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PLANNING FOR COST EFFECTIVE EVALUATION WITH EVALUABILITY ASSESSMENT

IMPACT ASSESSMENT PRIMER SERIES
PUBLICATION # 6

PRIVATE SECTOR DEVELOPMENT IMPACT ASSESSMENT INITIATIVE

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PLANNING FOR COST-EFFECTIVE EVALUATION WITH EVALUABILITY ASSESSMENT¹

Abstract: Evaluability assessment is the first step in planning a useful, cost-effective impact assessment. Upon completion of an evaluability assessment, the evaluation team will have gained detailed knowledge of the program; program stakeholders will have agreed upon a well-developed causal model; a basic design for the impact assessment will have been developed; and the evaluation team will have collected sufficient information about local resources, logistical issues, and potential methodological challenges to proceed with the detailed design and implementation of the impact assessment.

INTRODUCTION

The evaluability assessment (EA) is an important first step in planning a useful, cost-effective impact assessment. It strengthens impact assessment by basing it on a solid foundation of accurate and relevant information. It saves money and effort by identifying programs that cannot be evaluated in a satisfactory way or are not worth evaluating. Not only does EA lead to stronger, more cost-effective evaluations, but EA can also improve the performance of the program being evaluated.²

During the course of an evaluability assessment, the evaluation team becomes genuinely familiar with the program, its stakeholders, its intended impacts, and specific issues related to the context in which the impact assessment will be conducted. Essentially, the objective of an EA is to create an effective framework for impact assessment by addressing three critical issues:

1. **Is it plausible to expect impacts?** Do stakeholders share a clear understanding of how the program operates and are there logical links from program activities to intended impacts?
2. **Is it feasible to measure impacts?** Is it possible to measure the intended impacts, given the resources available for the impact assessment and the program implementation strategy?
3. **Would an impact assessment be useful?** Are there specific needs that the impact assessment will satisfy and can it be designed to meet those needs?

The purpose of this paper is to explain the steps involved in conducting an EA. The discussion assumes that at least some members of the evaluation team will conduct a site visit, since face-to-face interviews and observations are usually needed to verify the causal model and assess logistical issues. Before any site visits, however, the evaluation team should “do its homework” by reviewing program documents and conducting a few telephone interviews. These preliminary tasks will not only make the site visit more productive, but it may also save time and money by revealing program features that make a full impact assessment infeasible. For example, initial investigation may reveal that the program is scheduled to end before it would even be possible to design and implement an impact assessment.³

¹ This paper is part of the Impact Assessment Primer Series written for the Private Sector Development Impact Assessment Initiative of the Office of Microenterprise Development, USAID. The author is grateful for early suggestions received from Jeanne Downing, Don Snodgrass, Lucy Creevey, Gary Woller, and Lara Goldmark.

² J. S. Wholey. (1994). “Assessing the Feasibility and Likely Usefulness of Evaluation.” In *Handbook of Practical Program Evaluation*, eds. K.E. Newcomer, H.P. Hatry and J.S. Wholey, pp. 15-39. San Francisco: Josey-Bass.

³ For more on the evaluability assessment, see Michael S. Trevisan and Yi Min Huang. (2003). “Evaluability Assessment: A Primer.” *Practical Assessment, Research & Evaluation*, 8(20) (<http://PAREonline.net/getvn.asp?v=8&n=20>).

STEP ONE: VERIFY THE CAUSAL MODEL

A well-developed causal model provides the conceptual framework upon which an impact assessment is constructed. It specifies the logical chain of events leading from program activities to program outputs, outcomes, and impacts. A separate paper in this Primer describes the construction, use, and importance of causal models.⁴ This paper looks specifically at the relationship between causal models and evaluability assessment.

The central task in any EA is to locate and verify the causal model of the program to be evaluated. There are a range of possible situations that may face the EA team. In the ideal case, a detailed causal model already exists, having been developed during the program design phase. In this case, the evaluation team can proceed directly to the task of verifying the comprehensiveness and plausibility of the causal model:

- **Comprehensiveness:** The causal model should include all of the program’s major activities, outputs, outcomes, and impacts presented in a way that indicates their relative importance.
- **Plausibility:** The causal chain depicted in the causal model should be logical in the sense that it is reasonable to anticipate that program activities and outputs could lead to the outcomes and impacts that are indicated in the model.

