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Land Tenure and Property Rights Division

What is an impact evaluation?

Impact evaluation (IE) refers to a set of methods to determine the causal impact of an intervention or project on target development outcomes, such as agricultural investment, conflict reduction and improved resource management. Unlike traditional monitoring, IE tells us what would have happened to the beneficiaries if a program/intervention had not taken place, or if a different design had been chosen. When designed prior to project implementation and implemented as part of the project, IEs serve as powerful accountability and learning tools to identify the most promising and cost-effective policy and programming options. Evidence from IEs can be used to catalyze effective policy decision-making to improve aid effectiveness through four main channels: (i) testing interventions and policies for the first time; (ii) challenging perceived wisdom; (iii) identifying behavioral mechanisms that drive program effectiveness; and (iv) testing alternative approaches to solving a development problem.

Key Definitions from the USAID Evaluation Policy

- **Impact evaluations** measure the change in a development outcome that is attributable to a defined intervention; impact evaluations are based on models of cause and effect and require a credible and rigorously defined counterfactual to control for factors other than the intervention that might account for the observed change. Impact evaluations in which comparisons are made between beneficiaries that are randomly assigned to either a treatment or a control group provide the strongest evidence of a relationship between the intervention under study and the outcome measured.
- **Performance evaluations** focus on descriptive and normative questions: what a particular project or program has achieved (either at an intermediate point in execution or at the conclusion of an implementation period); how it is being implemented; how it is perceived and valued; whether expected results are occurring; and other questions that are pertinent to program design, management and operational decision making. Performance evaluations often incorporate before-after comparisons, but generally lack a rigorously defined counterfactual.
- **Performance monitoring** of changes in performance indicators reveals whether desired results are occurring and whether implementation is on track. In general, the results measured are the direct and near-term consequences of project activities.
- **Performance indicators** measure a particular characteristic or dimension of project results (outputs or outcomes) based on a project's results framework and underlying theory of change. In general, outputs are directly attributable to the program activities, while project outcomes represent results to which a given program contributes but for which it is not solely responsible.
- **Performance management** (Managing for Results) is the systematic process of monitoring the achievements of program activities; collecting and analyzing performance information to track progress toward planned results; using performance information and evaluations to influence decision-making and resource allocation; and communicating results to advance organizational learning and communicate results to stakeholders.

Collaboration between USAID, the implementer and the evaluation team

A rigorous impact evaluation requires close collaboration and effective communication between USAID, the project implementer, and IE team throughout the lifespan of the project, as well a clear understanding of the roles, objectives, and responsibilities of each party. In addition to defining the intervention goals and evaluation objectives, USAID Land Tenure and Property Rights Division, in close collaboration with the relevant Mission, coordinates activities between the implementing and evaluation teams. In meeting its short and long-term development objectives, USAID works with both the implementer and evaluator to balance the interests of the implementer, whose goal is to implement the best intervention possible, and those of the evaluator, whose goal is to design an evaluation strategy that allows for identifying impact with the most rigor possible. Since the IE design builds on the intervention design and also has implications for how the intervention is implemented, it is important that USAID, the implementer, and the evaluator are communicating closely at several key junctures in the program process as described below.

Step 1: Clarify evaluation objectives, development hypothesis, and expected project outcomes

Lead: USAID

- What is the goal for the impact evaluation? What are the key things USAID wants to learn from the IE?
- What are the key research questions and development hypotheses that we want to explore?
- What are the expected project impacts and development outcomes? How large of an impact is expected?
- Who are the beneficiaries? Who is being targeted? Minority groups? Is there a gender component?

Step 2: Clarify the treatment

Requires close collaboration among USAID, the implementer, and the evaluation team

- How will the treatment (typically only selected project activities) achieve the development objectives?
- What exactly is the treatment unit of interest for the IE? At what level is the treatment being applied? E.g. households, villages or administrative regions?
- What are the considerations in selecting potential treatment units? What factors influence eligibility?
- Who is receiving the treatment? I.e. who are the beneficiaries? Individuals? Communities? Institutions?
- What is the bundle of activities that constitute the treatment? To what extent can the intervention be 'unbundled' by implementing only a subset of activities in different areas to consider the impact of a particular activity?
- Will all areas be given the treatment at the same time or will there be sequencing?

