Integrating Impact Evaluation into Decision Making: The Mexico Experience

Regional Impact Evaluation Workshop
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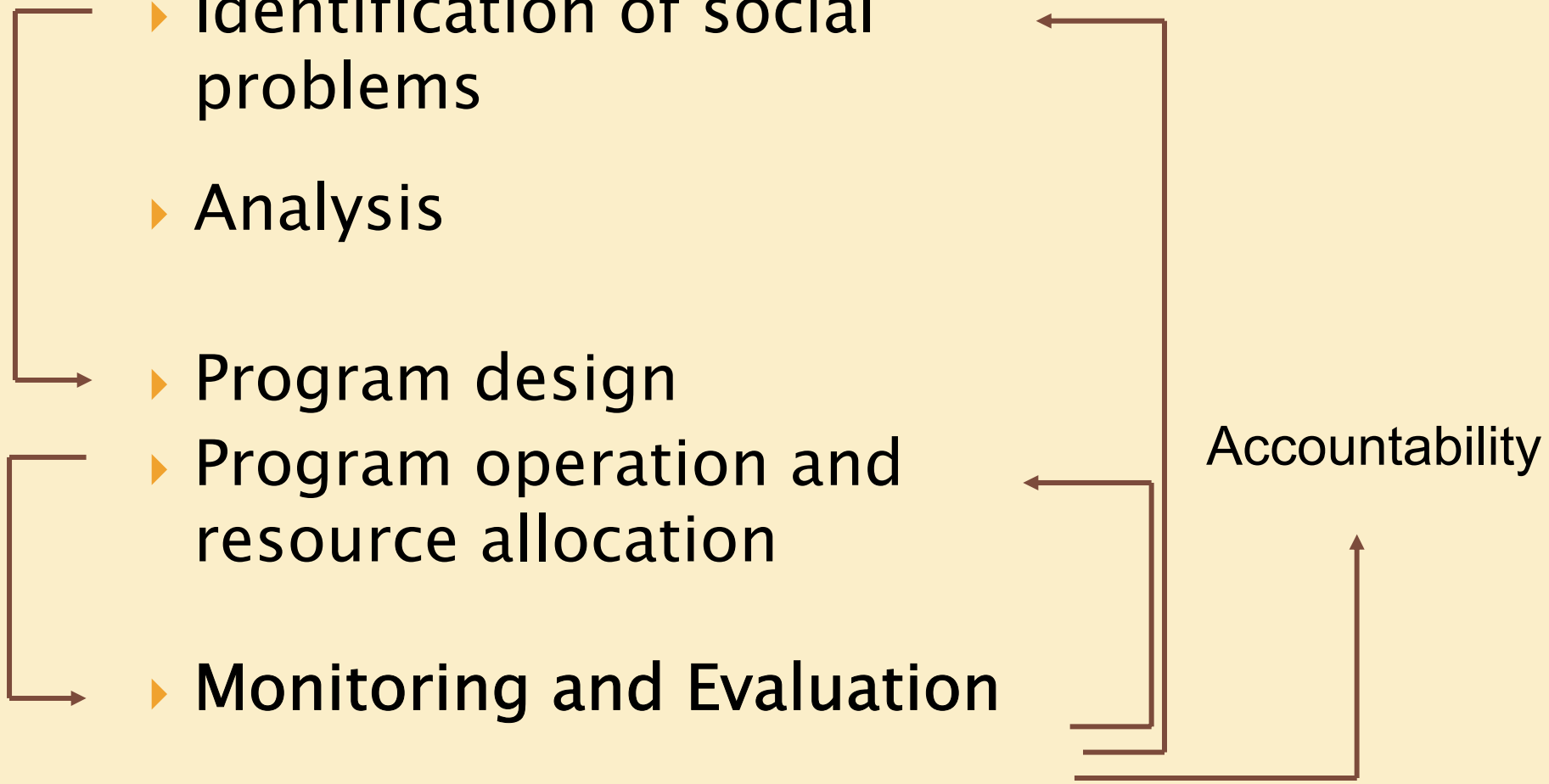
Outline

I. Introduction
II. Legal and Institutional Framework
III. Building an M&E System
IV. Using Evaluation Results
V. Concluding remarks

Social Policy

- Identification of social problems
- Analysis
- Program design
- Program operation and resource allocation
- Monitoring and Evaluation



Why evaluate?

