

**OPENING SPEECH – SIEF WORKSHOP ON IMPACT EVALUATION – MADRID, JUNE 23, 2008
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Excellencies, distinguished members of the Spanish government, academia, and civil society:

Let me start by thanking our generous Spanish hosts for their gracious welcome and hospitality. We are delighted to be celebrating your European cup quarter finals win last night. Congratulations! It is a privilege and an honor for me to address you this morning.

Looking around this room, I see individuals from many different backgrounds – government, academia, NGOs, the media. But we are all here today because of three shared commitments.

We are here – at a workshop on development -- because we are committed to making the world a more equitable place, a place where individuals – whether they are born in rich countries or poor – can access basic education, health care, have the opportunity to earn an income, and to have their voice heard as they contribute to the growth and development of their societies.

We are here in Spain because we recognize that rich countries of the world such as Spain have a responsibility for development assistance to poorer ones. The Spanish government's actions in **doubling** its development aid as a share of GDP -- from 0.27% in 2005 to 0.5% in 2008 -- and in launching the SIEF partnership with the World Bank testify to that commitment.

And we are here at a workshop focused on impact evaluation because we believe that the most powerful tool for advancing development and for ensuring that aid is effective is knowledge --- knowledge based on evidence of how policies and programs really work on the ground, and therefore the best way to get quality results.

In the last several years there has been a sea change in the attention that the development community is giving to impact evaluation and the evidence base for development policy. Spain's remarkable leadership in this area, with its establishment of the SIEF impact evaluation partnership with the World Bank, has been an important part of that change. The 10.6 million euro SIEF program is making a difference in this area in three ways. First, it is supporting systematic, rigorous impact evaluations of development programs. Second, SIEF is funding training courses to build developing countries' capacity to carry out high quality impact evaluations, similar to this workshop in Madrid. Third, SIEF is supporting publications and dissemination to get research results into the hands of people who can use them.

Even as recently as 5 years ago, very few development programs were subject to rigorous impact evaluation – and our record in the World Bank was no better than any other agency's. Over the next few days, those of you participating in this workshop will spend a lot of time discussing techniques for rigorous impact evaluation, but let me define it here as evaluations that can credibly establish that the program in question *caused* the observed results.

Even more important for policymakers than knowing if a single program is effective, is knowledge about how effective that program is under different country circumstances.

Generating this kind of evidence requires systematic analysis of similar programs across different regions and countries. SIEF is supporting exactly this kind of analysis – evaluation “clusters” that are systematically testing how key types of policy reforms and programs work across different countries. With SIEF support, the World Bank is working with 27 different partner countries across all regions to build evidence in six areas:

- Health system reform – and especially the question of whether reforms that link providers’ payment to health results really improves system performance
- Active labor market programs – where the key question is what kinds of youth employment programs work best?
- Malaria – where the focus is on strategies for curbing malaria that are most cost effective
- CCTs – this cluster is deepening our understanding of how conditional cash transfers work to promote human development outcomes and curb the transmission of poverty from one generation to the next
- Basic education – this cluster is testing whether decentralizing management down to the school level and giving parents more information and more voice in schools makes schools more accountable and improves student learning, the ultimate goals of MDG 2
- HIV/AIDS – this cluster is focused on finding which prevention programs really work, which is crucial for halting the spread of AIDS

Support from donors such as Spain and the United Kingdom – which made a co-financing contribution to the SIEF program this year – is critically important for this kind of work. Because the knowledge that is generated through systematic cross-country programs of impact evaluation benefits all countries, no individual country has an incentive to finance it adequately: this knowledge is a public good. Therefore, we donors must step in to ensure that such work gets funded.

