

ANNEX A. EVALUATION STATEMENT OF WORK

ANALYTICAL, SUPPORT AND IMPLEMENTATION SERVICES
INDEFINITE QUANTITY CONTRACT
REQUEST FOR TASK ORDER PROPOSAL (RFTOP)
CROSS-COUNTRY CLUSTER EVALUATION OF TRADE
CAPACITY BUILDING PROGRAMS

SECTION C – DESCRIPTION / SPECIFICATIONS/STATEMENT OF WORK

C.1 BACKGROUND

Trade and investment are the principal mechanisms through which global market forces generate growth in developing and developed countries. During the 1990s, developing countries that successfully integrated into the global economy enjoyed per capita income increases averaging five percent annually. However, countries that limited their participation in the global economy saw their economies decline. Many developing countries express concerns about their inability to take advantage of global trading opportunities. In response, the United States has committed to a partnership with developing countries to achieve economic development through integration into the global trading system. The United States provides Trade Capacity Building (TCB) assistance covering a range of programs with the common aim of furthering economic opportunities through global trade and investment. TCB is defined as assistance to help countries negotiate and implement trade agreements and build the physical, human, and institutional capacity to benefit from trade and investment opportunities. USAID's EGAT/EG oversees a United States government-wide survey of TCB assistance. The survey, initiated in 2001, captures seventeen categories of trade-related capacity building including: World Trade Organization (WTO) Awareness and Accession; WTO Agreements; Trade Facilitation, Customs Administration; E-commerce and IT; Export Promotion; Business Services and Training; Regional Trade Agreements; Human Resources and Labor Standards; Financial Sector Development and Good Governance; Physical and Economic Infrastructure; Environment Sector Trade and Standards; Competition and Foreign Investment; Trade-related Agricultural Development; Tourism Development, Other Services Development; and Governance and Interagency Coordination.

While TCB is not a discrete area with its own budget, as many as twenty-four U.S. agencies self-reported activities in over 100 countries beginning in fiscal year 2001. According to the survey, over the past five years funding for TCB assistance has steadily increased from \$599 million in 2001 to just under \$1.4 billion dollars in 2006. This assistance was distributed worldwide, although the focus differs somewhat from region to region. Through 2005, USAID reported providing about 66 percent of U.S. government TCB assistance funding. USAID, the Millennium Challenge Corporation, the Departments of Treasury, Agriculture, and State, and the U.S. Trade and Development Agency (USTDA), among other agencies, implement TCB programs.

C.2. STATEMENT OF NEED

At the WTO Ministerial conference in Hong Kong, China in December 2005, the United States pledged to double TCB assistance by 2010. The United States and USAID recognize the importance of delivering such TCB assistance effectively and efficiently. Although, TCB enjoys broad support within the Administration and Congress, it is not without its critics. In February 2005, the General Accountability Office (GAO) issued a report entitled: *U.S TCB Extensive, but Its Effectiveness Has Yet to Be Evaluated*.

The GAO reported that Agencies are not systematically monitoring or measuring the results of their TCB activities or evaluating their effectiveness in terms of building trade capacity. The Report noted that many agencies have not conducted program evaluations or formal assessments of program impacts of TCB efforts. Moreover, without a strategy for systematically monitoring and measuring results and evaluating the effectiveness of TCB efforts, the GAO asserted that the United States cannot ensure the reasonable use of resources for such assistance or credibly demonstrate its usefulness as a U.S. trade and development policy.⁵² Given the breadth and cross-sectoral nature of U.S. government TCB activities, it is neither cost-effective nor feasible to attempt to evaluate all TCB programs simultaneously. As a cost-effective alternative, the EGAT/EG office will begin a series of evaluations to systematically measure the effectiveness of selected programs with similar programmatic goals (clusters). The evaluation team should review both quantitative and qualitative program objectives within each cluster. For example, evaluators should examine improvements to efficiency, cost, timeliness, etc. of TCB programs as well more qualitative objectives such as improved governance through greater transparency, accountability, and adherence to the rule of law. (See, Attachment J.3)

C.3 OBJECTIVES

The objectives for undertaking these cluster evaluations will be to learn from past efforts in order to better design, implement, and manage future programs.