- Supports learning about programs
- Helps re-designing and improving programs
- Encourages comparison among programs and supports efficient use of public funds
- Improves the planning, operation and budgeting
- Promotes transparency and social accountability
- Enriches policy discussion incorporating rigorous evidence

Legal and Institutional Framework

Background

- Long tradition of social programs
- Different rationale and approach across time
- But don't know overall effectiveness
- Nor can compare among programs
- Until recently, there was not systematic evaluation

New Institutional Framework

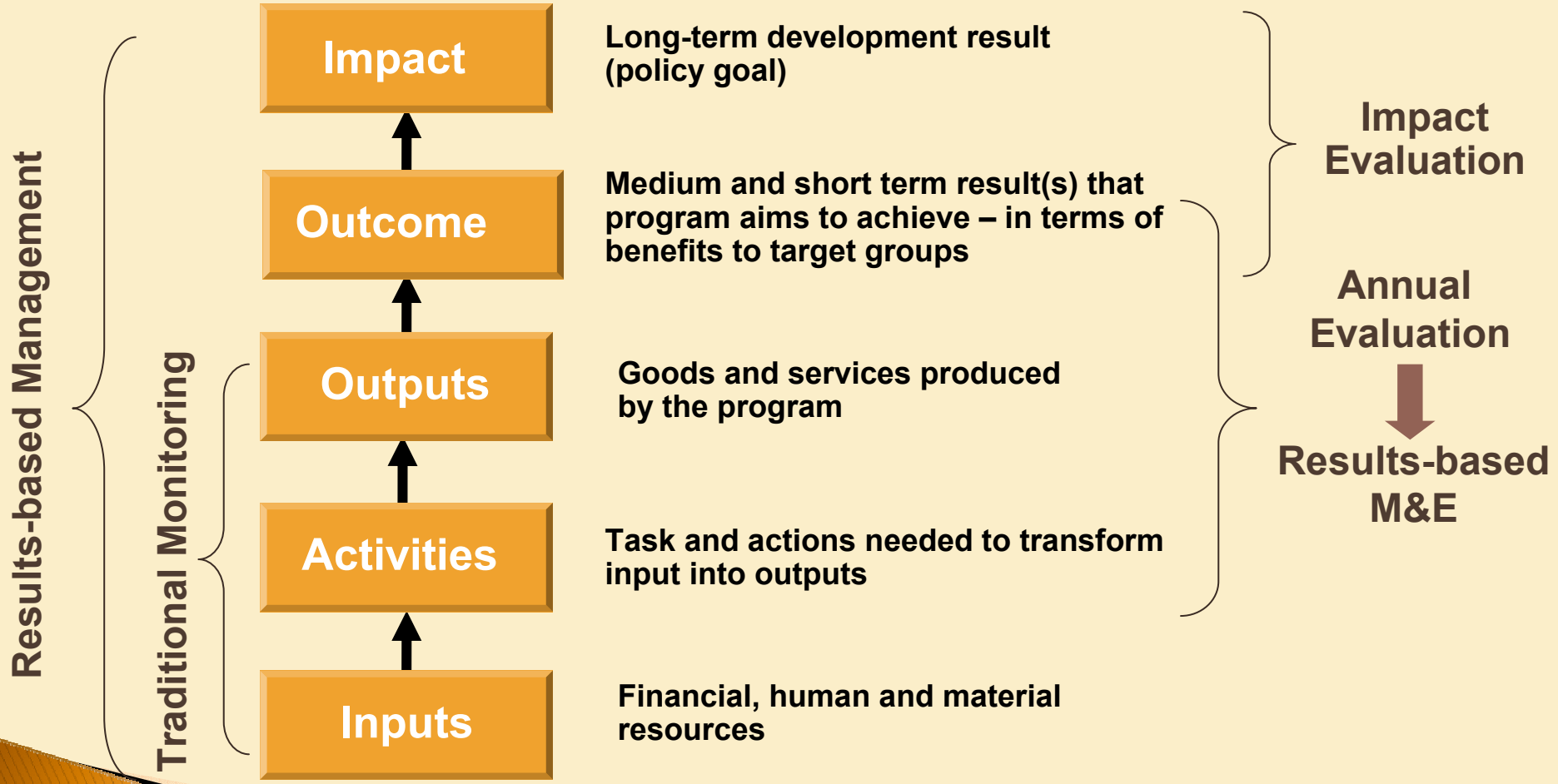
- End of 1990's new emphasis on evaluation
  - PROGRESA impact evaluation 1997
- Congress requires annual external evaluations for all federal programs (2000)
- Social Development Law (2004) institutionalizes evaluation process
  - Creation of the National Evaluation Council (CONEVAL)
    - Poverty measurement and social policy evaluation
    - More independence
    - Not only federal programs, also state and municipal programs

