



Measuring Aid for Trade Effectiveness

A Case Study for Colombia

Alfie A. Ulloa Urrutia
Silvia Constain

**Inter-American
Development Bank**

Integration and Trade
Sector

TECHNICAL NOTE

No. IDB-TN-486

January 2013

Measuring Aid for Trade Effectiveness

A Case Study for Colombia

Alfie A. Ulloa Urrutia
Silvia Constain



Inter-American Development Bank

2013

Cataloging-in-Publication data provided by the
Inter-American Development Bank
Felipe Herrera Library

Ulloa Urrutia, Alfie A.

Measuring Aid for Trade Effectiveness: A Case Study for Colombia / Alfie A. Ulloa Urrutia, Silvia Constain.
p. cm. — (IDB Technical Note ; 486)

Includes bibliographical references.

1. Economic development projects—Colombia. 2. Economic development projects—Evaluation. 2.
Technical assistance—Colombia. 3. Colombia—Commerce. I. Constain, Silvia. II. Inter-American
Development Bank. Integration and Trade Sector. III. Title. IV. Series.

IDB-TN-486

<http://www.iadb.org>

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.

The unauthorized commercial use of Bank documents is prohibited and may be punishable under the Bank's policies and/or applicable laws.

Copyright © 2013 Inter-American Development Bank. All rights reserved; may be freely reproduced for any non-commercial purpose.

This document is the product of a collaborative effort within the Integration and Trade Sector (INT) of the IDB, under the coordination and supervision of Carolyn Robert, Trade Specialist of the IDB; and the Organisation for Economic Co-operation and Development.

Table of Contents

| | |
|---|----|
| Abstract..... | 1 |
| I. Introduction..... | 2 |
| II. Colombia’s Economy | 3 |
| III. Colombia Main Trade-Related Binding Constraints | 6 |
| a) Export Growth and Diversification..... | 8 |
| b) Trade-related Infrastructure, Transportation and Logistics | 9 |
| c) Education and Labour Market..... | 10 |
| d) Regional Development | 10 |
| e) Others..... | 11 |
| IV. Development Priorities and Goals: Colombia’s 2010–2014 National Development Plan and Trade Related Country Priorities | 11 |
| V. International Cooperation in Colombia | 14 |
| a) The Donor Community in Colombia | 16 |
| b) Alignment Around Country Strategies and Systems | 17 |
| VI. Aid for Trade Strategy | 18 |
| a) Aid for Trade Flows..... | 21 |
| b) Aid for Trade Case Stories..... | 21 |
| VII. Government Monitoring System and Results Indicators in Aid for Trade..... | 22 |
| a) Country-owned Results and Accountability Frameworks | 23 |
| b) Conclusion: Measuring Results and Use of Indicators | 27 |
| VIII.Recommendations..... | 29 |
| References | 31 |
| Annex I: Examples of Aid for Trade Interventions in Colombia – Indicators and Measures Used..... | 34 |

Abstract

The objective of the report is to present good practices in designing and introducing results frameworks for aid-for-trade projects and programs based on country defined quantifiable targets and a menu of limited number of indicators to measure performance as outcomes and impacts. The report assess indicators used in the evaluation of Aid for Trade projects in Colombia on the grounds of its country-specific needs and challenges for its future economic development. Specifically the study identifies targets and performance indicators used in Colombia, assess the adequacy of existing framework, and the ability of the country to use existing measure performance and; discuss options to introduce or improve these measurement frameworks to strengthen transparency and accountability.

The evaluation of Aid for Trade indicators in Colombia led to a number of conclusions and recommendations for future determinations of Aid for Trade measures: (1) close monitoring and evaluating of interventions and their indicators during the implementation phase is crucial to adapt to a changing project environment; (2) a quasi-experimental or experimental project setup facilitates evidence-based analysis and decision-making; (3) the alignment of national objectives with local needs and interests is essential for the success of the project and finally; and (4) international comparability is an advantage.

JEL Classification: N16, N26, N30.

Keywords: Latin America, Caribbean, General, International, Comparative.

I. Introduction

There is strong political demand to reveal the outcomes and impacts of Aid for Trade (AfT). This pressure has increased in light of the significant amount of aid that has been directed toward this area of development cooperation since the launch of the Aid for Trade Initiative in 2005.

In response, the OECD's Development Assistance Committee and Trade Committee agreed to develop a menu of a limited set of indicators to measure the performance of AfT interventions towards quantifiable targets and objectives and to take this work to the country level through a series of country case studies in a number of select partner countries. Colombia has been selected as one of these partner countries and this report presents its case study and experience.

The specific objective of the report is to assess good practices in designing and introducing results frameworks for AfT projects and programs based on country defined quantifiable targets and a menu of limited number of indicators to measure performance as outcomes and impacts. Specifically the study identifies targets and performance indicators used in Colombia, assess the adequacy of existing framework, and the ability of the country to use existing measure performance and; discuss options to introduce or improve these measurement frameworks to strengthen transparency and accountability.

The evaluation of AfT in Colombia led to a number of conclusions and recommendations for future determinations of Aid for Trade measures: (1) close monitoring and evaluating of interventions and their indicators during the implementation phase is crucial to adapt to a changing project environment; (2) a quasi-experimental or experimental project setup facilitates evidence-based analysis and decision-making; (3) the alignment of national objectives with local needs and interests is essential for the success of the project; and finally (4) international comparability is an advantage.

The paper is organized as follows: In Section 2: a brief overview of Colombia's economy with a special focus on its trade and investment regime is given. Section 3: highlights main trade-related binding constraints identified by different relevant national and international (public and private) actors and organizations. In Section 4: Colombia's development priorities and goals are discussed. Particular attention is given to Colombia's 2010 – 2014 National Development Plan and its trade-related priorities. International Cooperation in Colombia in terms of Colombia's alignment with the donor community in Colombia is discussed in Section 5. In Section 6: the Aid for Trade strategy for Colombia is

described. Section 7: outlines country-owned results and accountability frameworks. In Section 8: the measuring results are presented and the use of indicators is outlined. The final Section 9: presents a series of conclusions and recommendations.

II. Colombia's Economy

Colombia initiated efforts to internationalize its economy in the 1990s following initial although weaker efforts in this direction in the late 1980's. Structural changes in the first half of the 90s included a new Constitution, trade reform, exchange reform, foreign investment reform, financial reform and a labour reform. Since then, the course towards greater market opening continued at different speeds, as challenges in security greatly affected Colombia's competitiveness and attractiveness as a foreign investment recipient in the late 90s and early part of this century.

When President Juan Manuel Santos took office in August of 2010, Colombia was changing from what some considered an almost failed state a decade earlier, into a newly designated middle-income country with a vibrant economy and prosperous future. After years in which security, anti-narcotics and anti-terrorism had monopolized Colombia's role in the international arena, the internal and foreign agenda had diversified into areas such as economic growth, job creation, science and technology, education, trade, and climate change mitigation, among others. The security and the investment climate improved remarkably and efforts to further open the economy continued. As a result Colombia's GDP per capita increased from US\$ 3,417 in 2005 to US\$ 7,236 in 2011 (WTO, 2012) and the country was granted investment grade.

Colombia achieved greater integration into the world economy over the last decade, in part thanks to several new trade agreements, the fall of the average tariff and the number of applied tariffs and an increase in the number of duty free tariff lines. The Government established a single window for all trade requirements, complemented with a risk analysis system, which significantly reduced the number of inspections. Nevertheless, some trade barriers such as import registrations and licensing requirements persist (WTO, 2012).

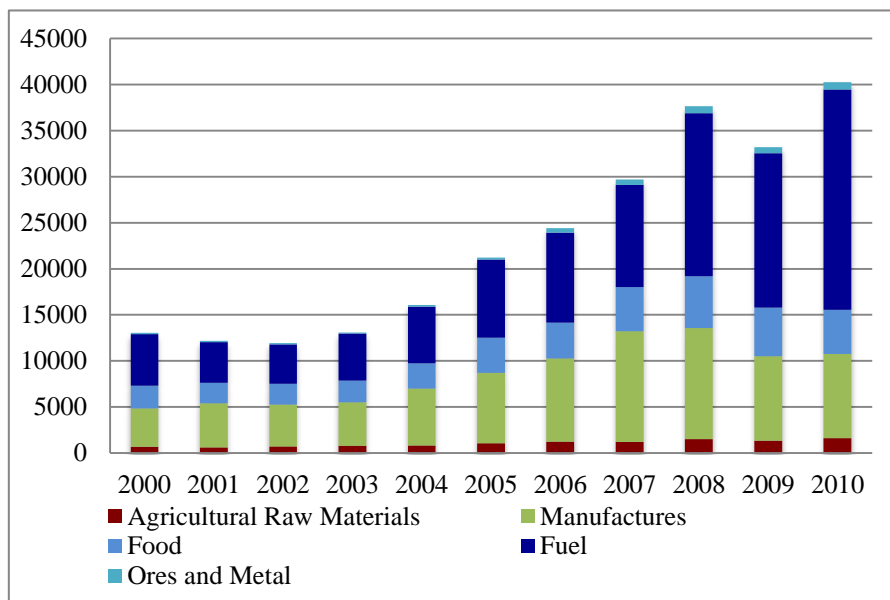
In particular, Colombia focused on the promotion of the export sector. Full and partial exemptions of taxes and other charges such as tariffs and VAT were granted to exporters. Moreover, Colombia is an active negotiator of free trade agreements, and currently has ten agreements in force with the Andean Community, Canada, Caricom, Chile, Cuba, EFTA, Mercosur, Mexico, Northern Triangle, comprised of El Salvador, Honduras and Nicaragua, and the United States, and a signed agreement with the European Union, which is pending

Congress approval. Additionally, Colombia recently concluded the FTA negotiation with Korea and is currently negotiating with China, Costa Rica, Israel, Panama, South Africa, Turkey and the Pacific Alliance comprised of Colombia, Chile, Mexico and Peru (Colombian Ministry of Trade, Industry and Tourism, 2012). Colombia’s pro-trade credentials are solid.

Colombia’s main trading partner remains the USA in terms of imports and exports. The top five import origins were the USA with 39.9%, China with 25%, Mexico with 15%, Brazil with 11.1% and Germany with 5%, while the top five export destinations were the USA with 46.2%, Netherlands with 38.5%, Chile with 4.4%, China with 3.9% and Panama with 3.5% in 2011 (UN Comtrade Database, 2012).

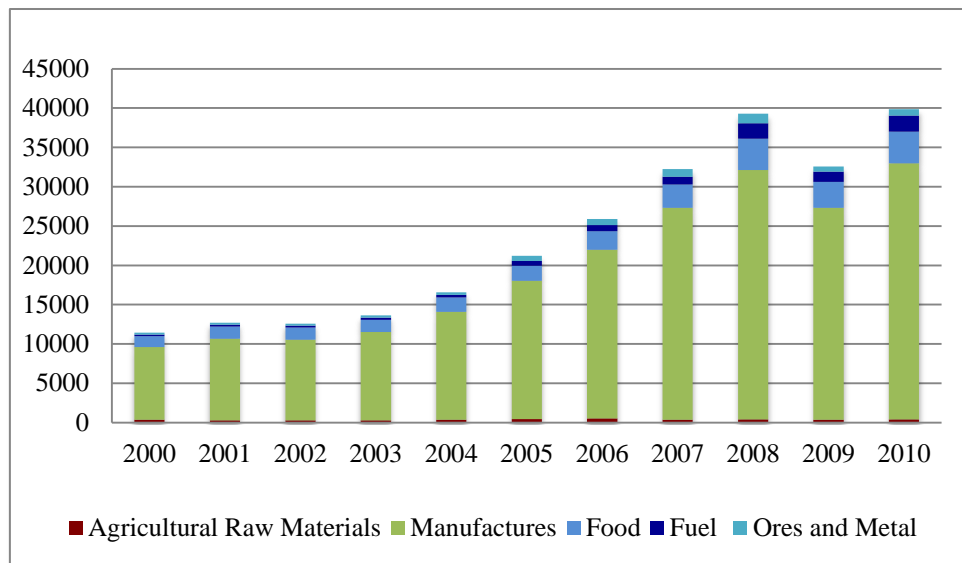
In 2011, Colombia’s main imports were in manufactures, especially machinery and mechanical appliances as well as cars, electrical machinery and equipment as televisions, radios, recorders and reproducers. Colombia’s main exports in 2011 were coal, emeralds and coffee, on which the government imposes surcharges to spur the development of these sectors (UN Comtrade Database, 2012). Graphs 1 and 2 show that especially exports of mining and quarrying products as well as exports and imports in the manufactured products increased in recent years.

