

Monitoring Framework and Key Performance Indicators



GMS secretariat

Monitoring Framework

Every year, the GMS Task Force on Trade and Investment (TFTI) will report to the MC and/or the Summit.

2023

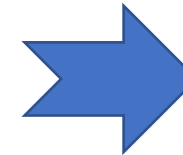
2nd TFTI Meeting

Consultation with stakeholders

Training Event

3rd TFTI Meeting
(TFTI can discuss the mid-term review)

Training Event



Ministerial
Conference

Mid-term
Review

2024

4th TFTI Meeting

Training Event

5th TFTI Meeting
(TFTI can discuss the final report)

Training Event



Ministerial
Conference

GMS Summit

Final
Report

Mid-term Review

Activities in 2023

- Summary of Proceedings of TFTI meetings
- Reports of training events
- Review of consultations with stakeholders

Evaluation

- Effectiveness under each Pillar
incl. Key Performance Indicators
- Overall effectiveness

Future plan

- **Additional memberships to represent the interests of the private sector.**
(Such representation could be through national or subregional chambers of commerce and professional associations.)
- Work plan in 2024

Final Report

Activities in 2024

- Summary of Proceedings of TFTI meetings
- Reports of training events
- (Additional activities, if any)

Evaluation

- Effectiveness under each Pillar
incl. Key Performance Indicators
- Overall effectiveness

Conclusion

- Recommendations
- **To (i) extend the mandate of the Task Force by another two-years, (ii) upgrade the status of the Task Force and establish a Working Group, or (iii) extinguish the Task Force.**

Key Performance Indicators (KPIs) are usually specific numerical values out of metrics and are determined according to strategic goals and objectives.

Objectives of GMS Task Force on Trade and Investment

1. **Act as a strategic advisory body** in prioritizing recommendations for enhanced cooperation in economic recovery and in revitalizing economic performance in the GMS.

2. **Collaborate with a broad range of stakeholders** such as related working groups, forums, and action programs.

3. Conduct a midterm review of the work of the Task Force after 12 months to take stock of the ongoing process and areas for improvement.

4. Review and present recommendations on the necessity of establishing a GMS Trade and Investment Working Group.

5. Propose other relevant recommendations to GMS ministers and leaders.

Objectives and Pillars of GMS Task Force on Trade and Investment

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Focused area: Digital Supply Chain

Pillar 1: Digitalization. TFTI will focus on how to equip local businesses with digital skills to remain competitive, and how to increase investment in digital infrastructure.

KPI 

Pillar 2: Improving the business climate.

- (1) Diversifying trade and investment. TFTI will work with economic agencies to assess and identify opportunities for diversifying trade and investments and collaborate with other countries.
- (2) Attracting foreign investment. TFTI will work to increase regional coordination among investment promotion agencies to develop information dissemination campaigns, enable networking, and improve the ease of doing business.
- (3) Developing MSMEs. TFTI will support the development of MSMEs through capacity building, training, and policy.

KPI 

Pillar 3: Capacity building to maximize FTAs. TFTI will help address the capacity gaps within the GMS countries so that the subregion can maximize the benefits of FTAs and meet implementation timeline.