New Institutional Framework

- Transparency and Public Access to Information Law (2004)
- Federal Budget Law (2006)
  - Performance Evaluation System
  - Formalizes linkage between planning, budgeting, and monitoring and evaluation
- New evaluation guidelines
  - Better institutional coordination
  - More realistic evaluation requirements
  - Multi-year evaluation agendas
  - Institutionalizes use of log-frames

Building a Results-Based Monitoring and Evaluation System

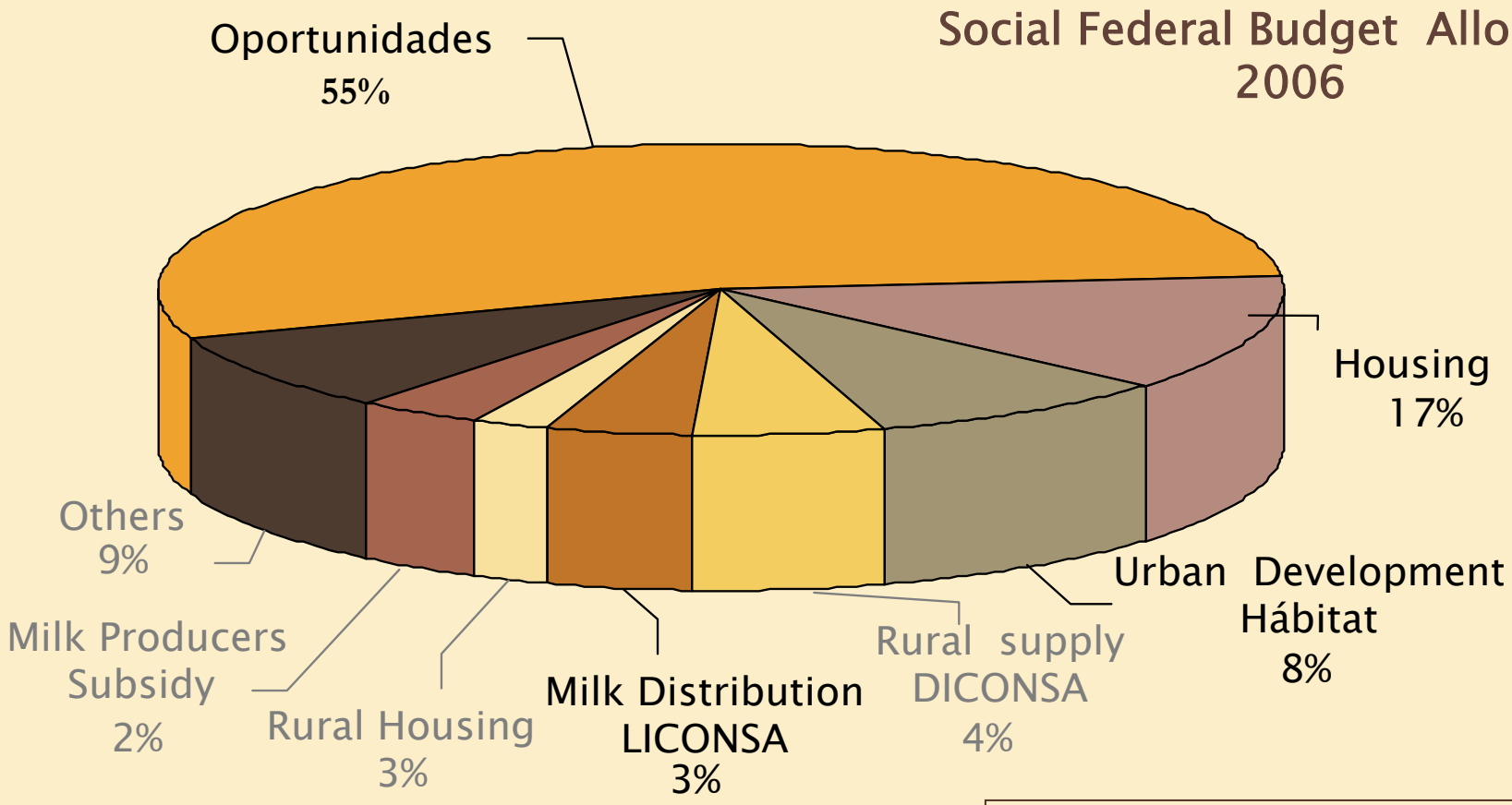
Results-based M&E System



Impact Evaluation Component

- Complement ongoing results-based monitoring
- Assess causality of a particular intervention
- Selective and strategic
  - More time and resources
- Focused on supporting learning and decision-making to improve policy effectiveness

Impact Evaluation 2002-2007



Other interventions

- Rural Development Strategy (Microrregiones)
- Cement Floor

Conditional Cash Transfer (Oportunidades)

- Largest social program, targets 5 million poorest households
- Assess impacts on health, nutrition and education
- First phase (1997-2000): experimental design (rural areas)
- Second phase (2002-2005): quasi-experimental design (urban areas)
- Well-targeted program, with overall positive impact on human capital, larger effects in rural areas; quality of health and education services are challenges

Nutrition

- Oportunidades: Impact on consumption, child growth and anemia
  - Although, there are positive impacts on child growth and food consumption, impact on anemia is modest; children weren't consuming enough food supplement nor absorbing iron correctly
- Food Program: experimental design comparing 3 interventions (cash transfer, food basket with education, and without education)
  - Higher impact on growth of cash transfer, despite larger food basket impact on diet
- Milk Program: experimental design assessing efficacy and effectiveness of micronutrient fortified milk on anemia, growth and cognitive development
  - Fortified milk reduces 26% child anemia, at a cost of 0.7 dlls per child

Housing

- Cement Floor Program: natural experiment in one urban area separated by a river dividing two bordering states
  - Reduction of 19% in anemia and worms in young children
- Housing Programa: quasi-experimental design comparing 2003 beneficiaries and 2005 beneficiaries on the wait list
  - Positive impact of *housing improvement* on satisfaction, dwelling quality and size
  - Negative impact of *new housing* on dwelling size and access to services (water, health and education)

Infrastructure