Graph 1. Breakdown of Merchandise Exports (in million current \$US)



Source: World Development Indicators, 2012, World Bank

Graph 2. Breakdown of Merchandise Imports (in million current \$US)

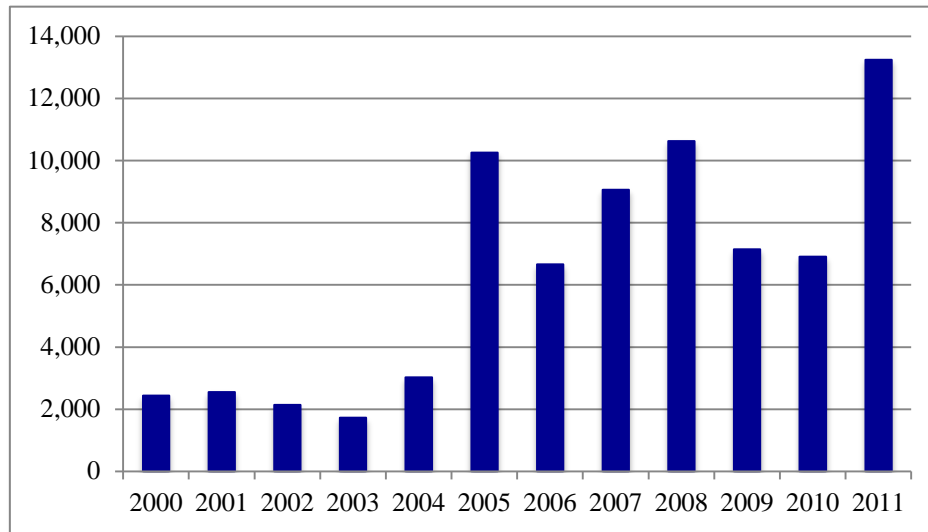


Source: World Development Indicators, 2012, World Bank

Foreign direct investment (FDI) inflows were about US\$ 9.328 billion for the first half of 2012, which translates into a growth of 26.2% compared to the first half in 2011 (Graph 3). Though around 80% of the total amount went to the oil and mining sector, FDI for this and the remaining sectors grew by almost the same percentage, 18.6% and 17.9% respectively (WTO, 2012).

The Minister of Trade, Industry, and Tourism, Sergio Diaz-Granados partially attributes the sharp increase of FDI in the first half of 2012 to Colombia's accession process to the OECD and current membership in the OECD's Investment Group, as well as to improvements in the World Bank Doing Business ranking. In 2011, Moody's Investors Service raised Colombia's credit rating to investment grade (Colombian Ministry of Trade, Industry and Tourism, 2012). It is particularly important to note, that Colombia's sound regulations to protect investors not only contributed to its entry to the OECD's Investment Group, but also made it first in Latin America and the fifth country worldwide that best protects investors. Currently Colombia has signed Investment Agreements with Spain in 2007, Switzerland in 2009, Peru in 2010, Japan in 2011, and the United Kingdom, China and India in 2012. Furthermore Colombia is currently negotiating agreements with Turkey, Kuwait and Singapore (Colombian Ministry of Trade, Industry and Tourism, 2012).

Graph 3. Foreign Direct Investment Net Inflows (BoP, in million current US\$)



Source: World Development Indicators, 2012, World Bank

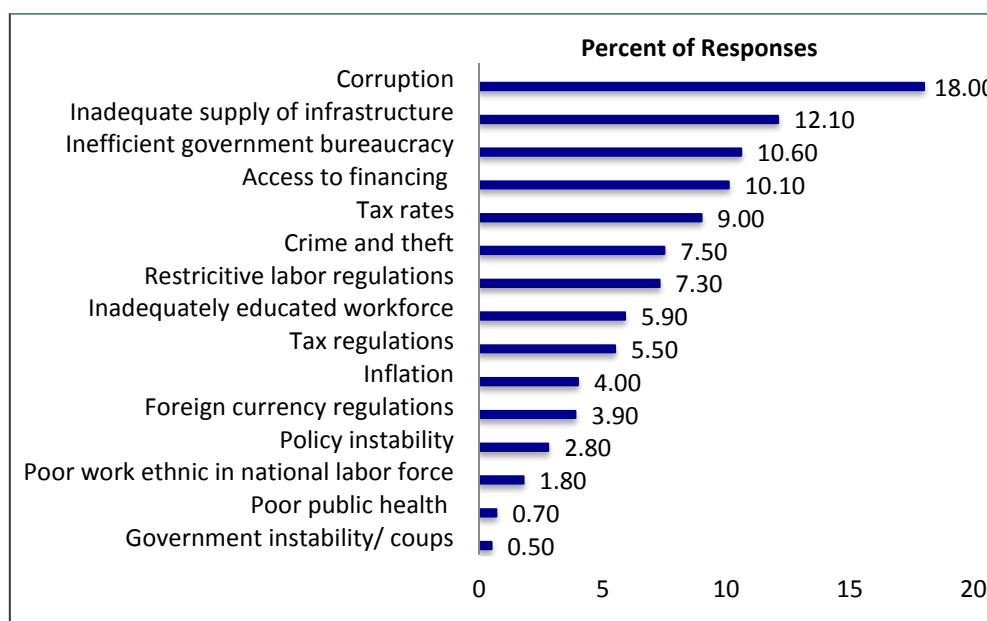
III. Colombia Main Trade-Related Binding Constraints

Colombia has a generally open trade regime with a steadily falling tariff rates in recent years. However, non-tariff barriers, policy reforms and investments are pending in a number of significant areas and sectors.

Moreover, the country still faces important challenges with a gini-coefficient of 55.9 in 2010, ranking as one of the top three most unequal countries in recent years (World Bank Gini Index, 2012), and an unemployment rate of 9.8% in 2011 (WTO, 2012).

The World Economic Forum (2011) identified the most problematic factors for doing business in Colombia in its Global Competitiveness Report 2011-2012 as presented in the following chart.

Graph 4. Most Problematic Factors for Doing Business in Colombia



Source: World Economic Forum (2011): Global Competitiveness Report 2011-2012

Colombia scored particularly badly in terms of corruption, the supply of infrastructure, government bureaucracy and access to financing. Based on these problematic factors Colombia ranked number 68 out of 138 countries worldwide, behind Latin American neighbors such as Chile (rank: 31); Panama (rank: 49); Brazil (rank: 53); Mexico (rank: 58); Costa Rica (rank: 61); Uruguay (rank: 63) and Peru (rank: 67). Colombia is tackling these main obstacles as part of its National Development Plan outlined in Section 3.

Several assessments of Colombia's main trade-related binding constraints have been undertaken in recent years. The following are particularly worth mentioning: Study of Haellert and Muro (2009), the 2011-2012 National Competitiveness Report¹; results of the national consultation process in the context of the elaboration of the CONPES Policy 2004²; the IADB's AfT strategy for regional sector development in Colombia, the Global Competitiveness Report 2011-2012 from the World Economic Forum mentioned above and

¹ The National Competitiveness Council of Colombia publishes its National Competitiveness Report (*Informe Nacional de Competitividad*) on a yearly basis.

² The Colombian government issued the CONPES Policy Document 3297 in July 2004, outlining the main elements and objectives of the Internal Agenda. Working groups with representatives from the private sector, local, regional and national governments, academia, politicians and civil society met in 96 forums and 1,638 regional meetings (with over 36,000 participants), and 3,427 people attended 151 sector specific workshops. Governors and chambers of commerce headed the process at a local level, and industry associations at a sector level. USAID and the OAS were strong supporters of the Internal Agenda.

private sector assessments reports as undertaken by ANDI and the Cali Chamber of Commerce.

In addition, the launching of FTA negotiations between Colombia and the U.S. in 2004 was accompanied by a series of efforts to identify trade-related binding constraints in preparation for an FTA with its most important trading and investment partner.

Most of these assessments mentioned above coincide on the following problems as main challenges impacting competitiveness and impeding or limiting economic growth and further trade liberalization:

a) Export Growth and Diversification

The 2011-2012 Competitiveness Report highlights that for Colombia to meet its Vision 2032 – *to become one of the three most competitive economies in Latin America and reach middle to high per capita income*³ – the country needs to expand its exports of innovation intensive goods and services. The report asserts that the country's competitiveness policy is the basis to reaching the goals of productive transformation and highlights the importance of promoting public-private partnerships at national and local levels. Furthermore the report points out, that the mining and energy boom works against the objective of export diversification.

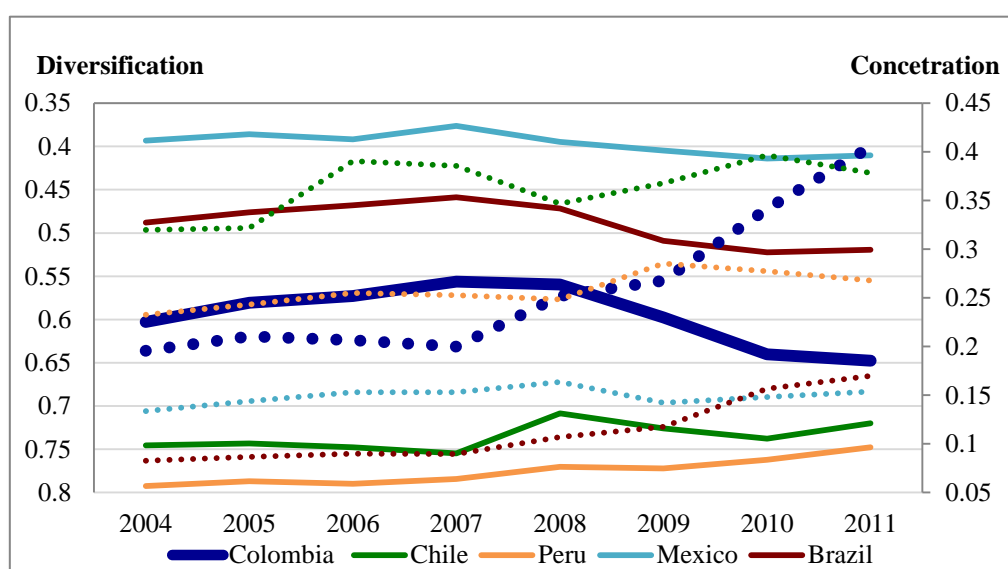
Colombia Vision for 2032: "In 2032 Colombia will be one of the three most competitive countries in Latin America and will have an elevated level of income per capita equivalent to that in high middle income countries. This will be done through an economy that exports high value added and innovative goods and services, with a business environment that promotes local and foreign investment, regional convergence, and improved opportunities for formal employment, better quality of life and substantially reduced levels of poverty."

Colombia maintained a relatively constant and low export share of GDP with an average of around 17% between 2004 and 2012, compared to an average 40% export share in Chile, 28% in Mexico, 26% in Peru and 13% in Brazil. Colombia's annual growth rate of exports of goods and services followed the region-wide trend of decreasing export growth rates since 2004, but was less volatile, showing the lowest standard deviation of export growth between 2004-2010 compared to Chile, Peru, Mexico and Brazil, despite the financial crisis in 2009 (World Development Indicators, 2012).

³ The Internal Agenda and resulting competitiveness policy led to the creation of twenty six Regional Competitiveness Commissions throughout the country, and to Vision 2032, which sets out what Colombia aspires to be by then, which implied going from the baseline GDP per capita of US\$3,000 to US\$ 18,000 by 2032.