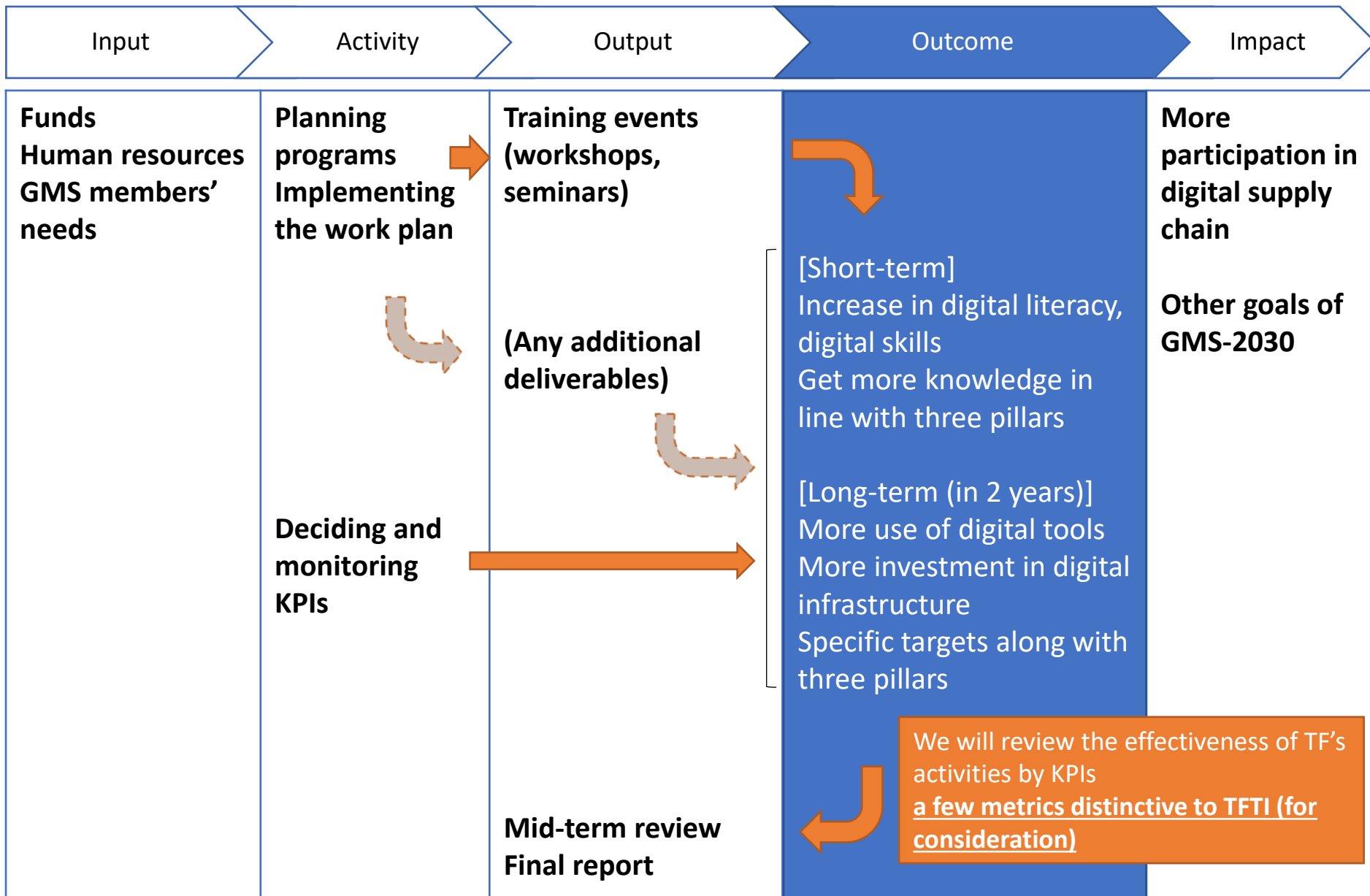
KPI 

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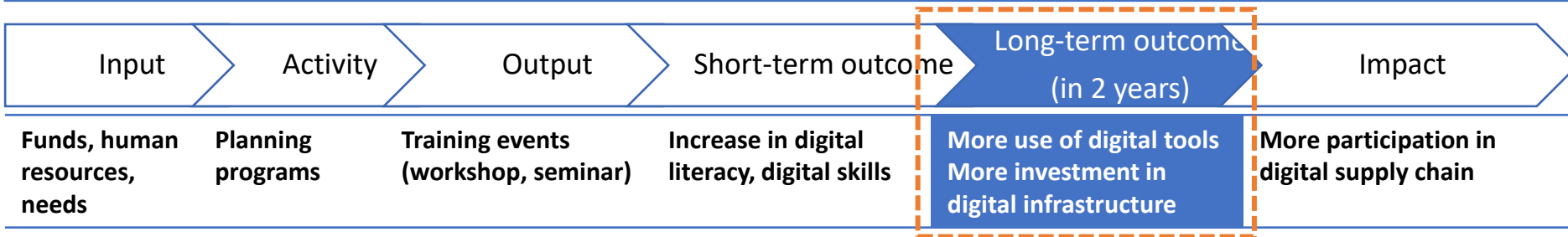
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TFTI outputs and outcomes based on the Logic model



KPI consideration

Pillar 1: Digitalization. TFTI will focus on how to equip local businesses with digital skills to remain competitive, and how to increase investment in digital infrastructure.



