

Integrating Impact Evaluation into Decision Making: The Mexico Experience

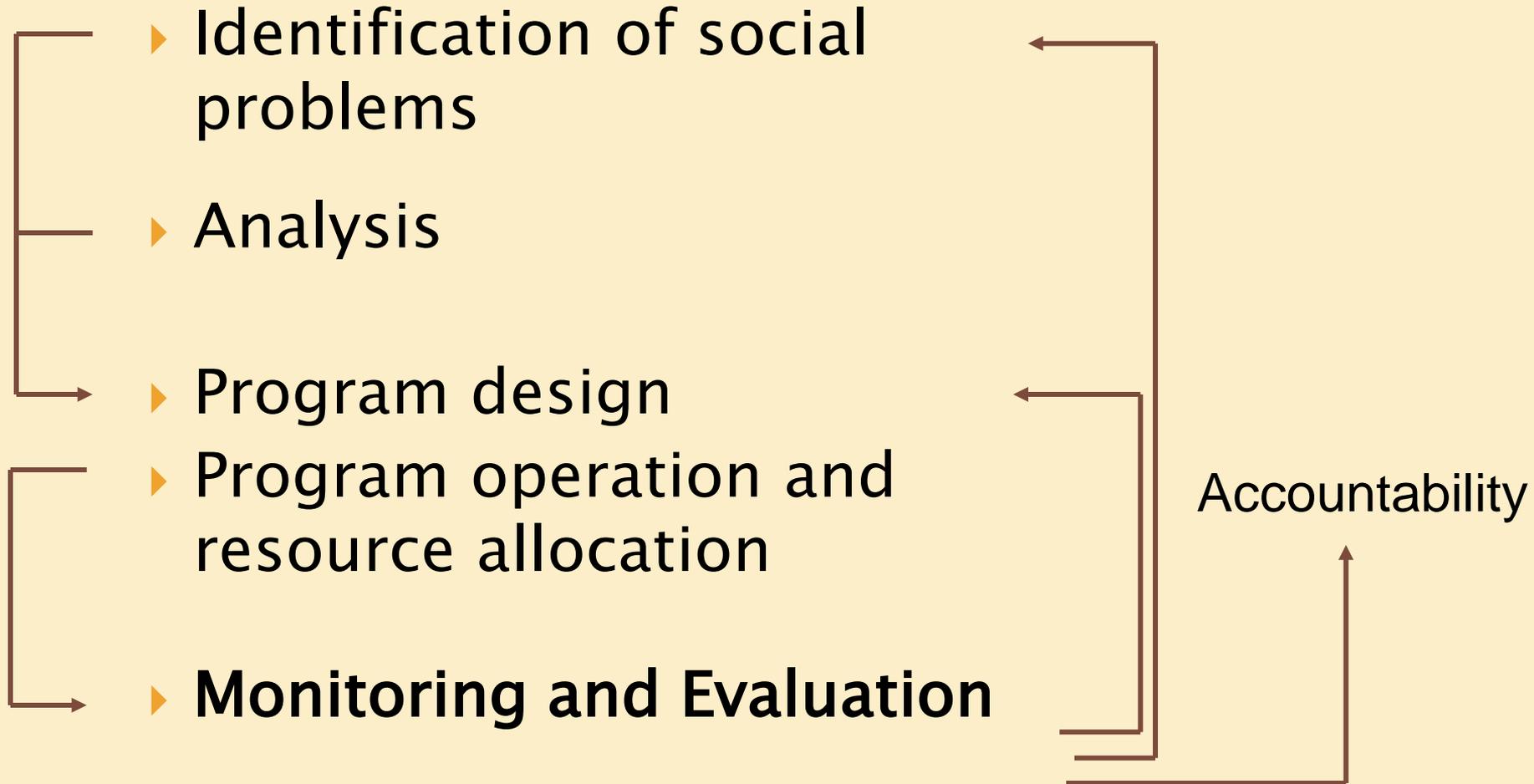


SIEF Regional Impact Evaluation Workshop
Amman, Jordan
March 8–12, 2009

Outline

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

Social policy-making process



Why evaluate?

- ▶ Supports **learning** about programs
- ▶ Helps **re-designing** and **improving** programs
- ▶ Encourages comparison among programs and supports **efficient use of public funds**
- ▶ Improves **planning, operation and budgeting**
- ▶ Promotes **transparency and 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

