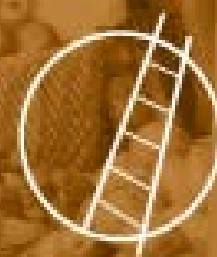




Aid For Trade Evaluation in Practice: Lessons from Guatemala

Una Evaluación de la Ayuda
para el Comercio en la Práctica



Lecciones de Guatemala

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GUATEMALA: CENTRAL AMERICA



QUICK FACTS

- ✕ Area: 108,000 sq km
- ✕ Population (2013) 14 million
- ✕ Poverty (2011): 54% of population

- ✕ GDP (2013): USD 54 Billion (80)
- ✕ GDP per capita (2013): USD 5,300 (157)

- ✕ Public Spending (2013): USD 7.8 Billion
- ✕ Exports (2103): USD 10.2 Billion
 - + Apparel, agricultural products,
 - + US and Central America

OFFICIAL AID FOR DEVELOPMENT

(MILLIONS OF USD)

	2008	2009	2010
Haiti	912	1120	3076
Colombia	872	1059	910
Honduras	564	456	576
Guatemala	576	376	398
El Salvador	233	276	264

Figure 5. Volume of international cooperation in Guatemala

1996–2006, in millions USD

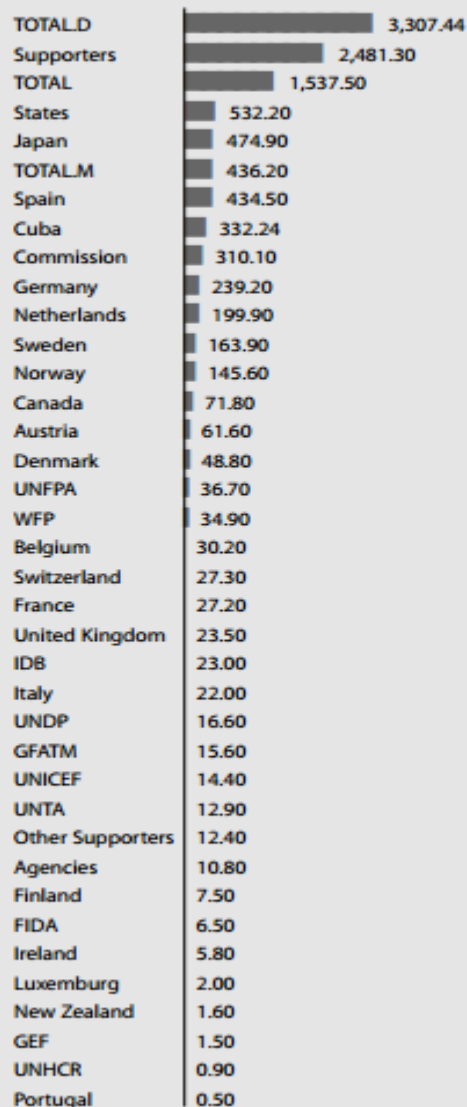
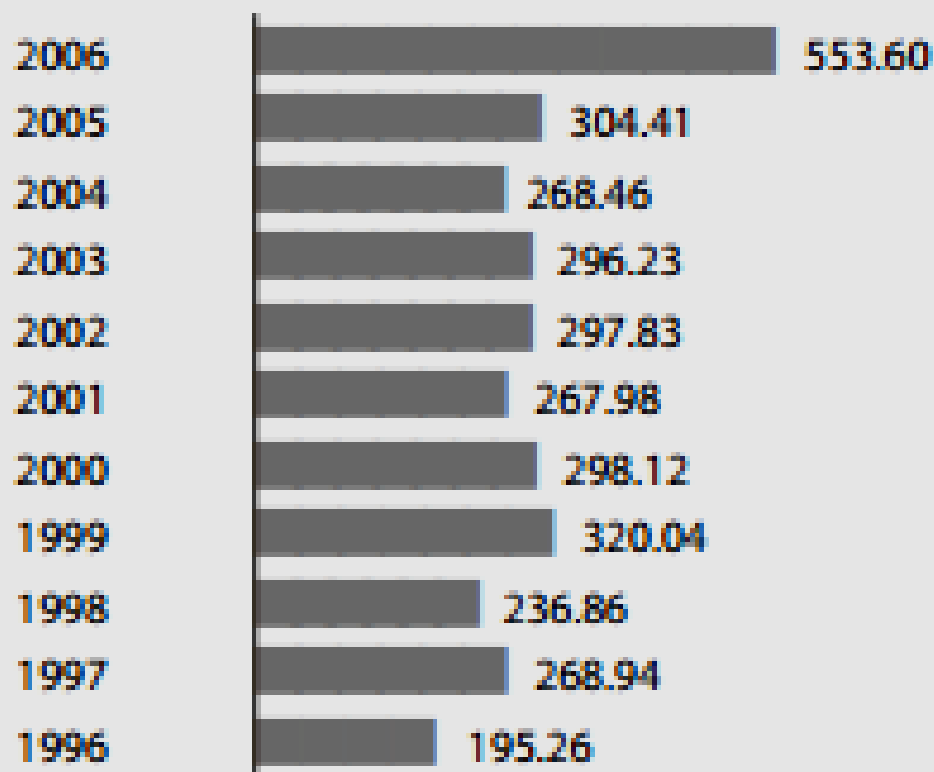


