



# **Monitoring and Evaluation Framework for the African Growth and Opportunity Act (AGO)**

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## **Acronyms**

AGOA – African Growth and Opportunity Act  
ATPC- African Trade Policy Centre  
CEO – Chief Executive Officer  
CIDA- Canadian International Development Agency  
EXIM – Export Import  
GAAP – Generally Accepted Accounting Principles  
GNP – Gross National Product  
GSP – General Service Program  
HTS – Harmonized Tariff Schedule  
LDCs – Less Developed Countries  
MDAs- Ministries, Departments and Agencies  
PMF – Performance Measurement Framework  
PR – Public Relations  
RBM – Results Based Management  
SMEs – Small and Medium Enterprises  
SSA – Sub-Saharan Africa  
TWG – Technical Working Group  
UNECA – United Nations Economic Commission for Africa  
U.S. – United States  
USAID – United States Agency for International Development  
USDA – United States Department of Agriculture  
USG – United States Government  
USITC – United States International Trade Center

## Introduction<sup>1</sup>

Following the recommendation made at the 10<sup>th</sup> African Growth and Opportunity Act (AGOA) Forum in Lusaka, Zambia, in June 2011, which called for the development of a monitoring and evaluation (M&E) framework for AGOA, the African Trade Policy Centre (ATPC) of UNECA commissioned this report to develop an M&E framework that tracks the implementation of AGOA in eligible countries.<sup>2</sup>

The proposed M&E framework in this report is structured on two levels, a national level and a continental level.

At the national level, which is the primary reporting level, the M&E framework has the following four components: (i) a report on the specific outcomes of implementing a National AGOA Response Strategy that is based on the RBM logical model;<sup>3</sup> (ii) a performance measurement framework (PMF)<sup>4</sup>, which acts as the worksheet for monitoring the performance in implementing the National AGOA Response Strategy; (iii) a risk register that assesses the risks of implementing the National AGOA Response Strategy; and (iv) a report on key challenges faced in implementing the National AGOA Response Strategy during the year; and.

At the continental level, which is the secondary reporting level, the M&E framework consolidates national-level M&E reports to provide a broad overview of the performance of eligible African countries under AGOA.

In addition to the M&E framework at both the national and continental level, it was considered necessary to define a mechanism for monitoring and evaluating the

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<sup>1</sup> The M&E framework developed in this report is based on a results-based management (RBM) approach and is derived from the Canadian International Development Agency's (CIDA) *Participant Manual for the Intercultural and Multi-Stakeholder Context* dated 20-24 February 2012 in Addis Ababa, Ethiopia.

<sup>2</sup> This report's proposed M&E framework is complementary to the National AGOA Response Strategy recommendations made in the ATPC report titled *Guidelines on Developing a National AGOA Response Strategy*. See Shiferaw, David. 2012. *Guidelines on Developing a National AGOA Response Strategy*. African Trade Policy Centre, June 2012.

<sup>3</sup> The logical model considers expected changes in development outcomes as a result of implementing a program, as well as the inputs, activities and outputs that are required to achieve the expected changes in development outcomes (CIDA. 2012, page 15).

<sup>4</sup> The performance measurement framework (PMF) provides a structured plan for the collection and analysis of performance information over the strategy's lifetime.

implementation of specific decisions made at each AGOA forum. Toward this end, recommendations of an implementation framework for AGOA forum decisions are made in this report, which will enable the implementation of these decisions to be tracked and reported on as required.

The report is structured in three sections. Section I discusses the individual components of the national reporting level, i.e., primary reporting level. While, section II expands on the reporting requirements of the continental level, i.e., the secondary reporting level. The subsequent section, section III, outlines a mechanism for monitoring the implementation of specific decisions made at the annual AGOA forums.<sup>5</sup> The report concludes with a brief summary of the report.

## **Section I: Individual Components of the National Reporting Level**

This section discusses the individual components of the national reporting level of the proposed M&E framework, i.e., primary reporting level. These individual components are as follows: a report, based on an RBM logical model, on the specific outcomes of implementing a National AGOA Response Strategy; a performance measurement framework; a risk register; and a report on key challenges faced in implementing the National AGOA Response Strategy during the year.

### **RBM Logical Model**

In the proposed M&E framework, the national reporting level follows a results-based management (RBM) logical model. This RBM logical model provides a causal or logical relationship between inputs, activities, outputs and consequences of the National AGOA Response Strategy. The top three levels of the model, i.e., the ultimate outcome, intermediate outcomes, and immediate outcomes, describe the changes that are expected to take place. Meanwhile, the bottom three levels of the model constitute the inputs, activities, and outputs that are required to achieve the expected changes.