C.4 SCOPE OF WORK

The scope of this Task Order will encompass up to five evaluations on separate TCB topical clusters over the period of performance (date of award to September 27, 2010). In its first year, this series of TCB evaluations will begin with two priority clusters.

The first two evaluation clusters are:

- 1) Export promotion programs for selected agricultural and nonagricultural sectors, products or producers, including host country government export promotion agencies, business to business exchanges and trade shows.
- 2) Programs supporting Customs and Trade facilitation reforms, including reform of customs, import and export licensing, and other regulatory and administrative requirements governing trade.

These cross-country “cluster” evaluations on export promotion and trade facilitation programs will focus on variations in design, technical approaches, relations with partners and officials, management of implementers, and underlying economic, political, and other circumstances that contributed to or detracted from a program’s success.

The remaining three evaluation clusters will be selected after the completion of the first two evaluations. Findings from the initial two evaluation clusters are expected to help shape the topical focus of the remaining three evaluations. These topics may include TCB program focused on improving a government’s ability to participate in negotiations and to implement institutional commitments required in trade agreements. The final three evaluations may also examine governance issues in trade institutions such as transparency and private-sector consultation or implementation within legal/technical areas such as intellectual property rights, sanitary and phyto-sanitary requirements, or voluntary product standards. The final three evaluations may also focus on programs to improve economic responsiveness to trading opportunities (such as trade-related agricultural or physical infrastructure development). For each topic, the evaluation team should provide a concise overview of the implementation of U.S. government TCB programs. To evaluate cost-effectiveness, the team should conduct analysis of the underlying programmatic costs, results and impacts achieved; and, provide an opportunity to learn from past efforts to better design, implement, and manage future programs.

⁵² *Ibid*

(See, Attachment J.2). These evaluations will have a broad audience. Systematic and cost-effective evaluations of TCB will be a valuable resource to U.S. government implementers, U.S. Agencies, GAO, and Congress.

Program Theory and Design of the Evaluation

The theory supporting TCB assistance posits that international trade and investment contributes to economic growth by utilizing a country's comparative advantage; disseminating new technologies, allowing producers to exploit economies of scale; exposing producers to international competition, thereby stimulating innovation; and providing consumers access to a greater variety of goods and services at a lower cost. However, to realize these gains, countries must have the capacity to trade, attract investment, and to compete globally.

Developing country partners often face significant market failures and other barriers to participation in global markets. Both supply-side constraints and trade openness are frequently the objects of TCB interventions.

U.S. government assistance targets the removal of such barriers. These barriers cover a range of shortcomings such as a poor trading environment including weak governance, laws, and institutions; lack of capacity of firms to access and meet the requirements of global markets; and, lack of access to competitive infrastructure and other trade-related services. EGAT/EG chose two initial TCB interventions with differing program logics to evaluate. Although these interventions differ country-by-country and program-by-program, the overarching program logic for each follows.

I) Export Promotion Programs

The TCB survey defines Export Promotion activities as assistance to increase market opportunities for developing country producers. This includes assistance supporting government agencies, private sector associations, and individual firms. Between 2002 and 2005, USAID funded 93 percent of the \$284 million of U.S. government TCB assistance in Export Promotion. In 2005, USAID reported 153 export promotion activities. Larger programs (excluding conflict countries) are in Africa, Central America, and Eastern Europe. About a third of export promotion activities receive funding below \$100,000. A thorough cluster evaluation of export promotion programs should analyze the efficiency and sustainability of assistance activities and examine program complements that enable export promotion assistance to be more effective. Evaluators should consider the benefits versus costs of conducting trade promotion activities alongside efforts to implement systemic reforms to the enabling environment. Evaluators should review programs to determine the range of impact on exports that can be achieved relative to resources provided. Evaluators should consider whether programs produce a “demonstrative” or “spillover effect” to firms that did not receive direct assistance from USAID and whether exports successes can be sustained after the conclusion of assistance

Standard Logic Model for Export Promotion Programs:

Inputs:

Consulting and Training Staff

Funding for materials (e.g. marketing materials, commercial samples, etc.)