Figure 6. ODA in Guatemala

1996–2006, in millions USD



Source: Idem



**HOW IMPORTANT IS AFT FOR
GUATEMALA?**

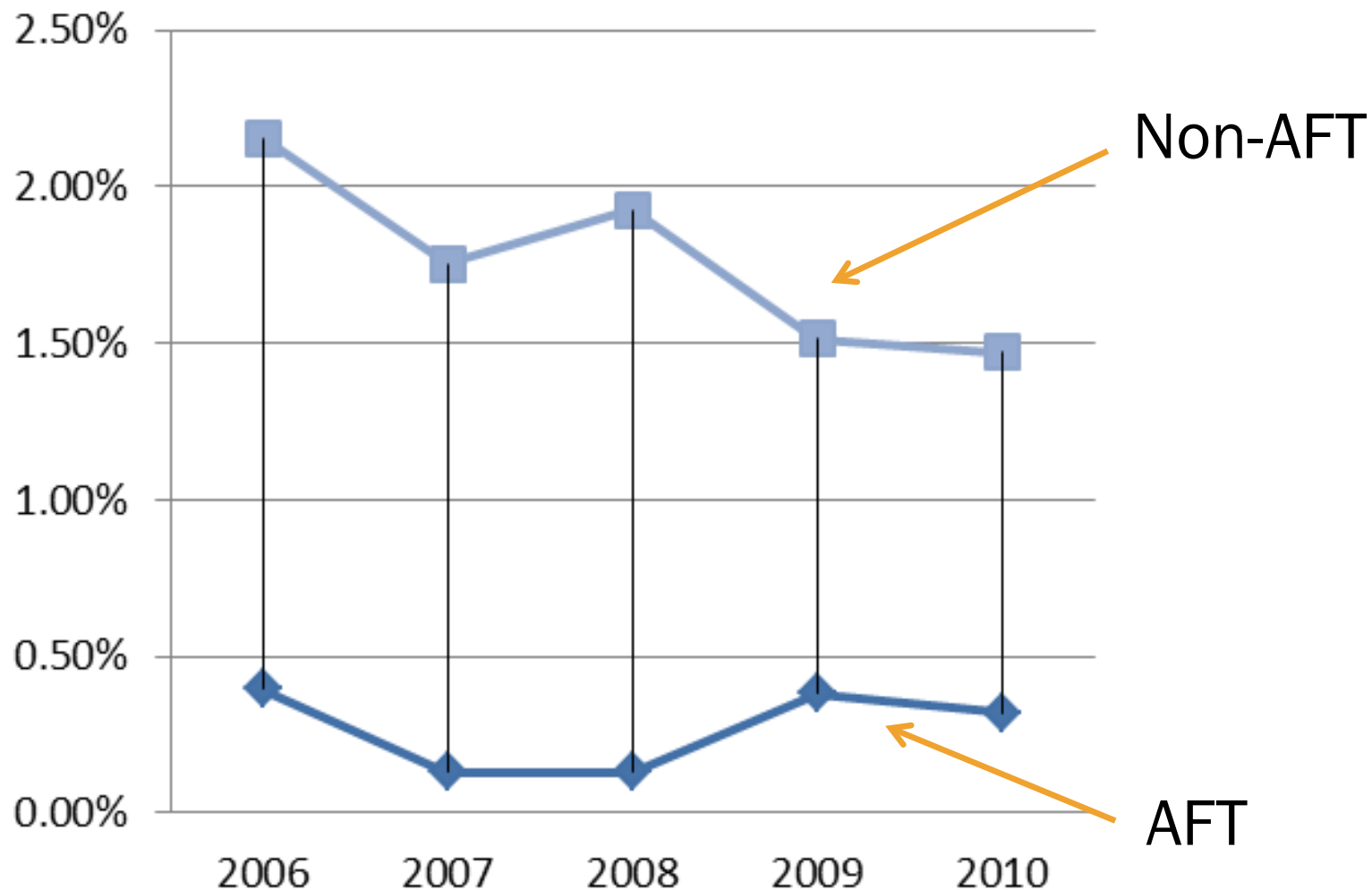
OPERATIVE DEFINITIONS

- ✘ AfT according to WTO (2006)
- ✘ Refundable (Loans) and Non Refundable (Donations)
- ✘ Available information from reliable sources : OECD CRS