Colombia's exports' diversification, depicted by the primary axes and straight lines in Graph 5, decreased since 2008 and is higher than those of Chile and Peru and lower than Mexico and Brazil. The secondary axis and dashed lines in the graph below depict the Herfindahl-Hirschman index, which indicates the concentration of export products. It increased slightly for Colombia since 2008 and it is relatively high compared to Chile, Peru, Mexico and Brazil. The relatively high scores at the diversification and concentration index reflect that Colombia's exports are not sufficiently diversified and exports are highly concentrated on a few products (UNCTAD STAT, 2012).

Graph 5. Diversification and Concentration of Exports (Herfindahl-Hirschman)



Source: UNCTAD STAT, 2012

b) Trade-related Infrastructure, Transportation and Logistics

The National Competitiveness Report also identifies the infrastructure, transportation and logistics sectors as Colombia's most significant bottlenecks. Significant investments and institutional upgrading are required in road and highway infrastructure, mass transit systems, ports, airports, and rail infrastructure, as well as water navigation.

The need to significantly enhance trade-related infrastructure is also shared by the private sector. In their 2011 Competitive Agenda, the National Businessmen's Association of Colombia – ANDI (*Asociación Nacional de Empresarios de Colombia*) recognizes that besides a stable macroeconomic policy, Colombia needs to improve infrastructure, as logistics account for 22% of costs in a commercial business. The report compares Chile's

2009 2,400 kms. of double lane highways with Colombia's 800 kms., and calls for significant investment in roads and highways, railways, airports, water transportation and ports, and the design of a multi-modal transportation systems.

c) Education and Labour Market

The National Competitiveness report points out the need to improve the quality of education to provide much needed human capital and labour skills required for the future development of Colombia. Recommendations provided in this area include early childhood integral assistance, better coverage, improved quality of basic and secondary and higher education, and improved relevance to attract the qualifications the country needs.

The report highlights the need to improve other areas, including the creation of a more formal labour market, via making it more flexible, improving the cost-benefit ratio in favor of formal employment, deepening the country's industrial policy and promoting more efficient production in SMEs. Improvements need to be achieved in science, technology and innovation where investment is at a low 0.16% of GDP.

d) Regional Development

Another area where significant improvement is needed is regional development. The Competitiveness report underlines the importance of permeating all policies areas mentioned above at a regional and not just national level.

In September 2011 the President of the Cali Chamber of Commerce outlined Colombia's competitiveness situation. President Santos created the High Presidential Council for Public and Private Management, confirmed the National Competitiveness System and gave great importance to the Regional Competitiveness Commissions in the process of drawing up the National Development Plan. The Cali Chamber of Commerce highlights the great regional competitiveness divergence, and concludes that one of Colombia's main challenges is to balance regional development. It proposes two lines of action: (1) institutional strengthening and decentralization; and (2) commitment by the business community (Cali Chamber of Commerce, 2011).

The Inter-American Development Bank's (IADB) AfT Fund is aligned its AfT strategy for Colombia to these lines of actions and targets the regional sector development via trade reforms and the design of new policies on a national and regional level.

In general, the IADB AfT Fund supports trade related projects to increase international market integration, market access and global competitiveness in Colombia.

Currently, two national operations with a value of US\$1 million and eight regional projects with a total value of US\$ 3.4 million were approved. Moreover, a bank loan (CO-L1094) for US\$ 12 million is underway to increase investments and improve export promotion in Colombia.

In particular, two of the current regional projects (CO-T1214 and CO-T1215) have the objective to strengthen Colombia's trade policy and to support the realization of Free Trade Agreements and to benefit from commercial opportunities via trade policy reforms. For the specific purpose of supporting Colombia in the design and implementation of necessary policy reforms from FTAs another project (RG-T2109) is being implemented. Furthermore, a project (RG-T1876) to support Colombia's agri-food export sector to comply with international standards and technical regulations is put in place. In addition, Colombia is part of number of region-wide projects regarding: the development Mesoamerican Single Window (RG-T2073), the trade facilitation (RG-T1878) and trade finance promotion for MSMEs (RG-T1939) (IADB, 2012).

e) Others

Additional areas where attention is required include social security, information and communication technologies, financial inclusion and limited access to finance for SMEs and productive initiatives, simplification and improvement of the existing tax system, promotion and protection of competition, and a comprehensive revamping of the legal system. Furthermore, the Competitiveness Council underscores the need to continue and strengthen the fight against corruption and a focus on sustainable development.

IV. Development Priorities and Goals: Colombia's 2010–2014 National Development Plan and Trade Related Country Priorities

The constraints mentioned above are currently addressed in the Colombian Government's National Development Plan (NDP) and its goal to strengthen Colombia's international competitiveness.

Indeed, the NDP, in its chapter on "High and Sustainable Growth: the Internal Agenda", addresses development strategies in trade-related areas: (1) Savings, investment and financing; (2) Entrepreneurial and business development; (3) Agricultural development; (4) Physical capital; (5) Human capital; (6) Technological development; and (7) Institutions and policies.

Specifically, proposals on institutions and policies for competitiveness includes actions relating to economic integration such as negotiation of FTAs, business facilitation, foreign trade, including customs and tariff regulation, legal stability agreements, free trade zones and defense and democratic security.

In parallel, physical capital section of the NDP outlines actions in communications (National ITC Plan), energy and also includes actions to improve transportation such as new highways, rail infrastructure, airports and ports, and a National Logistics Policy.

Priorities in the area of human capital includes resources for technical and technological education, bilingual education, improvement of education at all levels, scholarships for study abroad, among others. Technical development and innovation is another line of action in the NDP to promote development. To ensure effective access to foreign markets, lines of actions includes policies and programs on technical regulations, including SPS measures and technical norms.

Colombia's 2012-2014 National Development Plan defines the following pillars for democratic prosperity:

- Sustainable growth and competitiveness: Innovation, competitiveness and productivity growth, growth engines and job creation.
- Equal opportunities for social prosperity: equal opportunities regardless of gender, ethnicity, social standing or origin.
- Consolidation of peace throughout the country, including security, respect for human rights and a working justice system.
- Convergence and regional development: reduction of regional inequalities and opportunity gaps.
- Environmental sustainability and risk prevention.

The National Development Plan defines Government, civil society and the private sector as actors in achieving these objectives. Colombia additionally defines mining, housing, agriculture, infrastructure and innovation as *engines* for economic growth, job creation and development.

In parallel, it identifies the following crosscutting themes to reach the goal:

- Good government, citizen participation and fight against corruption.
- International relevance.
- Cross-cutting support for regional development.

International relevance sets three different objectives, including “productive insertion into international markets”. The NDP defines an internationalization strategy that can

increase Colombia's participation in the global market by stimulating competitiveness through four specific instruments: (1) a tariff policy that promotes productive transformation; (2) the negotiation, implementation and administration of international trade and investment agreements; (3) the promotion of investment; and (4) trade facilitation.

Trade facilitation and promotion of foreign trade are specific objectives of Colombia's four-year National Development Plan.

Colombia's National Development Plan defines a number of strategic guidelines to achieve Colombia's insertion in international markets. Specifically, the Plan states that to achieve this objective, Colombia will: (1) Continue to negotiate, implement and manage free trade agreements, especially with priority partners; (2) Promote foreign investment via the negotiation of international investment agreements, and adjusting existing promotion policies such as free trade zones or legal stability agreements; and (3) Facilitate trade by promoting policies to expedite foreign trade operations, improving the foreign trade single window, facilitate information on technical regulations and implement a registration system for trade in services.

The improvement of Colombia's business environment is another specific goal for the period from 2010 to 2014. The Plan suggests the following policies to improve the business climate, competitiveness and productivity: (1) Implement a new generation of regulatory reform to facilitate private investment; (2) Promote the use of Electronic Commerce; (3) Modify size-based company classification; (4) Consolidate the National Quality Subsystem; (5) Strengthen the National Metrology System; (6) Strengthen consumer protection control and oversight; and (7) Propose a new institutional corporate oversight scheme.

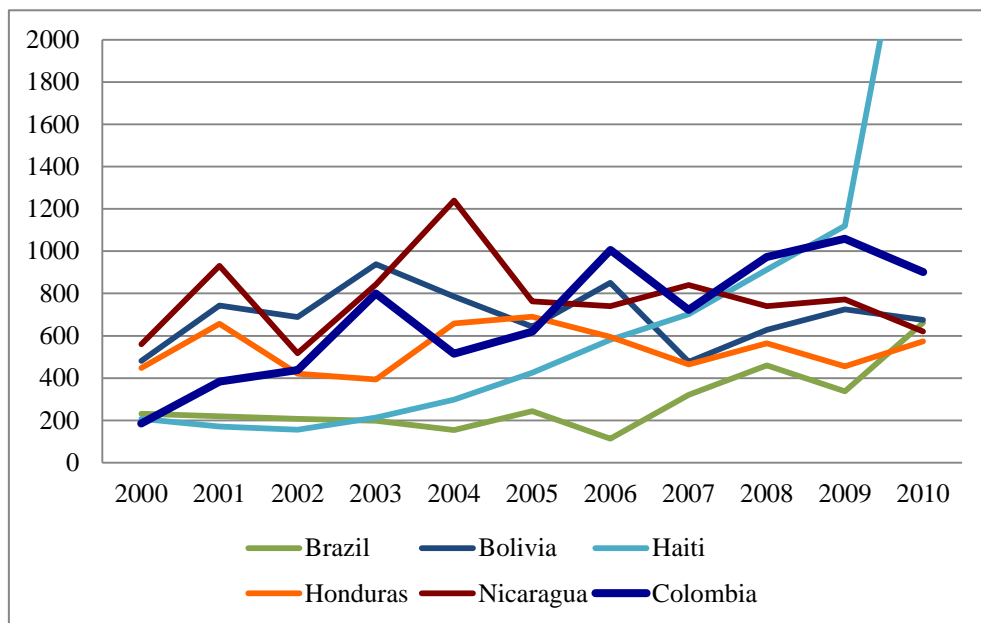
Besides formal legal frameworks, the National Development Plan also sets goals with regard to other trade facilitation measures such as inspection, customs control, and the creation of logistic corridors. The National Development Plan also addresses issues that hamper trade, such as the lack of adequate infrastructure, and sets ambitious goals in this area. Special efforts will be made to improve advanced container transfer system and create and improve intermodal terminals and freight transport.

Diversification is a central goal in terms of foreign trade. Over 50% of Colombia's exports are represented in oil, coal and iron-ore, and over 50% goes to two countries: the United States (39.9%) and Venezuela (12.3%). Therefore the Colombian Government actively seeks new markets for Colombia exports, and promotes the export of non-traditional exports.

V. International Cooperation in Colombia

Over the past decade, Colombia has changed dramatically, and moved to become an upper middle-income country, after almost 20 years as a low middle-income. Aid has been an important enabler in the progress Colombia has made, including in the areas of the fight against poverty, security and in the fight against criminal organizations and internal displacement. Despite the fact that Colombia is the second largest recipient of net official development assistance (ODA), behind Haiti in the Latin American and Caribbean region, and well above the LAC average, its net ODA accounted for only 0.3% of its GNI between 2007 and 2011 (World Development Indicators, 2012).

Graph 6. Official Development Assistance Received (in million current US\$)



Source: World Development Indicators, 2012, World Bank

International cooperation has played an important and complementary role to government policies, and is present not only in the chapter on International Policy of the National Development Plan, but found in many other different areas as well. As Colombia has achieved improvements in security and the economy has expanded, aid has also expanded into other areas of economic development. There are currently 2,307 projects (Colombian Department for Social Prosperity, 2012) under implementation. While aid to Colombia has traditionally concentrated on areas of social development, human rights and security, today, foreign assistance supports Colombian policies in many more areas. Colombia's top ten ODA donors and top AfT donors are shown below.

During the last decade the International Cooperation Directorate of the Presidential Agency for Social Action and International Cooperation had been in charge of coordinating international cooperation in Colombia. An initial institutional assessment was carried out in 2003 where improvements in areas such as information sharing, information management systems and engagement of all actors led to a better coordination of aid.

