CAREC Program
Results Framework:
Concept Note

**Endorsed by the 8th Ministerial Conference
on Central Asia Regional Economic Cooperation
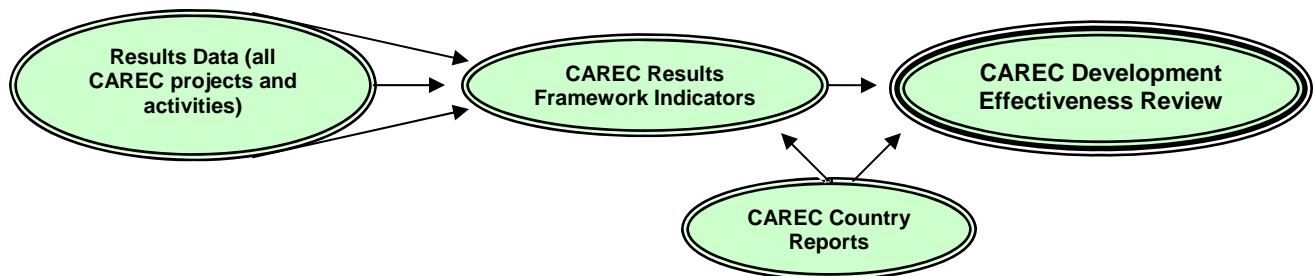14–16 October 2009
Ulaanbaatar, Mongolia**

I.   INTRODUCTION

1.   A Senior Officials' Meeting (SOM) of the Central Asia Regional Economic Cooperation (CAREC) Program was convened in Ulaanbaatar, Mongolia, on 28-29 May 2009. The SOM considered a proposal to develop a CAREC Program Results Framework to enable the Program to report on progress and performance. The Results Framework will provide a simple, substantive, and consistent way to show CAREC leaders, partners, and other stakeholders the benefits of project-based regional economic cooperation.

2.   The Results Framework will serve as the basis of an annual comprehensive CAREC development effectiveness review (DEfR), tracking progress and achievements. The review will contribute to management reports and inform future decision-making processes for CAREC operations. The review will highlight successes and challenges and indicate required actions by tracking performance trends in specific areas under CAREC.

3.   This concept note is submitted for endorsement to the SOM on 14 October 2009. It outlines an approach to (i) advance the Results Framework structure and methodology, and (ii) prepare the first CAREC Program Results Framework and DEfR for presentation to the 2010 CAREC Ministerial Conference. The CAREC Institute (CI) will work with the appropriate committees and entities to (i) finalize the choice and definition of indicators, (ii) develop clear instructions and provide comprehensive ongoing training for data collection, and (iii) coordinate the aggregation and analysis of data to create the first CAREC Results Framework and DEfR.

