



Breakthrough to Policy Use: Reinvigorating Impact Evaluation for Global Development

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Background

In 2006, when a CGD working group published its report *When Will We Ever Learn?: Improving Lives Through Impact Evaluation*, very few social programs benefitted from studies that could determine whether they actually make a difference.¹ Since then, there has been tremendous progress in harnessing better evidence to inform public policy decision making, especially from impact evaluations of programs in low- and middle-income countries. Impact evaluation is a rigorous approach that establishes the attributable net impact of a project or program, making it uniquely well suited to inform decision making about resource allocation, program design, and scale up or drawdown. But the COVID-19 pandemic put a spotlight on an unfinished agenda, underscoring the need for high-quality, timely, and context-specific evidence. The pandemic has demonstrated the cost in lives and livelihoods when policymakers make decisions based on incomplete or outdated evidence and data. Approximately 15 million more deaths took place in 2020 and 2021 than would have occurred in the absence

of COVID-19, and cumulative economic losses from the pandemic are expected to reach 13.8 trillion.²

Given the potential real-world benefits, why have decision makers within governments, aid agencies, multilateral organizations, and NGOs not yet fully harnessed the value of evidence—including from impact evaluations—for better public policies? Looking ahead, how can the development community renew momentum and broaden bases of support for impact evaluation and the wider evidence agenda?

In response to these questions and building on progress to date, CGD launched the Working Group on New Evidence Tools for Policy Impact. The working group aimed to develop a renewed agenda for investments in impact evaluation and related evidence systems to enhance their value for policy use. It brought together a diverse group of policymakers and experts to review recent progress and examine how to address remaining obstacles to the use and utility of evidence for global development, with a focus on impact evaluation.

Two Decades of Progress

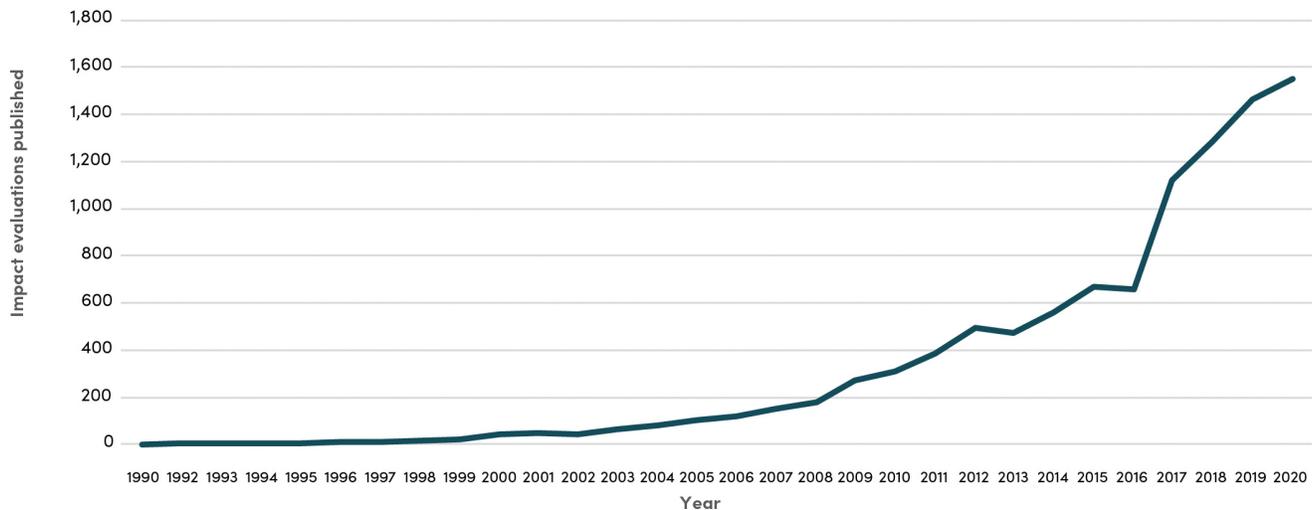
The report reflects on over two decades of action and progress on implementing and using impact evaluations for decision making. Today, numerous resources and examples of good practice and policy impact are at our disposal, underscoring how far the field has come in addressing persistent critiques about the scale, generalizability, and policy utility of impact evaluation methods. The working group's final report collates resources and insights on progress, serving as a key resource for funders, practitioners, and students on well-developed contributions.

- ▶ The **amount of available funding and number of published impact evaluation studies** has significantly increased. As of April 2022, the International Initiative for Impact Evaluation (3ie) evidence portal includes over 10,000 impact evaluation records.³
- ▶ The **global community of researchers and organizations conducting impact evaluations continues to grow**, including those based in low- and

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middle-income countries. Evidence-to-policy partnerships that link researchers familiar with local contexts to policy opportunities within specific contexts are increasingly seen as a key mechanism for strengthening *demand for* and *use of* evidence.⁴ Visit www.CGDev.org/evidence-to-impact for an interactive map with examples of evidence-to-policy partnerships around the world.

FIGURE 1 Number of published impact evaluations from 1990 to 2020



Source: 3ie Development Evidence Portal (data as of March 2022).