Additionally, Colombia has been a strong proponent of South-South cooperation, and an increasing actor in providing aid to other countries.

President Juan Manuel Santos' 2010-2014 National Development Plan specifically sets the objective of improvement and diversification of international cooperation. The Plan reiterates the importance of international cooperation in strengthening Colombia's capabilities to achieve sustainable growth, regional development and social integration, and good governance. The Plan defines the following six priority areas for international cooperation: (1) disaster risk management and post-disaster recovery and reconstruction; (2) equal opportunities for democratic prosperity; (3) competitiveness and development; (4) environment and sustainable development; (5) governance; and (6) victims, reparation, reconciliation and human rights. Colombia will also continue and increase its support for other countries, and partnerships to support other countries.

The Government created a new Presidential Cooperation Agency in November of 2011 (Colombian Government, 2011) and formulated a National International Cooperation Strategy in 2012. The 2012-2014 International Cooperation Strategy was concluded after a consultative process with the different stakeholders in international cooperation, including 21 national entities, 32 departments or states and 231 social organizations. The Government launched the Strategy in March 2012, and uploaded the final version in June 2012.

The new Agency is in charge of setting priorities and ensuring alignment of international aid with the National Development Plan and Colombia's foreign policy, as well as achieving greater efficacy and impact of the aid received and offered by Colombia. President Santos signaled seven challenges for the new agency during its launch in January 2011 (Colombian Presidency, 2012): (1) to align aid with the objectives of the National Development Plan, including the three main government goals of more jobs, less poverty and more security; (2) to engage and coordinate all the sectors and territorial entities with the aim of obtaining more effective and integral foreign aid; (3) to diversify the sources of foreign aid given that two thirds of foreign assistance received by Colombia over the last decade comes from three donors; (4) to reach the goal of US\$ 2.2 billion in ODA by the end of the four year term; (5) make foreign aid management more agile and supported on Colombia's own

institutions. Only 10% of ODA is channeled through the national budget, it is important to find a mechanism that will allow aid to be implemented through the national budget; (6) achieve a better regional balance in the projects implemented through foreign aid; and (7) consolidate South-South cooperation. The National Strategy sets out the different activities that develop the six priority areas already laid out in the National Development Plan, and lays out priority areas where Colombia can offer assistance to other countries.

Coordination of the whole system is crucial to achieve the objectives laid out above. Therefore, the National System for International Cooperation SNCI will continue to serve to coordinate the different actors in the different sectors, local and regional territories, authorities at all levels of government, private sector, civil society organizations and the international donor communities. The SNCI seeks to achieve better coordination and cooperation to promote more cost-effective aid and better alignment with national priorities, better management for results, harmonization and mutual accountability.

Even before its accession to the Paris Declaration in 2007, Colombia has worked to articulate the interest of the many actors and stakeholders in international cooperation, to improve aid coordination and effectiveness, and it is an active participant in international discussions on Aid effectiveness.

The National International Cooperation System is expected to continue to function as it had before, and the new Presidential Agency is the official interlocutor for international cooperation, including for donors and government agencies.

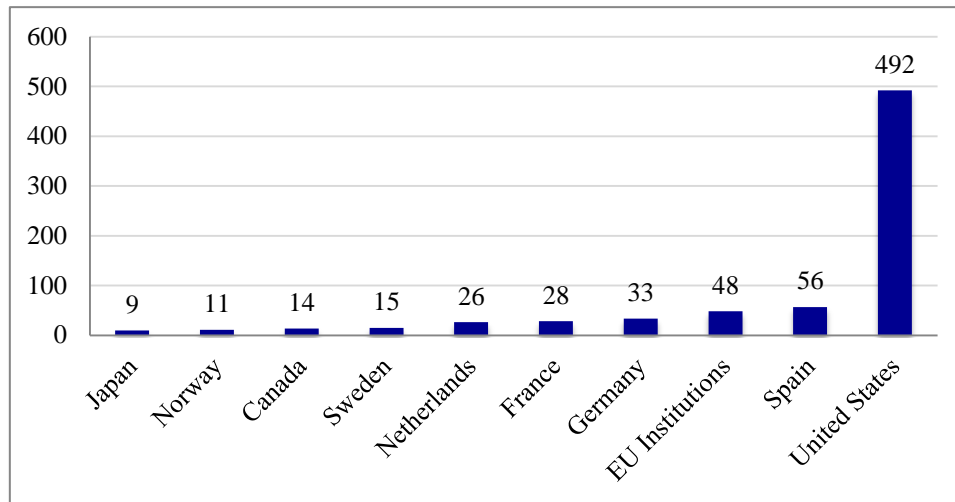
a) The Donor Community in Colombia

Colombia has a vibrant donor community that includes bilateral donors, multilateral and regional organizations and IFIs.

Bilateral Donors include Australia, Austria, Belgium, Canada, the European Union, Finland, Germany, India, Israel, Italy, Japan, the Netherlands, Norway, South Korea, Spain, Sweden, Switzerland, the United Kingdom and the United States. Several UN agencies such as the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC), and development banks such as the World Bank, the Inter-American Development Bank (IADB) and the Latin American Development Bank (CAF) are also present in Colombia and actively support and work to achieve development objectives.

Graph 7 shows the top ten donors of gross official development aid (ODA) from 2000 to 2010. The United States is by far the top donor of ODA to Colombia followed by a number of European countries and institutions, Canada and Japan.

**Graph 7. Top Ten Donors of Gross Official Development Aid (2000-2010)
(in million current US\$)**



Source: Creditor Reporting System Aid Activity Database, 2012, OECD

b) Alignment Around Country Strategies and Systems

While not universally, many donors are increasingly aligning their priorities with those set out by the government. This objective has been greatly assisted not just by the growing consensus of the importance of this element in international cooperation, but also by Colombia's efforts over the last decade to organize the different stakeholders involved in international cooperation. The Government has undertaken important efforts to map out the different programs, projects and actors involved not only at a central but regional level, and not just with traditional donors but new ones such as NGOs and private foundations as well. Additionally, efforts to increase communication and coordinate with different actors have borne fruit, and a cooperation map is now centralized and periodically updated. While the situation is not perfect, alignment is an objective specifically set forth by the Paris Declaration of which Colombia is now a member and around which it works in the implementation of its international cooperation strategy and stakeholder coordination efforts.

Colombia undertook several Paris Declaration implementation activities, including a number of thematic exercises to optimize the coordination of different actors. It focused on the following areas: victims, reconciliation, humanitarian coordination, environment, MDGs, childhood and adolescence, borders, anti-personnel mines and ethnic issues. However, implementation activities showed different levels of effectiveness. Nationally, the implementation of activities was centered on the establishment of a well-functioning

democracy rather than results-oriented management and accountability, whereas these issues were central at the regional level (Wood et al., 2011).

The Technical Report on International Cooperation, which provided the basis for the creation of the Presidential Agency for International Cooperation⁴, highlights the importance of the ODA Information System (SIAOD) that manages information on international cooperation in Colombia, as well as the 2007-2010 International Cooperation Strategy as tools that have enhanced alignment with national priorities. The Technical Report states that the fact that IC only represents 0.4% of GDP and 0.8% of these are channeled through the national budget, “requires a broader interpretation of alignment in Colombia, where aid is not necessarily channeled via a country’s budget, but where there is an alignment around the country’s public policies and priorities in national and international cooperation.

The aforementioned is supported by the government’s recognition of the contribution to the development of several actors and cooperation modalities, as well as a continuous dialogue between the government, the international community on the way to channel DOS funds and the way to report the information.” The Report states that there is a level of alignment of new projects with domestic priorities of 98%. However, the report also points out that challenges remain in the area of communication and coordination with donors.

VI. Aid for Trade Strategy

While Aid for Trade is not a widely understood or utilized term in the local international community in Colombia, stakeholders in the country share the importance of developing skills and infrastructure to increase trade, and consider AfT activities basically linked to the country’s Competitiveness and Productivity Strategy.

While Colombia has not explicitly developed an Aid for Trade Strategy as such, different elements and components of such a strategy are present both in the National Development Plan and the International Cooperation Strategy and reflected in individual donor projects.

Colombia’s responses to the 2011 joint OECD-WTO Partner Country Questionnaire as part of the AfT Monitoring process describes its AfT strategy as part of its economic growth and poverty reduction policies, and points out the objective of achieving “an economy that provides a higher level of well-being”, which implies an increased level of investment, productivity and non-traditional exports. The 2011 questionnaire builds upon the 2009 questionnaire, in which Colombia signaled competitiveness, internationalization of the

⁴ *Estudio Técnico Agencia Presidencial de Cooperación Internacional de Colombia*

economy and productive transformation as priority areas to improve the country's ability to benefit from international trade. The 2011 questionnaire additionally refers to the 2006-2010 National Development Plan objective of "high and sustained growth: necessary for growth with equity" (OECD/WTO, 2011).

The National Development Plan sets out the six elements of the business and entrepreneurial development strategy: (1) fostering innovation for competitiveness; (2) competitiveness associated with business productivity; (3) international integration and trade facilitation; (4) proper functioning of the internal market; (5) specific productivity and competitiveness strategies for micro, small and medium sized enterprises, for the artisan sector, tourism and alternative energies; and (6) access to financial services. Additionally, it states that Colombia would continue its integration to world markets by signing new agreements, and deepening existing ones.

Moreover, the Ministry of Trade, Industry and Tourism Strategy, sets out the following objectives, which are linked with the country's Competitiveness and Productivity Strategy: (1) Promoting exports; (2) Establishing "World Class Sectors"; (3) Fostering productivity and employment leap; and (4) Promoting Colombia as a world-class tourist destination.

Firstly, exports are planned to be increased by negotiating, implementing and taking advantage of trade and investment agreements, and furthermore, by promoting high value-added exports, training and supporting exporters, simplifying and reforming regulations, enhanced inter-institutional coordination and facilitating and promoting supply chains.

Secondly, Colombia is set to establish "World Class Sectors" by selecting and promoting the sectors, creating an attractive investment legal framework, especially for foreign investment, offering human resources training, enhancing communication, institutional coordination and allies.

Thirdly, a productivity and employment leap is going to be fostered by creating new companies, especially supporting Micro and SME productivity and growth, promoting formalization, supporting training and publicizing with a particular focus on the public capacity for entrepreneurial development and the government-academia-private sector relations. Moreover, cooperation needs to support the country's implementation of the FTAs and Agreements signed and in negotiation.

The Colombian Government and private sector created the Office to Fully Take Advantage of the FTA with the United States, henceforth called the Office, promptly after conditions for its approval in the US Congress were set in late 2011. This Office's task is to identify and

promote opportunities, needs and obstacles for Colombian businesses so the private sector can fully use and profit from the FTA with the US.

Needs and obstacles are identified in two broad areas: (1) institutional development and legal framework as SPS, TBT and etc.; and (2) in priority action required by the government as customs.

The Office, through a consultative process with business associations, companies, and territorial entities and with government agencies including the Ministries of Agriculture and of Trade, Industry and Tourism (through the National Competitiveness System) identified 50 urgent challenges, which require 253 individual activities in the following areas:

- 1) Entrepreneurial and business development (58 activities).
- 2) Transportation (47 activities).
- 3) Agriculture (54 activities).
- 4) Institutional development (23 activities).
- 5) Environment (24 activities).
- 6) Information and communications technologies (19 activities).
- 7) Mines and energy (18 activities).
- 8) Social development (10 activities).

This strategy is integrated into Colombia's Competitiveness Strategy, which has a crosscutting, sector and regional focus. The Crosscutting agenda includes areas such as infrastructure, institutions, energy, education, regulations, rural development, formalization, information and communications technology, and justice among others.

The sectorial agenda for competitiveness and to fully take advantage of the FTA includes the Program for Productive Transformation, PTP for its acronym in Spanish, public-private partnerships, sector competitiveness, and the elimination of specific trade barriers and development of the agriculture sector.

