



UNECA Expert Group and Workshop on Aid for Trade and Africa's Trading Capacity: Supply, Demand and Performance

Challenges in Assessing the Human Development Impacts of AfT

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Outline of the presentation



- MfDRs and Evaluations in UNDP
- Human Development Impact Assessment of Trade Policies

UNDP – Managing for Development Results (MfDRs)



- MfDRs aims at keeping focus on affecting change in the development conditions of people...
- ...rather than evaluating the performance of the organization.
- MfDRs responds to calls for accountability on the part of donors and partner countries.
- Requires an important change in organizational culture .
- Encourages development agencies to build partnerships and collaboration, ensuring greater coherence.

UNDP – Managing for Development Results (MfDRs)



- To achieve development results governments, agencies and partners will develop various plans, strategies, programmes and projects such as:
 - National development plans and/or PRSPs
 - Sector strategies
 - Corporate strategies (UNDP strategic plan 2008-2011)
 - Country programmes
 - United Nations Development Assistance Framework (UNDAF)

UNDP – Managing for Development Results (MfDRs)



- Promoting national ownership
- Promote national capacity development
- Promote inclusiveness, gender mainstreaming and women empowerment

UNDP – Evaluations



- Norms for evaluations :
 - **Independent**: involvement of management and conflict of interest;
 - **Intentional**: rational clear from the outset;
 - **Transparent**: meaningful consultations with stakeholders:
 - **Ethical**: not affected by personal or sectoral interests
 - **Impartial**: removing bias and maximizing objectivity
 - **Of high quality**: meet minimum quality standards
 - **Timely** to ensure value of its recommendations
 - **Used**: provide information for evidence based decision making

UNDP – Evaluations



- Increasing focus on outcome evaluations.
- No AfT specific approach to evaluations.
- Initiatives responding to specific UNDP mandate and value added:
 - Linkages between trade and human development
 - Building capacities for trade

Why Human Development Impact Assessment?



- No unequivocal conclusions on the direction or dynamics of trade-human development relationship
- Trade reform in isolation would not be conducive to self-sustaining growth and reducing poverty
- A comprehensive policy package, proper sequencing, and flanking measures are necessary especially in the poorest countries

UNDP's approach



To use the concept of human development impact assessment (HDIA) to:

- Mainstream (integrate) human development concerns into domestic policy-making
- Facilitate a greater understanding of the implications of trade policy decisions, and
- Foster a participatory policy debate on those decisions by showing likely or existing effects of a trade policy

Human Development Impact Assessment (HDIA)



What? When?
Who? How?



WHAT should be assessed?

Comprehensive assessment

Assessment of Mongolia's accession to the WTO (6 sectors selected)

Assessment of a Sector or Specific Trade Policy

Assessment of the Multi Fibre Arrangement Phase Out (textile and garment industry) in Cambodia, Lao PDR and Nepal



WHEN should be undertaken?

***Ex-ante* Assessment (e.g., DTIS, PRSP)**

To identify *in advance* the effect of trade policy changes / introduction of new policies

→ Assist to design and sequencing alternative policy options

***Ex-post* Assessment (e.g., Mongolia, post-MFA)**

To identify the *actual* impacts of a policy change

→ Assist to monitor *ex-ante* analyses and/or to formulate trade policy alternatives and complementary anti-poverty policies



WHO should undertake the HDIA?

National ownership is crucial

- The outcomes of the assessment needs to be verified
- Necessary policy measures that facilitate the positive impacts of trade policy change or mitigate the negative impacts of the reform needs to be implemented



HOW should be undertaken?

Participatory Approach

- Consultations with stakeholders, particularly the groups who were/will be affected by a trade policy change
 - Data collection (e.g. surveys, interviews)
 - Validation of the HDIA analysis and policy suggestions
- Media involvement is useful to reach a wider range of stakeholders and to disseminate findings

Methods and Data



Quantitative analysis

- Econometrics model: General Equilibrium, Partial Equilibrium, etc.

Qualitative analysis

- 1st – collect *primary* data by conducting surveys, focus groups, interviews, etc.
- 2nd – descriptive analysis of the samples and results



Methods and Data



Assessment of trade policy impact through:

- identification of **transmission channels**
- establishing **relationships** between trade measures and human development
- development **of indicators** guided by four pillars of human development : productivity, equality, sustainability and empowerment

Linking trade policy change with Human Development



	Productivity	Equity	Sustainability	Empowerment
Capability	Enabling people to participate in the growth process.	Progressive equalisation of access to opportunity.	Governing of physical, human, financial, and environmental resources without compromising the ability of future generations from improving their welfare.	To shape the processes and events that affect one's life for those who have been denied it
Achievement	Ability to benefit from trade opportunities.	Reduction of inequalities and disparities.	Preservation of developmental achievements.	Power to control or change one's life.

Linking trade policy change with Human Development



Productivity	Equity	Sustainability	Empowerment
<p>Physical and mental well-being of the people (e.g., health, nutrition, education, and access to relevant and appropriate technologies, training and skills building).</p>	<p>Employment, income and access disparities between social groups (e.g., women and men), and disparities between geographical areas or regions.</p>	<ul style="list-style-type: none"> - Community well-being (e.g., protection of traditional knowledge and cultural resources, environmental sustainability). - Distribution of increased trade-related revenue to expenditures on social welfare programs. - Time-use. 	<p>Participation in decision-making process at various levels.</p> <ul style="list-style-type: none"> - Having the right to seek employment on equal basis with others. - Being able to hold property and having property rights on an equal basis with others.



Challenges?

- Definitional problems with HD, and different indicators may be appropriate for different situations
- Constraints of data availability and establishment of baseline
- Determining likely impacts of policy changes on relevant indicators of human development
- Determining relationships and channels of influence from policy changes to HD outcomes



Thank you

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<http://www.undp.org/poverty/>