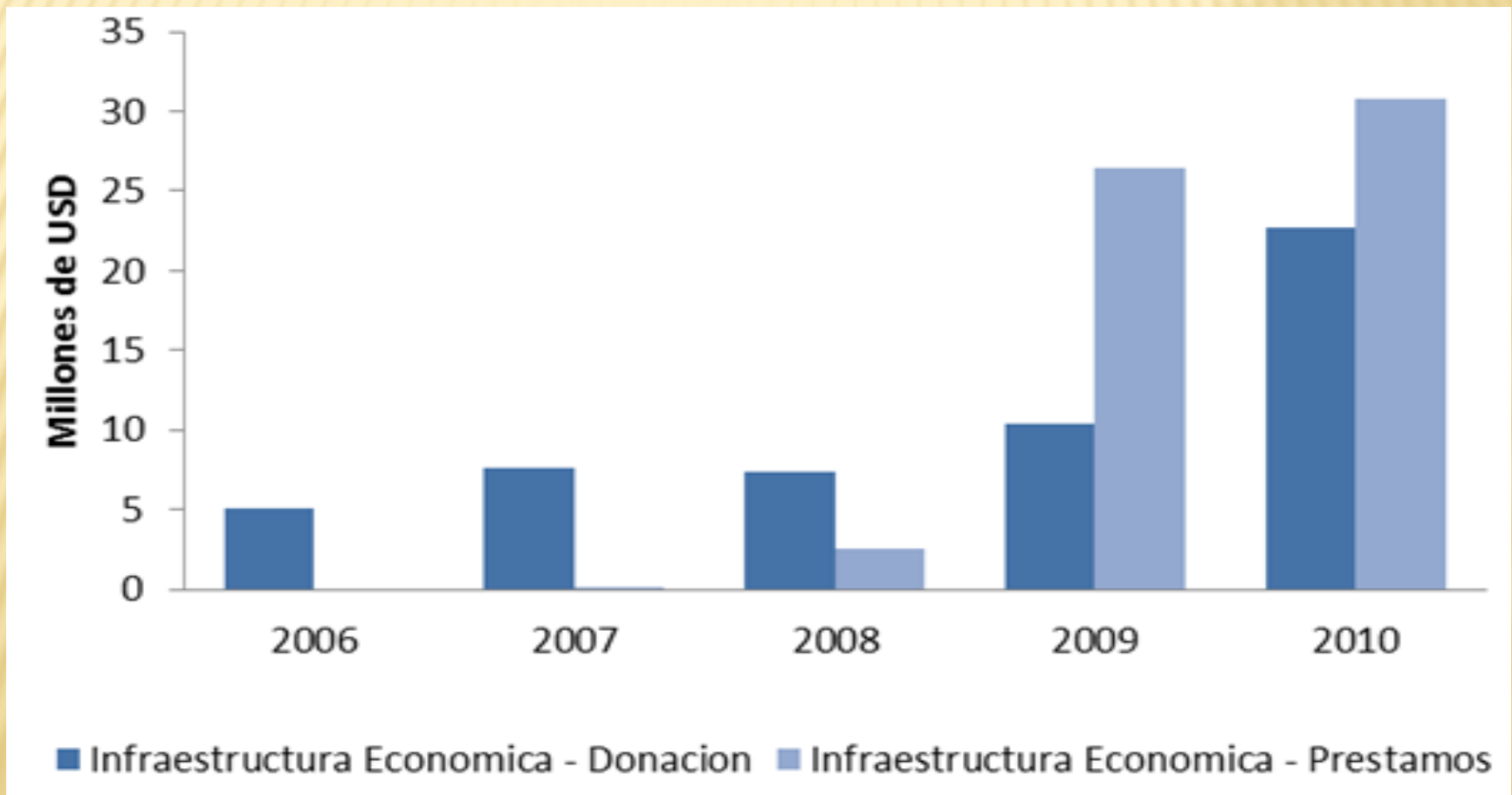
IMPROVEMENTS FROM ORIGINAL PAPER

- ✗ **Two close collaborators become leaders of AfT projects**
 - + Deputy Secretary for the Economy:
 - ✗ WB Loan for SME Development
 - + Director for the National Competitiveness Program;
 - ✗ IADB Loan for Improving Business Climate and Innovation