The ultimate outcome of the national level identifies the highest level of change that can reasonably be attributed to a National AGOA Response Strategy. The intermediate outcome of the national level identifies medium-term outcomes that are achieved,

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<sup>5</sup> Note that this section deals with a subject that is separate from national and continental reporting of country performance under AGOA. It outlines a mechanism for monitoring the implementation of AGOA Forum decisions and not country performance under AGOA. .

typically at the beneficiary level, as a result of the instituted National AGOA Response Strategy. The immediate outcomes of the national level reflect changes that are directly attributable to the strategy and are reflected by an increase in capacity, knowledge, awareness and/or skills amongst the strategy's beneficiaries.

The various elements of the logical model and the National AGOA Response Strategy are outlined below.

### **Ultimate Outcome**

1. Improvement in the country's growth and employment indicators, as well as the country's population's standard of living as a result of improved implementation of AGOA.

### **Intermediate Outcomes**

1. Improvement in a country's export performance to the U.S. as demonstrated by the following:
  - Exports under AGOA (i.e., duty-free under AGOA) increase at levels that are greater than the sub-Saharan African average and the baseline year;
  - Total exports to the U.S. increase at levels greater than the sub-Saharan Africa average and the baseline year;
  - Exports under AGOA (i.e., duty-free under AGOA) diversify compared to baseline year, i.e., registered diversification of the share of the top five performing sectors at HTS<sup>6</sup>-2 level, compared to baseline year;
  - Exports of agriculture and food processing (i.e., duty-free under AGOA) increase at levels greater than the baseline year; and
  - Exports of light manufactures (i.e., duty-free under AGOA) increase at levels greater than the baseline year.
2. Improvement in the export performance and productive efficiencies of targeted export firms as demonstrated by the following:
  - Increase in exports to the U.S.:
    - Increase in exports of targeted firms in agriculture and food processing; and
    - Increase in exports of targeted firms in light manufacturing sector.

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<sup>6</sup> HTS refers to Harmonized Tariff Schedule.

- Increase in productive efficiencies:
    - Improvement in targeted firms' inventory rates over the baseline year, i.e., decrease in inventory value/total sales;
    - Improvement in targeted firms' lead times over the baseline year, i.e., decrease in lead times; and
    - Improvement in targeted firms' cycle time, i.e. decrease in length of time required from input to finished goods.
  - Improvement in trade facilitation:
    - Average time of targeted firms to export to U.S. (i.e., inland transport, customs and port clearance times, excluding offshore transport) decreases;
    - Average cost of targeted firms to export to U.S. (i.e., inland transport, customs and port clearance costs, excluding offshore transport) decreases;
    - Average time of targeted firms to import primary product (i.e., inland transport, customs and port clearance times, excluding offshore transport) decreases; and
    - Average cost<sup>7</sup> of targeted firms to import primary product (i.e., inland transport, customs and port clearance times, excluding offshore transport) decreases.
3. Improvement in U.S. direct investments flows as demonstrated by the following:
- Country registers an increase in the dollar amount of total U.S. investments, i.e., over that of the baseline year;
  - Country registers an increase in the dollar amount of U.S. SME investments, irrespective of sector, i.e., over that of the baseline year; and
  - Country registers an increase in the dollar amount of U.S. investments in agriculture and food processing, i.e., over that of the baseline year.
4. Improvement in overall country's trade, business and investment environment as evidenced by the following:
- Improvements in performance per the World Bank's Logistics Provision Index<sup>8</sup>, which measures trade logistics efficiencies; and
  - Improvements in the World Bank's Doing Business Indicators<sup>9</sup>

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<sup>7</sup> Cost measures the fees levied on a 20-foot container in US dollars.

<sup>8</sup> World Bank's Logistics Provision Index examines metrics in customs, infrastructure, international shipments, logistics competence, tracking and tracing and timeliness of deliveries.

<sup>9</sup> Starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

## **Immediate Outcomes**

1. Improvement in knowledge of AGOA and the country's sectors with a good potential for export;
2. Improvement in awareness of bottlenecks to sector competitiveness under AGOA;
3. Improvement in awareness of bottlenecks to firm-level competitiveness under AGOA;
4. Improvement in productive capacity of targeted firms;
5. Improvement in productive efficiency (i.e., adoption of best practices) of targeted firms;
6. Improvement in knowledge of the U.S. market and skills to market to the U.S.;
7. Improvement in awareness of logistical bottlenecks to efficient trade;
8. Improvement in awareness by potential U.S. SME investors of opportunities for investments in-country;
9. Improvement in awareness by potential U.S. agriculture/agribusiness investments of opportunities for investment in country; and
10. Improvement in knowledge by potential U.S. investors on how to invest and/or engage in joint ventures with local partners in the country.