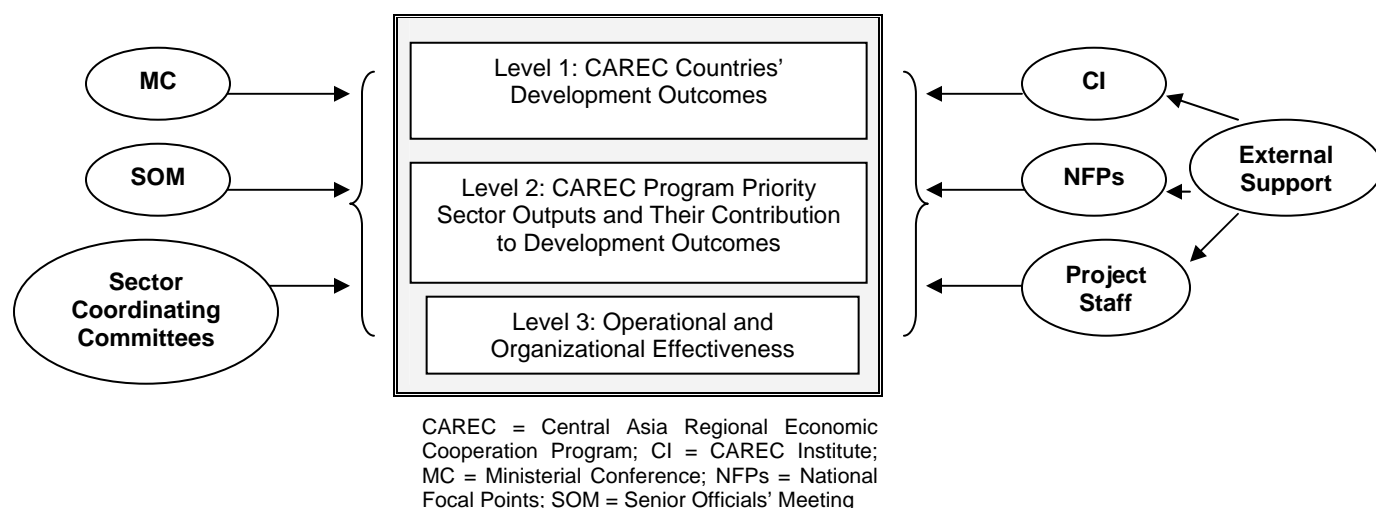# II.   DESIGN AND METHODOLOGY

4.   The proposed Results Framework comprises indicator sets that correspond to CAREC Program goals and objectives. Aggregated results data from CAREC projects and activities feed the indicators, which in turn form the basis of the CAREC DEfR. For preparation of the DEfR, Results Framework data will be supplemented by data and analysis collected in individual CAREC country reports (Figure 1).

Figure 1: Input Chain for CAREC Results Framework and DEfR

5.   The Results Framework will operate at three levels: (i) CAREC countries' development outcomes, (ii) CAREC Program priority sector outputs and their contribution to development outcomes, and (iii) operational and organizational effectiveness of CAREC partners (Figure 2).

Figure 2: CAREC Program Results Framework

CAREC = Central Asia Regional Economic Cooperation Program; CI = CAREC Institute; MC = Ministerial Conference; NFPs = National Focal Points; SOM = Senior Officials' Meeting

6.   **Level 1** of the Results Framework tracks broad development outcomes of the eight partner countries toward (i) poverty reduction; and (ii) gross domestic product, trade and business environment, and infrastructure development. These country-level objectives correspond to the CAREC Program's stated goal of accelerated economic growth and poverty reduction through economic cooperation. While outcomes at the country level result from the collective effort of countries and development partners and cannot be attributed solely to CAREC activities, inclusion of Level 1 indicators reinforce how CAREC objectives support the broader development priorities of the partner countries.

7.   Level 2 presents a comprehensive overview of outputs delivered through CAREC priority sectors (transport, trade facilitation, trade policy, and energy) during the review period, and assesses their potential contribution to the broader development outcomes of the CAREC region. Presenting aggregated sector outputs from all the CAREC countries supports the Program mission of development through cooperation, demonstrating how partnership can impact results positively.

8.   **Level 3** indicators track progress of operational and organizational effectiveness through (i) CAREC project performance, (ii) finance mobilization, (iii) knowledge management, (iv) private sector partnerships, (v) the use of human and budgetary resources, and (vi) business processes and practices.

9.   Successful implementation of the Results Framework requires support and participation at various levels. Involved players will include, but not be limited to, those indicated in Figure 2. Participation levels will range from approval and endorsement, to more practical data collection processes. More detailed roles and responsibilities are indicated throughout sections IV and V. CI will identify and coordinate appropriate results management training for all CAREC entities responsible for data collection, analysis and aggregation. CI will at all times strive to establish efficient data collection mechanisms that are practical and yield comparable results.

10.   An indicative timeframe for short- and medium-term actions required to support start-up is provided in Section V. This timeframe assumes CI as the main coordinator of results management activities for the CAREC Program, functioning closely with National Focal Points, sector coordinating committees and project staff as the primary active participants.

III.   INDICATOR, BASELINE AND TARGET IDENTIFICATION

11.   Indicators currently shown in the draft Results Framework are provisional. CAREC sector coordinating committees will agree on final indicators for Level 2 and provide input for other level indicators, to be presented to the first CAREC SOM in 2010 for approval and endorsement.