- ✗ **One co-author works for a donor**
 - + Evaluating management of several loans for development
 - + Head of operational unit of an AfT Loan
- ✗ **Updated CRS Information**

ODA: AfT vs Non-AfT (% of GDP)



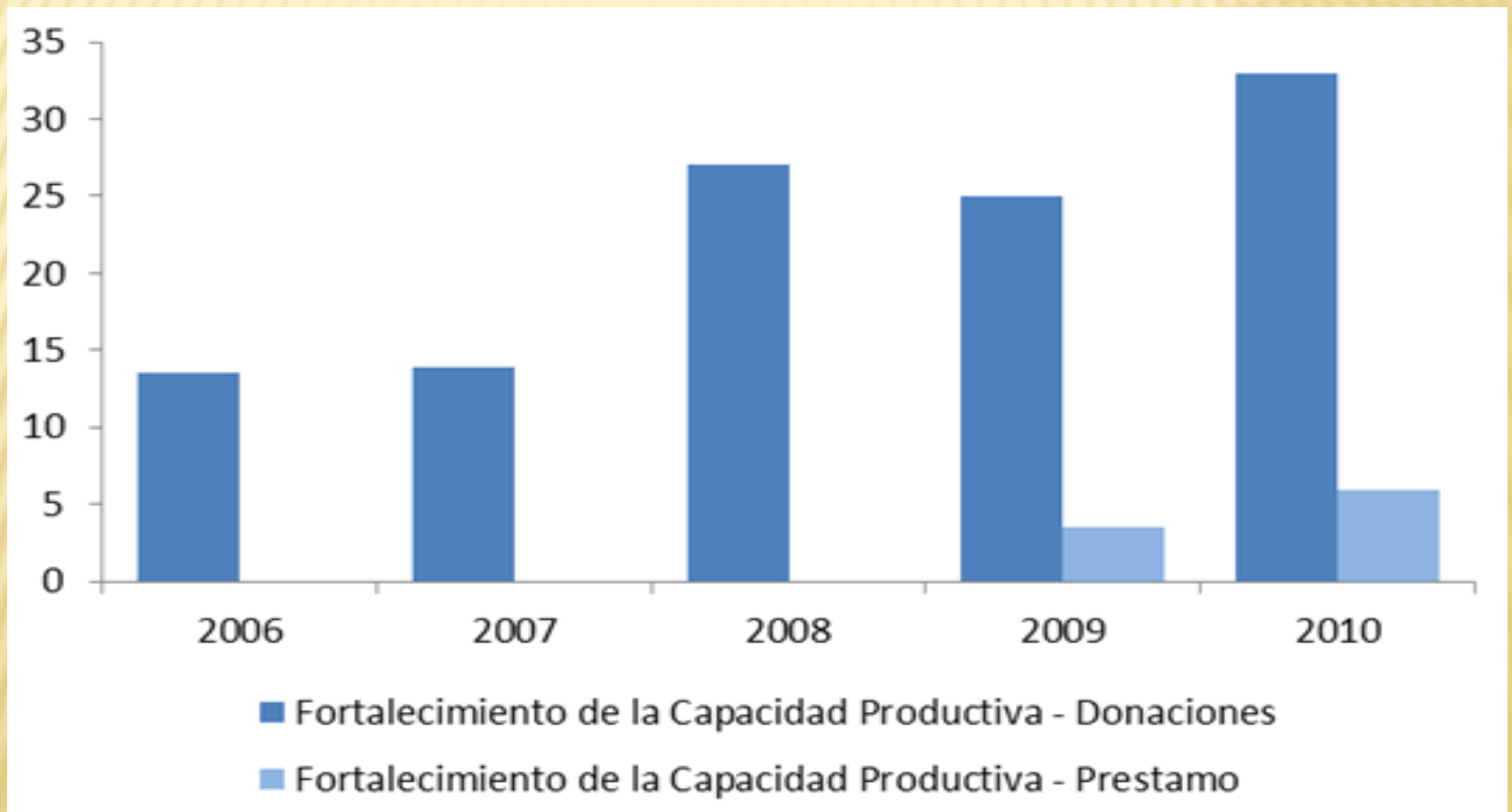
AFT: INFRAESTRUCTURE (US\$ MILLIONS)