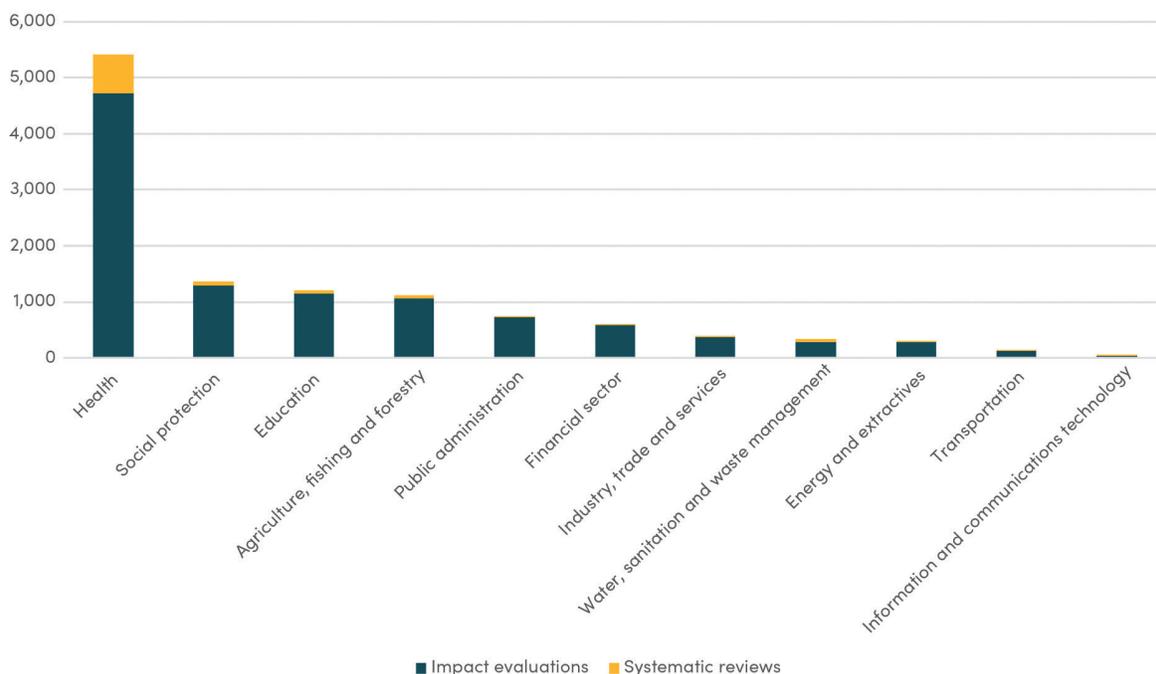
- ▶ **Advances in data and evaluation methodologies and practices** enable faster, lower-cost, and/or larger scale evaluations and enhance the usability of experimental evidence for policy decisions. Notably, evaluations are increasingly conducted at large enough scale to credibly inform policy, helping address policy-relevant questions about attributable impact in the context of real-world implementation challenges.⁵
- ▶ Impact evaluations increasingly involve, or are accompanied by, **complementary quantitative and qualitative evidence** drawn from observational and monitoring data and participant interviews, among other sources, enhancing the ability to derive policy-relevant inferences.
- ▶ The **application of impact evaluation tools has expanded to new domains**, such as deforestation and women's empowerment, which have historically received

minimal attention from the development research and evaluation community. Yet impact evaluation distribution by sector is still concentrated in health, social protection, and education (see Figure 2).

Outstanding Challenges

Despite significant progress, impact evaluation has yet to gain widespread traction for policymaking. Across sectors, decision makers within governments, aid agencies, multilateral organizations, and NGOs have not yet fully harnessed the value of evidence—including from impact evaluations—for better public policies. The inability to systematically use evidence in consequential policy decisions at both the global and national levels has left social and economic gains on the table. Numerous challenges limit evidence use.

FIGURE 2 Distribution of impact evaluations and systematic reviews by sector



Source: 3ie Development Evidence Portal (data as of June 2022).

Note: This figure aggregates totals in 3ie's portal from 1990 to June 2022. It does not reflect potential changes over time within specific sectors.

- ▶ On the demand side, **impact evaluations may lack relevance to policy decisions and may fail to respond to the priorities, timelines, and questions of decision makers.** For example, when scaling a pilot intervention, adjusting a widespread program, or introducing a new innovation, complementary analyses on context, cost structure, implementation feasibility, equity, and political economy matter for policy impact but are often overlooked.⁶ Cost analysis is especially important for policymakers when allocating scarce resources, but the percentage of impact evaluations that include value-for-money analysis has not changed much over time, staying around 15 percent.⁷
- ▶ On the supply side, **decision makers often lack the required institutional incentives and funding to generate and act on relevant evidence,** especially impact evaluation. Limited funding and practice are in part due to the lack of institutional incentives, consistent signals, and leadership on the importance of learning and evidence use.
- ▶ **Current funding models contribute to misaligned incentives between policymaker needs and academic researchers.** The incentives that underpin academic research help motivate valuable knowledge production in the public domain. Yet these incentives can also

limit policy relevance and use. New approaches are needed—not to replace existing rigor and identification standards in academia but to complement them with research that directly responds to near- and medium-term decision-making needs and fills information gaps along the entire causal chain, including observational and qualitative data on implementation. Further, efforts to build equitable, trust-based evidence-to-policy partnerships—a key enabler of policy-relevant research and deliberations to answer questions that evolve over time—remain a work in progress, in part due to limited and time-bound institutional funding.⁸