12.   The process of identifying and defining the indicators will be guided by the following parameters. Indicators should:

(i)   Be linked to the strategic objectives and goals of the CAREC Program;
(ii)   Seek to reflect a regional perspective or dimension where possible;
(iii)   Be practical, realistic, achievable, and use readily available data;
(iv)   Deliver priority sector output data that can be aggregated;
(v)   Be flexible and allow for adjustment as required, yet retain the ability to standardize, aggregate and compare across all CAREC countries to the extent possible.

13.   CI will provide further guidelines and assistance to the sector coordinating committees during the indicator selection and definition process.

14.   To facilitate and speed start-up, CAREC will consider implementing the Results Framework with only indicative baselines and targets until fixed targets can be established (ie, target is simply to increase, decrease or maintain, rather than an exact numerical target). The relevant CAREC sector coordinating committees and other identified entities will identify baseline and target figures within the proposed timeframe (Section V).

15.   The proposed Results Framework is an evolving process. It will remain flexible to reflect the priorities and direction of the CAREC Program and will be evaluated on a regular basis to identify areas for improvement. For example, while every effort will be made to determine and define lasting indicators from the outset, refinements and/or adjustments will be made as required to capture as accurate a picture as possible of CAREC's progress and achievements.

IV.   PROPOSED CAREC RESULTS FRAMEWORK

A.   Level 1: CAREC Countries' Development Outcomes

16.   Level 1 of the Results Framework tracks specific development progress of the eight partner countries towards objectives in (i) poverty reduction, and (ii) gross domestic product, trade and business environment, and infrastructure development. These outcomes reflect the broader development outcomes to which CAREC Program operations seek to contribute: poverty reduction and accelerated economic growth through economic cooperation. These outcomes result from the collective effort of countries and development partners and cannot be attributed solely to CAREC activities.

Table 1: CAREC Countries' Development Outcomes (Level 1)

Indicator	Baseline Year	Baseline Value	2006	2007	2008
Poverty Reduction					
Population living below $1.25/day (%)					
GDP, Trade and Business, and Infrastructure Development					
GDP per capita PPP (current international dollars)					
Intraregional non-energy trade volumes ($ or % share in GDP)					
Intraregional energy exports ($)					
Foreign direct investment, net inflows (% of GDP)					
Employment to population ratio (%)					
Women employed in the non-agricultural sector (%)					
Cost to start business (% GNI per capita)					
Time to start business (days)					
Household electrification rate (% of population)					
Improved water source (% of population)					

CAREC = Central Asia Regional Economic Cooperation Program; GDP = gross national product; GNI = gross national income; PPP = power purchase parity.
Indicative sources: ADB, *Key Indicators*; UNESCAP; UNCTAD; UN Population Prospects; WB databases (including, *Trade Logistics Index*; MDG Monitor, *World Development Indicators*); International Energy Agency, *World Energy Outlook*; CAREC country reports; and National Focal Points and teams.

17.   The indicators shown above are provisional and subject to agreement by the CAREC partners. In the case of data not being readily available for specific indicators, CI will consult appropriate sector expertise to identify alternative indicators. Use of proxies will be avoided where possible.

18.   Data for Level 1 are sourced, wherever possible, from established development databases for the CAREC countries, aggregated, weighted for population mass as required, and the average determined. Data for the People's Republic of China should pertain only to Xinjiang Uygur Autonomous Region and the Inner Mongolia Autonomous Region.

19.   CI will (i) monitor and compile data for Level 1 indicators; (ii) coordinate additional data collection from the CAREC countries as required with the assistance of the National Focal Points; and (iii) perform analysis and aggregation for all Level 1 indicators with ADB support/training as required.

B.   Level 2: CAREC Program Priority Sector Outputs and Their Contribution to Development Outcomes

20.   The goal of Level 2 is to present a comprehensive overview of the effectiveness of CAREC's project-based operations and assess how they contribute to (i) the goals of the CAREC Program, and (ii) the broader desired development outcomes of the CAREC region. This will be achieved by aggregating outputs delivered through CAREC projects in the four identified priority sectors: transport, trade facilitation, trade policy, and energy. The four priority sectors will provide data for the first tier of Level 2, to be collected from the start of Results Framework implementation. CAREC's identified special projects will ultimately provide data for the second tier of Level 2 (start year to be decided).