[KPI candidates]

To what extent have trade transactions been processed digitally?

To what extent importers and exporters digitally make declarations?

→ National trade statistics

Number of digitally processed import cases (yearly), or

Another indicator related to digitalization

[Reference indicators]

How much do local businesses invest in digital infrastructure?

→ World Bank, WDI (World Development Indicators)

Fixed broadband subscription (yearly, real numbers and per 100 people)

Mobile cellular subscription (yearly, real numbers and per 100 people)

To what extent do local businesses have digital skills?

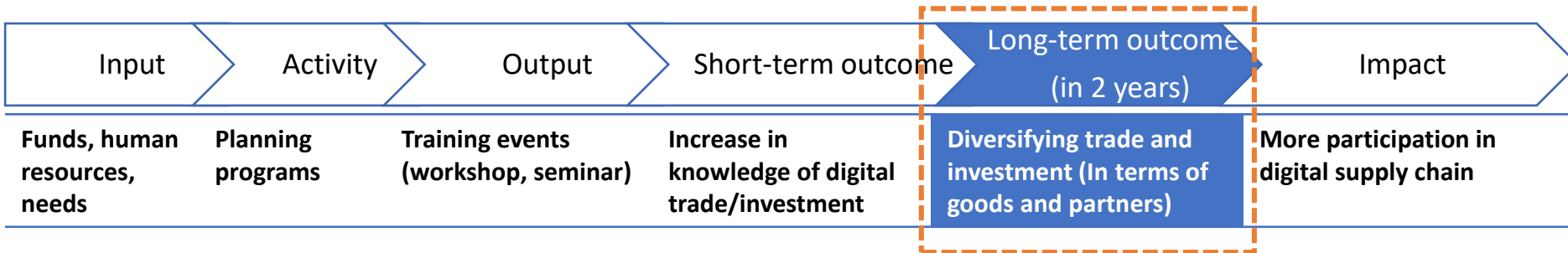
→ World Bank, WDI (World Development Indicators)

ICT goods exports (yearly, current values and % of total goods exports)

ICT service exports (yearly, current values and % of service exports)

Pillar 2: Improving the business climate.

(1) Diversifying trade and investment. TFTI will work with economic agencies to assess and identify opportunities for diversifying trade and investments and collaborate with other countries.



[Reference indicator]

How far are our trading goods being diversified?

How have trade partners increased?

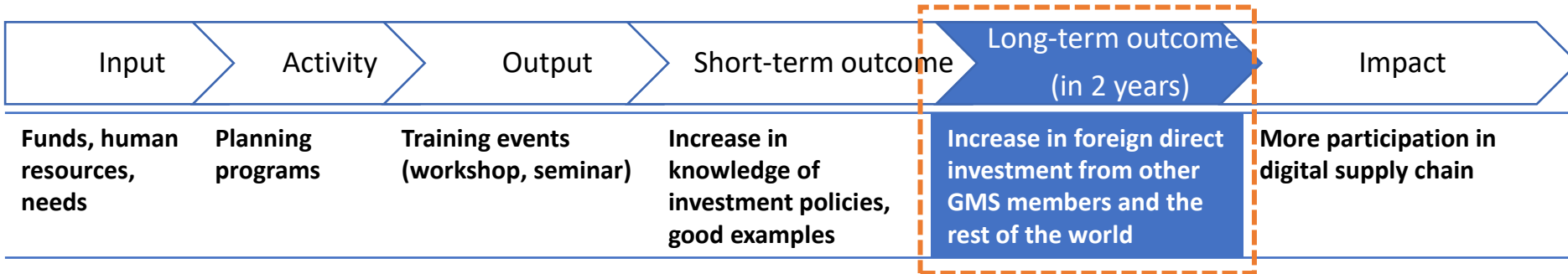
→UNCTAD, UNCTAD STATS,

Product concentration and diversification indices of exports and imports (yearly)

(Pillar 2 (2) also covers FDI)

Pillar 2: Improving the business climate.

