countries are

integrated and

take place

energy exchanges

CAREC **Bodies** 

**TSCC** 

CCC

**TPCC** 

**ESCC** 

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# Timeline for Expanded Review of DEfR Methodology

TASK	COMPLETION
A. Consultations and approval of refined Results Framework (RRF)	
<ol> <li>Present Note and proposed RRF for discussion with NFPs</li> </ol>	September 2013
<ol><li>Revise RRF, incorporating comments and suggestions of</li></ol>	October 2013-
NFPs, and specifying data sources and collection method	January 2014
<ol><li>Circulate revised RRF among Sector committees and MIs</li></ol>	January 2014
<ol><li>Revise RRF, incorporating comments and suggestions of</li></ol>	February 2014
Sector committees and MIs	
<ol><li>Circulate revised RRF among NFPs, Sector committees and</li></ol>	March – May 2014
MIs	
<ol><li>Finalize revised RRF, incorporating comments and</li></ol>	June 2014
suggestions from NFPs, Sector committees and MIs	
7. Present revised RRF to SOM	June 2014
B. Establish data collection mechanism with NFPs; complete data	January 2014
requirements for refined outcome and output indicators	
C. Collect data for unchanged indicators	January-May 2014
D. Analysis and write up of DEfR (assuming June 2014 approval)	June-July 2014