Table 2: CAREC Program Priority Sector Outputs and Their Contribution to Development Outcomes (Level 2)

Indicator	Baseline Year	Baseline Value	Outputs Delivered		Outputs Programmed		
			2008	2009	2009	2010	2011
FIRST TIER: PRIORITY SECTORS							
Transport and Trade Facilitation							
Roads built or improved (km)							
Railways built or improved (km)							
Airports built or improved (#)							
Cross-border facilities improved (#)							
Number of one-stop services and/or single window schemes introduced in CAREC countries							
CAREC Corridor Performance Measurement Monitoring (Time)							
CAREC Corridor Performance Measurement Monitoring (Cost)							
Trade Policy							
WTO membership							
Energy							
Regional transmission lines installed or repaired (km)							
Regional distribution lines installed or repaired (km)							
Energy trade volumes among CAREC countries ($)							
SECOND TIER: SPECIAL PROJECTS							
Indicative areas of focus: (i) Business Development (ii) Disaster/Risk Management (iii) Environment Management and Mitigation (iv) HIV/AIDS and Communicable Diseases Coordination							

CAREC = Central Asia Regional Economic Cooperation Program; km = kilometer; WTO = World Trade Organization.
Indicative sources: Transport sector project staff; trade facilitation sector project staff; trade policy sector-related staff; energy sector project staff; identified freight forwarder associations; CAREC secretariat; CAREC Institute; CAREC country reports; and National Focal Points and teams.

21.   The indicators shown above are provisional and the final choice of Level 2 indicators, baselines and targets (programmed outputs) will be determined by the relevant sector coordinating committee. CI will provide support, guidelines and a timeline for this process.

22.   For Level 2 indicators, progress will be tracked through ongoing CAREC operations. This approach allows CAREC to (i) measure achievements in real time (avoiding the time-lag of several years required when relying exclusively upon project completion reports for results); (ii) identify strengths and achievements to build on; and (iii) address potential weaknesses as rapidly as possible. Results will be measured against year-on targets: the latest current data reflects achieved outputs of the review period and is measured against the programmed (or forecast) target. In the example below, CAREC would have exceeded their 2009 target for the indicator 'roads built or improved'.

Indicator	Baseline Year	Baseline Value	Outputs Delivered		Outputs Programmed		
			2008	2009	2009	2010	2011
FIRST TIER: PRIORITY SECTORS							
Transport and Trade Facilitation							
Roads built or improved (km)	2007	695	710	940	860		

23.   Other Level 2 indicators may have fixed targets identified and agreed by the relevant sector coordinating committee. Although preferable to establish baseline and target years that do not vary greatly, the indicators at Level 2 are not all tied to the same year for these figures.

24.   Data collection will occur primarily at project level, involving project staff. National Focal Points will be requested to coordinate collection of non-project-based data. Templated CAREC country reports will annually provide as much data as possible.

25.   Results will be gathered, compiled, aggregated, checked and entered into the Results Framework by the CI. The CI will work together with representation from each sector coordinating committee to ensure reliability and validation of data.

C.   Level 3: Operational and Organizational Effectiveness

26.   Continual improvement of CAREC operations will strengthen CAREC's ability to contribute to the region's overall development outcomes. Indicators of operational effectiveness measure how effectively (i) CAREC projects are performing, (ii) finance is mobilized, (iii) knowledge is managed and shared, and (iv) partnerships and collaboration are strengthened. CAREC's organizational effectiveness is captured through the use of internal resources of the CAREC partners for CAREC-related activities. These indicators track progress in three areas: (i) human resources, (ii) budgetary adequacy, and (iii) business processes and practices.