(2) Attracting foreign investment. TFTI will work to increase regional coordination among investment promotion agencies to develop information dissemination campaigns, enable networking, and improve the ease of doing business.



[Reference]

Has foreign direct investment increased?

Where has foreign direct investment come from?

Has Inter-GMS investment increased? ... etc.

→IMF, International Financial Statistics

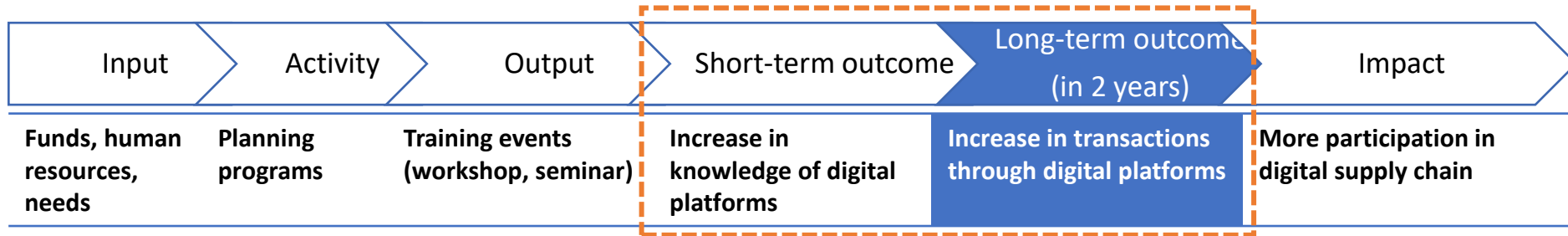
International Investment Positions, Assets, Direct Investment (yearly)

→IMF, Coordinated Direct Investment Survey

Inward and Outward Direct Investment Positions (yearly)

Pillar 2: Improving the business climate.

(3) Developing MSMEs. TFTI will support the development of MSMEs through capacity building, training, and policy.



[KPI candidates]

Do MSMEs have access to digital financial services?

Do MSMEs participate in digital marketplaces?

→ National statistics/survey or private survey

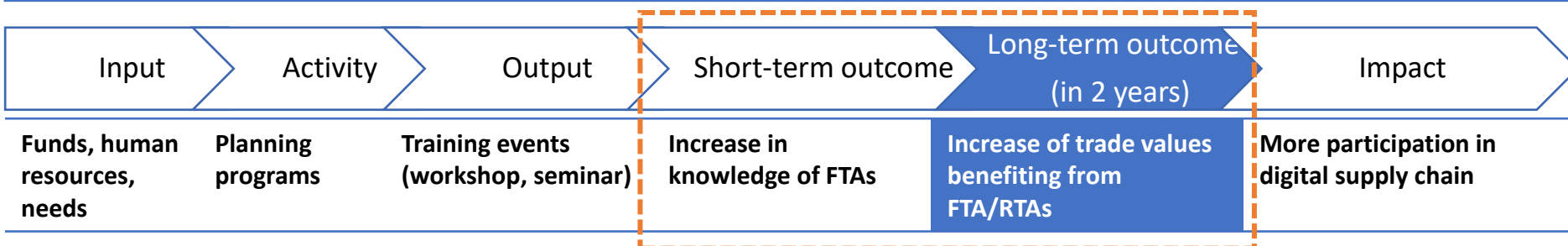
Number of shops in digital marketplaces (at the end of year),

Transaction values in digital marketplaces (yearly), or

Another indicator related to digital marketplaces.

KPI consideration

Pillar 3: Capacity building to maximize FTAs. TFTI will help address the capacity gaps within the GMS countries so that the subregion can maximize the benefits of FTAs and meet implementation timeline.



[KPI candidates]

Do trade authorities help importers improve their capacity to apply for FTAs?

Do trade authorities provide useful information to help importers use FTAs?

→ National Statistics

Number of import declarations applying FTA/FTA rates (yearly),

Number of the issuance of certificate of origin (yearly),

Number of advance ruling provided (yearly), or

Another indicator related to the usage of FTA/RTAs

[Reference indicator]

Has FTA/RTA coverage increased?