- Rural Development Strategy (Microrregiones): regression discontinuity analysis at the municipal level and propensity score matching at the community level, using census data (2000 and 2005)
  - No impact on access to basic services at the municipal level; positive impact on percentage of households with cement floor and access to computer services at the "strategic community center" level
- Urban Development Program, Hábitat: quasi-experimental design, using census data (2000 and 2005)
  - No impact on access to water, sanitation or electricity

Using Evaluation Results

Feedback process

- Evaluation **recommendations are formally sent** to program manager
- Program operators **develop action plan** to address evaluation recommendations
- Internal affairs department (auditor) **supervises progress** in implementing action plan
- Evaluation staff participates in annual review of social programs operation's manual
- Executive presentation are made to key actors (Secretary, Undersecretary, Chief Administrator, etc.)

Feedback into policy making

- *Oportunidades* has outlasted three different administrations
  - Urban expansion and highschool incorporation
  - Change in the food supplement formula due to low iron absorption
  - Several innovations to improve service quality will be implemented
- Cash vs in-kind transfers: New food program deliver cash in remote localities
- Fortified milk included in other federal and state programs

Feedback into policy making

- Incumbent administration goal: eliminate dirt floors
- Prioritize housing improvement over new housing; ongoing discussion with state governments to improve new housing
- Revised stretegy for rural development
- Push for less dispersion on urban development investments

Concluding remarks

Challenges

- Lack of administrative information
- Limited evaluators market
- Cumbersome procurement process
  - No incentives to better quality proposals
  - Hard to finance multi-year studies
- Need to strengthen use of evaluation
  - Ongoing activity subject to political constraints

Key Messages

- Evaluation results set a different standard for policy discussion
- Clear program objetives and adequate implementation are necessary conditions for conducting an impact evaluation
  - Other type of evaluations may be more appropriate
- Early planning allows a broader menu of impact evaluation methodologies and ensures timely data collection
- Useful combining quantitative and qualitative approaches
- Program manager cooperation is critical
- Evaluation design flexibility is importat to accomodate unexpected circumstances