Impact Evaluation: There is a Different Way to Do It

Impact Insights: Expanding Our Evidence Base to Improve Humanitarian Response

December 13, 2023

Humanitarian Assistance Evidence Cycle (HAEC)

HAEC works to increase the **efficiency and effectiveness** of emergency food security activities funded by the USAID Bureau for Humanitarian Assistance (BHA) by increasing the use of **cost-effective and timely impact evaluations in humanitarian contexts**.

Funding **six impact evaluations**

Funder: USAID/BHA, **Duration:** 2021-2024
Implementers: TANGO International, Causal Design, 3ie, and Save the Children

Purpose of *Impact Insight* Series

Outline the **different ways impact evaluations can be done** to **overcome common constraints** faced in humanitarian settings

Share **practical examples** of how impact evaluations can be done in these settings and **provide value** to implementers

Welcome from
Mara Mordini
M&E Advisor
USAID/BHA

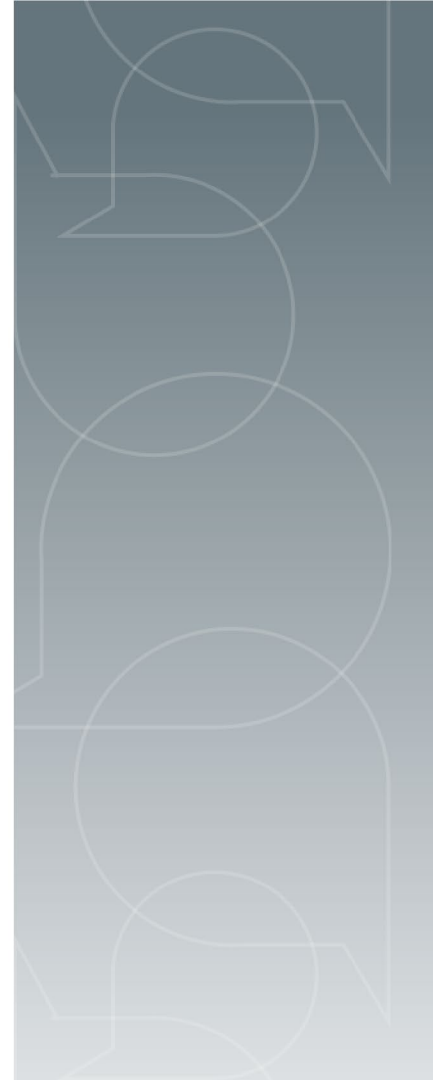# Today's Agenda

1 What is an Impact Evaluation?

2 Where do Impact Evaluations Fit with Other Evaluation Methods

3 The Different Ways to Do Impact Evaluations

What is an Impact Evaluation?

Impact Evaluations as a Tool for Optimization

Impact evaluations are a key tool for optimizing programs and understanding **effectiveness**

They use **methodologies that rigorously establish causality** to determine which interventions are responsible for outcomes, both positive and negative

Findings allow for **data-driven decisions** to inform replication and scaling

Impact Evaluation: Definition

A specific type of evaluation that measures the causal effect of an intervention (project, program, or policy) on an outcome or outcomes.
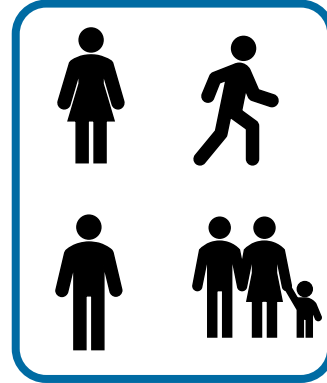
Impact evaluations answer **cause-and-effect** questions about interventions, also known as questions of **attribution**.