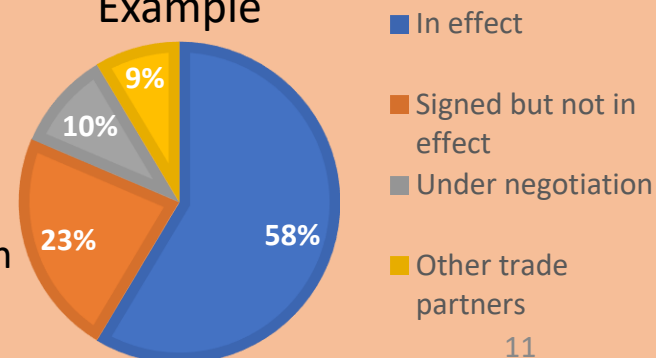
→ IMF, Direction of Trade Statistics,

ADB, Asia Economic Integration Report

Coverage Ratio of FTA/RTA partners

in terms of trade values (periodically) - original calculation

Example



Summary of the presentation

Monitoring framework

- We will produce a mid-term review and a final report.
- By these documents, we will review the effectiveness of our activities with Key Performance Indicators.

Pillar	Outcomes by 2024	KPIs and reference indicators
Pillar 1: Digitalization	More use of digital tools More investment in digital infrastructure	[KPI candidates] Number of digitally processed import cases (yearly), or Another indicator related to digitalization [Reference indicators] Fixed broadband subscription (yearly, real numbers and per 100 people) Mobile cellular subscription (yearly, real numbers and per 100 people) ICT goods exports (yearly, current values and % of total goods exports) ICT service exports (yearly, current values and % of service exports)
Pillar 2: Improving the business climate (1) Diversifying trade & investment	Diversifying trade and investment (In terms of goods and partners)	[Reference indicators] Product concentration and diversification indices of exports and imports (yearly) Direction of Trade Statistics (yearly)
(2) Attracting foreign investment	Increase of foreign direct investment from other GMS members and the rest of the world	[Reference indicators] International Investment Positions, Assets, Direct Investment (yearly) Inward and Outward Direct Investment Positions (yearly)
(3) Developing MSMEs	Increase in transactions through digital platforms	[KPI candidates] Number of shops in digital marketplaces (at the end of year), Transaction values in digital marketplaces (yearly), or Another indicator related to digital marketplaces
Pillar 3: Capacity building to maximize FTAs	Increase of trade values benefiting from FTAs	[KPI candidates] Number of advance ruling provided (yearly), Number of the issuance of certificate of origin (yearly), Number of import declarations applying FTA/FTA rates (yearly), or Another indicator related to the usage of FTAs [Reference indicators] Coverage Ratio of FTA/RTA partners in terms of trade values (periodically)

Key Performance Indicators (KPIs)

- Based on the Logic model, KPIs will be set in accordance with objectives and targets.
- Our outputs will be capacity building events and reports. (We can add more if we want, however, under resource constraints.)
- Outcomes are things which we want to monitor. We will measure how much our outcomes are achieved by KPIs.
- We will consider **a few feasible KPIs** by country level statistics.

Excerpt of KPIs

Pillar	Outcomes by 2024	KPIs
Pillar 1: Digitalization	More use of digital tools More investment in digital infrastructure	Number of digitally processed import cases (yearly), or Another indicator related to digitalization
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Pillar 3: Capacity building to maximize FTAs	Increase of trade values benefiting from FTAs	Number of advance ruling provided (yearly), Number of the issuance of certificate of origin (yearly), Number of import declarations applying FTA/FTA rates (yearly), or Another indicator related to the usage of FTAs

1. Do we agree on the overall monitoring framework? If not, how should we develop the framework?
2. Do we agree on described (long-term) outcomes under each pillar? If not, what do we want to expect as outcomes? In other words what do we want to monitor?
3. Are suggested KPIs appropriate to measure our outcomes? If not, what KPIs are best suit for measuring the outcomes?
4. If we generally agree on suggested KPIs, is your country capable of collecting that data? Do we accept collecting similar but different data based on a respective capacity?

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