Table 3: Operational and Organizational Effectiveness (Level 3)

Results Framework Indicator	Baseline Year	Baseline Value	2008	2009	2012 Target
Quality of Operations					
Ratings of completed projects (% successful)					
Finance Mobilization					
Overall new funding committed for CAREC projects (total funding from CAREC partners)					
Overall disbursement ratio for CAREC loan projects (%)					
Overall private sector funding of CAREC loan projects (% volume of total CAREC projects)					
Knowledge Management					
Ratings of CAREC-related technical assistance projects completed (% successful)					
Number of participants in training programs supported by CAREC					
Number of women participants in training programs supported by CAREC (% of overall participants)					
Public-Private Partnerships					
Proportion of CAREC projects with private sector participation (% total CAREC projects)					
Human Resources					
Number of staff active in CAREC-related operations (CAREC countries and MIs)					
Number of women staff active in CAREC-related operations (CAREC countries and MIs) (% of total staff)					
Budgetary Adequacy					
TBD					
Business Processes and Practices					
Average time from loan approval to first disbursement for CAREC projects (months)					

CAREC = Central Asia Regional Economic Cooperation Program; MI = multilateral institution.
Indicative sources: CAREC Institute; relevant CAREC government statistical and finance departments; MI project operations and finance departments; National Focal Points.

27.   The indicators shown above are provisional and subject to agreement by the CAREC partners. In the case of data not being readily available for specific indicators, the coordinating committees and National Focal Points should work together with the CI to identify alternatives acceptable to all. Use of proxies should be avoided where possible.

28.   Data for Level 3 will be systematically collected from all CAREC partners—governments and MIs—and submitted to the CI for analysis, aggregation and entry into the Results Framework. In-country data collection will be supported by the National Focal Points, together with identified external assistance.

29.   The CI will coordinate the gathering of information from the various indicative sources detailed above, providing timelines as appropriate.

V.   TIMEFRAME FOR SHORT- AND MEDIUM-TERM ACTIONS

Action	Responsibility	Timeline
1. Circulate draft Results Framework to NFPs and chairs of sector coordinating committees, including proposed indicators; request comments/suggestions; adjust.	1. CAREC Institute 2. Consultant	Mid-September 2009
2. Request SOM approval of framework concept.	1. CAREC Institute	Mid-October 2009
3. Request endorsement at MC of Results Framework concept.	1. CAREC Institute	Mid-October 2009
4. Review and adjust indicators. Identify and agree definitions, baselines and targets. Agree mechanisms for data collections.	1. CAREC sector coordinating committees 2. CAREC Institute 3. MIs	Q4 2009–Q1 2010
5. Design, coordinate and hold training in results management, Results Framework implementation, and standardized data collection for NFPs and other identified players.	1. CAREC Institute 2. External consultant/trainer	Q4 2009–Q2 2010
6. Review and adjust CAREC Country Report template.	1. CAREC Institute 2. CAREC consultant	Q4 2009
7. Consolidate data from 2007-2008 for CAREC Results Framework.	1. CAREC Institute 2. Internal ADB and external support	Q4 2009–Q1 2010
8. Compile 2009 data for Levels 1 and 2 (and as much of Level 3 as possible).	All relevant entities as detailed in Results Framework, led by CAREC Institute (with external support)	Q1–2 2010
9. Request SOM approval of finalized indicators (and identified baselines and targets where possible).	1. CARE Institute	Q2 2010
10. Analyze and aggregate data, compile first CAREC Results Framework and Development Effectiveness Review.	1. CAREC Institute 2. External support	Q2–3 2010
11. Circulate Results Framework to CAREC partners for SOM approval.	1. CAREC Institute	Q3 2010
12. Present first CAREC Results Framework and DEfR at MC 2010	1. CAREC Institute	Q3–4 2010
13. Expand and adjust CAREC Results Framework as required: indicator definitions, baseline values, data collection methodologies;	All relevant entities	Q4 2010–Q1 2011
14. Identify ongoing training requirements and implement.	1. CAREC Institute	Q4 2010

MC = Ministerial Conference; MI = multilateral institution; NFP = National Focal Point; Q = quarter; SOM = Senior Officials' Meeting.