The process of verifying the causal model requires in-depth interviews with program staff, program sponsors, program partners, intended recipients of program services, and (if different than recipients) intended beneficiaries of program impacts. On-site observations are important for “ground truthing” the model, since the description provided by home office or headquarters staff may not match what is happening at program sites. Also, on-site program staff and program recipients may have quite divergent viewpoints. It is important to triangulate the information received during the verification process rather than to rely on only one or two sources.

Instead of finding a fully developed causal model and proceeding directly to verification, it is more common for the EA team to find that the program either has no explicit causal model or has one that is incomplete. In this case, the EA team should elicit extensive participation from program staff in the development of a comprehensive and plausible causal model. Participatory development of the causal model can play an important role in helping program staff articulate and clarify program activities, outputs, outcomes, and impacts. Many times this process will reveal program activities that have no logical connection to the program’s intended impacts. Similarly, it may reveal anticipated impacts that have no relationship to any of the existing program activities. The process of developing a causal model inevitably helps to sharpen the focus of the program and increase its potential for effectiveness.

The process of verifying the causal model serves as a preliminary “mini-evaluation” of the program. It addresses the question of whether the program can reasonably be expected to lead to its intended outcomes and impacts. If the answer to this question is “no,” then steps should be taken to either modify the causal model or modify the program activities and outputs. If it is still not possible to establish a plausible link from program activities to intended outcomes and impacts, then no further evaluation is warranted, and the resources available for the evaluation should be diverted to a more useful purpose. In addition, the findings from the EA would suggest that the program should either be redesigned or expectations for the program’s impacts should be reevaluated.

STEP TWO: AGREE ON PURPOSE OF IMPACT ASSESSMENT

Another major task during an EA is to reach agreement about the purpose and intended uses of the impact assessment. This requires discussion with program staff, sponsoring agency staff, and program partners. These

⁴ Gary Woller and Jeanne Downing (2007). “Developing a Causal Model for Private Sector Development Programs.” *Impact Assessment Primer Series* #4. Washington DC: US Agency for International Development.

stakeholders may have different expectations for the impact assessment. This does not necessarily pose a problem, since a single impact assessment can sometimes satisfy multiple purposes. Still, these purposes should be identified so the impact assessment can be designed to accomplish them.

While there are several possible uses for the results of an impact assessment, they generally fall into three categories:

- **Program Modification:** Sometimes called the “improving” role of impact assessment, the purpose is to select the most effective program design (or program features) from among two or more possible choices.
- **Program Justification:** Sometimes called the “proving” role of impact assessment, the purpose is to demonstrate that the program generates sufficient impacts to merit the resources used to implement it.
- **Portfolio Assessment:** A meta-level assessment of several independent programs sharing the same method, target beneficiaries, sponsor, or other similarity, the purpose is to guide a set of related programs toward greater effectiveness.

The purpose and use for the impact assessment results will affect the type of information needed, the timing of the results, the audience for the results, and the ideal dissemination channels and strategies. For example, an impact assessment designed for program modification needs to address the specific program features under review and the results must be ready in time to inform the decision. The impact variables for an impact assessment aimed at program justification need to be selected so that they are meaningful and convincing to the intended audience. For portfolio assessment, it is usually important to impose uniformity in methods and/or indicators across multiple impact assessments.

Another issue that should be addressed when considering the purpose and use of the impact assessment is its relationship to program performance monitoring. The causal model provides the link between these two sides of the evaluation coin. Typically, program monitoring is concerned with tracking activities and outputs, while impact assessment focuses on measuring outcomes and impacts. Program managers rely on monitoring systems to generate on-going information about whether their programs are moving in the right direction over time. In many cases, the causal model development completed under the EA provides a shared structure for both the impact assessment and the performance monitoring system.

STEP THREE: EVALUATE FEASIBILITY OF ALTERNATIVE DESIGNS

Once the causal model has been verified and there is agreement about how the results will be used, the EA team should turn to the task of gathering the information needed to evaluate alternative impact assessment designs. There are four types of information that should be gathered during the EA in order to inform the design choice.⁵

First, the size of the budget available for the impact assessment plays an important role in influencing which designs are possible. Information on the evaluation budget should be readily available to the EA team. As more resources are available for the impact assessment, a larger number of design alternatives become feasible.