## **Outputs**

1. Establishment of Ministerial Task Force on AGOA
2. Establishment and operationalization of National AGOA Secretariat
3. Identification of potential core sectors for support
4. Development of support programs for priority sectors
5. Development of strategy for increasing U.S. Investments

## **Activities**

1. Convene meeting with ministers from ministries that support AGOA either directly or indirectly to establish *Ministerial Task Force on AGOA*;
2. Identify *National AGOA Secretariat's* CEO, outline mandate of AGOA Secretariat and agree on the Secretariat's budgetary arrangements;
3. Staff and structure *National AGOA Secretariat* so that it is able to discharge functions of recommending and implementing national AGOA response strategies;
4. Articulate first year's strategy of the *National AGOA Secretariat*;
5. Identify historic exports and possible new exports to the U.S., and align these to well-articulated potential core sectors for support;



6. Decide on priority core sectors for support;
7. Identify sector association heads and targeted export firms in the priority core sectors for support and determine their readiness to engage in a stakeholder-driven effort to improve the performance and competitiveness of the sectors' exporters under AGOA;
8. Take stock of targeted firms' export position with a questionnaire;
9. Agree upon a short-term accelerated export support program for the selected priority sectors that includes the following:
  - Establishment of an AGOA fund, which offers matching grants to target firms that are exporting or intent on exporting under AGOA;
  - Establishment of a special AGOA-customs window by the National Customs Bureau in support of the reduction where possible of cost and time to import primary inputs as well as cost and time to export to the U.S. for firms exporting under AGOA;
  - Provision of sector-wide tax incentives for importation of capital goods and spare parts;
  - Facilitation of linkages between sector firms and U.S. suppliers that have access to EXIM bank financing;
  - Improvement of target firms' efficiencies with a focus on inventory turnover, lead and cycle times;
  - Improvement of target firms' ability to access finance. Selection of target firms for access to finance should be based on financial attractiveness, i.e., creditworthiness and a good internal rate of return on investment needed for the export plan;
  - Improvement of the target firms' ability to reduce cost and time to export to U.S. and import primary products;
  - Improvement of target firms' ability to prepare export plans, business plans and networks;
  - Provision of diagnostic services by national export agency to improve export readiness of firms within sector;
  - Improvement of the target firms' knowledge of the U.S. market and ability to brand products appropriately; and
  - Improvement of the target firms' ability to meet U.S. product standards.

10. Agree upon a medium- to long-term sector development plan that would support the sector's competitiveness, which includes the following:
  - Provision of business support services by ministry of trade/industry that allow for industry-wide benchmarking of financial and inventory data;
  - Extension of export support services sector-wide by the national export agency;
  - Public-private partnerships that foster an increase of business support services, as well as technical and human resource development;
  - Improvement of national logistics performance; and
  - Improvement of overall investment and business environment.
11. Agree on a comprehensive investment strategy that attracts U.S. investment with an emphasis on Small and Medium Enterprises (SMEs) and U.S. investments in agriculture and food processing. This strategy should include the following:
  - Identification of key constraints inhibiting U.S. investments in the country, with an emphasis on SMEs and U.S. investments in agriculture and food processing;
  - Establishment of strategic alliances with U.S.-based business promotion organizations;
  - Employment of an AGOA officer in the national investment agency who is tasked with facilitating U.S. investments in-country; and
  - Identification of competitiveness/business environment indicators that can be used to benchmark country progress in creating an attractive investment and business environment.

## **Inputs**

1. AGOA Secretariat line-item budget (sourced from involved government departments and U.S. government);
2. Technical support from USAID hub in sector prioritization;
3. Human resource requisites for staffing technical working groups;
4. Human resource requisites for instituting approved secretariat strategies across departments and agencies;
5. Institute sector-wide tax breaks for capital and spare part imports;
6. Institute financing by U.S. EXIM bank to U.S. suppliers of identified inputs for priority firms;
7. Institute tax incentives for U.S. SME investments & U.S. investments in agriculture & food production;
8. Institute concessional development and trade financing in support of selected firms;

9. Institute AGOA fund<sup>10</sup> offering grants for the technical analysis of the productive capacities and efficiencies of participating firms willing to match the grant amount offered by the fund; the AGOA fund can assist entrepreneur or enterprise staff with training from U.S. sources. In addition, the AGOA fund can assist entrepreneur or enterprise staff with training from U.S. sources.
10. Institute human resource efforts by National Customs Bureau to assist in the streamlining of import or export activities of selected firms;
11. Institute human resource efforts of export promotion offices and other training centers in support of building the capacity of priority sectors to meet their entrepreneurial, business and technical needs;
12. Institute concessional development financing from development banks for select firms that are financially attractive, i.e., are creditworthy and have a good internal rate of return on investment needs for the export plan;
13. Institute concessional trade financing and/or export credit insurance for selected firms that are financially attractive, i.e., are creditworthy and have a good internal rate of return on investment needs for the export plan;
14. Institute technical support by USAID and USDA to help selected firms to meet import standards of priority firms that need such services to meet their export objectives;
15. Institute technical support by national plant and animal health inspectorate services/ministry of agriculture in helping selected agricultural firms improve their ability to adopt good agricultural practices and improve agricultural product standards;
16. Institute technical support by USAID and national export promotion agency to firms selected for export readiness, ability to understand the U.S. market, and capacity to market their products/services in the U.S.;
17. Human resources to undertake necessary backstopping and M&E for program.