They show us which outcomes – whether positive or negative – were caused by the project

Definition of impact

Treatment group — Counterfactual = [bar chart with upward arrow]
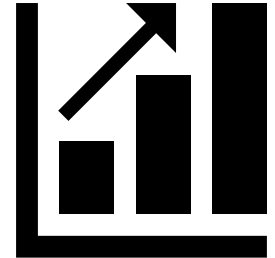
Fundamental challenge: you cannot measure both states

Therefore, your ability to measure impact boils down to how well you can *approximate* the counterfactual

Watch video at: https://www.fsnnetwork.org/resource/debunking-myths-about-impact-evaluations-humanitarian-contexts
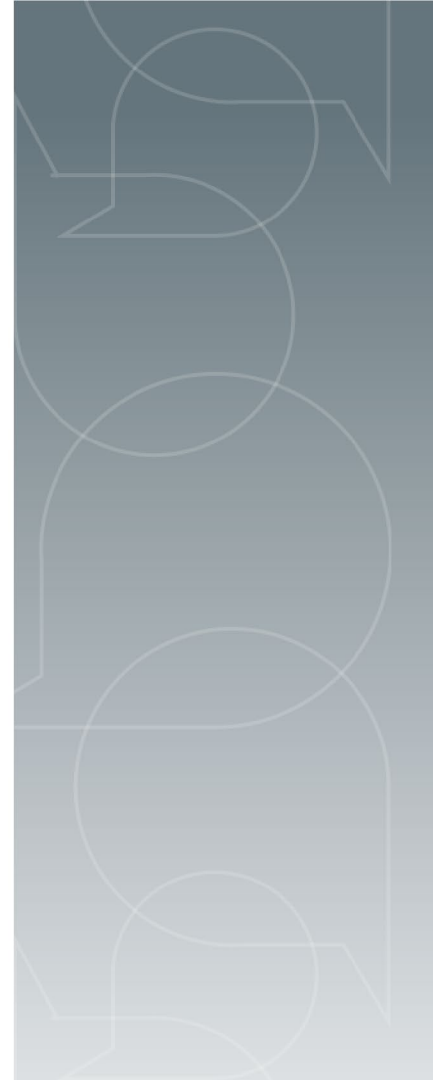
Where do Impact Evaluations Fit with Other Evaluation Methods

The first step in choosing an approach is defining the question

What question am I trying to answer about my program?

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What question am I trying to answer about my program?

Is my program being implemented as planned?
How can I improve the implementation of my program?

Process evaluation

The first step in choosing an approach is defining the question

What question am I trying to answer about my program?

What is the state of program outcomes (at time measured)?

Outcome evaluation

Effectiveness

The first step in choosing an approach is defining the question

What question am I trying to answer about my program?

What effect has the program had? How can I improve the impact of the program?

Impact evaluation

Effectiveness

Impact

The first step in choosing an approach is defining the question

What question am I trying to answer about my program?

Which is most cost effective?
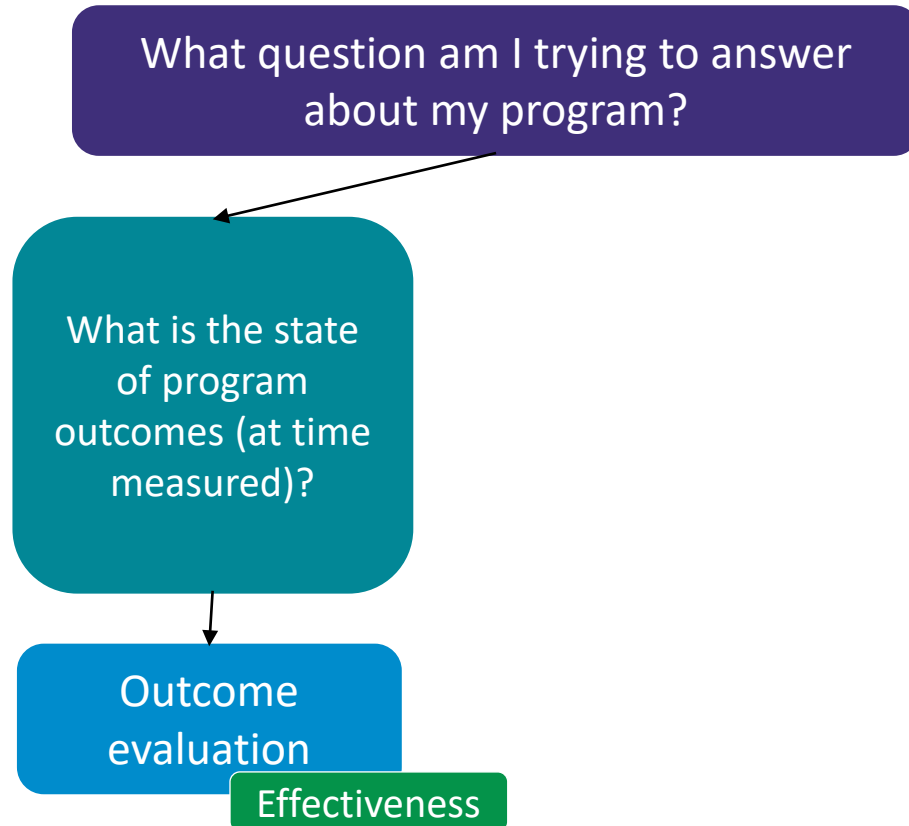
Impact evaluation