The regional and local competitiveness agenda also includes areas such as strengthening the Regional Competitiveness Commissions and regional and local institutions, Science, Technology and Innovation (CTeI) based development of regional clusters and competitiveness through resources from the Royalties System (Office to Fully Advantage from the Colombia – U.S. FTA, 2012).

Finally, cooperation needs to support the productive sector, especially SMEs, in taking advantage of trade agreements and of international trade. Areas include support in productive transformation, development of technological development centers for SMEs, transfer of financing know-how to SMEs, support to develop a supply and demand platform,

institutional strengthening of business associations, training in government procurement procedures, supply development and subcontracting programs, cross-border trade of services, etc.

a) Aid for Trade Flows

Colombia reported to have received US\$20 million in Aft between 2002 and 2005 in the following sectors: innovation and technological development, intellectual property, labor issues, infrastructure (communications, mines, energy, training to regulators, and physical), procedures and red tape, stability in the rules of the game and regulatory environment, investment, environmental protection and compliance, financing, SPS, customs, market access and development, business management, competitiveness in the agriculture sector and civil society awareness.

According to the OECD, since 2002, Colombia has received international cooperation in 70 of the OECD's 98 Aft classified sectors, while 70% has gone to agricultural alternative development as shown in the following table.

Table 1. International Cooperation, by OECD's Sector Classification (2002-2010)

| OECD Sector Classification | Share |
|--|--------|
| 31165 Agricultural alternative development | 69.07% |
| 24030 Formal sector financial intermediaries | 5.60% |
| 25010 Business support services and institutions | 2.82% |
| 31120 Agricultural development | 2.67% |
| 33110 Trade policy and administrative management | 2.27% |

Source: OECD.

The top 26 projects by amount classified under agricultural alternative development (code 31165), account for over 95% of the 2002-2010 Aft total in that code, and fall under alternative development projects funded by the United States.

b) Aid for Trade Case Stories

On 27 July 2010, the OECD and the World Trade Organization (WTO) issued a joint call for case stories on Aid for Trade (WT/COMTD/AFT/W/22) in the context of the 3rd Global Review of Aid for Trade. Colombia reported two cases, Switzerland reported one case with Colombia, and the IADB reported a fourth one:

| Country/ Region | Authors | Donors | Objectives |
|-----------------------------|---------------------------------|----------------------------------|--|
| Colombia | Colombia | Inter-American Development Bank. | <ul style="list-style-type: none"> ▪ Digitalized Certificates of Origin. ▪ Procedures to issue and receive digital, electronic certificates of origin. |
| Colombia | Colombia | European Union | <ul style="list-style-type: none"> ▪ Technical Assistance Project for Foreign Trade. ▪ Strengthen Colombia's trade capacities and promote use of trade as a way to reduce poverty |
| Colombia | Switzerland | Switzerland | <ul style="list-style-type: none"> ▪ Establishment of a National Cleaner Production (CP) Centre in Colombia. ▪ Provide business development services to SMEs' to enhance ability to meet international standards, strengthen competitiveness and benefit from resource efficient sustainable production. |
| Latin America and Caribbean | Inter-American Development Bank | Inter-American Development Bank | <ul style="list-style-type: none"> ▪ The Mesoamerica Project: Assist Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic with regional integration. |

VII. Government Monitoring System and Results Indicators in Aid for Trade

The Government Targets Monitoring System (SISMEG) undertakes periodic reviews of the goals set in the National Development Plan, including those related to trade. The following are indicators included in the SISMEG to measure progress and results in the context of the DNP:

- Number of public-private dialogue events to promote regional and national competitiveness.
- Non-primary exports.
- Companies with innovation teams.
- International Investment Agreements in force.
- New FTAs signed.
- Foreign Direct Investment.
- Total exports.
- Position in the World Bank's Doing Business ranking.

- Position in World Economic Forum Global Competitiveness ranking.
- Monthly export percentage increase.
- Monthly non-primary export percentage increase.
- Increase in FDI (quarterly).
- Jobs created by FDI projects supported by Proexport.
- Loans to modernize SMEs.

a) Country-owned Results and Accountability Frameworks

The Paris Declaration specifically defines alignment with national development strategies as one of the partnership commitments. Since Colombia signed the Paris Declaration in 2007, donors and recipient alike work to ensure that IC is in line with national priorities. In part because Colombia has an elaborate and detailed monitoring and evaluation system for the National Development Plan, which includes baseline indicators and strategic goals, several projects financed by or with international cooperation define objectives set out in the National Development Plan as goals and use the indicators used by the government as project indicators.

(i) National Development Plan Indicators

Colombia has a sophisticated and transparent monitoring and evaluation system for its National Development Plan in the framework of SINERGIA⁵. SINERGIA is the acronym for its name in Spanish: *Sistema Nacional de Evaluación de Gestión y Resultados*. SINERGIA consists of two parts:

On the one hand, there is SISMEG, the acronym for Spanish *Sistema de Seguimiento Gerencial a Metas de Gobierno*, the Managerial Monitoring System for Government Goals, which monitors public entities and input for corrective decision making in order to meet the National Development Plan objectives.

In parallel, SISDEVAL, the acronym for Spanish *Sistema Nacional de Evaluaciones*, measures government interventions and is an input for process design and policy adjustments, as well as resource allocation.

The monitoring mechanism for the National Development Plan consists of three different levels: Firstly, strategic indicators for monitoring governmental and NDP priorities are defined. In the second level program indicators to monitor entity specific progress in terms of delivery of goods and services to society are set. In the final stage the government

⁵ National Development Plan Chapter on Monitoring Indicators for the National Development Plan.

uses performance indicators to monitor the results, administrative and financial efficiencies and continuous improvement at an entity level.

The monitoring process for the National Development Plan articulates other medium and long-term goals in other strategic planning exercises such as Vision 2019 or the National Competitiveness Policy. The NDP sets out the main strategic goals in the following table, although monitoring is done at the three levels. Data for the indicators is reported periodically by the different government agencies. The following table presents a selection of some of the AFT relevant indicators and goals in the 2010-2014 National Development Plan:

Table 1. National Development Plan (2010-2014), AFT Relevant Indicators and Goals

| Target/Strategic Indicators | Baseline | 2014 | 2019 | 2032 |
|---|------------|------------|-----------|--------|
| Sustainable Growth and Competitiveness | | | | |
| GDP per capita (USD\$) | 5,139 | 6,250 | | 20,000 |
| GDP growth (% yearly average) | 4.1 | 6.2 | 6 | |
| A. Innovation for Prosperity | | | | |
| Innovation (investment in science and technology as % of GDP) | 0.39 | 0.7 | 2 | |
| Non primary exports (USD\$ Million) | 14,318 | 21,000 | | |
| B. Competitiveness and Productivity Growth | | | | |
| Informal employment (% of total occupied population) | 61.1 | 54 | 33 | |
| Foreign Direct Investment (USD\$ Million) | 7,169 | 13,200 | | 47,465 |
| Exports, Goods (USD\$ Millions FOB) | 32,853 | 52,600 | 109,172 | |
| Exports, Services (USD\$ Millions) | 4,196 | 6,200 | | |
| Connectivity | | | | |
| a) Broadband internet connections (millions) | 2.2 | 8.8 | | |
| b) SMEs with internet connection (%) | 7 | 50 | | |
| c) Homes with internet connection (%) | 27 | 50 | | |
| Adult population in formal banking system (%) | 57.3 | 68 | | |
| C. Growth and Job Creation | | | | |
| Unemployment rate | | | | |
| a) National average (%) | 12 | 8.9 | 5 | |
| 2. Agricultural and rural development | | | | |
| Agricultural Dynamic (tons of product) | 30,588,362 | 36,283,568 | | |
| Hectares of tradable forest plantations | 364,080 | 596,330 | 1,382,064 | |
| 3. Transport infrastructure | | | | |

| Target/Strategic Indicators | Baseline | 2014 | 2019 | 2032 |
|--|-----------|-----------|------|------|
| Infrastructure for competitiveness (total double lane kms. constructed – concession) | 1,050 | 2000 | | |
| Rail in operation (kms. given in concession) | 906 | 2,000 | | |
| Kms. of deep navigation channels – Magdalena River | 200 | 800 | | |
| 4. Mining and energy expansion | | | | |
| Mining dynamic – coal production (millions of tons/yr.) | 73 | 124 | | |
| Energy dynamic – electric generation capacity (MW) | 13,542 | 16,234 | | |
| Oil dynamic – production of oil and gas (barrels of oil equivalent/day) | 990,600 | 1,420,000 | | |
| Equal Opportunities for Social Prosperity | | | | |
| Poverty and inequality | | | | |
| a) Poverty incidence by income (%) | 45.5 | 38 | 20 | |
| b) Multidimensional poverty incidence (%) | 34.6 | 22.4 | | |
| c) Extreme poverty incidence by income (%) | 16.4 | 9.5 | | |
| d) GINI Income coefficient | 0.58 | 0.54 | | |
| Millennium Development Goals reached | 19/51 | 46/51 | | |
| Consolidation of Peace | | | | |
| B. Justice | | | | |
| Judicial back-log (inventory of ongoing judicial processes) | 2,350,000 | 2,250,000 | | |
| Cross-cutting Supports for Democratic Security | | | | |
| B. Good government and fight against corruption | | | | |
| Transparency International index | 3.5 | 4 | | |
| D. Cross-cutting support to regional development | | | | |
| Integral municipal performance | | | | |
| a) Average (%) | 62.1 | 64.5 | | |
| b) Dispersion (%) | 23 | 21 | | |

Source: Bases for the 2010-2014 National Development Plan, Table X-1.

(ii) National Council of Economic and Social Policy – CONPES – Monitoring System

Colombia’s National Council of Economic and Social Policy – CONPES – is the highest national planning authority and acts as an advisory body of the government in the areas of economic and social development. It publishes public policy documents on general development policies, which once adopted are monitored by SISCONPES (acronym for *Sistema de Seguimiento a documentos CONPES*), or the Monitoring System for CONPES

Documents. In some cases, donors and the Colombian government set indicators based on the CONPES policy documents, which in fact were translated into policies by the Colombian government. The use of existing monitoring and evaluation mechanisms has several advantages including the avoidance of duplication or additional reporting requirements for the implementing staff and entities, and is also a reflection of donor alignment with government priorities, at least in the cases of the National Development Plan and the CONPES policy documents.

(iii) Indicators in the International Cooperation Strategy

Currently, the Colombian government agreed to indicators for most international cooperation projects on a case-by-case basis. In general, donors and cooperation agencies meet regularly with the Presidential Cooperation Agency to review progress on projects and interventions. Chapter 5 of the National International Cooperation Strategy, Monitoring and Evaluation, sets out two implementation scopes: a strategic one and a tactical one. The strategic scope monitors the donor's programs and country strategy, especially as they refer to: (1) the amount of cooperation; (2) The alignment with domestic priorities; and (3) the effectiveness of the cooperation programs, which includes indicators defined in coordination with donors and the Presidential Agency for Cooperation for each intervention. This evaluation will be undertaken annually on a bilateral level with each donor.

The tactical scope addresses the issues of pertinence, effectiveness and sustainability. Because this is a results based evaluation, it is conducted at a product level with direct results within the project results chain, to assess the project's contribution to development. In particular, each aspect will look at:

- Pertinence: degree of alignment of projects with domestic national and regional priorities, complementarities and synergy with other initiatives, and coordinated work of development actors.
- Effectiveness refers to the degree to which the objectives set forth in the project or interventions were met.
- Sustainability refers to the likeliness or probability that the results obtained can be maintained over time.

The government seeks to identify lessons learned from these indicators to strengthen the process of knowledge management for future endeavors in international cooperation.

b) Conclusion: Measuring Results and Use of Indicators

The examination of indicators used to assess the Aid for Trade interventions in Colombia showed, that (1) close monitoring and evaluating of interventions and their indicators during the implementation phase is crucial to adapt to a changing project environment; (2) a quasi-experimental or experimental project setup facilitates evidence-based analysis and decision-making; (3) the alignment of national objectives with local needs and interests is essential for the success of the project; and finally (4) international comparability is an advantage.

