Introduction to Methods & Field Experiments Training

October 6th – 10th, 2013
Abu Dhabi
DAY ONE

Introduction to Impact Evaluation
I. Background

II. Understand the importance of this research project

III. Develop your capacity to “commission” and “consume” impact evaluations
Why evaluate?

• Learn lessons to implement more effective programs that have societal impacts
Impact Evaluation Examples

Government led ➔

IRC Tuungane

Led by donor/NGO ➙

World Bank/Gov’t led ➔

Prograsa

National Solidarity Program
Session I (a)

EVALUATION IN THE M&E CONTEXT
“Impact evaluation is not M&E, it is R&D (Research and Development).”

Christopher Blattman, “Impact Evaluation 2.0.”
Overview

- Impact evaluation is still “exotic” to many NGOs & Government agencies
- Let’s review:
  - Why impact evaluation?
  - Recent NGO & Government experience
  - Why is evaluation lagging?
  - Recommendations
Why impact evaluation?

• Effective governance = good policies and programs + good implementation of policies and programs (Do the right thing and do it well.)

• Impact evaluation tells us whether we have good policies and programs.

• Put differently, impact evaluation informs policy making. (“M&E” informs program management.)
Evaluation is lagging

“...But for the most part, these evaluations have been sporadic, inconsistently applied, and inadequately supported. The units formed to conduct evaluations too often are short lived and under resourced. Training and capacity building for evaluation have been inconsistent across agencies and, in many cases, insufficient to achieve the needed evaluation capacity and sustain it over time.” AEA 2010
NGO & Government experience

- NGO and government experience:
  - US government:
    - Performance and Results Act (1993) followed by GPRAMA (2010) and even more recent calls by GAO and even USAID
    - Still not much impact evaluation.
  - OECD & international donors
    - 1995 Paris Declaration “managing for results”
    - Uneven progress
Why is evaluation lagging?
Why is evaluation lagging?

- M&E problem: Confusion about how impact evaluation relates to M&E. M&E is often just M.
- The accountability problem: accountability and learning produce conflicting incentives.
- The ex-post problem: evaluation is seen to begin when the program ends.
- The capacity building problem: capacity building for monitoring is different than for evaluation.
- The methodology problem: recent debates on methodologies may scare program managers off.
- The financing problem.
Recommendations

• The separation of monitoring and evaluation is crucial to institutionalizing evaluation. An evaluation policy is often key.

• Policy makers and program managers need capacity building in “commissioning” and “consuming” evaluations.

• Program managers need to be held accountable for (and rewarded for) learning, and not just implementation performance.
Session I (b)

WHY IMPACT EVALUATION?
What is impact?

Quick exercise

Write down a definition of “project impact”.
Project impact

“The measured outcome with the project compared to the measured outcome without, or in the absence of, the project.”

“The extent to which the project altered the state of the world.”
Jóvenes en Acción

- Subsidized employment skills training to poor young people living in urban areas

- Last cohort, 2005, was randomly assigned to training after selection, making use of oversubscription
Program design

• 3 months classroom training
  – Variety of for-project and nonprofit training institutions, 70 categories of courses

• 3 months on the job training
  – Legally registered companies, unpaid internships

• Daily cash transfer for expenses
What was the impact?

Paid employment for women

<table>
<thead>
<tr>
<th></th>
<th>Before</th>
<th>After</th>
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</thead>
<tbody>
<tr>
<td>Project</td>
<td>0.346</td>
<td>0.618</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
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</tbody>
</table>

This analysis is outcome monitoring.

We do not know whether there were other changes in the labor market between 2004 and 2006.
What else was going on?

Descriptive statistics for paid and formal employment before and after the project for the full sample
So, based on outcome monitoring, is there project impact?
What was the impact?

Paid employment for women

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<tr>
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<td>0.550</td>
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This analysis could be considered basic program evaluation.
What was the impact?

Paid employment for women

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<td>0.550</td>
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But we do not know whether the project participants are the same kind of folks as the non-participants.

This measurement could be considered program evaluation.
So, based on basic program evaluation, is there project impact?
How can we measure project impact?
What was the impact?

Paid employment for women

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<td>0.550</td>
</tr>
</tbody>
</table>

\[(0.618 - 0.346) - (0.550 - 0.328) = 0.150\]
The attribution problem

![Graph showing the attribution problem](image-url)
The counterfactual outcome is how program participants would have performed in the absence of the program.
What was the impact for men?

Paid employment for men

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<td>Comparison</td>
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Outcome monitoring suggests positive.
What was the impact for men?

Paid employment for men

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<tr>
<td>Project</td>
<td></td>
<td>0.702</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
<td>0.689</td>
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</tbody>
</table>

Basic program evaluation suggests positive, but very little.
What was the impact for men?

Paid employment for men

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</thead>
<tbody>
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<td>0.427</td>
<td>0.702</td>
</tr>
<tr>
<td>Comparison</td>
<td>0.358</td>
<td>0.689</td>
</tr>
</tbody>
</table>

\[(0.702 - 0.427) - (0.689 - 0.358) = -0.056\]

Impact evaluation reveals none to negative impact.
Counterfactual vs. comparison

• Not all comparisons are counterfactuals.
• Difference in difference is the easiest (but often imprecise) way of moving to a counterfactual from a comparison.
• There are many better ways.
• Not all counterfactuals, however, are “controlled.”
MINI INTERLUDE
When is an IE appropriate?

