Operational Issues

I.   Political economy of results

II.   Planning an impact evaluation

III.   Policy context

IV.   Designing the evaluation

- Retrospective versus prospective designs
- Making the design compatible with operations
- Ethical issues

V.   Importance of monitoring

VI.   Overall messages

I. Political Economy of Results

- ❑ 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

- Focus on results and use of prospective evaluations facilitates:
  - Tailoring policy questions
  - Precise unbiased estimates
  - Using resources wisely:
    - Better methods
    - Cheaper data
    - Timely feedback and program changes
    - Improve results on the ground

II. Planning an Impact Evaluation

- ❑ Evaluate impact when project is:
  - Innovative
  - Replicable/scalable
  - Strategically relevant for reducing poverty
  - Evaluation will fill knowledge gap
  - Substantial policy impact
- ❑ Ingredients for success:
  - Political and financial support
  - Advance planning
  - Understanding context
  - Stakeholder involvement

Planning an Impact Evaluation

Address the following **as early as possible**:

- *Objectives* – What are the key questions that need to be answered? Fit these into a RESULTS framework.

- *Methodology* – What type of assessment is needed? Is an impact evaluation needed? Relate the evaluation design to program operation rules.

- *Timeframe* - Depends largely on depth and breadth of evaluation, design and availability of existing data. Sufficient time must have elapsed for results to be produced for an impact evaluation.

- *Cost of Evaluation* – varies widely for impact evaluation: average between 0.25% and 2.0% of project costs. Data collection often highest expense. Power calculations needed.

- *Financing* – often under financed; can be financed by project, other government resources, grants or combinations. Explore donor resources given public good value of results.

- *Capacity* - coordination and execution is challenging. Often good balance between using international technical assistance and local capacity.

- *Policy Relevance* - Ensure full engagement of policymakers, program implementers and the use of evaluation results to inform key decisions.

III. 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?
  - ■ Who cares? What decisions will results inform?

- ❑ <u>Example</u>:
  - ■ Scale up pilot?
  - ■ Criteria: Need at least a X% average increase in beneficiary outcome over a given period

IV. Designing the Evaluation

- What is the evaluation's identification strategy?
    - Depends on the implementation of the program
    - Control groups are generated from the operational design of the program, not as a seperate strategy

- Retrospective vs. Prospective

Retrospective Designs

- <u>Retrospective Analysis</u> 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 (Brazil)
  - Regression Discontinuity: Bono Sol (Bolivia)
  - Difference in Differences: AGES (México)
  - Instrumental variables: Piso firme (México)

Prospective Designs

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

- ## Example:
  - Progresa/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 evaluation method depends on 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? When?

- ❑ 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?
  - ▪ Can data on non-eligible be a control group?

- ❑ When? Roll out
  - ▪ Equal chance to go first, second, third?
  - ▪ Can use later entries as control group for early beneficiaries

Ethical Considerations

- <u>Do not delay benefits</u>: Rollout based on budget/administrative constraints

- <u>Equity</u>: equally deserving beneficiaries deserve an equal chance of going first

- <u>Transparent & accountable & equitable method</u>

  - Give everyone eligible an equal chance

  - If rank based on some criteria, then criteria should be quantitative and public

IV. The Importance of Monitoring

- ❑ Projects/programs regularly collect data for management purposes

- ❑ Typical content
  - ■ Lists of beneficiaries
  - ■ Distribution of benefits
  - ■ Expenditures
  - ■ Outputs

- ❑ Cost data needed for cost-benefit analysis

- Monitoring information is needed for impact evaluation
  - 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

V. Overall Messages

- Ensure that impact evaluation is **useful for key policy decisions**
  - Validating program design
  - Adjusting program structure
  - Communicating to finance ministry & civil society
- **Engage policymakers and operational staff** in evaluation design to ensure its utility
- **Plan ahead-** prospective designs are better

Overall Messages

- Respect the **rules of program operation** and use them to generate a robust 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

- **Monitoring systems** & administrative data critical to good impact evaluation and effective program management

- Incorporate principles of **transparency, accountability and equity**