Annex I of the report provides the results-based management report outcomes at the national level that each country is required to report on at the annual AGOA forums.

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<sup>10</sup> The AGOA fund is described here as a joint U.S. and beneficiary country fund matching U.S. funding to beneficiary country funding.

## **Performance Measurement Framework (PMF)**

As part of the monitoring and evaluation exercise, each country is required to collect and analyze performance information of the instituted National AGOA Response Strategy. The primary tool for collection and analysis of this performance information is the Performance Measurement Framework (PMF).

The PMF is the principal worksheet for performance measurement under the M&E framework. This worksheet is divided into eight columns: expected results, indicators, baseline data, targets, data sources, data collection methods, frequency, and responsibility.<sup>11</sup> A brief description of each of these columns is provided below:

- The expected results column outlines the expected results for the ultimate outcome, intermediate outcomes, immediate outcomes and outputs;
- The indicator column provides the pointers or measures that help to assess progress towards achieving each of the outcomes and outputs;
- The baseline data column presents the set of conditions that exists prior to program implementation for each selected indicator;<sup>12</sup>
- The targets column specifies the target or particular value of the performance indicator<sup>13</sup> that is expected to be accomplished by a specific date in the future;
- The data sources column provides the sources from which the data to measure each performance indicator's results achievement is to be collected;
- The data collection methods column represents how the data to measure results achievement for a given indicator will be collected;
- The frequency column looks at the timing of data collection, e.g., quarterly or annually; and
- The responsibility column looks at who is responsible for collecting and/or validating the data.

Table 1 below provides an outline of a performance measurement framework worksheet.

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<sup>11</sup> See CIDA. 2012, page 39.

<sup>12</sup> This baseline data is collected at one point in time and is used as a point of reference against which results are measured and assessed.

<sup>13</sup> Performance indicators are indicators for outcomes, i.e., ultimate outcome, intermediate outcomes, and immediate outcomes. They are distinct from an output indicator. (See CIDA. 2012, page 36).

**Table 1. Outline of a Performance Measurement Framework Worksheet**

Performance Measurement Framework

Date \_\_\_\_\_

|                                     | Expected Results | Indicators | Baseline Data | Targets | Data Sources | Data Collection Methods | Frequency | Responsibility |
|-------------------------------------|------------------|------------|---------------|---------|--------------|-------------------------|-----------|----------------|
| Ultimate Outcome (Long-Term)        |                  |            |               |         |              |                         |           |                |
| Intermediate Outcomes (Medium Term) |                  |            |               |         |              |                         |           |                |
|                                     |                  |            |               |         |              |                         |           |                |
| Immediate Outcomes (Short Term)     |                  |            |               |         |              |                         |           |                |
|                                     |                  |            |               |         |              |                         |           |                |
| Outputs                             |                  |            |               |         |              |                         |           |                |
|                                     |                  |            |               |         |              |                         |           |                |

Source: CIDA. 2012. Page

Annex II of this report provides a sample completed PMF worksheet for a National AGOA Response Strategy.

## Risks Register

The M&E exercise also requires each country to identify and evaluate risks that are associated with the implementation of the National AGOA Response Strategy on an annual basis. These risks are organized in the following four risk categories: financial, development, operational, and reputation. A brief description of each of these risk categories as they relate to the National AGOA Response Strategy is provided below:

- Financial risks reflect the potential impact of risks/events on the ability to protect funding;
- Development risks reflect the potential impact of risks/events on the ability to achieve expected development results;
- Operational risks reflect the potential impact of risks/events on the operation of the National AGOA Response Strategy; and
- Reputation risks reflect the potential impact arising from a reduction in confidence of stakeholders to the National AGOA Response Strategy.

A sample listing of identified risks by risk category is outlined below:

- Financial risks:
  - Risk that funding required from the various stakeholders is not forthcoming; and
  - Risk that any one stakeholder, tasked committee/working group, and/or selected firm does not perform according to the statutory expectations of the program;
- Development risks:
  - Risk that strategic orientation of the AGOA secretariat is not aligned with the fact that interventions have to have a sunset clause, particularly when working in the development context, i.e., interventions have an opportunity cost;
  - Risk that the macroeconomic environment (e.g., exchange rate fluctuations, inflation, oil shocks, etc.) impinges on the program's ability to have the expected beneficial impact in the beneficiary country;
  - Risk of global market and national sector shocks (e.g., drought, diseases, etc.) that impinge on the ability of the agriculture and food processing sector strategies to achieve their objectives;