Funding for travel and study

Private sector partners

Public sector institutions

Outputs:

Firm or association-level training and assistance to meet product requirements, business standards, or buyer demands

Assistance marketing to international buyers

Support to government export promotion agencies
Support to government export financing agencies
Support to improve trade infrastructure aimed at increasing exports
Training programs for companies, individuals, government agencies, associations

Intermediate Outcomes:

Participation in international marketing events
Export “deals” with foreign buyers
Investment and financing to meet quantities and specifications of international business deals

Final Outcomes:

Increased exports of targeted products, from targeted sectors, and to targeted markets
Increased investment and firm/sector productivity in target sectors

Impacts:

Increased firm and sector profitability
Rising wages in target sectors
Employment growth
Rising incomes of owners and employees

2) Customs and Trade Facilitation Reforms

The TCB survey defines Trade Facilitation as assistance in lowering the costs of engaging in, or eliminating obstacles to international trade flows. The survey includes export promotion, e-commerce, regional trade agreements, and business services in this aggregate. For purposes of this evaluation, trade facilitation will be limited to assistance in lowering the costs of engaging in, or eliminating obstacles to international trade flows including assistance to help countries modernize and improve their customs offices. Between 2002 and 2005, USAID funded 85 percent of the \$90.2 million of U.S. government TCB assistance in customs operation and administration. In 2005, USAID reported 51 customs operation and administration activities to the TCB database. Over half of these are smaller programs of under \$100,000. Larger programs (excluding conflict countries) are in Africa, Central America, and Jordan. A thorough cluster evaluation of customs reform and trade facilitation programs should examine the range of interventions to determine the best technical approaches to make U.S. government assistance more effective in terms of improved cost, time, compliance for private sector firms. Evaluators should identify necessary conditions for assistance to yield results and consider the time frame necessary to realize program impacts.

Standard Logic Model for Customs and Trade Facilitation Improvement Programs:

Inputs:

Consulting and Training Staff
Funding for procurement of goods (e.g. hardware and software for customs information systems)
Private sector partners
Public sector institutions

Funding for travel and study

Outputs:

Training

Systems design

Software

Modernized Infrastructure and/or Hardware

Public-private dialogues and cooperative mechanisms to address border management issues.

Legislative and procedural reforms to customs authorities and other border

Agencies

Restructured customs authorities and other border agencies

Outcomes:

Regional and global harmonization of systems and procedures.

Modernization of systems, procedures and facilities

Increased transparency and reduced corruption clearance processes.

Reduced time and costs to trade; improved compliance with trade agreements;

Impacts:

Increased trade volumes and faster growth of trade (imports and exports).

Increased investment

Economic growth.

Evaluation Questions

USAID has developed six evaluation questions that apply to both cluster evaluations (i.e. export promotion and customs reform and trade facilitation). They are presented in order of priority.

- 1) To what extent have USAID programs of this type contributed in a measurable way to improved trade capacity in the target countries?
- 2) How can USAID integrate monitoring and evaluation into the design and implementation of TCB programs more systematically?
- 3) What combinations of activities or interventions were more successful and sustainable than others, and what were the primary synergies that contributed to that success?
- 4) Which activities have been more successful in achieving their objectives, and what were the primary factors for their relative success?
- 5) What impact has USAID TCB projects had on the firms, individuals, associations, sectors, economies and government agencies targeted by the interventions?
- 6) To what extent have the interventions funded by USAID since 2002 succeeded in accomplishing the program's objectives?

Evaluation Methodology

USAID has selected Cluster Evaluation Methodology as the overall approach for this evaluation. Cluster evaluation methodology has the following characteristics:⁵³

1. It looks across a group of projects to identify common threads and themes that, having cross-confirmation, take on greater significance;
2. It seeks not only to learn what happened with respect to a group of projects, but why those things happened;
3. It happens in a collaborative way that allows all players – projects, donors and external evaluators – to contribute to and participate in the process so that what is learned is of value to everyone; and
4. The relationship between individual implementers and the external evaluators conducting the cluster evaluation is confidential. This ensures an environment in which projects can be comfortable in sharing with the cluster evaluators the realities of the work they have undertaken, problems and frustrations as well as triumphs. It greatly increases the usefulness of evaluation findings.

Primary goals of cluster evaluations include:

Determining how well the collective cluster of projects has succeeded in achieving the funding objectives (objectives-oriented evaluation);

Translating individual project findings into broad recommendations about the program/area under which the cluster is funded (utilitarian evaluation);

Developing consensus among a group of practitioners and stakeholders about what works (participatory evaluation).