Cost Analysis

Effectiveness

Impact

Efficiency

The first step in choosing an approach is defining the question

What question am I trying to answer about my program?

How much bang for your buck?

Cost Analysis

Efficiency

The first step in choosing an approach is defining the question
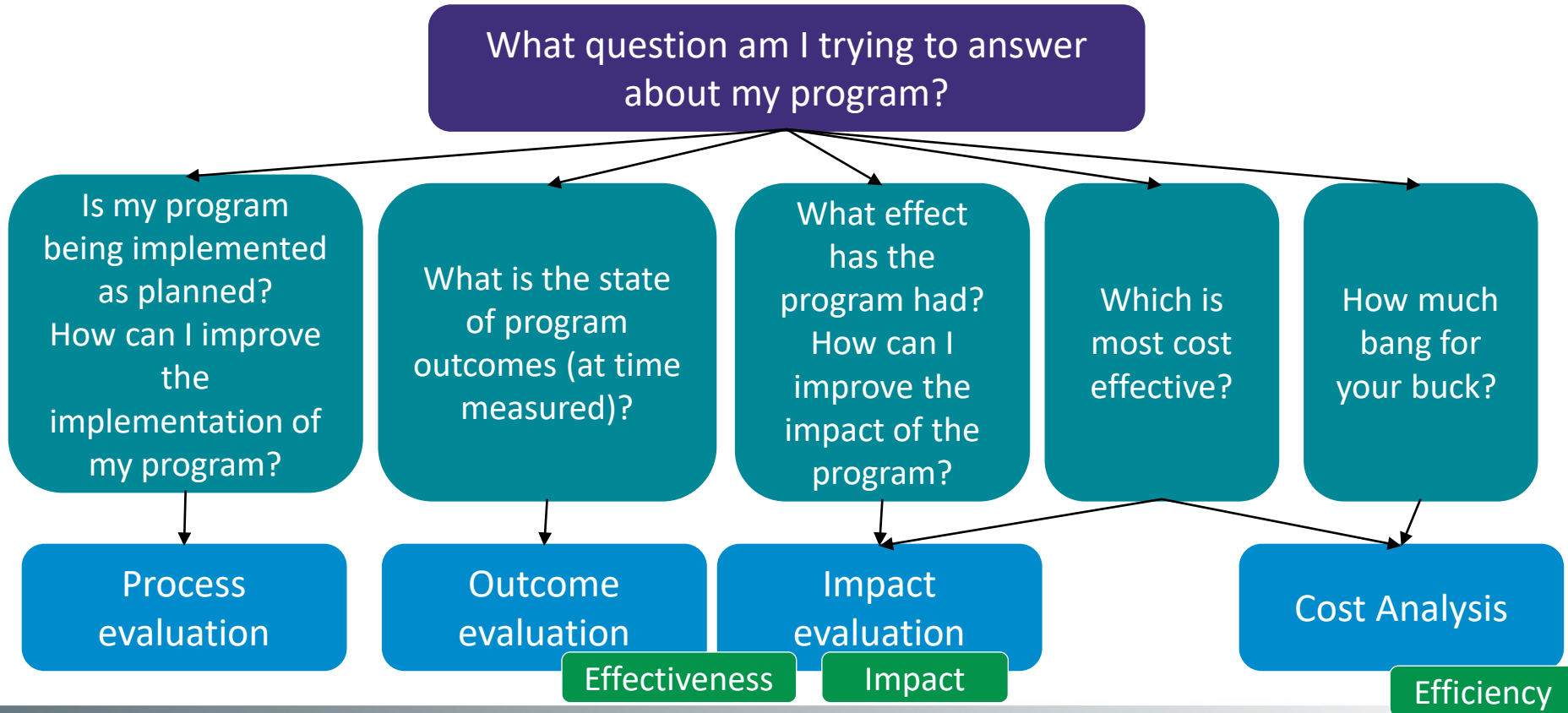
Key takeaways
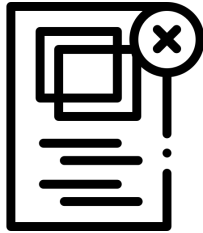
Impact evaluations are **not the right tool for every question**