AFT:POLICY AND REGULATIONS (US \$ MILLIONS)

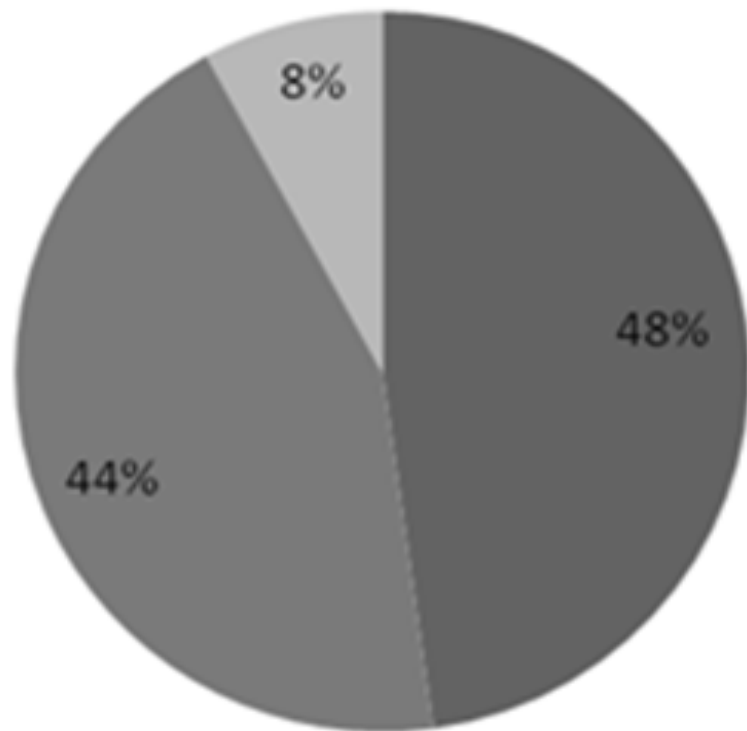


AFT: TRADE CAPACITY BUILDING (US \$ MILLIONS)