- Risk of global market shocks in the light manufacturing sectors (i.e., textile, leather etc.) that diminish the ability of interventions to achieve their objective;
- Risk that the political environment in the beneficiary country impinges on sustained implementation, particularly when AGOA status is decided on the basis of annual review;
- Risk of downturns in the U.S. market that diminish the ability of the program to achieve its expectations;
- Risks that concerted supply response to the U.S. market by African suppliers in one sector might result in increased price competition;
- Risk of negative environmental impact as a result of increased investments in sectors such as tannery, floriculture and glass manufacturing; and
- Risk that development intervention reinforces a gender divide.
- Operational risks:
  - Risk that AGOA will not be extended for a substantive duration;
  - Risk that national capacities in some countries may not be at levels needed to institute appropriate sector strategies and implement the required M&E framework; and
  - Risk that performance measures may become skewed to promote institutional (government or private-sector related) objectives as opposed to the mandate of increasing a country's response to the opportunities afforded under AGOA.
- Reputational risks:
  - Risk that USG sources may see this program as just another request for USG money; and
  - Risk of a lack of stakeholder confidence.

All the identified risks should be rated on the basis of (i) the likelihood of the occurrence of the event/risk and (ii) the impact of the event on the achievement of results. The following four point rating scale and level of response required are recommended:

- Very low risk implies that routine procedures are sufficient to deal with the event/risk;
- Low risk implies that the event/risk can threaten results and thus may require monitoring;
- High risk implies that the event/risk would threaten results and thus may require a review; and
- Very high risk implies that the event/risk would prevent achievement of results and would therefore require close management.

A risk register template for presentation at AGOA forums is provided in Annex III. It includes the following five columns:

- Risk definition column which identifies the risk;
- Risk response column which briefly summarizes a risk response strategy that will be used to manage the risk or prevent the risk event;'
- Residual risk level, which establishes the current risk level after the risk response identified in column 2;
- Logical model, which identifies (if possible) the expected result or outcome level that is affected by the risk; and
- Risk owner, which is the person who is responsible for coordinating, responding to and gathering information about risk.

### **Description of Key Challenges Faced in Implementing an AGOA Strategy**

The M&E framework requires that each country provide an itemized description of key challenges faced in implementing their AGOA strategy. This exercise should help promote best practices across countries.

Some possible examples of such challenges are listed below:

- Examples of financial challenges:
  - Delays in receipt of authorities, funding or approvals;
  - Weakness in procurement and selection; and
  - Poor financial management capacity of targeted companies.
- Examples of development challenges:
  - Problems of coherence with targeted firms or MDAs;
  - Lack of trust of targeted firms in initiative; and
  - Gender biases that limit women's participation.



- Examples of operational challenges:
  - Turnover issues;
  - Lack of required competencies;
  - Weak reporting on results; and
  - Tracking not established on time.
- Examples of reputational challenges:
  - Inability to produce results or corruption;
  - Unreasonable expectations on the part of public/stakeholders; and
  - Weak communications strategy.

Annex IV provides a reporting template for the key challenges faced in implementing an AGOA strategy.

## **Section II: Deliverables Required for Continental-Level Reporting**

The continental level is the secondary reporting level of the M&E framework. This reporting level is a consolidation of national-level M&E reports and provides a broad overview of the performance of eligible African countries under AGOA.

The continental-level of reporting should report on the following:<sup>14</sup>

- AGOA eligible countries and any changes in country eligibility status over the year;
- AGOA textile/apparel export eligibility and any changes in county eligibility status over the year;
- SSA exports to the U.S. under AGOA – Duty-Free under AGOA for the year (by country and total);
- SSA exports to the U.S. under GSP (by country and total);
- SSA exports to the U.S. under AGOA – Duty-Free under AGOA, as a share of Total SSA exports to the U.S (by country and total);
- Exports to the U.S. under AGOA for HTS sectors aligned to agriculture and food processing (by country and total);

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<sup>14</sup> Most of the data required for continental level reporting will be available from the USITC database. The exceptions are for data on investments. Should any country's reports provide incomplete investment data, then the totals should reflect totals for all countries reporting.

- Exports to the U.S. under AGOA for HTS sectors aligned to light manufacturing (by country and total);
- Registered investments by U.S. in SSA (by country and total)
- Registered investments by U.S. SMEs in SSA (by country and total);
- Registered U.S. investments in agriculture and food processing in SSA (by country and total);
- Country performance per the World Bank's Logistics Performance Indicator; and
- Country's performance per the World Bank's Doing Business Indicators.

Reporting for the continental level should be compiled by whichever body is deemed responsible for coordinating the implementation of AGOA by member states. Annex V provides a reporting framework for the continental level.