Your **question is what drives** the choice of evaluation method

There are different ways to do impact evaluations!

Impact Evaluation Methodologies

Experimental

Quasi-experimental

Experimental impact evaluation designs use **random assignment** of the project to **approximate a counterfactual comparison group.**

Quasi-experimental impact evaluation designs use **other statistical methods** apart from randomization to **approximate a counterfactual comparison group.**
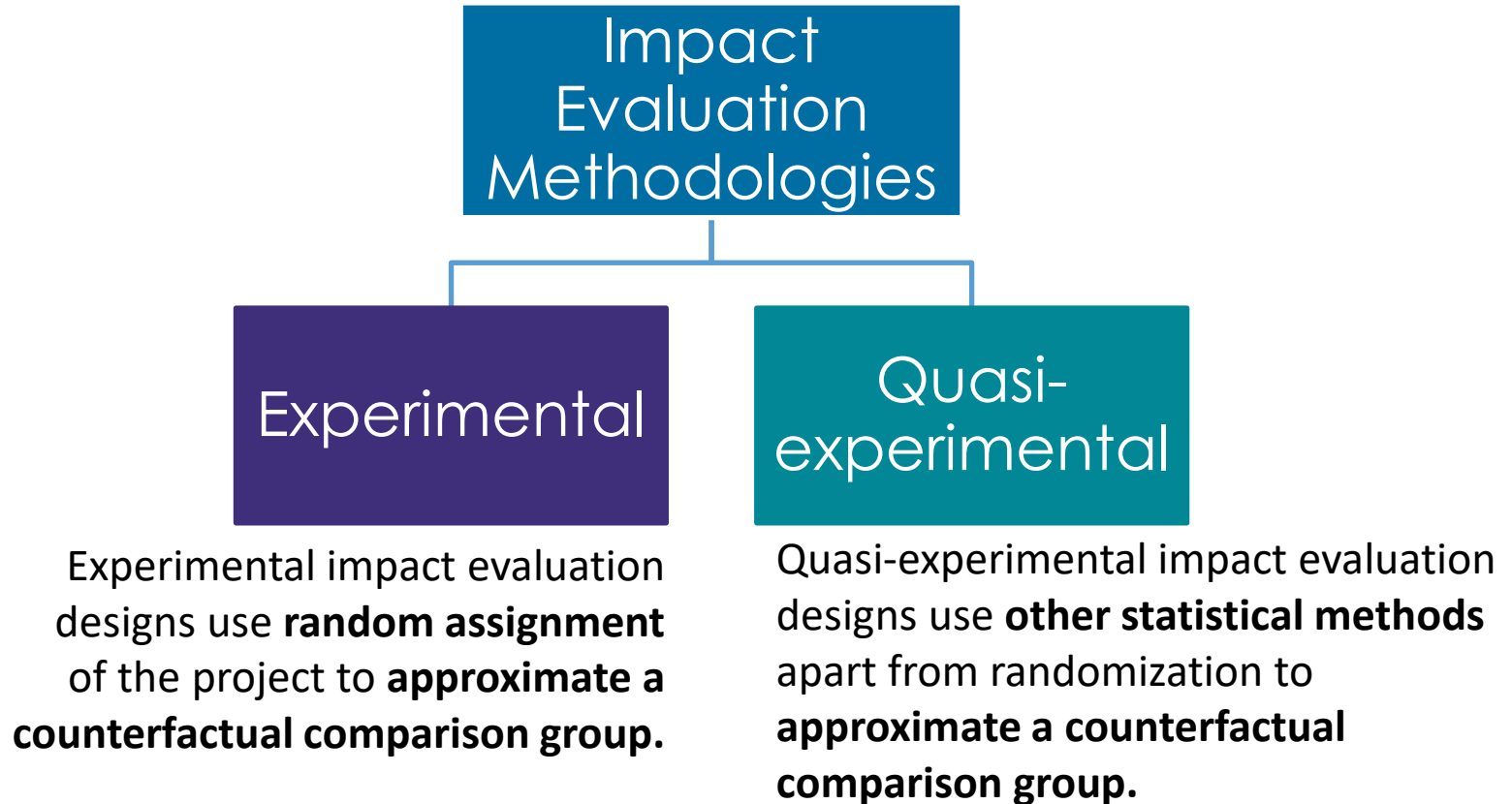
Different methods can accommodate operational constraints