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Step 3: Develop an impact evaluation design

Lead: Evaluation Team

- Given the unit of treatment and program rollout plans, what IE designs are feasible for this project? Experimental (randomized assignment) vs. quasi-experimental?
- Develop clearly defined and measurable indicators, such as farm income and land-related investment, to measure impact and test the development hypotheses
- Minimum sample size and power calculations to determine how much 'impact' can be detected
- What is the universe of sites where the treatment can be applied? Will there be a control? [2]
- Identify any 3rd party activities in the area that may compromise the validity of the design – in treatment as well as control areas

Step 4: Integrate the evaluation design into the work plan

Lead: Project Implementer

- The rollout and timing of program implementation is critical for the IE. A successful IE will require coordination between the impact evaluation team and the implementer on the rollout of the IE treatment interventions during the implementation work planning process
- Need to leave time for IE design and baseline data collection **before** implementation of the *targeted* activities — this typically does not mean that the project cannot begin *any* activities before the baseline
- Adopt a flexible implementation approach to allow for alternative sequencing/timing of activities

Step 5: Ensure sub-contractors' work plans reflect IE treatment and power requirements

Lead: Project Implementer

- It is important to include specific language in all SOWs for sub-contractors and grantees that explicitly addresses the IE requirements. In particular, implementing partners will need to commit to the implementation of a defined activity (or subset of activities) within a specified number of sites
- Once the evaluation design is finalized and the treatment areas selected, implementing partners will need to implement the activity under evaluation in the selected set of "treatment" sites and not implement the activity in the selected set of "control" or "comparison" sites

Step 6: Development of survey instruments and baseline data collection

Lead: Evaluation Team

- Information and data requirements will be driven by the indicators used to measure impact
- To maximize efficiency and conserve resources, it is important for the implementer and IE team to work in close collaboration on the design and implementation of the baseline survey
- To the extent possible, a single, comprehensive baseline survey that combines resources from the evaluation and implementation teams may be the most efficient and affordable strategy for the baseline

Step 7: Development of project-level M&E and data collection plan

Lead: Project Implementer

- The project performance monitoring plan and impact evaluation should be jointly developed to ensure a coordinated evaluation effort and to help avoid duplication and maximize quality data collection
  - The implementer can integrate information collected by the IE baseline into the intervention
  - The M&E data collected by the implementer is also an important source of data for the IE

Step 8: Project implementation, including performance management

Lead: Project Implementer

- The implementer is responsible for ensuring the project is implemented as effectively and consistently as possible across program sites, including through performance management
- If the implementer's performance management suggests adjustments to program implementation may be required, the proposed changes should be discussed first with USAID and then with the evaluation team, since any fundamental or undocumented changes will threaten the validity of the evaluation design

Step 9: Endline data collection, analysis, and reporting

Lead: Evaluation Team

- The evaluation team is responsible for coordinating with the implementer on endline data collection timing
- The evaluation team analyzes the IE data and shares draft reports with USAID and the implementer
- The evaluation team finalizes the IE reports and publishes all data and reports on the USAID website

Step 10: Disseminate results and incorporate lessons learned into policy and programs

Lead: USAID

- USAID and the evaluation team disseminate results to stakeholders (e.g., USAID, host government, development partners)
- USAID incorporates the IE results into future policy and programming

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1. For more information, please see the USAID Evaluation Policy (http://transition.usaid.gov/evaluation/USAIDEvaluationPolicy.pdf) or this information from the Abdul Latif Jameel Poverty Action Lab (J-PAL) (http://www.povertyactionlab.org/methodology/what-evaluation/impact-evaluation).
2. To address ethical concerns that may arise, sites which are initially designated as "control" sites can receive the "treatment" at a later stage in the program. This is called a "phased" design.