### **Section III: Monitoring the Implementation of AGOA Forum Decisions**

It has been observed that in many instances decisions taken at various AGOA forums were not followed through in terms of actual implementation due to a lack of a structured framework for decision making and a lack of a framework for monitoring the implementation of the decisions.

In this regard, to ensure that AGOA forum decisions are properly recorded, implemented, and appropriately monitored, it is recommended that the following guidelines be utilized to ensure that the how, what and why of the AGOA forum decisions are addressed:

1. Clearly articulate the specific decision;
2. Establish the objective of the decision;
3. Define any assumptions and the risks associated with implementing the decision;
4. Articulate the expected outcome of implementing the decision;
5. Define the specific activities required to implement the decision;
6. Assign responsibility for the specified activities;
7. Define a time frame for implementing the activities; and
8. Record progress of achieving the decision.

## Conclusion

This M&E framework elaborated in this report complements the National AGOA Response Strategy outlined in the ATPC's report titled *Guidelines on Developing a National AGOA Response Strategy*.<sup>15</sup> This M&E framework is structured on two levels, a national and a continental level.

The national level is the primary reporting level of the M&E framework and has the following components: an RBM logical model with defined expected development outcomes and related outputs, inputs, and activities; the performance measurement framework; the risk register; and a description of the key challenges that have been faced in implementing the National AGOA Response Strategy during the year.

The annual deliverables for the national level include a results-based management report (see Annex I), the related performance measurement framework (see Annex II), a risk register (see Annex III) and a description of key challenges that have been faced in implementation (see Annex IV).

At annual AGOA forums, each country is required to provide a results-based management report which would incorporate the four components outlined above.

The continental level, i.e., the secondary reporting level, is a consolidation of national-level M&E reports and provides a broad overview of the performance of eligible African countries under AGOA. Reporting for the continental level should be compiled by whichever body is deemed responsible for coordinating the implementation of AGOA by member states. Annex V provides a template for reporting at the continental level.

It is strongly believed that adopting the recommendations under the guidelines for a National AGOA Response Strategy<sup>16</sup> and the related M&E framework will result in AGOA meeting its development mandate, while at the same time maximizing U.S.-Africa trade and investment relations.

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<sup>15</sup> Shiferaw, David. 2012. *Guidelines on Developing a National AGOA Strategy*, African Trade Policy Centre, May 2012.

<sup>16</sup> Ibid.

## **Annex I: Reporting for AGOA at National Level**

It is recommended that the following outcomes are reported at the AGOA Forum:

### Section A:

- Country's status eligibility under AGOA (i.e. AGOA eligibility, textile/apparel eligibility, LDC eligibility);
- Country exports to the U.S. under AGOA – Duty-Free under AGOA
- Country exports to the U.S. under GSP;
- Country exports to the U.S. under AGOA – Duty-Free under AGOA, as a share of Total SSA exports – Duty Free under AGOA;
- Country's top 5 exports (by HTS 2) to the U.S. – under Duty-Free under AGOA; as a share of Total SSA exports (by same HTS 2) – Duty Free under AGOA;
- Country exports to the U.S. under AGOA for HTS sectors aligned to agriculture and food processing;
- Country exports to the U.S. under AGOA for HTS sectors aligned to light manufacturing;
- Registered investments by U.S. in the country for the year;
- Registered investments by U.S. SMEs in the country for the year;
- Registered U.S. investments in agriculture and food processing;
- Country's performance per the World Bank's Logistics Performance Indicator; and
- Country's performance per the World Bank's Doing Business Indicators.

### Section B:

- Itemized key challenges (financial, development, operational, and reputational) faced in the implementation of AGOA strategy during the year.

## **Annex II: Performance Measurement Framework (PMF)**

In the subsequent four pages, the PMF for the outlined M&E framework for AGOA is provided.

PMF\_1: Ultimate Outcome and Intermediate Outcomes – Expected Results to Data Sources