Individual-Level RCT

Cluster-Level RCT

Statistical Matching

Encouragement Design

Phase-In Design

Difference-in-Difference

Regression Discontinuity

Instrumental Variables

HAEC impact evaluations are using different methods

Country	Method	How comparison is formed?	Baseline data?
Niger	Matching	**Matching** treatment arm households	Using IP targeting data
Nigeria	RCT	**Randomizing** communities – half will receive life skills training	No baseline
Colombia	Matching	Households that were **eligible** for rental support but were **not screened** by government in time	Using IP targeting and Colombian government administrative data
Honduras	Matching	Identifying subset of households that were **eligible** for sorghum but did **not receive** due to limited sorghum	Using IP targeting data
Guatemala	RCT	**Randomizing** villages to receive the intervention	No baseline
Colombia	RDD	Using program targeting data to identify group of households right **below selection cut off**	Used IP targeting data

Two types of impact evaluations

Impact Evaluation of a
Program

Impact Evaluation of a
Program Change

**Did the
program work?**
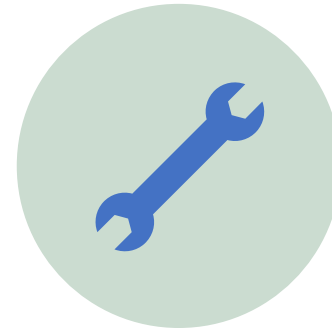
**How do we make
the program better?**

A | B Testing

A/B testing is common in private sector

Increasingly used in Public Sector

The use has been more limited in Foreign Assistance

Example:
The Graduation Model

Source: https://poverty-action.org/ultra-poor-graduation-approach

RESEARCH

DEVELOPMENT ECONOMICS

A multifaceted program causes lasting progress for the very poor: Evidence from six countries

Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan,* Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, Christopher Udry