In the case of some projects, the indicators defined prior to the project's implementation were found to be impracticable, too ambitious, and simply unrealistic or found to have other shortcomings during the implementation and evaluation phase of the project. Given the dynamics of development such as changes in the project's conditions, it is sometimes necessary to adjust indicators during the life cycle of a project. Tables 1.1 and 1.2 in the Annex 1) depict examples of indicator adjustments for the Colombian Technical Assistance Project for Foreign Trade. The modification of indicators in some cases may be necessary for the project's evaluation, and may lead from general indicators to more specific ones. However, it is important to note, that attribution errors may occur and a bias towards a positive evaluation of the project may be created.

For instance, USAID uses a Monitoring and Evaluation Program, presented in the box below, to continuously coordinate, verify and evaluate information about project results and indicators (USAID, 2012/DevTech, 2012).

BOX: Colombia - Monitoring and Evaluation Program (2010-2015)

The objective of the Colombia Monitoring and Evaluation, shortly M&E, Program, conducted by USAID, is to reach improvements in evidence-based decision-making, planning and communication of projects and to build a resource for analysis and feedback. USAID uses MONITOR from DevTech Systems, providing evaluation solutions for development projects worldwide, for the M&E Program.

The backbone of the M&E Program is the Performance Management Plan (PMP), showing the mission program as a whole and being the basis for shared indicators. Hence, the main goal is to refine and enhance the USAID Missions Strategic Framework PMP by the collection of field data.

A baseline data collection from 19,718 households is currently underway in order to examine impact over time. To create quasi-experimental evaluation set-up the data is divided into three groups: one control group, one direct and one indirect beneficiary group. These groups are going to be statistically measured and compared at three points in time: baseline and two follow-ups. Moreover, a panel data set from CSDI municipalities, including price of transportation and prices for basic food, is constructed. An annual survey of attitudes and perception tracking the perception of residents of changes in governance, confidence, social capital and future economic and social conditions is conducted. To further complement the data, secondary data from governmental entities on violence, coverage of services, state presence and other factors is gathered. In parallel, mission-wide activity-level environmental compliance is tested via reviews, field verification visits combined with technical assistance

The resulting data is collected and organized by the mission-wide USAID/ Colombia M&E Clearinghouse, which is developed and implemented via using a web-based management information system, the MONITOR system. The MONITOR system can be used by USAID staff, partners, and read-only users on separate interfaces. With the MONITOR system reports at the activity, program, project, and mission levels in

English and Spanish can be generated. It also integrates secondary and GIS data. Thus, the use of the MONITOR system gives information on the exact number beneficiaries and activities and on the intensity of beneficiaries' participation. Moreover, it provides comprehensive information on the actual status and progress of all USAID activities and thus ensures permanent understanding of the temporal aspects of the evaluation. Additionally, the mission-wide activity-level M&E services provide ad hoc solutions to M&E needs. Hence, implementers and researchers are provided with easy-access and straightforward data representation demonstrating regional activities, results and impacts. As a result, reporting burdens for implementers are lowered and the process of conducting impact evaluations of projects is facilitated.

In conclusion, the M&E Program of USAID, if successfully implemented, creates a comprehensive database via integrating governmental institutions as well as it facilitates data management, coordination and the impact evaluation of projects. While the program is implemented in similar forms worldwide and hence, it can be replicated, it struggles with its disadvantage of complexity and high costs.

Similarly, the Aid for Trade intervention presented in tables 5.1 and 5.2 called SCORE, which is implemented in Colombia, Ghana, Indonesia, South Africa, China and India, incorporates capacity building with respect to workplace, productivity and competitiveness improvements directly into its own international SCORE monitoring scheme. Thus, international comparability among the participating SMEs is assured and there is only limited room for national political influence on the project's result.

Furthermore, the evaluation of Aft indicators used in Colombia showed that the alignment of national objectives with local needs and interests of all involved parties is essential for the success of the Aft project and its evaluation.

For instance, the Aid for Trade Intervention presented in tables 3.1 – 4.2 focused on the improvement of organizational competitiveness of Colombian dragon fruit producers, table 3.1 and 3.2, and fine flavor cocoa producers, table 4.1 and 4.2, via the organization Asoppitaya which represents small and medium agricultural producers. Asoppitaya especially counts with expertise for exports to Japan and supports SMEs meeting Japan's quarantine requirements (Proexport, 2012). Due to Asoppitaya's role as an intermediary institution between government and local SMEs, local necessities were aligned with national objectives. Trade-related adjustment assistance was given in form of support for SMEs to comply international standards. Technical trade-related assistance was provided through improving market access and communication channels with potential buyers. Finally, productive capacity building was supported via assisting the agricultural SMEs' implementation of new production processes.

VIII. Recommendations

Three main recommendations can be made based on the analysis of indicators used to assess the Aid for Trade interventions in Colombia:

Firstly, the use of monitoring and evaluation systems before, during and after a project's implementation phase is recommended as on key element to promote accountability and sustainability for the projects. All participants as donors, government agencies, and recipients regard evaluating the impact of AfT project interventions as extremely important. However differences can be observed on the expected use of the evaluating processes' results. While in the case of the USAID and SCORE projects evaluation results are continuously incorporated into the projects, in other cases evaluation results are not used at all, or considered accessory to the project and disregarded.

Secondly, whenever possible a quasi-experimental or experimental project set-up is recommended to facilitate evidence-based analysis and decision-making. The reasons for this are several-fold: (i) indicators and metrics are easier to determine, explain, sell, and monitor; (ii) projects with quasi-experimental or experimental set-ups can be statistically evaluated; (iii) modifications of indicators during the life cycle of a project are forced to be evidence-based; and (iv) a proof of causality between "action", the intervention, and "reaction", the result of the intervention, which is being measured, can be statistically made. Using randomization during the selection of the intervention and control group is additionally recommended.

However, oftentimes quasi-experimental or experimental project set-up is unavailable. In general, politicians, government officials and community leaders are reluctant to "experiment" with their constituencies. Many interventions simply cannot be designed on an experimental way; typically infrastructure projects, trade capacity building and institutional strengthening programs fall under this category. Finally, most of the time indicators are moving targets and can be affected by many different events.

Thirdly, the alignment between national and local objectives is essential for the success of a project and its evaluation. Donors, governments, agencies, executors and beneficiaries have different objectives, respond to different incentives and work over different time frames. This is exacerbated when projects are executed at sub-national level. Given the difficulty in pinning down a single objective and an indicator to measure its evolution, convergence and understanding of local reality prior to fund deployment are the best way to guarantee they will be used as expected. Hence, it is recommended to equally

integrate agents at the sub-national and national level during the design, implementation and evaluation of a project. This integration can be reached, for instance, via a centralized national agency or framework as in Colombia.

Finally, however there is general support for the evaluation efforts, the project and its beneficiaries are to be always the center of the intervention. Projects are undertaken for their expected impacts, not the econometric purity in the evaluation report.

References

- Cali Chamber of Commerce. 2011. El estado de la competitividad en Colombia.
- Colombian Department for Social Prosperity, 2012. International Cooperation Map.
http://www.accionsocial.gov.co/new_mapa/
http://wsp.presidencia.gov.co/Prensa/2012/Enero/Paginas/20120125_04.aspx
- Colombian Government 2011. Decree No. 4152.
<http://www.accionsocial.gov.co/documentos/DECRETO%20CREACION%20AGENCIA%20DE%20COOPERACION%204152%20NOV%203%20DE%202011.pdf>
- Colombian Ministry of Trade, Industry and Tourism. 2012.
<https://www.mincomercio.gov.co/englishmin/publicaciones.php?id=299>
- European Commission. 2006. Programa de Cooperación Económica. Misión de Análisis sobre las Necesidades Comerciales y Formulación del Programa de Asistencia Técnica al Comercio Exterior en Colombia, -ACEXCOL, Informe final de la Misión, Contrato Marco EuropeAid, LOTE 10, N° de solicitud de servicios. 2006/126267/1 (FWC BENEFF).
- EU Economic Cooperation Program. 2006. Mission report Misión de Análisis sobre las necesidades comerciales formulación del programa de Asistencia Técnica al Comercio Exterior de Colombia – ACEXCOL – Informe Final de la Misión. Contrato Marco EuropeAid LOTE 10, N° de solicitud de servicios. 2006/126267/1 (FWC BENEFF).
- Hallaert, J. Cavazos Cepeda, R. and Kang. 2011. “Estimating the Constraints to Trade of Developing Countries”, OECD Trade Policy Working Papers, No. 116, OECD Publishing. <http://dx.doi.org/10.1787/5kg9mq8mx9tc-en>
- Hallaert, J. 2010. “Increasing the Impact of Trade Expansion on Growth: Lessons from Trade Reforms for the Design of Aid for Trade”, OECD Trade Policy Working Papers, No. 100, OECD Publishing. doi: 10.1787/5kmbphgwk146-en
- Hallaert, J. and Munro, L. 2009. “Binding Constraints to Trade Expansion: Aid for Trade Objectives and Diagnostics Tools”, OECD Trade Policy Working Papers, No. 94, OECD Publishing. doi: 10.1787/5kmlbl6glf5d-en, OECD.
- IADB. 2012. Aid for Trade – Colombia. <http://www.iadb.org/en/topics/trade/aid-for-trade-colombia,7122.html>
- National Planning Department, 2008. Presentation by the National Planning Department.
<https://www.dnp.gov.co/PND.aspx>

- National Planning Department. 2011. National Development Plan 2010-2014 – Prosperity for All.
- National Businessmen’s Association of Colombia. 2011. Asociación Nacional de Empresarios, ANDI. Agenda de Competitividad.
- OECD. 2011. Strengthening Accountability in Aid for Trade. The Development Dimension.
- Office to Fully Advantage from the Colombia – U.S. FTA. 2012. Grandes Retos para Aprovechar el TLC con Estados Unidos & Aprovechamiento del TLC con EEUU – ANIF. Oficina de Aprovechamiento del TLC *con Estados Unidos* <http://www.aprovechamientotlc.com/información-general/documentos-de-interés.aspx>
- OECD/WTO. 2011. Aid for Trade at a Glance 2011: Showing Results. <http://dx.doi.org/10.1787/9789264117471-en>
- Proexport. 2012. A Taste of Colombian Flavours. Proexport Colombia. Tourism, Foreign Investment and Exports Promotion. Republic of Colombia. 2012. *Estrategia Nacional de Cooperación Internacional de Colombia, 2012-2014*. Office of the President of Colombia, Bogota, Colombia. <http://www.minminas.gov.co/minminas/downloads/UserFiles/File/Planeacion/Cooperacion%20Internacional/ENCI%202011-2014.pdf>
- . 2011. *Informe de Empalme, Dirección de Cooperación Internacional de Acción Social – APC Colombia*. Office of the President of Colombia, Bogota, Colombia.
- . 2010. *La Agencia Presidencial para la Acción Social y la Cooperación Internacional*. Office of the President of Colombia, Bogota, Colombia.
- . 2008. 40 años de la institucionalidad de la Cooperación Internacional en Colombia.” Office of the President of Colombia, Cartagena, Colombia.
- . 2005. *La Estrategia de Cooperación Internacional*. Office of the President of Colombia, Cartagena, Colombia.
- World Bank. 2009. Unlocking Global Opportunities: The Aid for Trade Program of the World Bank Group, World Bank, Washington, D.C., <http://siteresources.worldbank.org/INTPREMNET/Resources/UnlockingGlobalOpportunity.pdf>
- World Development Indicators. 2012. World Bank.
- UN Comtrade Database. 2012. <http://comtrade.un.org/db/ce/ceSnapshot.aspx?r=170>
- UNCTAD STAT. 2012 http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx?sCS_referer=&sCS_ChosenLanguage=en

World Bank Gini Index. 2012. <http://data.worldbank.org/indicator/SI.POV.GINI>

Wood, B. Betts, J. Etta, F. Gayfer, J. Kabell, D. Ngwira, N. Sagasti, F. and Samaranayake, M.
2011. The Evaluation of the Paris Declaration. Final Report. Copenhagen.