Cluster evaluation is sometimes described as a sub-category of multi-site evaluation. However, the objectives and methodologies employed are quite different.

Multi-site Evaluation – Evaluation for Confirmation	Cluster Evaluation – Evaluation for Learning
Single program model, centrally designed, implemented at different sites	Multiple models, designed by different sites, according to local needs, resources, and constraints
Specifics of model known, pretested, fixed	Specifics unknown; “cutting edge” and evolving models
Limited number of narrowly defined goals that lead to dependent variables, common across sites	Multiple possible goals, broadly defined, somewhat site-specific; not all goals or benefits known in advance
Good framework for testing hypotheses, causal linkages, and making general conclusions.	Good framework for strengthening programs trying to operationalize a guiding philosophy or set of principles at the local level
Top-down project management and evaluation	Autonomous, locally driven project management; dual levels of evaluation
Assumes controls can be established to maintain reliability and validity; believes in value of “generic model”	Assumes some common goals, questions, experiences; believes that sharing information increases knowledge about “what” and “how”; values practical knowledge

Cluster evaluation is used routinely by the World Bank⁵⁴ and other larger donor agencies, such as UNDP, but has not been widely used by USAID. One can argue that the 1994 study on *Export and Investment Promotion*

⁵³ Jody L. Fitzpatrick, et. al., *Program Evaluation, Alternative Approaches and Practical Guidelines*, p. 477

⁵⁴ See, *Assessing World Bank Support for Trade, 1987-2004*, and IEG Evaluation.

*Services*⁵⁵ is essentially a cluster evaluation although the authors referred to it as a “multiple case-study” approach. The authors’ data collection methodology consisted of utilizing desk reviews of previous evaluations, a cross-country survey of 300 exporters in 10 countries, and follow-up interviews with 90 export service providers.

This illustrates one of the beneficial features of cluster evaluation methodology, which is that the analysis takes place at two levels; at the level of the cluster to answer questions such as: “What has been the overall trade impact of export promotion programs?” and at the project level, to answer questions such as: “Does assistance to government export promotion agencies have as much of an impact as assistance to private firms and associations?”

Program Selection

For each of the five topics, the cluster evaluation must aim to provide findings, conclusions, and recommendations that are representative of USAID funded and/or implemented programs globally. To the extent feasible, the evaluation should explore data collection utilizing sampling and stratification methods to produce representative results. The TCB database will be utilized as a sampling frame and to make program selection

USAID has established the following criteria for the selection of project clusters:

1. The target projects will be distributed geographically to the extent practicable and in keeping with the other criteria;
2. Target projects will be similar in as many respects as possible, while allowing for variations that will help elucidate the research questions;
3. Target projects will have been completed within the last 2 years;
4. Target projects will include both successful and unsuccessful implementations;
5. Target projects will be characterized by a range of sizes and scopes;
6. Regional sub-clusters may be identified in order to compare similar projects in similar countries, but with different policy environments;
7. The total number of projects to be evaluated will be determined by the research questions, as well as by the overall budget for each cluster evaluation.

It is anticipated that this cluster evaluation will involve mixed methods of data collection including, but not limited to literature review, case studies, evaluation of comparative design, analysis of existing monitoring data, collection of new survey data, and structured interviews. To the extent possible, the final evaluation report will rely on quantitative approaches to estimate the value of results and analysis of cost.

To increase the potential for learning, EGAT/EG anticipates a high degree of staff involvement in the evaluation. To the extent possible, the evaluation should be conducted with the input and participation of mission staff and local implementers.

Supplemental USAID Guidance on Methodology

With this RFTOP for cluster evaluation of TCB programs, USAID is providing Offerors with supplemental guidance on the preferred evaluation methodology. (See, Attachment J.4). The supplemental guidance provides recommended indicators for different programmatic goals approaches to assist in assessing effectiveness. The implementers of the evaluation will need to further divided programs into sub-clusters for analytical purposes.

⁵⁵ CDIE, USAID, *Export and Investment Promotion Services*, March 1994.

