Evidence and use

The impact evaluation of microfinance projects and their expected use

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Impact evaluations in AFD: an orientation in its early stages

• First two: completed in 2005-2006, mainly driven by research teams.

• Third and fourth IEs: a partnership is built between AFD, the academic team and local stakeholders to foster use of evidence:
  ▪ Operational feed-back
  ▪ Policy making
  ▪ International pool of knowledge
IE of ADéFI in Madagascar

• A request from ADéFI management and AFD
• IE conducted by IRD-DIAL
• First phase (2001): Post test, project and comparison groups
• Second phase (2004): Double difference technique
• More robust in 2004 but high attrition rate
ADéFI : A limited policy use

- No dissemination beyond the direct stakeholders
- No clear message with obvious policy implication
- At the level of ADéFI management:
  - too statistical : method difficult to understand /interest in sociologic or behavioral impacts
  - marginal changes in credit procedures and monitoring : activity evaluation, risky sectors identification…
- AFD : no impact on microfinance strategy or on the following financement for ADéFI
The IE of Al Amana in Morocco

1. In search for new and sound evidence
   - Knowledge gap about the impact of microfinance on rural households
   - One of the first RCT on this subject
   - Concerns all rural areas in Morocco
   - High level academics, publishing and being read
     - Bruno Crépon, INSEE – CREST
     - Esther Duflo, MIT – Jameel Poverty Action Lab
     - William Pariente, Paris School of Economics
     - Florencia Devoto, J-PAL
The IE of Al Aman in Morocco

2. A close partnership between the microfinance institution, the academic team and AFD’s evaluation unit and operational services

- Geographic proximity: A permanent interface between Al Amana operational team and the researchers in Morocco / Research in Action
- Regular meetings in France between AFD and CREST/EEP
- Annual steering Committee
The IE of Al Amana in Morocco

3. Active dissemination is programmed for :
   • Operational feed-back for Al Amana and AFD
   • A demonstration in Morocco : Al Amana is the leading microfinance institution
   • A contribution to the international debate through different channels and networks (Al Amana leadership, J-Pal and AFD)
How to maximize opportunities of evidence use in policy making?
Relevant factors for evidence use

1. Nature of evidence

2. Interfaces

3. Process of Policy Making

Hanney (2004); Hennink and Stephenson (2004); Nutley et al. (2002)
## Relevant factors for evidence use (1)

<table>
<thead>
<tr>
<th>Nature of Evidence</th>
<th>Al Amana case</th>
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<tbody>
<tr>
<td>Quality</td>
<td>High rigor</td>
</tr>
<tr>
<td>Credibility</td>
<td>RCT</td>
</tr>
<tr>
<td>Relevance</td>
<td>National and International</td>
</tr>
<tr>
<td>Timeliness</td>
<td>Yes but...</td>
</tr>
<tr>
<td>Clarity of evidence and recommandations</td>
<td>What works? But...(cf ADéFI)</td>
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<tr>
<td>Synthesis of cumulative knowledge</td>
<td>No : black box, RCT vs other methods, no MF experts</td>
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Relevant factors for evidence use (2)

**Interfaces and Personal contacts**

<table>
<thead>
<tr>
<th>Interfaces</th>
<th>Al Amana case</th>
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</thead>
<tbody>
<tr>
<td>Priority setting / need assessment</td>
<td>International and Al Amana</td>
</tr>
<tr>
<td>Research</td>
<td>Al Amana : a social experiment in real conditions</td>
</tr>
<tr>
<td>Commissionning</td>
<td>Good but not well established towards Moroccan Policy Makers</td>
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<tr>
<td>Dissemination / knowledge transfer</td>
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</tbody>
</table>

Hanney (2004)
Process of Policy making
shift of focus from researcher-as-disseminator to Practitioner (or Policy Maker)-as-learner

- *Al Amana presents characteristics of a learning institution*
- *AFD ?*

Nutley et al. (2002) ; Leeuw, Rist and Sonnichsen (1993)
How do we expect evidence to be used by practitioners or policy makers?
3 models of research use

- **Instrumental model**: direct influence of a particular evidence on policy decision

- **Incremental model**: evidence contributes to a pool of knowledge that changes the way PMs consider a situation

- **Political model**: PMs commission and/or (sometimes selectively) use research to defend policies or to support decisions (already taken?)

Weiss (79, 80); Hanney et al. (2002); Nutley et al. (2003)
Occurrence of Research use

**Instrumental model** or feedback: quite rare
Maintenance of policies rather than radical policy changes
Practitioners rather than Policy Makers

**Incremental model** or learning: hardly traceable but potentially important
Initiatives to create a Pool of knowledge (IEs as public good)

**Political model** or demonstration: probably frequent but not studied per se (?)
IEs highly appropriate but bias towards favourable results ?

Innvaer et al. (2002), Hanney et al. (2003); Cracknell (2001); Furubo (2005); Rist and Stamme (2005)
First lessons, First questions …
An evidence-based development?

- Providing evidence … for truly learning institutions?
- Potential instrumental use of IEs should not be overestimated
- Development policies need different bodies of knowledge (avoid the harsh debates of the Evidence-Based Movement in the development sector)