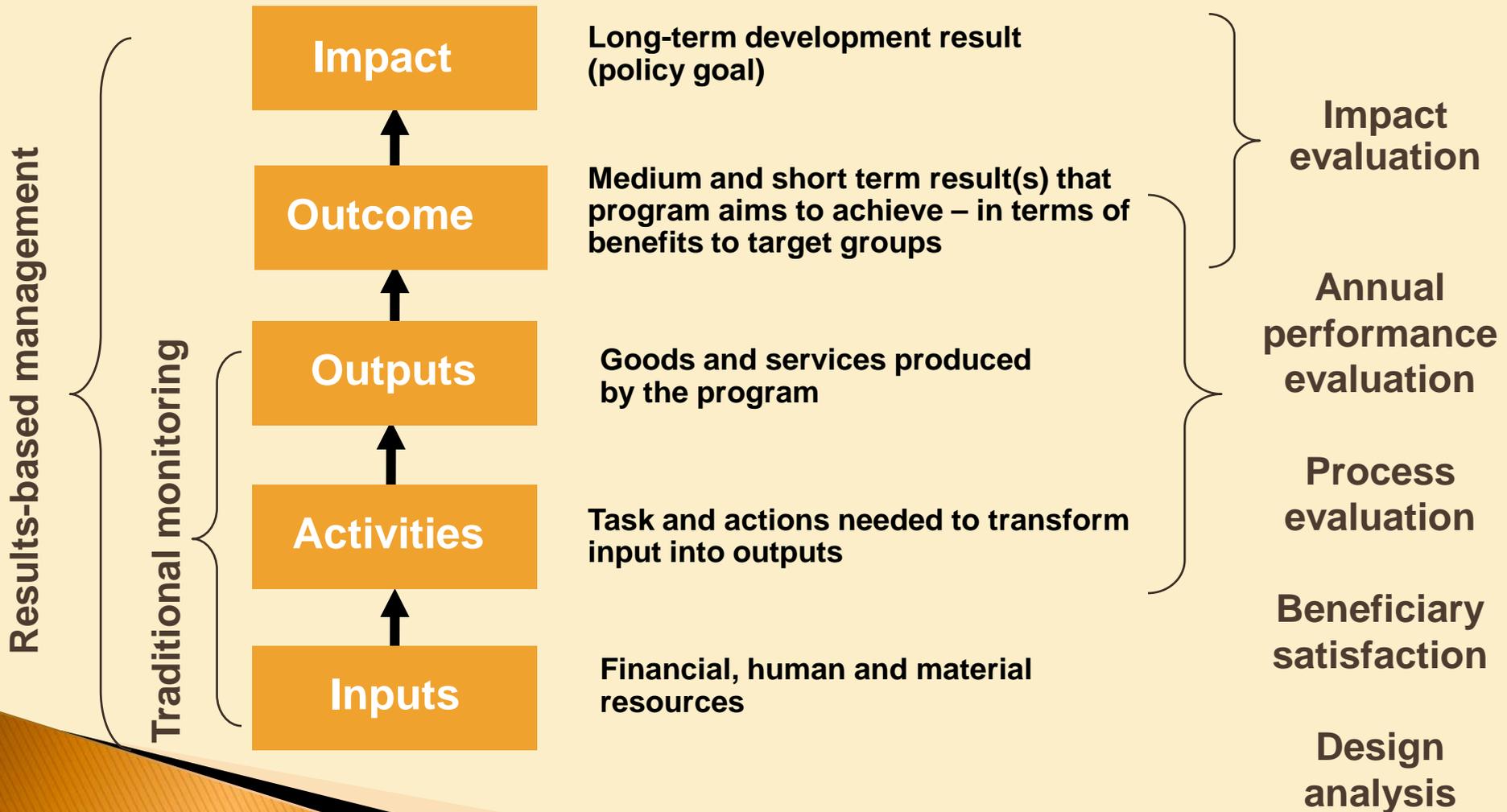
- ▶ End of 1990's new emphasis on evaluation
 - PROGRESA impact evaluation 1997
- ▶ Congress requires annual external evaluations for all federal programs (2000)
 - Ambitious evaluation guidelines (2002)
- ▶ Social Development Law (2004) institutionalizes evaluation process
 - Creation of the National 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 (2007)
 - 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