Source: CRS/OECD

AFT: DISTRIBUTION



TRADE CAPACITY
BUILDING



INFRAESTRUCTURE



POLICY AND
REGULATIONS

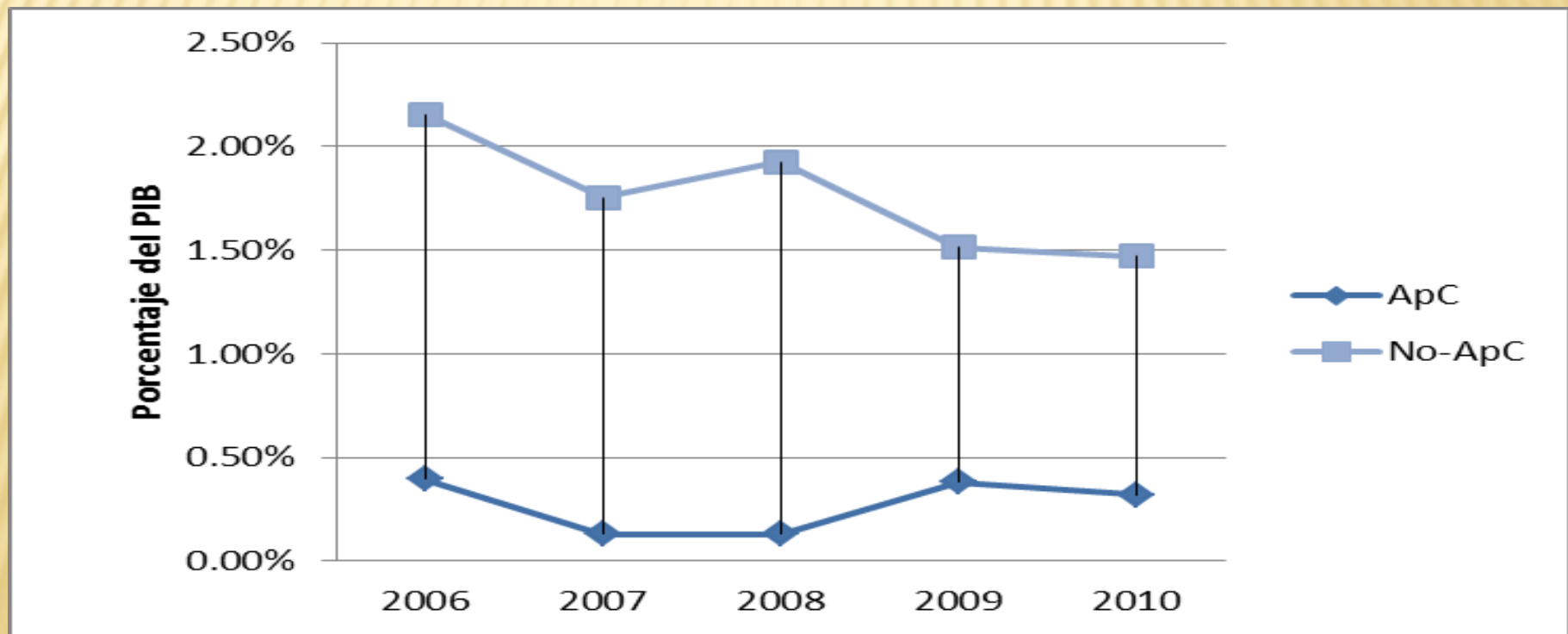
ICTSD: Indicators

1. Additionality
2. Predictability
3. Apropiation
4. Alingment
5. Donors' Coordination
6. Sustainability
7. AfT impact (macro level)

ADDITIONALITY

“AfT resources are additional to what has been received in the past, but also that such resources are not provided at the cost of other aid”

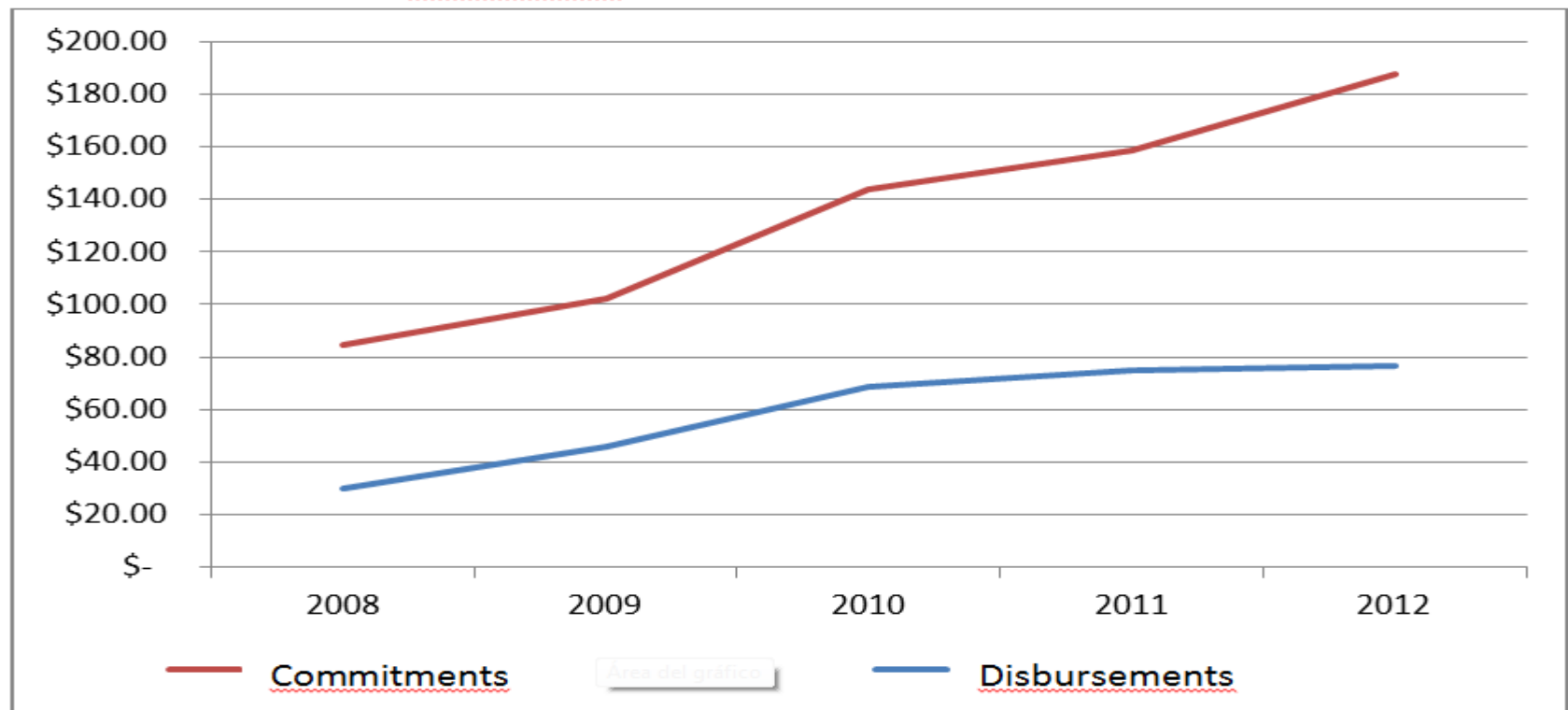
AfT and Non AfT (% of GDP)