|   | Expected Results  | Indicators   | Baseline Data | Targets                     | Data Sources   |
|---|---|--|---------------|-----------------------------|----------------|
| <b>Ultimate Outcome (Long-Term)</b>                           | Improvement in growth and employment in priority sectors, and standard of living of country's populace.                       |  |               |                             |                |
| <b>Intermediate Outcomes (Medium Term)</b>                    | Increase of country's duty-free exports under AGOA over that of SSA average and baseline year                                 | Country's duty-free exports under AGOA                               |               |                             | USITC dataweb  |
|   | Increase of total exports to the U.S. over that of SSA average and baseline year  | Country's total exports to the U.S.                                  |               |                             | USITC dataweb  |
|   | Registered diversification of country's exports compared to baseline year   | Share of country's top 5 exports (HTS2-level) to the U.S. under AGOA |               |                             | USITC dataweb  |
|   | Increase of country's agriculture and food processing exports under AGOA compared to baseline year                            | Country's duty-free exports (agriculture/food processing)            |               |                             | USITC dataweb  |
|   | Increase of country's light manufacturing exports under Ago compared to baseline year   | Country's duty -free exports (light manufacturing)                   |               |                             | USITC dataweb  |
|   | Increase in exports of targeted firms exports to the U.S. over baseline year  | Targeted firms exports to the U.S.                                   |               |                             | Targeted Firms |
|   | Increase in exports of targeted firms exports of agriculture and food processing exports under AGOA compared to baseline year | Targeted firms exports (agriculture & food processing) to U.S.       |               |                             | Targeted Firms |
|   | Increase in exports of targeted firms exports of light manufacturing exports under AGOA compared to baseline year             | Targeted firms exports (light manufacturing) to U.S.                 |               |                             | Targeted Firms |
|   | Improvement in targeted firms inventory rates over baseline year  | Targeted firm's inventory rates                                      |               |                             | Targeted Firms |
|   | Improvement in targeted firms average lead time over baseline year  | Targeted firm's lead-time  |               |                             | Targeted Firms |
|   | Improvement in targeted firms cycle time over baseline year   | Targeted firm's cycle rates  |               |                             | Targeted Firms |
|   | Decrease in targeted firms average time to export to the U.S. over baseline year  | Targeted firm's average time to export to U.S.                       |               |                             | Targeted Firms |
|   | Decrease in targeted firms average cost to export to the U.S. over baseline year  | Targeted firm's average cost to export to U.S.                       |               |                             | Targeted Firms |
|   | Decrease in targeted firms average time to import of primary product over baseline year                                       | Targeted firm's average time to import                               |               |                             | Targeted Firms |
|   | Decrease in targeted firms average cost to import of primary product over baseline year                                       | Targeted firm's average cost to import                               |               |                             | Targeted Firms |
| Increase in amount of U.S. SME investments over baseline year | U.S. SME investments  |  |               | U.S. Comm. Rep./AGOA Center |                |

PMF\_2: Ultimate Outcome and Intermediate Outcomes – Data Collection to Responsibility

|  | Data Collection Methods      | Frequency                     | Responsibility           |
|--|------------------------------|-------------------------------|--------------------------|
| <b>Ultimate Outcome (Long-Term)</b>        |                              |                               |                          |
| <b>Intermediate Outcomes (Medium Term)</b> | Database research & analysis | Quarterly, and end of project | Technical Working Groups |
|  | Database research & analysis | Quarterly, and end of project | Technical Working Groups |
|  | Database research & analysis | Quarterly, and end of project | Technical Working Groups |
|  | Database research & analysis | Quarterly, and end of project | Technical Working Groups |
|  | Database research & analysis | Quarterly, and end of project | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Firm Survey/Questionnaire    | Annually                      | Technical Working Groups |
|  | Research/Interviews          | Annually                      | Technical Working Groups |

PMF\_3: Intermediate Outcomes to Outputs–Expected Results to Data Sources

|  | Expected Results   | Indicators  | Baseline Data | Targets | Data Sources                |
|--|--|---|---------------|---------|-----------------------------|
| Intermediate Outcomes (Medium Term) Contd. | Increase in amount of U.S. investments in agriculture and food processing over baseline year                                   | U.S. investments in agriculture and food processing |               |         | U.S. Comm. Rep./AGOA Center |
|  | Improvement in performance of World Bank's Logistics Provision Index over baseline year  | World Bank's Logistics Performance Index            |               |         | World Bank's Data           |
|  | Improvement in performance of World Bank's Doing Business Indicator over baseline year   | World Bank's Doing Business Indicator               |               |         | World Bank's Data           |
| Immediate Outcomes (Short Term)            | Improved knowledge of AGOA and the country's sectors with a good potential for export  |   |               |         |                             |
|  | Improved awareness of bottlenecks to sector competitiveness under AGOA   |   |               |         |                             |
|  | Improved awareness of bottlenecks to firm-level competitiveness under AGOA   |   |               |         |                             |
|  | Improved productive capacity of targeted firms   |   |               |         |                             |
|  | Improved productive efficiency (i.e., adoption of best practices) of targeted firms  |   |               |         |                             |
|  | Improved knowledge of the U.S. market and skills to market to the U.S.   |   |               |         |                             |
|  | Improved awareness of logistical bottlenecks to efficient trade  |   |               |         |                             |
|  | Improved awareness by potential U.S. SME investors of opportunities for investments in-country                                 |   |               |         |                             |
|  | Improved awareness by potential U.S. agriculture/agribusiness investments of opportunities for investment in country           |   |               |         |                             |
|  | Improved knowledge by potential U.S. investors on how to invest and/or engage in joint ventures with local partners in country |   |               |         |                             |
| Outputs                                    | Establishment of Ministerial Task Force on AGOA  |   |               |         |                             |
|  | Establishment and operationalization of National AGOA Secretariat  |   |               |         |                             |
|  | Identification of potential core sectors for support   |   |               |         |                             |
|  | Development of support programs for priority sectors   |   |               |         |                             |
|  | Development of strategy for increasing U.S. investments  |   |               |         |                             |



