EVALUATING IMPACT

Turning Promises to Evidence

This material constitutes supporting material for the "Impact Evaluation in Practice" book. This additional material is made freely but please acknowledge its use as follows: Gertler, P. J.; Martinez, S., Premand, P., Rawlings, L. B. and Christel M. J. Vermeersch, 2010, Impact Evaluation in Practice: Ancillary Material, The World Bank, Washington DC (www.worldbank.org/ieinpractice). The content of this presentation reflects the views of the authors and not necessarily those of the World Bank.
So you want to do an Impact Evaluation...

**Operational Issues**
The last of three questions

1. Why is evaluation valuable?

2. What makes a good impact evaluation?

3. How to implement an impact evaluation?
Implementation Issues

1. Choosing what to evaluate
2. How to make evaluation impact policy
3. Finding control groups
   - Retrospective versus prospective designs
   - Making the design compatible with operations
   - Ethical Issues
4. Data: Coordinate IE & Monitoring Systems
Choosing what to evaluate

- Spend evaluation resources wisely
- No need to evaluate everything

Criteria
- Large budget share
- Affects many people
- Little existing evidence of impact for target population
Policy impact of evaluation

What is the policy purpose?

Provide evidence for pressing decisions

Design evaluation with policy makers

Argentina versus Mexico examples
How to make evaluation impact policy

- Address policy-relevant questions
  - What policy questions need to be answered?
  - What outcomes answer those questions?
  - What indicators measures outcomes?
  - How much of a change in the outcomes would determine success?

Example: Scale up pilot?
Criteria: Need at least a X% average increase in beneficiary outcome over a given period
Policy impact of evaluation

- **Cultural shift**
  - From retrospective evaluation to prospective evaluation.
  - Look back and judge.
  - Decide what need to learn.
  - Experiment with alternatives.
  - Measure and inform.
  - Adopt better alternatives overtime.

- **Change in incentives**
  - Rewards for changing programs.
  - Rewards for generating knowledge.
  - Separating job performance from knowledge generation.
Finding Control groups

- **Evaluation strategy** depends on the rules of operations
- **Identification strategy** depends on the implementation of the program
- Retrospective ***vs.*** Prospective
Retrospective Analysis is necessary when we have to work with a pre-assigned program (expanding an existing program) and existing data (baseline?)

Examples:
- Randomization: Auditorias de corrupción (Brasil)
- Regression Discontinuity: Bono Sol (Bolivia)
- Difference in Differences: AGES (México)
- Instrumental variables: Piso firme (México)
In **Prospective Analysis**, the evaluation is designed in parallel with the assignment of the program, and the baseline data can be gathered.

Example: Progresa/Oportunidades (México)
Prospective Designs

- Use opportunities to generate good controls

- The majority of programs cannot assign benefits to all the entire eligible population

  **Budget limitations:**
  - Eligible beneficiaries that receive benefits are potential treatments
  - Eligible beneficiaries that do not receive benefits are potential controls

  **Logistical limitations:**
  - Those that go first are potential treatments
  - Those that go later are potential controls

- Not all eligible receive the program

Randomized Promotion
The Method depends on the rules of operation

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- RD/DiD: Regression Discontinuity/Difference-in-Differences
- Match/DiD: Matching with Difference-in-Differences
Who gets the program?

- Eligibility criteria
  - Are benefits targeted?
  - How are they targeted?
  - Can we rank eligible's priority?
  - Are measures good enough for fine rankings?

- Roll out
  Equal chance to go first, second, third?
Ethical Considerations

Do not delay benefits
Rollout base on budget/administrative constraints

Equity
Equally deserving beneficiaries deserve an equal chance of going first

Transparent & accountable method
- Give everyone eligible an equal chance
- If rank based on some criteria, then criteria should be quantitative and public
Manage for results

Prospective evaluation

- Tailor policy questions
- Precise unbiased estimates
- User resources wisely

Better methods
Cheaper data
Timely feedback and program changes
Improve results on the ground
Data: Coordinate IE & Monitoring Systems

- Projects/programs regularly collect data for management purposes

- Typical content
  - Lists of beneficiaries
  - Distribution of benefits
  - Expenditures
  - Outcomes
  - Ongoing process evaluation

- Information is needed for impact evaluation
Evaluation uses information to:

- Verify who is beneficiary
- When started
- What benefits were actually delivered

Necessary condition for program to have an impact: **Benefits need to get to targeted beneficiaries.**
Overall Messages

Impact evaluation
Is useful for:
- Validating program design
- Adjusting program structure
- Communicating to finance ministry & civil society

Evaluation design
A good one requires estimating the counterfactual:
- What would have happened to beneficiaries if had not received the program
- Need to know all reasons why beneficiaries got program & others did not
Design Messages

- Address policy questions
  Interesting is what government needs and will use.

- Stakeholder buy-in.

- Easiest to use prospective designs.

- Good monitoring systems & administrative data can improve IE.
Thank You