PREDICTIBILITY

“The extent to which AfT projects have been completed as initially agreed without any external resource constraints”

Graph 1: Predictability (USD Millions - 3 years Moving Averages)



ALIGNMENT

“Degree of coincidence between the orientation of AfT and the strategic priorities of the government and operative systems”

- ✘ Guatemala´s trade policy (WTO) do not take AfT into consideration.
- ✘ Weak operative systems for managing AfT
 - ✘ Ubiquitous regulatory incongruencies
 - ✘ Monitoring and evaluation are required by donors

OWNERSHIP

“Effective leadership over the development of policies, and strategies to coordinate development actions”.

- ✗ AfT are not totally demand driven
 - + Trade issues are not at the top of the priorities of the governments
- ✗ Guatemala's lacks from a national strategy for development

COORDINATION

“Establishes the quality of the coordination mechanism between the government and the donors”

- ✘ Scarce effective coordination between donors and government
 - + Multiplicity of actors/interests
- ✘ Financial accountability for AfT is fragmented
 - + Across many public institutions
 - + Not oriented to results

SUSTAINABILITY

“Willingness of the government to commit additional funds to sustain AfT projects”

Public Funding Related to AfT 2006-2010

AfT Component	Government	Donors
Regulations and Policy	98%	2%
Infraestructure	96%	4%
Capacity Building	96%	4%

IMPACT: MACRO LEVEL

EXPORTS SUPPLY

✘ Product Diversification

- + Non-traditional exports accounts for more than 2/3 of total trade
- + Started in mid-80's

✘ Support to the National Quality System

- + Quality assurance mechanisms for agricultural exports
- + Building technical capacities for private and public sectors

INFRAESTRUCTURE

- ✗ Loans has been important for building physical infrastructure
 - + Not enough to tackle existing deficit
 - + Not inspired neccesarily on trade
- ✗ Limited impact due to structural weakness in planning, spending and monitoring of public spending.

INCREASING THE EFFECTIVENESS OF AFT

GREATER TRANSPARENCY

✖ AfT information shall be public

- + Electronic platform to integrate information about the donor, amounts, expected results, responsible institution, duration and evaluation.

✖ Public Monitoring and Evaluation

- + Planning authority should be responsible for evaluating the results of grant money
- + The Treasury shall be in charge of evaluating the results of loan money

INCREASING OWNERSHIP

- ✖ Developing a long term agenda for trade related issues
- ✖ Clear definition for key issues related to AfT
 - + National Top Priorities
 - + Expected Results
 - + Acceptable Terms and Financial Conditions
 - + National Budget Commitments
 - + Potential Donor and their interests
 - + Coordination Mechanisms

MORE ALIGNMENT

- ✖ Improving overall public capacities and financial systems
 - + To manage development projects
 - + To Identify, design and execute ODA projects
- ✖ Strengthening specific controlling units in charge of ODA
 - + Planning authority and the Treasury
 - + Financially and Professionally

IMPROVING COORDINATION

- ✗ **Developing tools to align national and donors operations**

- + Budgeting and spending

- ✗ Multi-annual budgeting

- + Independent operating units in charge of AfT

- ✗ **Steering committee for ODA**

- + Monitoring and Evaluation

- ✗ Top national authorities