

Knowledge is the most
democratic source of power

-Alvin Toffler

a world in which there are two
types of people

1. Those who know
2. Those who know that they don't know

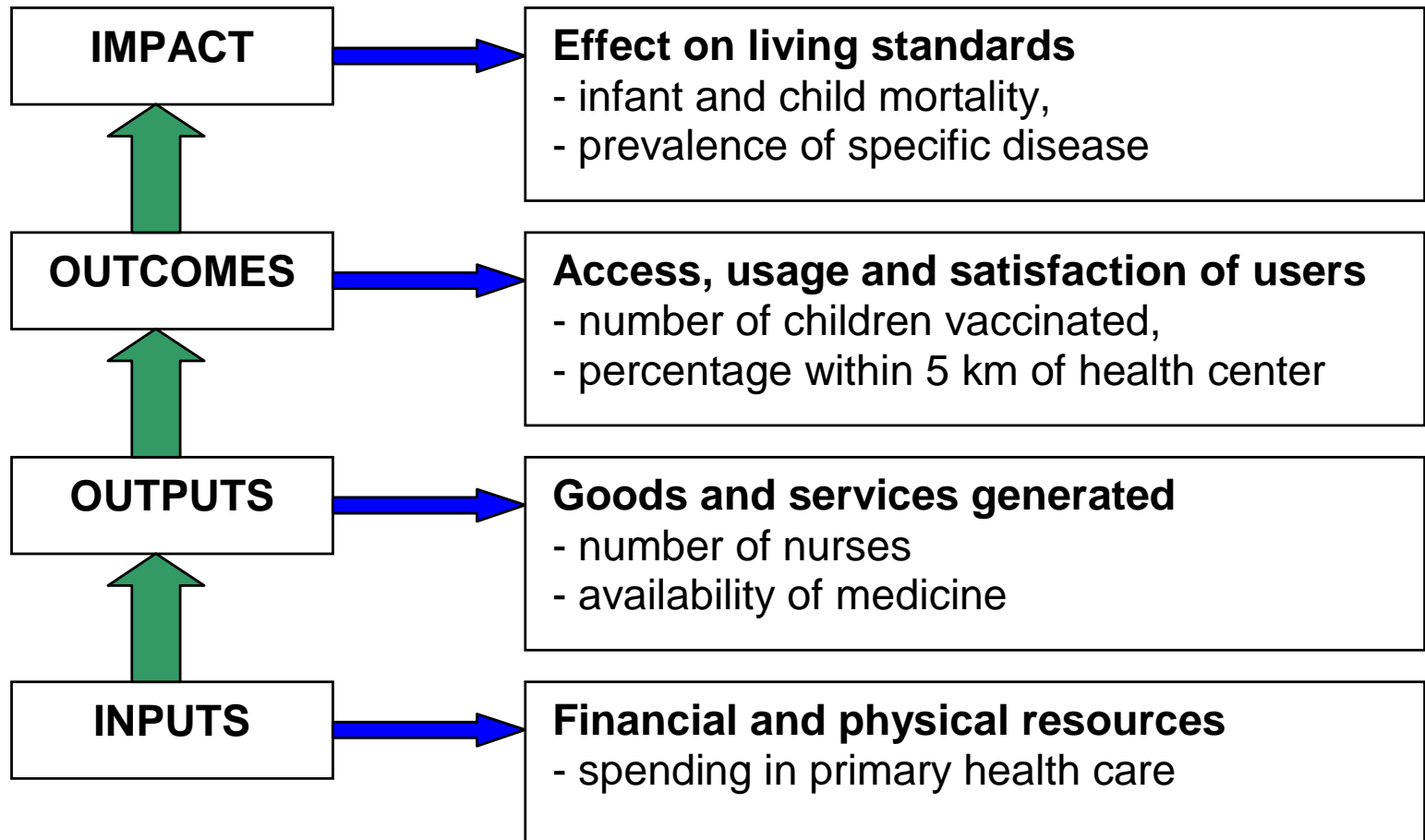
So how can we know?