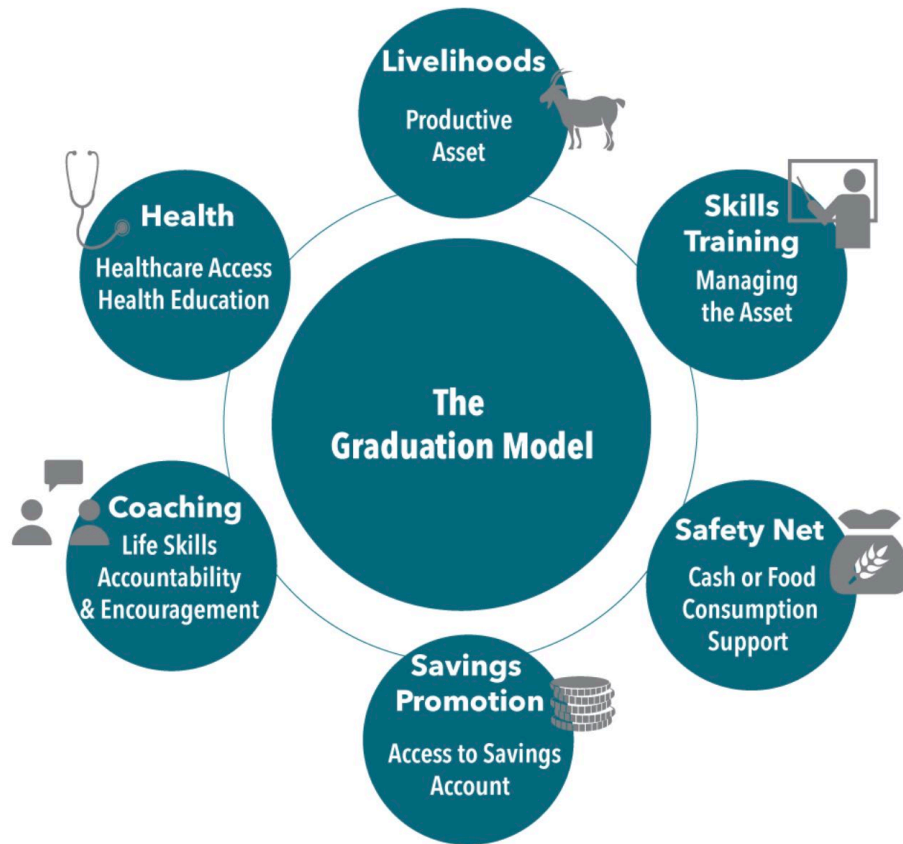**INTRODUCTION:** Working in six countries with an international consortium, we investigate whether a multifaceted Graduation program can help the extreme poor establish sustainable self-employment activities and generate lasting improvements in their well-being. The program targets the poorest members in a village and provides a productive asset grant, training and support, life skills coaching, temporary cash consumption support, and typically access to savings accounts and health information or services. In each country, the program was adjusted to suit different contexts and cultures, while staying true to the same overall principles. This multipronged approach is relatively expensive, but the theory of change is that the combination of these activities is necessary and sufficient to obtain a persistent impact. We do not test whether each of the program dimensions is individually necessary.

ON OUR WEB SITE
Read the full article at http://dx.doi.org/10.1126/science.1260799

Instead, we examine the "sufficiency" claim: A year after the conclusion of the program, and 3 years after the asset transfer, are program participants earning more income and achieving stable improvements in their well-being?

RATIONALE: We conducted six randomized trials in Ethiopia, Ghana, Honduras, India, Pakistan, and Peru with a total of 10,495 participants. In each site, our implementing partners selected eligible villages based on being in geographies associated with extreme poverty, and then identified the poorest of the poor in these villages through a participatory wealth-ranking process. About half the eligible participants were assigned to treatment, and half to control. In three of the sites, to measure within-village spillovers, we also randomized half of villages to treatment and half to control. We conducted a baseline survey on all eligible participants, as well as an endline at the end of the intervention (typically 24 months after the start of the intervention) and a second endline 1 year after the first endline. We measure impacts on consumption, food security, productive and household assets, financial inclusion, time use, income and revenues, physical health, mental health, political involvement, and women's empowerment.
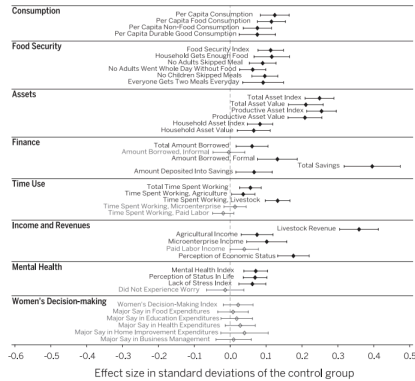
RESULTS: At the end of the intervention, we found statistically significant impacts on all 10 key outcomes or indices. One year after the end of the intervention, 36 months after the productive asset transfer, 8 out of 10 indices still showed statistically significant gains, and there was very little or no decline in the impact of the program on the key variables (consumption, household assets, and food security). Income and revenues were significantly higher in the treatment group in every country. Household consumption was significantly higher in every country except one (Honduras). In most countries, the (discounted) extra earnings exceeded the program cost.