Recommendations

The working group offers recommendations on what and how to fund to deliver on the promise of impact evaluation *and* bolster the broader evidence ecosystem as two intertwined goals. The working group urges funders, policymakers, and practitioners to prioritize evaluations of programs with potential to have the greatest impact on lives and/or that receive significant public resources. By doing so, funders can better realize the potential of impact evaluation for improved social and economic well-being around the world.

TABLE 1 The role of cost in evidence generation in select countries

	INTERNATIONAL AGENCIES	MEXICO	COLOMBIA	SOUTH AFRICA	UGANDA	PHILIPPINES
How cost influences evidence production	Donors (official and private) fund, but funding base remains quite narrow	CONEVAL funds, sometimes with support from agencies such as IDB. IE costs a challenge	National budget allocated both to the National Planning Department and to other government agencies	DPME part-funds, departments fund rest. IE costs a challenge	Use basket fund with multiple donors and government. IE costs a challenge	Donors and some agencies (NEDA and PIDS) fund. Other agencies do not have regular funds for IEs

Source: Manning et al. 2020.

A core theme of the final report is the importance of shifting agenda-setting power and resources to those who best understand local policy contexts and decision-making needs. The report also urges governments and development partners to integrate evidence and learning into routine operations and programming, and offers ways for researchers to elevate implementation, delivery, and cost analyses alongside impact evaluations for greater policy relevance. Specifically, the working group proposes five ways to improve impact evaluation funding and practice, directed to the development community—government policymakers, other multilateral, bilateral, and philanthropic funders, researchers, and NGOs:

- 1. Design evaluations that start from the policy question and decision space available.** Evaluations should be developed to support decision makers who are interested in using more evidence and making related decisions based on that evidence (in addition to expanding the global knowledge base). But the importance of demand generation and decision responsiveness has not yet translated into widespread practice. Further, to address decision makers' information needs, impact evaluations should routinely integrate a range of complementary analyses that help make evaluation findings more relevant for real-world decisions.⁹ Investments in impact evaluation should also be paired with embedded technical assistance to support evidence use throughout the program life cycle.
- 2. Harness technology for timely, lower-cost evidence.** To make the most of new data sources and advances in analytical methods for policy use, development stakeholders must increase investments in capacity strengthening to apply these data and methodological techniques to impact evaluation and related evidence generation for routine policy decisions. Further, investments to improve the quality, regularity, and granularity of administrative data systems can unlock significant benefits for government functions.¹⁰ Many private companies now integrate

continuous experimentation into their operations through A/B testing and other analyses, offering a model for governments seeking to embed evidence use in their own decision making and program design.

- 3. Advance locally grounded evidence-to-policy partnerships.** Locally informed evidence-to-policy partnerships can serve as the foundation of a sustainable evidence ecosystem. The development community should increasingly focus resources on context-specific evidence-to-policy initiatives and researchers with deep contextual knowledge, enabling them to identify policy-relevant research questions and advance uptake of findings. A community of practice on evidence partnerships could develop detailed partnership funding guidelines and envision a center of excellence for continued research and shared learning on best partnership practices. To further advance equitable partnerships through policy-immersed research and evidence groups, funding consortia between philanthropies and multilateral and bilateral entities should be created to channel funding toward long-term, flexible institutional support for evidence organizations in lower-income countries, enabling them to move beyond short-term consultancies and time-limited projects towards sustained, decision-responsive engagement with policymakers.
- 4. Enact new incentives and structures to strengthen evidence use.** More robust systems and incentives are needed to institutionalize the generation and use of rigorous evidence to determine whether projects have their intended impacts and whether they should be adjusted or scaled up or down.¹¹ The potential rate of return is immense: a \$1 million impact evaluation could save hundreds of millions in mistargeted or ineffective spending. The most promising approaches to generate demand for evidence and integrate its use into day-to-day operations will vary across institutions. Yet across all organizations, aligned incentives and consistent leadership are indispensable ingredients.

5. Invest in evidence leaders and communities to shape the future of impact evaluation. A new generation of researchers is increasingly interested in applying research to policy, and early-career government officials are increasingly interested in grounding policies in evidence. Through online teaching resources, civil service institutes, government training programs, and other coordinated linkages, development funders can help build lasting skills and shape meaningful evidence-to-policy communities.

To illustrate the application of the working group's agenda to specific development funders, we developed detailed recommendations for three key audiences with strong foundations for evaluation and evidence use: philanthropies, USAID, and the World Bank. You can read these briefs and find the full report at www.CGDev.org/evidence-to-impact.

Endnotes

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