- Monitoring
- Evaluation
- Impact evaluation

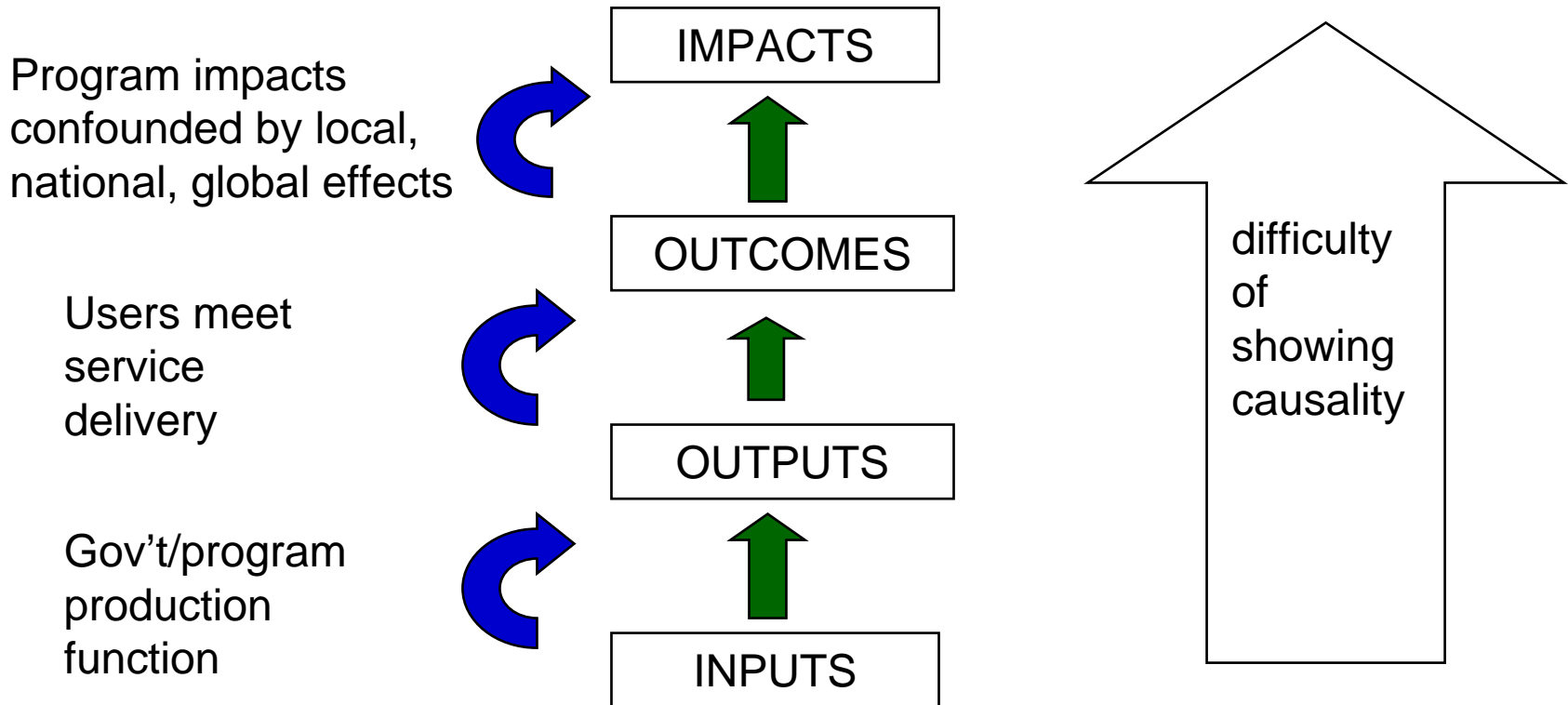
Monitoring and evaluation

- Monitoring: collection, analysis and *use* of data on indicators at different levels (inputs, outputs, outcomes)
- Evaluation: focus on processes and understanding why indicators are moving the way they are

Monitoring and IE



Monitoring and IE



Impact evaluation

- Many names (e.g. Rossi et al call this impact assessment) so need to know the concept.
- Impact is the difference between welfare outcomes with the program and without it
- The goal of impact evaluation is to measure this difference in a way that can attribute the difference to the program, and only the program

What we need

- The difference in welfare outcomes with the program versus without the program – for the *same* unit of analysis (e.g. individual)
- Problem: individuals only have one existence
- Hence, we have a problem of a missing counter-factual, the “what-if”, a problem of missing data

Ways to construct the comparison group

- Random program assignment
 - Randomize phase in
 - Random encouragement
- Matching techniques
- Discontinuity design
- Other techniques: Instrumental variables, difference in differences

Why does impact evaluation matter?

- Focus on causality
- Allows us to deal with fact that individuals self select into a program (different folks) and that programs are targeted (different areas)
- Coleman: microfinance program in Thailand
 - Naïve comparisons: big effect on land holdings and sales
 - Rigorous comparison: no significant effects

How can we use it?

- Understand if policies work
 - Justification for program (big \$\$)
 - Scale up or not – did it work?
 - Compare different policy options within a program
 - Meta-analyses – learning from others

How can we use it?

- (with cost data) understand the net benefits of the program
- Understand the distribution of gains and losses
- Combine with careful qualitative work, monitoring to tell a rich and rigorous story

The bottom line

- We need a combination of m, e & ie
- IE is neither cheap nor easy, but it provides the causal link
- Shift culture away from “we know” to “we want to find out” and “doing what works”
- Practically: *information is not knowledge*: make sure that information use is built into programs
- Broadly: We’re starting to accumulate (and share) knowledge and this is affecting the direction of development programs

Starting points for learning more

- www.worldbank.org/impacetevaluation
- www.povertyactionlab.org

Human knowledge and human power meet in one; for where the cause is not known the effect cannot be produced.

-Francis Bacon

Thank you