- Any time you really want to know project impact.
- When there is no proof of concept for widely implemented (or very costly) interventions.
- To test pilot interventions or designs for possible scale up.
- IE can answer much more than impact depending on the evaluation design.
Where do I begin?

• Identify the intervention of interest and obtain detailed project information.
• Based on the learning objectives, determine whether an IE is appropriate.
• **Map out the theory of change.**
Session I (c)
THEORY OF CHANGE
Theory of change

“I think you should be more explicit here in Stage 2…”
Vocational training theory of change

Participants receive vocational training program: Classroom training, OTJ, and cash transfer

Increased paid employment
Increased formal employment
Increased wages
Vocational training theory of change

- Receive cash transfer
- Participate in classroom training
- Participate in OTJ
- Obtain relevant skills
  - Increase employment
  - Increase formal sector employment
  - Increase wages
- Increase welfare
Vocational training theory of change

Participants do not attend training

- Receive cash transfer
- Participate in classroom training
- Participate in OTJ

Obtain relevant skills

Increase employment

Increase formal sector employment

Increase wages

Increase welfare
Vocational training theory of change

Participants do not attend training

Training does not build skills

Participate in classroom training

Participate in OTJ

Receive cash transfer

Increase employment

Increase formal sector employment

Increase wages

Increase welfare

Participants do not attend training

Training does not build skills
Vocational training theory of change

Participants do not attend training
- Receive cash transfer
- Participate in OTJ

Training does not build skills
- Participate in classroom training
- Participate in OTJ

New skills are not the right skills
- Increase formal sector employment
- Increase wages

Increase employment

Increase welfare
### Table A1—Distribution of Training Courses

<table>
<thead>
<tr>
<th>Course name</th>
<th>Number of courses</th>
<th>Course name</th>
<th>Number of courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory and warehouse assistant</td>
<td>18</td>
<td>Agricultural machinery mechanic</td>
<td>1</td>
</tr>
<tr>
<td>Taxi/bus driver</td>
<td>2</td>
<td>Cashiers’ assistant</td>
<td>2</td>
</tr>
<tr>
<td>Electrician</td>
<td>16</td>
<td>Plumbers’ assistant</td>
<td>2</td>
</tr>
<tr>
<td>Management assistant</td>
<td>3</td>
<td>Seamstress/industrial textile prod.</td>
<td>17</td>
</tr>
<tr>
<td>Security guard/building maintenance</td>
<td>8</td>
<td>Library assistant</td>
<td>3</td>
</tr>
<tr>
<td>Secretary/administrative assistant</td>
<td>34</td>
<td>Gas station assistant</td>
<td>3</td>
</tr>
<tr>
<td>Sales representative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakery assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kitchen/cooking assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archival assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmacy assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctor/dentist/nurse assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carpenter</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>IT assistant</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Clinical lab assistant</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Auto/motorcycle mechanic</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Human resources assistant</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Welding assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graphic design assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refrigeration equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data entry assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client relations assistant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upholster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wooden furniture painter assistant</td>
<td>5</td>
<td>Journeyman</td>
<td>2</td>
</tr>
<tr>
<td>Preschool teacher assistant</td>
<td>10</td>
<td>Tourism assistant</td>
<td>1</td>
</tr>
<tr>
<td>Accounting assistant</td>
<td>10</td>
<td>Wooden machine operator</td>
<td>1</td>
</tr>
<tr>
<td>Foreign trade assistant</td>
<td>2</td>
<td>Molding and foundry worker</td>
<td>2</td>
</tr>
<tr>
<td>Beautician</td>
<td>4</td>
<td>Vocational training teacher</td>
<td>2</td>
</tr>
<tr>
<td>Mail delivery assistant</td>
<td>10</td>
<td>Journalism assistant</td>
<td>1</td>
</tr>
<tr>
<td>Real estate assistant</td>
<td>2</td>
<td>Bank teller</td>
<td>3</td>
</tr>
<tr>
<td>Busboy/waiter/waitress</td>
<td>10</td>
<td>Physical rehabilitation</td>
<td>1</td>
</tr>
<tr>
<td>Recreation assistant</td>
<td>11</td>
<td>Food processing</td>
<td>4</td>
</tr>
<tr>
<td>Call center/telemarketing assistant</td>
<td>5</td>
<td>Quality control assistant</td>
<td>1</td>
</tr>
<tr>
<td>Surveyor assistant</td>
<td>9</td>
<td>Worker safety assistant</td>
<td>1</td>
</tr>
<tr>
<td>Gas installations</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Vocational training theory of change

- Participants do not attend training
- Training does not build skills
- Labor market does not work
- New skills are not the right skills

- Participants in classroom training
- Participants in OTJ
- Receive cash transfer

- Increase formal sector employment
- Increase welfare

- Training does not build skills

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Vocational training theory of change

Receive cash transfer

Participate in classroom training

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Obtain relevant skills

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Increase formal sector employment

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Increase welfare
What are possible evaluation questions?

- Receive cash transfer
  - Participate in classroom training
  - Participate in OTJ

- Obtain relevant skills
  - Increase employment
    - Increase formal sector employment
    - Increase wages
    - Increase welfare
What are possible evaluation questions?

- Do selected trainees require the cash transfer to participate?
- Is one type of training more effective than the other? Or are they interdependent?
- Which skills are the most relevant?
- What outcomes are most affected by vocational training?
- How are the impacts different for different groups?
- What are the long-term impacts?
Group discussion

• Review your group’s case study
• Map out the theory of change for your project
  • Intervention
  • Mechanisms and intermediate outcomes
  • Final outcomes
• Debrief the whole group