World Economic Forum. 2011. The Global Competitiveness Report 2011-2012.

World Trade Organization. 2012. Trade Policy Review: Colombia. WT/TPR/S/265.

References BOX: Colombia - Monitoring and Evaluation Program (2010-2015):

DevTech. 2012. Colombia Monitoring and Evaluation Program.
<http://www.devtechsys.com/practices/data-services/96-colombia-monitoring-and-evaluation-program>

USAID. 2012. Development Objective 1 (DO-1): Civilian Government Presence in CSDI Zones Consolidated.

Annex I: Examples of Aid for Trade Interventions in Colombia – Indicators and Measures Used

Tables 1 and 2 are examples of indicators for a Technical Assistance Project for Foreign Trade giving an inaccurate reflection of the work done or impact achieved. The following table shows the evolution of the indicators. Furthermore the broadness of areas of action of the different projects, as well as the diversity of the different regions and local economies are reflected in the distinct nature of each logical framework in tables 2.1 – 5.2 presenting examples of Aid for Trade intervention in Colombia.

Table 1.1. Aid for Trade Interventions

| Intervention Logic | |
|--|--|
| Objectively verifiable indicator | Verification source |
| Promote Colombian Exports and Productive Investments | |
| Original | |
| <ol style="list-style-type: none"> 1. Twenty percent (20%) increase in exports of non traditional or ne value added goods. 2. Twenty percent (20%) increase in new productive foreign investment. | <ul style="list-style-type: none"> ▪ DANE (National Department of Statistics of Colombia) statistics on foreign trade, industry, services and employment. |
| Adjustment | |
| <ol style="list-style-type: none"> 1. Medium- and long term growth of exports in sectors related with project activities 2. Increase in productive investments via improved business climate due to project activities 3. Increase capability of institutions offering better services to export sector | <ul style="list-style-type: none"> ▪ Auditing of institutional capacity of agencies being part of foreign trade system. ▪ Foreign Trade Statistics. ▪ Requests from potential foreign investors to Proexport. |
| Strengthen Government Institutions and Private Sector | |
| Original | |
| <ol style="list-style-type: none"> 1. No products rejected in the last year of the project for non-compliance of international norms. 2. 20% in strategic alliances with foreign investors in new productive activities with innovative transfer of technology. | <ul style="list-style-type: none"> ▪ Foreign trade, industry, services and investment statistics. |
| Adjustment | |
| <ol style="list-style-type: none"> 1. Agencies involved in SPS, quality, metrology and competition improve their technical capacity 2. Private sector actors have been exposed to and taken part in technical requirement compliance activities needed to export according to international standards. | <ul style="list-style-type: none"> ▪ Number of policy and technical instruments, and activities that have taken place through project interventions for the public and private sectors. |

Source: Authors.

Table 1.2: Expected Results

| Trade-Related Adjustment Assistance | |
|--|--|
| RE 1: Reduction of impact of Non-tariff Barriers on Colombian Exports | |
| Technical Assistance | |
| R1 A1: The National SPS System is strengthened technically to promote compliance with international standards. | |
| Original | |
| 1. Inspections by the Office of Food and Veterinary (OAV) are absent of shortcomings of the competent sanitary and phytosanitary authorities. | <ul style="list-style-type: none"> ▪ OAV reports. |
| Adjustment | |
| <ol style="list-style-type: none"> 1. The National Health Institute's Risk Evaluation Unit for Food Safety (UERIA) has technical and performance procedures for risk evaluation. 2. The UERIA is undertaking risk evaluations (applying its inspection resources in a risk-based manner). 3. The SPS system has new IT tools that improve coordination. 4. Entry requirements to international markets for agro-industrial goods have been publicized and made known. 5. Inspection, surveillance and control system standards recommendations have been issued. 6. At least 50 government officials from SPS authorities have received training in areas related to Inspection, surveillance and control. | <ul style="list-style-type: none"> ▪ UERIA procedure documents/ performance reports ▪ Web-based information system is up and running. ▪ Technical assistance reports. ▪ Participation lists of conferences/ training sessions. |
| Metrology Law | |
| RE 1A2: Design and implementation of the National Metrology Policy | |
| Original | |
| <ol style="list-style-type: none"> 1. 6 accredited laboratories. 2. Accreditation of legal metrology laboratory. | <ul style="list-style-type: none"> ▪ Accreditation diplomas. |
| Adjustment | |
| <ol style="list-style-type: none"> 1. The National Metrology Law and the creation of the National Metrology Institute included in the National Development Plan. 2. The National Metrology Network is up and running / providing useful information to businesses by the end of the project 3. At least 20 public/private laboratories that are part of the Network receive training or advisory services. 4. By the end of the project, at least one laboratory can provide chemical metrology measurements. 5. By the end of the project, the project has contributed to the international accreditation process of at least five laboratories | <ul style="list-style-type: none"> ▪ National Development Plan. ▪ National Metrology Network website. ▪ Technical assistance reports. ▪ Participation list of training sessions. ▪ The chemical metrology laboratory is up and running. ▪ Documents that show laboratory participation in the international accreditation process. |
| Quality Control | |
| RE1 A3: The productive sector and relevant public agencies implement actions to reduce and address trade barriers and strengthen the quality control system | |
| Original | |
| 1. No products rejected for quality reasons in the last year of the project | <ul style="list-style-type: none"> ▪ SANCO statistics |
| Adjustment | |
| <ol style="list-style-type: none"> 1. At least one regulatory change in the national quality system. 2. International recognition of the Colombian National Accreditation Agency – ONAC - by the end of the project 3. A National conformity evaluation policy for technical regulations | <ul style="list-style-type: none"> ▪ Standards are published in the Official Journal. ▪ International accreditation certificate for ONAC. |

| | |
|---|---|
| <p>has been adopted.</p> <p>4. At least two sectors receive advisory services on how to overcome technical barriers.</p> <p>5. The project will publish at least three reference publications.</p> | <ul style="list-style-type: none"> ▪ Policy document issued by the Ministry of Trade, Industry and Tourism – MCIT. ▪ Project technical assistance reports. ▪ MCIT Productive Transformation program reports. ▪ Publications. ▪ Electronic versions of publications on project website. |
| <p>Corporate Social Responsibility RE1 A4: Government agencies and businesses improve their organization and corporate social responsibility knowledge and practices</p> | |
| <p>Original</p> | |
| <p>1. At the end of the project, there are 50% less barriers imposed by international companies for non-compliance or violation of social clauses.</p> | <ul style="list-style-type: none"> ▪ Number of satisfied consultations. ▪ EU, ILO, UNEP and DANE statistics. |
| <p>Adjustment</p> | |
| <p>1. By the end of the project, the public agencies under the MCIT will be implementing good organization social responsibility practices.</p> <p>2. Al finalizar el proyecto, las entidades públicas adscritas al Ministerio Comercio, Industria y Turismo estarán implementando buenas prácticas de Responsabilidad Social Organizacional.</p> <p>3. Al finalizar el Proyecto al menos un sector empresarial con potencial exportador cuenta con un plan de implementación de Responsabilidad Social Organizacional.</p> <p>4. Al menos se realizan 3 talleres de sensibilización al sector público/privado.</p> | <ul style="list-style-type: none"> ▪ Reports by the MCIT and its agencies. ▪ Project technical assistance reports. ▪ MCIT Productive Transformation program reports. |
| <p style="text-align: center;">RE 2: Productive Capacity Building</p> | |
| <p>Capacity Building RE2 A1: Increase public foreign trade sector capacity in areas related to intellectual property, dispute settlement mechanisms and investment.</p> | |
| <p>Original</p> | |
| <p>1. Design and application of curriculum in foreign investment, intellectual property and competition in six public universities.</p> <p>2. Capacity building with 100 trainers, lawyers, judges, intellectual property and competition economists in six public universities.</p> | <ul style="list-style-type: none"> ▪ University curricula Diplomas. |
| <p>Adjustment</p> | |
| <p>1. By the end of the project, training will have been provided to at least 100 people from the sector in areas relating to intellectual property, competition, investment and dispute settlement.</p> <p>2. By the end of the project, presentation of at least two regulatory or policy documents to improve competitiveness through the use of industrial property.</p> <p>3. Reference documents authored by the project.</p> | <ul style="list-style-type: none"> ▪ Reports on conferences and training sessions. ▪ Documents presented by the project. ▪ Publications. ▪ Electronic versions of publications on project website. |
| <p>Competitiveness RE2 A2: Strengthen Competition Regime</p> | |
| <p>Original</p> | |

| | |
|--|---|
| <ol style="list-style-type: none"> 1. Publication of 3 comparative studies on competition legislation (Andean Community, EU, USA). 2. Proposals for improving the Superintendence are presented to the Superintendent. | <ul style="list-style-type: none"> ▪ Documents. |
| Adjustment | |
| <ol style="list-style-type: none"> 1. Support the design of legal, technical and institutional instruments. 2. Train and update at least 80% of the officials at the Superintendence responsible for competition policy and its enforcement. | <ul style="list-style-type: none"> ▪ Decrees, resolutions and guides issued for the implementation of Lay 1340 of 2009. ▪ Technical documents presented and consultant reports. ▪ Documentation on the contracts for training services provided. |

Source: Authors.

Table 2.1: Aid for Trade Intervention III – ASOPPITAYA – Yellow Dragon Fruit

| Develop Process Improvement Strategies to Improve Organizational Competitiveness | |
|--|---|
| 1. At eight months of project implementation, Asoppitaya will have increased international sales volume by 20% as well as dragon fruit (pitahaya) sales. | <ul style="list-style-type: none"> ▪ Sale statistics. ▪ Association financial statements. ▪ Export documents. |
| In particular: Implementation and improvement of productive and marketing processes for the international market | |
| 1. 20% increase of international sales volumes with respect to 2010 baseline. | <ul style="list-style-type: none"> ▪ Export documents. ▪ SPS certificates issued by ICA. ▪ Association financial statements. |

Source: Authors.

Table 2.2: Expected Results – ASOPPITAYA – Yellow Dragon Fruit

| | |
|--|---|
| RE1: Good Agricultural Policies (GAP) Certification for a group of Asoppitaya associates as meant to contribute to the improvement of fruit value added and fulfilment of required standards for the international market. | |
| 1. At eight (8) months of project implementation, 15 Asoppitaya associates' productions units will be certified under option II (group), including the Ronaldillo collection center. | <ul style="list-style-type: none"> ▪ Assessment document. ▪ Implementation plan. ▪ Photos. ▪ GLOBALGAP certification. |
| RE2: Increase in international sales volumes applying a quarantine treatment method (VHT) at post harvest, complying with Japan's protocol and the association's internal quality performance system | |
| <ol style="list-style-type: none"> 1. At eight months of project implementation, the association will increase its sales volumes to Japan by 1,750 kilos (20%) per harvest. 2. At six months of project implementation, an assessment of Asoppitaya's Bogota export warehouse quality performance system, HACCO and GMP certification, to determine improvement opportunities. | <ul style="list-style-type: none"> ▪ Export documents. ▪ SPS certificates issued by ICA. ▪ Association financial statement. ▪ Revised and adjusted SGC. |
| RE3: Establishment of new marketing contacts with international markets in one of the markets that require VHT for importations of dragon fruit, with special attention to Chile | |
| <ol style="list-style-type: none"> 1. At four (4) months of project implementation, the post harvest international warehouse in Bogota will be inspected and certified by a country other than Japan that requires quarantine technology treatments for importation of yellow dragon fruit. 2. At five (5) months of project implementation, Asoppitaya has a database of potential clients in a specified country, preferably Chile, as an alternative for international market diversification 3. At eight (8) months of project implementation, the Board's administrative, commercial and financial capacities will have improved by 15% (initial assessment as baseline) | <ul style="list-style-type: none"> ▪ Assopitaya international post-harvest plant inspection and certification plan. ▪ Assopitaya international post-harvest plant inspection and certification issued by quarantine authorities from a country other than Japan. ▪ Report with potential clients visited on trade mission and photos. ▪ Revised business plan. ▪ List of participants and Assopitaya Manager and Board members' training certificates. |
| RE4: Establish the use of the internet for monitoring production systems and E-commerce of the products, while improving the communication between producers, the association and the current and potential market. | |
| <ol style="list-style-type: none"> 1. At seven (7) months of project implementation, 50% of Asoppitaya associates have acquired basic internet use capabilities with three (3) strategically located pilot information centers. 2. At three (3) months of project implementation, Asoppitaya meets requirements to develop and use E-commerce. | <ul style="list-style-type: none"> ▪ Training plan. ▪ List of participants. ▪ Photos. ▪ Restructured website. ▪ Internet use registrations with e-commerce platform. ▪ Regulation manuals for pilot centers with handover minutes. |
| RE5: Apply a new agro-industrial process for the yellow dragon fruit | |
| <ol style="list-style-type: none"> 1. At the end of project implementation, a new product will have been developed through agro-industrial processes with laboratory tests and microbiological and nutritional analysis. 2. At two (2) months of project implementation, the value added product will have been defined, taking into account the target market. | <ul style="list-style-type: none"> ▪ Process flow documents. ▪ Test registrations. ▪ Photos. ▪ Laboratory analysis certificates. ▪ New product cost matrix. |

Source: Authors.

