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Impact Evaluation in International Development





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Quick-fire Q&A with Abebe Shimeles

1. **Why do we need Impact Evaluation in a development institution such as the AfDB?**

   A well-designed IE can answer questions about program design – about which parts work rather than just whether or not a program works as a whole.

2. **If evaluation is an important tool and exercise, why haven't we been doing it or what is our experience using it?**

   The high cost of IE precludes its use for all programs. An institution such as IDEV must be selective, focusing on pilot programs which need to be scaled up, on interventions that do not provide surface evidence of impact, and on a selection of interventions across the Bank's portfolio.

3. **What can we do to mainstream impact evaluation in our programs?**

   To overcome resistance to impact evaluation, an institution must develop a culture of evaluation whether by using internal regulations or by creating popular demand. We need senior management commitment. If no-one is forced or mandated to do it, few operational colleagues will agree to engage in a rigorous IE on a voluntary basis, given the cost and time to conduct them.

On tangible benefits for governments

Where the causal link between interventions and outcomes is straightforward, as for example when distributing food to refugees as part of emergency assistance in a war-torn country, the impact on malnutrition is obvious; this kind of situation does not require a major impact evaluation. For subtle development relationships, however, such as determining whether there is an impact on childhood nutrition during an inflationary period, IE helps measure the causal relationship. Sanitation is another example. Everyone knows that improved sanitation provides positive outcomes, but water and sanitation projects occasionally lead to the opposite results. There are many examples of water points that have been built where people have resisted and not used them, or that have not been well built and are not functional.

Policy dialogue for peer learning is most important. We can apply whatever we learn from IE in one country to another. For example, we know that tax evasion among businesses is very common across Africa, but we know neither its magnitude nor the type of intervention that could make companies pay their taxes on a timely basis. We took Ethiopia as a test case and made an analysis of tax evasion. It revealed that more than 40% of Ethiopian companies avoid or evade taxes, which is a huge burden for the government. We then evaluated the effectiveness of different ways in which the government could contact businesses, and tested various instruments to see what type of pressure would make them more responsive to tax bills. Not so surprisingly, the threats of an audit worked well in obtaining a response. But we also discovered that persuasion also works very well. If you engage taxpayers in a trusting relationship with the government, businesses become willing to pay their due taxes.

Another example comes from Rwanda, where there is health insurance for social categories including the unemployed, farmers, and casual workers. 90 per-cent of the Rwandese population is covered, a far higher percentage than in most countries. However, there was some suspicion as to whether the healthcare scheme was helping national development. We conducted a study and established a strong causal relation between the insurance being issued for these social categories and health outcomes.

On the cost of IE

Technologies are opening up new opportunities to carry out IE at a reduced cost. Africa has considerable unexploited data that can be used to do very good IEs. Moreover, other institutions are collecting very interesting data on Africa. For example, NASA Night Light data gives us enormous information about GDP activities worldwide, from which we can infer answers to many development questions. The US government undertakes demographic and health surveys virtually everywhere in the world that make it possible to combine household level and community level information. If you want to measure the impact of water and sanitation program on health outcomes, for example, you can use existing data in a given location to establish causality. This puts us well ahead of where we were a decade ago with respect to data techniques, methods, and the availability and eagerness of policymakers to learn from others' experience. ■



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Patrice Bosso, UNICEF, Côte d'Ivoire

Political leadership is very important for an evaluation of the impact of programs. So is the commitment of political leaders to responding adequately to an evaluation. The reality in West Africa, where my experience lies, is that political commitment to evaluation is quite weak. In fact, we have undertaken many evaluations to which there has been no political response at all.

In addition to the problem of limited political leadership, financing for monitoring and evaluation in general is typically inadequate. The high cost of IEs typically forces project managers to make difficult budgetary choices. Moreover, there is often weak national capacity and the absence of a critical mass of evaluation expertise, which can compel countries to recruit international expertise. Taken together, these reasons help explain why IEs are so little used in international development.

There is also the practical problem that national development plans, programs, and projects often lack a theory of change or a results framework. Without these, what can we evaluate?

To encourage or instill IE at country level, we must produce evidence of its contribution to inform policy dialogue. We must also help countries to legislate in favor of IEs so that governments are obliged to conduct them. We should also invest in capacity building to reach a critical mass of national evaluators and in proven information and monitoring systems, without which evaluation costs rise further.

UNICEF is working to ensure that country M&E policies include measures to strengthen national monitoring and data production systems and to incorporate IE in national plans and cooperation programs. ■



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Zenda Ofir, President ICED

Working towards impact is a mindset that is essential for development. However, evaluating impact is useless unless you understand how, why, for whom, and under what circumstances change happens. In other words, we must understand how impacts come about, how unintended impacts happen and may neutralize the good that has been done. Moreover, we must understand whether impacts will have knock-on effects for sustained development. We must also account for development trajectories, but we cannot predict when change will happen, which makes the timing of impacts extremely important.

If you think about development in a rich country, evaluation is not a very important topic, since change occurs within a stable advanced economic and social environment. Development is different in a poor country where many things need to happen simultaneously before positive impact occurs. IE is therefore a way of understanding how development happens in a complex environment. Evaluators work in a context where the issue is less about a project or a program than about the connections between them.

Development and evaluation require recognizing the interconnectedness of things rather than seeking a predicted impact at a particular time. We must understand where we want to go but we also need flexibility along the way to account for results. There is an art to doing IE in a larger portfolio to understand how to adjust quickly while implementing.

There have been many approaches to doing IE and we are still exploring methodologies. But in addition to experimental, quasi-experimental, and non-experimental designs, we must look at the range of methodologies that are useful in context. Participatory Impact Evaluations, Realist Evaluations and Rapid Impact Evaluations are some examples. What are the associated constraints, and which methods promise the best results in specific contexts, for specific purposes, and at appropriate times?

No one has found a magical recipe for good impact evaluations. No single methodology or design meets all the requirements for rigor. IEs that use experimental designs, and especially randomized and control groups, are useful in context, but are constrained by the limited number of variables and, therefore, interactions. Complex packages, small sample sizes, expensive in-depth gender work, spillover effects and contamination all pose serious problems. Policymakers do not ask a single question about a single program. Rather, they want to understand the dynamics of developing an entire sector. ■



"A participatory approach involves all stakeholders in the process and gives participants a sense of ownership. It also reduces IE costs, since beneficiaries collect, report data and find solutions."

Maria Sophia Aguirre, Catholic University of America.

To rigorously systematize impact evaluation, we must combine stratification and randomization consistently over time, in randomized control trials (RCT). Institutions, human and social capital, and policy must all work together. My methodology suggests that we focus on actions that affect us, on their immediate effects, and on how they change lives. I typically focus on four factors: quality of life, social responsibility, civic responsibility, and social skills.

Effective evaluations use RCTs to expand their reach to capture the interpersonal dynamics that affect outcomes. For example, we know that companionship and social networks are effective channels for outcomes. We also know that social network theory has highlighted the need to understand relationships and friendships in order to understand economic outcomes. All of this has shifted the focus from individual maximization to a relational context where we see how others' decisions and actions affect our own.

We have developed a participatory index to measure changes in behavior and attitude from passive to active involvement, using participatory rather than financial incentives. "A participatory approach involves all stakeholders in the process and gives participants a sense of ownership. It also reduces IE costs, since beneficiaries collect, report data and find solutions." Participants take responsibility for outcomes. After the money ends, the participants continue to practice the solutions. This way of working contributes to sustainable development. ■