In just the 9 months since it became effective, SIEF has become a high visibility and crucial part of the results agenda in the World Bank. Generating knowledge from our operations through robust, cross country impact evaluations has been set as the number one priority of the World Bank’s knowledge and learning agenda – which in turn is one of our six strategic priorities under President Zoellick. SIEF support has helped put muscle behind this commitment. In response to the first call for proposals for research clusters last year last year, SIEF received 163 evaluation proposals for 22 clusters and \$44 million in funding – well above the \$6 million that was available. This very competitive process led to the establishment of the six clusters of high priority work I mentioned above. Our most recent call for proposals for especially innovative individual evaluations generated 42 proposals for more than \$10 million, compared with the \$2.6 million we have available to allocate.

The SIEF plays a central role in the World Bank’s strategic priority on knowledge and learning, but it is also key for several of our other strategic goals – such as strengthening our support to middle income countries. We have found that the most effective way to engage these sophisticated borrowers in a dialogue over development priorities is to show them the evidence – from rigorous, peer-reviewed, impact evaluations -- that programs really work. And solid evidence of program impact is no less important for two of our other priority lines of business – our support for the poorest countries and for the most fragile states, such as those emerging from

conflict. These countries are far from achieving the basic human development goals enshrined in the MDGs, and so there is huge potential for accelerating their development, if we can draw on a stronger evidence base to guide policy choices.

SIEF has been recognized internationally for the innovative and high quality work it is supporting. SIEF was mentioned last week in *The Economist* magazine as part of a “revolution in thinking about development”. And a few weeks before that, the *Financial Times* commended SIEF and other funders for having the courage to support an evaluation that is testing a radically new approach to HIV/AIDS prevention – paying high-risk individuals a small amount of money to stay free from STDs (sexually transmitted diseases). I wonder if SIEF is as well known here in Spain as it is outside of Spain!

Those of you attending this week’s workshop will be exposed to all of the major methods of credible, rigorous impact evaluation. I want to touch on one point regarding research methods that is becoming somewhat controversial among development thinkers – and that is randomization. The SIEF program focuses on *prospective* impact evaluations – meaning those that are put in place at the outset of a program, and we do this mainly to ensure that the data needed for a sound evaluation is generated from the beginning. But let me stress that while SIEF is committed to high standards of rigor and evaluation quality, we do not follow any orthodoxy about particular methods. SIEF funds randomized controlled trials as well as other types of evaluations – what counts is how appropriate the evaluation design is to the policy question or program being evaluated.

Good impact evaluations often take years to produce final results. Thus, for a program of high quality impact evaluations to bear fruit, it is critical that our efforts be sustained. The global stakes are very high.

Despite decades of development assistance, ten million children per year still die before they reach their 5th birthday -- mainly from preventable causes that we have not found effective ways to stop. Half a million mothers per year die in childbirth and tens of millions are disabled by extreme morbidity. Close to 70 million children are excluded from basic education because schools in much of the developing world fail to serve the poorest. HIV, malaria and TB are killing millions, and reducing the productivity and earning potential of millions more people per year in developing countries, depleting household savings and pushing poor families into extreme poverty.

At a time when many donor countries are accompanying Spain in devoting increasing amounts of their taxpayer’s money to support for global development, we have a collective responsibility to use that funding well. Doing the hard work of carefully and credibly evaluating program results and sharing that knowledge quickly and widely is the key. It will give developing country policymakers the evidence they need to design better programs and policies, and donors the basis for more effective aid.

The hard work of careful and credible impact evaluation may also lead the development community to changes in culture. Rigorous impact evaluations sometimes show that programs haven’t worked -- something no one likes to acknowledge. But without the ability to learn from

failures as well as successes, there can be no real learning. And we must find ways to hold our staff and managers accountable for results, but not create disincentives for staff to take risks or to shy away from rigorous evaluation. Spain's partnership with the World Bank on the remarkable SIEF initiative has put us on a path towards not only better development policy choices and more effective aid -- I believe it is also leading us to become more transparent and accountable development partners.

I thank you for this opportunity to work together so closely and I wish everyone gathered here a very productive and transformative week.