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Evaluating Impact: Turning Promises to Evidence

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So you want to do an impact evaluation: Operational Issues

Human Development
Network

East Asia and the Pacific
Region

Spanish Impact Evaluation
Fund

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

- Political economy
- Policy context
- Finding a good control
 - Retrospective versus prospective designs
 - Making the design compatible with operations
 - Ethical Issues
- Relationship to “results” monitoring



Political Economy

- What is the policy purpose?
 - In USA form national policy, defend budget
 - In RSA answer electorate
 - In Mexico allocate budget to poverty programs
 - In general, pressure to demonstrate budget effectiveness and rationale for scale up



Political Economy

□ Cultural shift

- From retrospective evaluation
 - **Look back and judge**
- To prospective evaluation
 - **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



The Policy Context



- 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**



The evaluation strategy depends on the rules of operations



- What is the identification strategy?
 - Depends on the implementation of the program

- Retrospective vs. Prospective

Retrospective Analysis

- 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)

Prospective Analysis

□ Prospective Analysis

- The evaluation is designed in parallel with the assignment of the program
- Baseline data can be gathered

□ Example:

- Progresas/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

| | | Targeted | Universal |
|-------------|-----------------|----------------------|----------------------|
| In Stages | Without cut-off | Randomization | Randomized Rollout |
| | With cut-off | RD/DiD Match/DiD | RD/DiD Match/DiD |
| Immediately | Without cut-off | Randomized Promotion | Randomized Promotion |
| | With cut-off | RD/DiD Match/DiD | Randomized Promotion |



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 based 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
 - Use resources wisely:
 - Better methods
 - Cheaper data
 - Timely feedback and program changes
 - Improve results on the ground



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 useful for
 - Validating program design
 - Adjusting program structure
 - Communicating to finance ministry & civil society

- A good evaluation design 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

