

Evidence and use

The impact evaluation of
microfinance projects and
their expected use



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15/01/2008

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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 Amana 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)

Nature of Evidence

Al Amana case

Quality

High rigor

Credibility

RCT

Relevance

National and International

Timeliness

Yes but...

Clarity of evidence and
recommandations

*What works ? But... (cf
ADéFI)*

Synthesis of cumulative
knowledge

*No : black box, RCT vs
other methods, no MF
experts*

Relevant factors for evidence use (2)

Interfaces and Personal contacts

Interfaces

Al Amana case

Priority setting / need
assessment

International and Al Amana

Research

*Al Amana : a social experiment
in real conditions*

Commissioning

Dissemination /
knowledge transfer

*Good but not well established
towards Moroccan Policy
Makers*

Hanney (2004)

Relevant factors for evidence use (3)

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)