CONCLUSION: The Graduation program's primary goal, to substantially increase consumption of the very poor, is achieved by the conclusion of the program and maintained 1 year later. The estimated benefits are higher than the costs in five out of six sites. Although more can be learned about how to optimize the design and implementation of the program, we establish that a multifaceted approach to increasing income and well-being for the ultra-poor is sustainable and cost-effective. ∎

Pooled average intent-to-treat effects, endline 2 at a glance
This figure summarizes the average treatment effects in each country for the 10 primary outcomes. All treatment effects are presented as standardized z-score indices and 95% confidence intervals.

Consumption
- Per Capita Consumption
- Per Capita Food Consumption
- Per Capita Non-Food Consumption
- Per Capita Durable Good Consumption

Food Security
- Food Security Index
- Household Gets Enough Food
- No Adults Skipped Meal
- No Adults Went Whole Day Without Food
- No Children Skipped Meals
- Everyone Gets Two Meals Everyday

Assets
- Total Asset Index
- Total Asset Value
- Productive Asset Index
- Productive Asset Value
- Household Asset Index
- Household Asset Value

Finance
- Total Amount Borrowed
- Amount Borrowed, Informal
- Amount Borrowed, Formal
- Amount Deposited Into Savings
- Total Savings

Time Use
- Total Time Spent Working
- Time Spent Working, Agriculture
- Time Spent Working, Livestock
- Time Spent Working, Microenterprise
- Time Spent Working, Paid Labor

Income and Revenues
- Agricultural Income
- Livestock Revenue
- Microenterprise Income
- Paid Labor Income
- Perception of Economic Status

Mental Health
- Mental Health Index
- Perception of Status In Life
- Lack of Stress Index
- Did Not Experience Worry

Women's Decision-making
- Women's Decision-Making Index
- Major Say In Food Expenditures
- Major Say in Education Expenditures
- Major Say in Health Expenditures
- Major Say in Home Improvement Expenditures
- Major Say in Business Management

Effect size in standard deviations of the control group
-0.6 -0.5 -0.4 -0.3 -0.2 -0.1 0 0.1 0.2 0.3 0.4 0.5

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Cite this article as A. Banerjee et al., Science 348, 1260799 (2015). DOI: 10.1126/science.1260799

Peru
Program Cost $2,697
Returns 190%

Ethiopia
Program Cost $1,054
Returns 260%

Honduras
Program Cost $1,406
Returns -198%

Pakistan
Program Cost $1,160
Returns 179%

Ghana
Program Cost $2,135
Returns 133%

India
Program Cost $358
Returns 433%

https://poverty-action.org/ultra-poor-graduation-approach

Optimizing
The Graduation Model

VS

Livelihoods
Productive Asset

Health
Healthcare Access
Health Education

Skills Training
Managing the Asset

The Graduation Model

Coaching
Life Skills
Accountability
& Encouragement

Safety Net
Cash or Food
Consumption Support

Savings Promotion
Access to Savings Account

Source: Endline Report of the Resilience Food Security Activity Graduating to Resilience in Uganda, Cohort 1, IPA 2022

HAEC Impact Evaluations of Program Changes

Country	Implementer	Comparing...	To....
Nigeria	Mercy Corps	Food, cash, and agricultural support	Food, cash, and agricultural support + life skills training
Colombia	Blumont	Food assistance support	Food assistance support + comprehensive rental support
Honduras	ADRA	Cash transfers	Cash transfers + provision of sorghum seeds
Niger	Danish Refugee Council	On-time food assistance	Delayed food assistance

Looking ahead

Save the Dates

- **January 30, 2024:** Navigating Constraints to Impact Evaluations in Humanitarian Contexts

- **February:** Evaluation in Action: Examples from HAEC-Funded Studies

Additional Engagement Opportunities

- Office Hours for Emergency Application Guideline Applicants
- Sign up for our Newsletter

Thank you!