Second, the EA team must consider the causal model and purpose of the evaluation in order to identify the variables and linkages to be analyzed in the impact assessment. Some variables are more difficult than others to measure empirically. For example, net profits are more complicated to measure than sales revenue. Some variables lend themselves more to quantitative analysis, while other variables are best analyzed qualitatively. Also, it is generally easier

⁵A separate Primer Series paper discusses alternative information gathering methodologies. Lucy Creevey and Gary Woller. (2006). “Methodological Issues in Conducting Impact Assessments of Private Sector Development Programs.” *Impact Assessment Primer Series #2*. Washington DC: US Agency for International Development.

to establish linkages between program output and outcome variables than it is to establish linkages between program outputs and final impacts.⁶

A third type of information that should be gathered during the EA is information about the program to be evaluated. Program features can play an important role in determining the feasibility of alternative designs. Information should be gathered on program features such as the timing of program roll-out, the number and types of clients to be reached, client intake and selection methods, and the plans for geographic expansion. This information can affect design decisions such as the timing of baseline studies, the design of experiments, and the sampling approach and sample size. In addition, the EA team should find out what types of data will be routinely collected and reported as part of the program, since these may be useful for the impact assessment.

A fourth type of information needed for the detailed design of the impact assessment is information related to logistical issues such as the following:

- **Geographic:** Location(s) of program activities, distances between sites, population densities, communication infrastructure, transportation issues, etc.
- **Socio-cultural:** Language/ethnicity, biosocial roles, social divisions, etc.
- **Seasonal:** Production and business cycles, weather patterns (e.g., rainy seasons), holidays, etc.
- **Conflict:** Dangerous or volatile zones, after-effects of armed conflict, etc.

As information accumulates about the evaluation budget, impacts to be measured, program features, and logistical issues, an experienced evaluation team will be able to identify several feasible design alternatives. The EA team should present these design alternatives to the program staff to verify that all of the relevant issues have been considered and there are no program-related objections to any of the proposed alternatives. Then, the EA team should present these alternatives to the impact assessment sponsor and, keeping in mind the purpose of the impact assessment and intended uses of the results, select a design that is both technically feasible and cost-effective.

STEP FOUR: IDENTIFY LOCAL EVALUATION TEAM

Finally, some time should be reserved for the EA team to interview local research firms that might potentially serve as research partners. The EA team should establish a set of selection criteria and interview a number of firms using these criteria to guide the interviews. An example of research firm selection criteria is provided in the Appendix. Based on these interviews, the most qualified firms can be selected and asked to submit formal technical and cost proposals for conducting the impact assessment.

In addition to the external research firm, the EA team also should identify program staff members who will play key roles in the impact assessment. A coordinator should be selected to serve as liaison between the program and the evaluation team. The coordinator should participate as much as possible in the EA and should provide input into the design of the impact assessment. He or she should have professional interest in evaluation and a position of authority within the implementing organization, while still having time available for a role in the impact assessment. The EA team should also identify an impact assessment “champion” at the highest levels of authority within the program. This champion would be available for occasional troubleshooting and to provide advice on political issues related to the evaluation.

⁶ Issues in the collection and use of data in impact assessment are discussed in a separate paper in the Primer Series Lucy Creevey and Don Snodgrass (2006). “Collecting and Using Data for Impact Assessment.” *Impact Assessment Primer Series #3*. Washington DC: US Agency for International Development.

CONCLUSION

An evaluability assessment can save valuable time and resources by determining whether it makes sense to conduct an impact assessment and, if it does make sense, by gathering the preliminary information needed for planning a well-targeted and cost-effective effort. A site visit is usually required because much of the work involves extensive interviews with program stakeholders including the sponsoring organization, headquarters and on-site program staff, program partners, and intended program beneficiaries. In general, it can take one to three weeks for a team of two people to complete a routine evaluability assessment. This investment will more than pay for itself by leading to impact assessments that are valid, efficient, and useful.

APPENDIX: EXAMPLE OF RESEARCH FIRM SELECTION CRITERIA

1. Has substantial experience with the logistics of running large-scale surveys.
2. Has a team of trained and experienced enumerators on staff or on call (e.g., not relying on inexperienced university students).
3. Able to mobilize survey teams in the regions where the study is to be conducted, with enumerators able to conduct interviews using the local languages.
4. Experienced with conducting detailed, socioeconomic questionnaires (i.e., questions on household income and microenterprise variables).
5. Experienced with conducting face-to-face interviews with the target population for the study.
6. Experienced with the analysis of longitudinal impact data.
7. Able to place a qualified researcher in charge. This researcher must be willing and able to work closely with the program evaluation team and provide informed input.
8. Willing to commit to a longitudinal study.
9. Willing to take technical direction from the technical director of the program evaluation team.
10. Able to provide references and contact information for similar programs completed in the recent past.
11. (Optional) Able to provide a qualified and experienced qualitative researcher to conduct qualitative research.

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