Evaluation Team Composition

Offerors shall present proposals for teams with the requisite skill sets to undertake multi-country “cluster” evaluations. EGAT/EG anticipates an evaluation team of three to five members. The combined evaluation team should possess expertise in the following areas: evaluation methodology; survey design and data collection; performance measurement; statistical analysis; and, to a lesser extent economic analysis of trade and experience with international trade topics such as customs operations, transport logistics and international business development.

It is anticipated that the team will be comprised of varying levels of experience. Two team members will be designated as Key Personnel: the chief of party, serving as a senior evaluation expert, and an evaluation expert. Each member of the proposed Evaluation Team shall satisfy the applicable education and experience level as defined in Section B.5(a)(2) Labor Categories – Levels, of Qualifications of the IQC.

Schedule and Logistics

The evaluation plan and methodology will be developed in consultation with and approval by EGAT/EG. For each topic, the evaluation is anticipated to require eight to sixteen weeks after an evaluation plan is agreed. There is the potential to visit three countries to review in varying depth TCB activities within each of the five topical clusters. In planning logistics and the evaluation schedule, the evaluation team shall program the necessary time and resources required to fully coordinate field work with mission staff and obtain country clearances within the timeframe required by each embassy’s rules. Ample time should be programmed to complete a review of program materials and previously conducted evaluations prior to field work. Ample time should be programmed to thoroughly analyze findings and identify gaps in the analysis that will require additional field work.

Phase I: Preparation of work plans and evaluation methodology. Review of program literature and related previously conducted evaluations.

Phase II: Sampling and review of programs from TCB survey data base

Phase III: Data Collection and Field Visits

Phase IV: Review of data, analysis, initial drafting, and presentation of preliminary findings

Phase V: Report feedback and stakeholder consultation

Phase VI: Preparation and final presentation to management and key stakeholders

C. 5. IMPLEMENTATION AND MANAGEMENT PLAN

The Contractor shall provide contract management necessary to fulfill all the requirements of this task order. This includes cost and quality control under this contract.

C.6 PERFORMANCE MONITORING PLAN

The contractor’s performance shall be evaluated based on the completion of specific tasks as outlined in the Task Order, adherence to the work plan, and reports submitted to the Cognizant Technical Officer (CTO).

C.6.1 Performance Standards

This section defines the performance requirements to which the Contractor shall be held, establishes the performance levels or standards, and defines how performance standards and benchmarks will be reported to the CTO and CO. The following are the measurable performance standards that have been established for this contract. These performance standards are consistent with the objectives for the TCB Evaluation Project:

1) Technical competence: Performance shall be measured by the Contractor's effectiveness on the assignment. Effective technical competence will produce reports that contain illuminating findings and

conclusions that are actionable by USAID management. Ineffective technical competence is marked by superficial or theoretical findings, conclusion, and recommendations, which are irrelevant or cannot be implemented.

2) Ability to assemble or prepare effective expertise: Performance shall be measured in several different ways. For example, superior contractor recruitment ability goes beyond a simple review of candidate's resumes before submission to USAID. Some candidates might appear qualified on paper, but may lack effectiveness in action. Superior recruitment processes shall be based on references and first-hand contacts with the technical expert proposed. Similarly, in team building, superior contractor performance will be demonstrated by assembling teams that function smoothly in accomplishing the required task in performing TCB evaluations. Superior contractor performance shall take into consideration how each individual will contribute to create positive group chemistry when assembling teams. Inferior performance is marked by disruptive team relations, notwithstanding the sometimes stellar reputation of individual members on the team.

3) Contractor responsiveness: Performance shall be measured by the Contractor's ability to maintain open, direct, and responsive communications channels with EGAT/EG and USAID Missions in the field. Superior contractor performance is marked by a rapid, helpful response without undue delays. Inferior performance may result from a lack of adequate communication efforts with EGAT/EG and USAID Missions with TCB projects.

4) Client satisfaction with the finished product: Performance shall be measured in many ways. Superior contractor performance is distinguished by the high quality of the final deliverable. High quality deliverables should be clear, concise, accurate, well-structured, and easily comprehended.

5) Proficiency of the client: Performance shall be measured based on the increased ability of the client (EGAT/EG or USAID Mission) to understand and act on the technical subject matter subsequent to Contractor's provision of services.