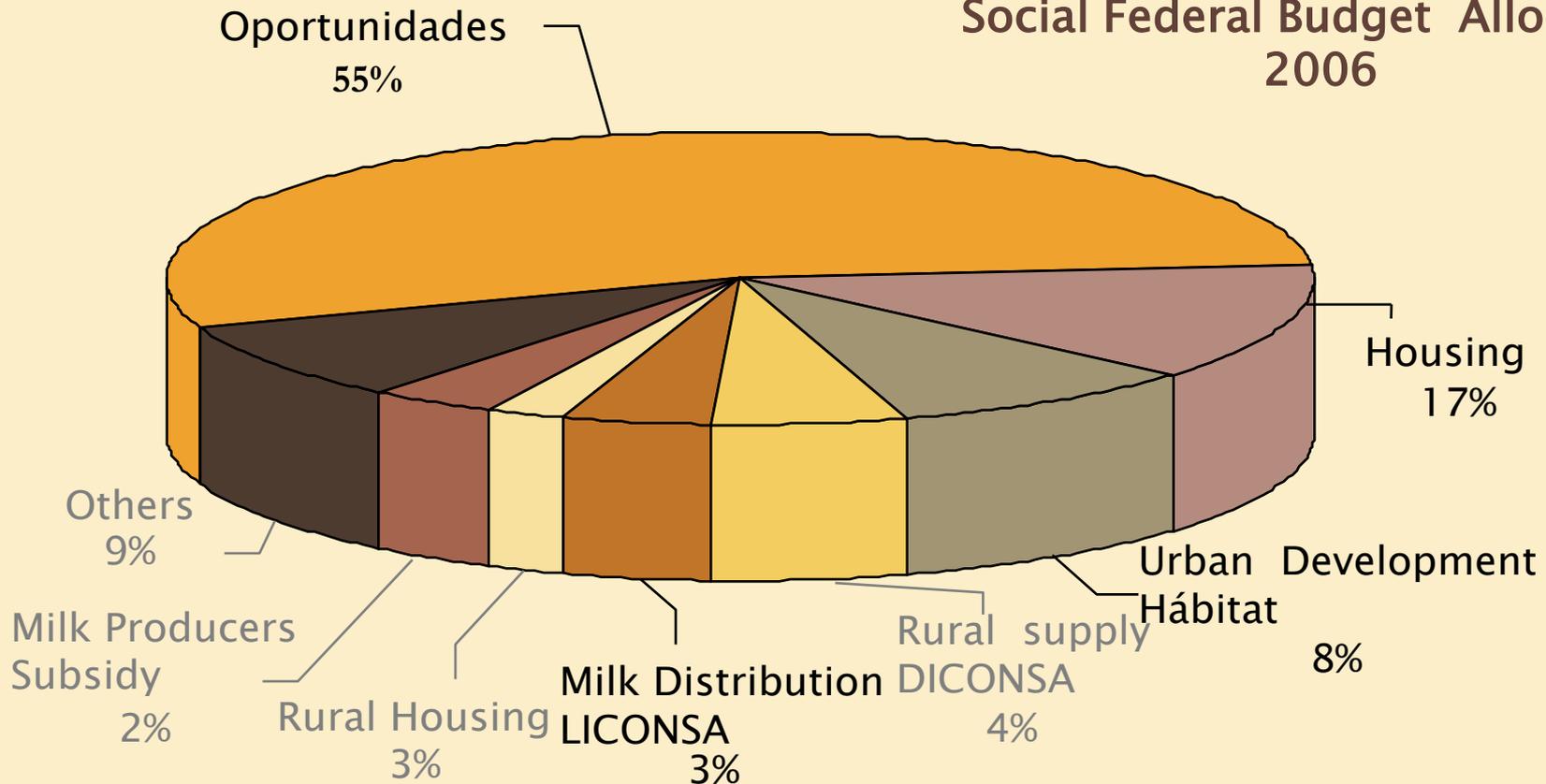


Impact evaluation component

- ▶ Complement ongoing results-based monitoring and other types of evaluation
- ▶ 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

Social Federal Budget Allocation 2006



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 (2002–2004): quasi-experimental design (urban areas); rural follow up (2003)
- ▶ 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; need to improve targeting

Housing

- ▶ Cement Floor Program: natural experiment in one urban area separated by a river dividing two bordering states
 - Reduction of 20% 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)
 - High vacancy rate

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 or electricity; non-robust impact on sewerage connection

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.)
- ▶ Academics are invited to discuss evaluation results
- ▶ Evaluation reports are available in the internet

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 strategy for rural development
- ▶ Push for less dispersion on urban development investments

Concluding remarks

Some lessons

- ▶ Evaluation results set a different standard for policy discussion
- ▶ Clear program objectives and adequate implementation are important for ensuring a useful impact evaluation
 - Other types of M&E tools may be more appropriate
- ▶ Early planning allows a broader menu of impact evaluation methodologies and ensures timely data collection and results availability
- ▶ Useful combining quantitative and qualitative approaches
- ▶ Program manager cooperation is critical
- ▶ Evaluation design flexibility is important to accommodate unexpected circumstances

Moving forward

- ▶ First phase (2000–2006): systematic evaluation starts, but unrealistic scope expectations; impact evaluation and use of results is *ad hoc*
- ▶ New era: improved institutional framework
 - CONEVAL plays a key role in setting guidelines, promoting quality and discussing results based on cross-sector comparisons
- ▶ Despite substantial progress, a number of challenges lie ahead...

Technical issues

- ▶ Right balance on what to evaluate, what for, and how
 - From almost no evaluation to annual evaluation of all programs required by law
- ▶ Lack of data (i.e. administrative records)
 - Too much reliance on expensive survey data
- ▶ Analysis quality
 - Evaluation results reliability depends on objective, rigorous analysis

Institutional and administrative issues

- ▶ Reduced evaluators market
- ▶ Capacity building in ministries evaluation units
- ▶ Institutional arrangements to ensure coordination within and between ministries
 - Planning, budgeting and evaluation units
 - Finance Ministry, Public Management Ministry, and CONEVAL
- ▶ Cumbersome procurement process
 - No incentives to better quality proposals
 - Hard to finance multi-year studies

Political issues

- ▶ Role of Congress
 - Evaluation as an accountability exercise vs. management tool
- ▶ Effective policy response to evaluation results
 - Use of evaluation limited by political constraints
- ▶ Generating demand for evaluation (public expenditure efficiency and transparency) beyond technocrats
 - Academia, media, tax payers

Thank you