Table 3.1: Aid for Trade Interventions IV – ASOPPITAYA – Fine Flavour Cocoa

| | |
|---|---|
| <p>In general: Income growth of Colombian cocoa producers in the selected regions as a result of an increase in the production and the export of Fine Flavour Cocoa (FFC).</p> | |
| <p>Additional income of cocoa producers in the selected regions</p> <ol style="list-style-type: none"> 1. Producer organizations achieve an average income increase per participating member of at least US\$500 per year (at actual prices). 2. Producer organizations achieve an average mark-up of 15% for exported FFC as compared to international prices for bulk cocoa. | <ul style="list-style-type: none"> ▪ Baseline data and surveys among producer organizations. ▪ Point of purchase verifications Purpose. |
| <p>In particular: Increase of the international competitiveness of Colombian cocoa producers.</p> | |
| <p>Tons of exported Colombian FFC from the selected regions (Quantitative)</p> <ol style="list-style-type: none"> 1. At least 600 tons/year of FFC exported from the selected regions by 2015. <p>Positioning of Colombian FFC in the international market (Qualitative)</p> <ol style="list-style-type: none"> 1. By 2015, at least five international chocolate companies source FFC from the selected regions, out of which at least two are micro-batch buyers. 2. Colombian FFC is recognized in the international premium chocolate industry as a potential source of quality FFC. | <ul style="list-style-type: none"> ▪ Surveys among producer organizations. ▪ Statistics of Fedecacao. ▪ Project data / surveys among producer organizations. ▪ Survey among top chocolate makers worldwide. |

Source: Authors.

Table 3.2: Expected Results – ASOPPITAYA – Fine Flavour Cocoa

| | |
|---|---|
| RE1: Improved Quality of Produced Cocoa | |
| <p>Pre- and post-harvest handling – Production of quality FFC”</p> <ol style="list-style-type: none"> 1. Productivity increases at least 48% in relation to base line, reaching an average of 400 kg/hayear for direct beneficiaries. 2. At least two thirds of the cocoa production of direct beneficiaries (1,500 tons / year) are adequately handled and processed in postharvest centers by the end of the project. <p>Coordination with other interventions – Coordinated interventions”</p> <ol style="list-style-type: none"> 1. Interventions are coordinated with other projects aimed at increasing productivity | <ul style="list-style-type: none"> ▪ Baseline / on farm. ▪ assessment verifications. ▪ Surveys and verifications among producer organizations. |
| RE2: Strengthened Producer Organizations Capable to Join Sustainable Production Certification Schemes. | |
| <p>“Organizational capacity of producer groups”</p> <ol style="list-style-type: none"> 1.7 producer organizations (comprising at least 2000 producers) have concerted organizational development plans and comply with their own administrative and financial procedures. 2. At least 2,000 tons /year of wet cocoa are sold through producer organizations by 2015. □ At least one producer organization exports its cocoa directly, skipping international traders. <p>Traceability and Sustainability – Implemented cocoa traceability and sustainable production certification systems</p> <ol style="list-style-type: none"> 1.7 organizations and at least 1,500 producers have established and implemented traceability systems. 2. At least 1.200 ha certified with internationally recognized labels such as Good Inside, Rainforest Alliance, FLO or Organic. | <ul style="list-style-type: none"> ▪ Surveys and verifications among producer organizations ▪ Surveys and verifications among producer organizations. ▪ Certification agencies |
| RE3: A sustainable FFC export activity from Colombia | |
| <p>Contacts – Established business relations between producer organizations and international buyers</p> <ol style="list-style-type: none"> 1. Fermented and dried cocoa beans from producer organizations from the selected regions have been tested by at least 10 different international clients. <p>Framework Conditions “Organization of a cocoa export interest group, including producer organizations”</p> <ol style="list-style-type: none"> 1. An institutional platform for cocoa exportation has been established and at least three national meetings with the participation of the main stakeholders have been held 2. The platform has an agreed-upon action plan on export promotion of cocoa 3. At least 3 concerted participations in international chocolate fairs by the stakeholders of the platform | <ul style="list-style-type: none"> ▪ Test results from international clients ▪ Registers of meetings. ▪ Strategy paper. ▪ Pictures and mission reports. |

Source: Authors.

Table 4.1: Aid for Trade Interventions V – SCORE

| | |
|--|---|
| In general: SMEs are more productive and competitive and provide more sustainable and decent employment | |
| <ol style="list-style-type: none"> 1. Above industry SME growth in employment and sales 2. At least 30% improvements towards identified industry-specific SME benchmark KPIs and targets. The following three generic indicators are expected to be part of the benchmark KPI: <ul style="list-style-type: none"> ▪ Absenteeism. ▪ employee turnover. ▪ energy efficiency. | <ul style="list-style-type: none"> ▪ Base – end lime impact assessment. ▪ Sample surveys during the end-of-project evaluation. ▪ SMEs employment records. |
| In particular: Industry associations or other industry coordination mechanisms can market and coordinate enterprise upgrading services to their local stakeholders | |
| <ol style="list-style-type: none"> 1. At least 300 enterprises reached 2. At least 600 workers and managers trained | <ul style="list-style-type: none"> ▪ Interview with industry associations. ▪ Training reports from service providers. |
| In particular: Service providers can effectively deliver training and advisory services for workplace upgrading on a sustainable basis | |
| <ol style="list-style-type: none"> 1. At the end of the project min 70% cost recovery in China, India and South Africa 2. 75% of participants rating training and counselling as good or excellent 3. 30% of customers taking up more than one training module 4. Service providers conduct SCORE training/counselling outside the project target cluster | <ul style="list-style-type: none"> ▪ Training reports. ▪ Impact assessment. ▪ Focus group discussions with BDS providers during end-of-project evaluation. |
| In particular: Progressive workplace practices are shared and disseminated at the local, national and global level in collaboration with labour inspectorate services and mass media | |
| <ol style="list-style-type: none"> 1. 20% increase in awareness among managers and workers in the cluster location about the positive link between progressive workplace practices and business performance 2. The SCORE methodology integrated in 2 ILO country projects outside of the SECO funded SCORE project 3. 80 “policy makers” trained in collaboration with the ILO intern. Training Center. | <ul style="list-style-type: none"> ▪ Media monitoring reports. ▪ Base-end line survey of social marketing campaign. ▪ Project documents. |

Source: Authors.

Table 4.2: Expected Results - SCORE

| | |
|--|---|
| RE1: Industry associations can market and coordinate enterprise upgrading services to their local members | |
| Sub-sectors and clusters selected with high decent job creation potential | |
| <ol style="list-style-type: none"> 1. Cluster selected in each country. 2. At least 1 diagnose per country conducted on cluster productivity and competitiveness constraints. 3. Country level log frames approved by SECO. | <ul style="list-style-type: none"> ▪ Cluster study. ▪ Country level log frame. |
| Local Industry Association or other coordinating institutions trained in marketing and coordinating SCORE and organize collective cluster action | |
| <ol style="list-style-type: none"> 1. 10 representatives of local industry associations trained in each country 2. Sustainability strategy available for each cluster | <ul style="list-style-type: none"> ▪ Available training material for Industry Associations ▪ Workshop report |
| RE2: Service providers can effectively deliver training and advisory services for workplace upgrading on a commercially sustainable basis | |
| A locally adapted edition of the SCORE training materials | |
| <ol style="list-style-type: none"> 1. The five SCORE modules are printed and approved by the national advisory committee. 2. Training material production and distribution is financially sustainable. | <ul style="list-style-type: none"> ▪ Physical evidence of manuals and reports. ▪ Agreement with material distributor. |
| Build up national and global enterprise and service provider performance tracking system for SCORE | |
| <ol style="list-style-type: none"> 1. Up-to-date web based monitoring database is accessible for all stakeholders from all six countries. 2. Performance reporting on time. 3. Impact data available and lessons learnt disseminated. | <ul style="list-style-type: none"> ▪ Physical evidence of the website. ▪ Impact assessment report at the end of the project. |
| Local service providers capacitated to deliver workplace competitiveness upgrading services | |
| <ol style="list-style-type: none"> 1. ToT curriculum available. 2. Service providers selected in all countries. 3. 15 trainers certified in the SCORE methodology in each country. | <ul style="list-style-type: none"> ▪ Physical evidence of the curriculum. ▪ Training reports. |
| RE3: New workplace practices are shared and disseminated at the local, national and global level | |
| In selected countries, a social marketing campaign developed and launched to stimulate demand for workplace improvements and change attitudes toward workplace cooperation. | |
| <ol style="list-style-type: none"> 1. Mass media research available for countries where ILO/SECO decide to conduct a social marketing campaign 2. Mass media production available 3. 50% of workers and managers in the cluster can recall the campaign | <ul style="list-style-type: none"> ▪ Physical evidence of mass media research and social marketing production. ▪ Media monitoring reports. ▪ Baseline/end line audience tracking report. |
| Capacity of labor inspectors and journalists built to investigate and publish newsworthy SME related issues, improvements and change attitudes toward workplace cooperation. | |
| <ol style="list-style-type: none"> 1. Workshop curriculum available. 2. Training workshops for journalists and labor inspectors conducted in all six countries. 3. Media coverage is monitored (number of articles and reportages about SMEs). | <ul style="list-style-type: none"> ▪ Physical evidence of curriculum and workshop report. ▪ Media tracking reports. |
| Documentation and dissemination of good workplace practices | |
| <ol style="list-style-type: none"> 1. 5 case studies documented and disseminated per country. 2. 2 enterprise exchange visits conducted per country. | <ul style="list-style-type: none"> ▪ Physical evidence of case studies and videos. ▪ Reports of enterprise visits. |

| A global knowledge management and dissemination system in place | |
|--|---|
| <ol style="list-style-type: none"> 1. The international version of the SCORE modules, and supporting documents packaged and available in electronic and hardcopy 2. Regularly updated Website, and member based collaborative platform | <ul style="list-style-type: none"> ▪ Physical evidence. ▪ Random checks of the functionality of the internet-based knowledge management system. |
| The benefits of good workplace practices promoted to global buyers, constituents and donors on a global level and to national level policy makers in existing and new countries | |
| <ol style="list-style-type: none"> 1. Action research conducted on two topics to be decided and ILO working papers printed and disseminated 2. Policymakers trained in collaboration with ITCILO at national level and in Turin (see outcome indicators) 3. A concept for the replication of SCORE in other countries available 4. The viability of the SCORE approach assessed in two new countries | <ul style="list-style-type: none"> ▪ Physical evidence of working paper. ▪ Training report from ITCILO. ▪ Replication concept. ▪ Mission reports. |

Source: Authors.