**PMF\_4: Intermediate Outcomes to Outputs–Data Collection Methods to Responsibility**

|   | <b>Data Collection Methods</b> | <b>Frequency</b> | <b>Responsibility</b>    |
|---|--------------------------------|------------------|--------------------------|
| <b>Intermediate Outcomes (Medium Term) Contd.</b> | Research/Interviews            | Annually         | Technical Working Groups |
|   | Database research & analysis   | Annually         | Technical Working Groups |
|   | Database research & analysis   | Annually         | Technical Working Groups |
| <b>Immediate Outcomes (Short Term)</b>            |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
| <b>Outputs</b>                                    |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |
|   |                                |                  |                          |

Annex III: Risk Register Template

| Risk Definition  | Risk Response | Residual Risk Level (Very Low/Low/High/Very High) | Logical Model Result Statement | Risk Owner |
|--|---------------|---|--------------------------------|------------|
| <b>Financial Risks</b>   |               |   |                                |            |
| Risk that funding required from stakeholders is not forthcoming  |               |   |                                |            |
| Risk that any one stakeholder, group or individual does not perform according to the statutory expectations of the program |               |   |                                |            |
| <b>Development Risks</b>   |               |   |                                |            |
| Risk that interventions do not incorporate a sunset clause   |               |   |                                |            |
| Risk of global market shocks impinging on expected outcomes  |               |   |                                |            |
| Risk that macroeconomic environment impinges on program's expected outcomes  |               |   |                                |            |
| Risk of sector-specific shocks impinging on expected outcomes  |               |   |                                |            |
| Risk that political environment impinges on country's AGOA eligibility status  |               |   |                                |            |
| Risk that U.S. market faces a downturn   |               |   |                                |            |
| Risks that concerted supply response to the U.S. market by African suppliers results in increased price competition        |               |   |                                |            |
| Risk of negative environmental impact of increased sector-investments  |               |   |                                |            |
| <b>Operational Risks</b>   |               |   |                                |            |
| Risk that AGOA is not extended for a substantive duration  |               |   |                                |            |
| Risk that national capacities in country is not at levels needed for program   |               |   |                                |            |
| <b>Reputational Risks</b>  |               |   |                                |            |
| Risk that USG sources may not have confidence to fund program  |               |   |                                |            |
| Risk of a lack of other stakeholders' confidence   |               |   |                                |            |

**Annex IV: Key Challenges Faced in Implementation of AGOA Strategy (Sample)**

**Description of Key Challenges Faced in Implementing an AGOA Strategy**

|  |
|--|
| <b>Financial Challenges</b>                                  |
| Delays in receipt of authorities, funding or approvals       |
| Weakness in procurement and selection                        |
| Poor financial management capacity of targeted companies     |
| <b>Development Challenges</b>                                |
| Problems of coherence with targeted firms or MDAs            |
| Lack of trust of targeted firms in the initiative            |
| Gender biases that limit women's participation               |
| <b>Operational Challenges</b>                                |
| Turnover issues  |
| Lack of required competencies                                |
| Weak reporting on results                                    |
| Tracking not established on time                             |
| <b>Reputational Challenges</b>                               |
| Inability to produce results or corruption                   |
| Unreasonable expectations on the part of stakeholders/public |
| Weak communication strategy                                  |

## **Annex V: Reporting Framework for the Continental Level**

### **AGOA Eligible Countries**

Country Listing

### **Changes in Country Eligibility during the Year**

Countries Added

Countries Removed

### **AGOA Eligible Countries - Textile/Apparel Export**

Country Listing

### **Changes in Country Eligibility during the Year**

Countries Added

Countries Removed

### **SSA Exports to the U.S. under AGOA**

Country Listing

Total SSA

### **SSA Exports to the U.S. under GSP**

Country Listing

Total SSA

### **SSA Exports to the U.S. - Duty-Free under AGOA as a Share of Total SSA Exports of the U.S.**

Country Listing

Total SSA

### **SSA Exports under AGOA - Agriculture and Food Processin**

Country Listing

Total SSA

### **SSA Exports under AGOA - Light Manufactures**

Country Listing

Total SSA

### **Registered U.S. Investments**

Country Listing

Total SSA

### **Registered U.S. Investments - SMEs**

Country Listing

Total SSA

### **Registered U.S. Investments - Agriculture & Food Processing**

Country Listing

Total SSA

### **Country Performance per World Bank's Logistics Performance Index**

Country Listing

### **Country Performance per World Bank's Doing Business Indicators**

Country Listing

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