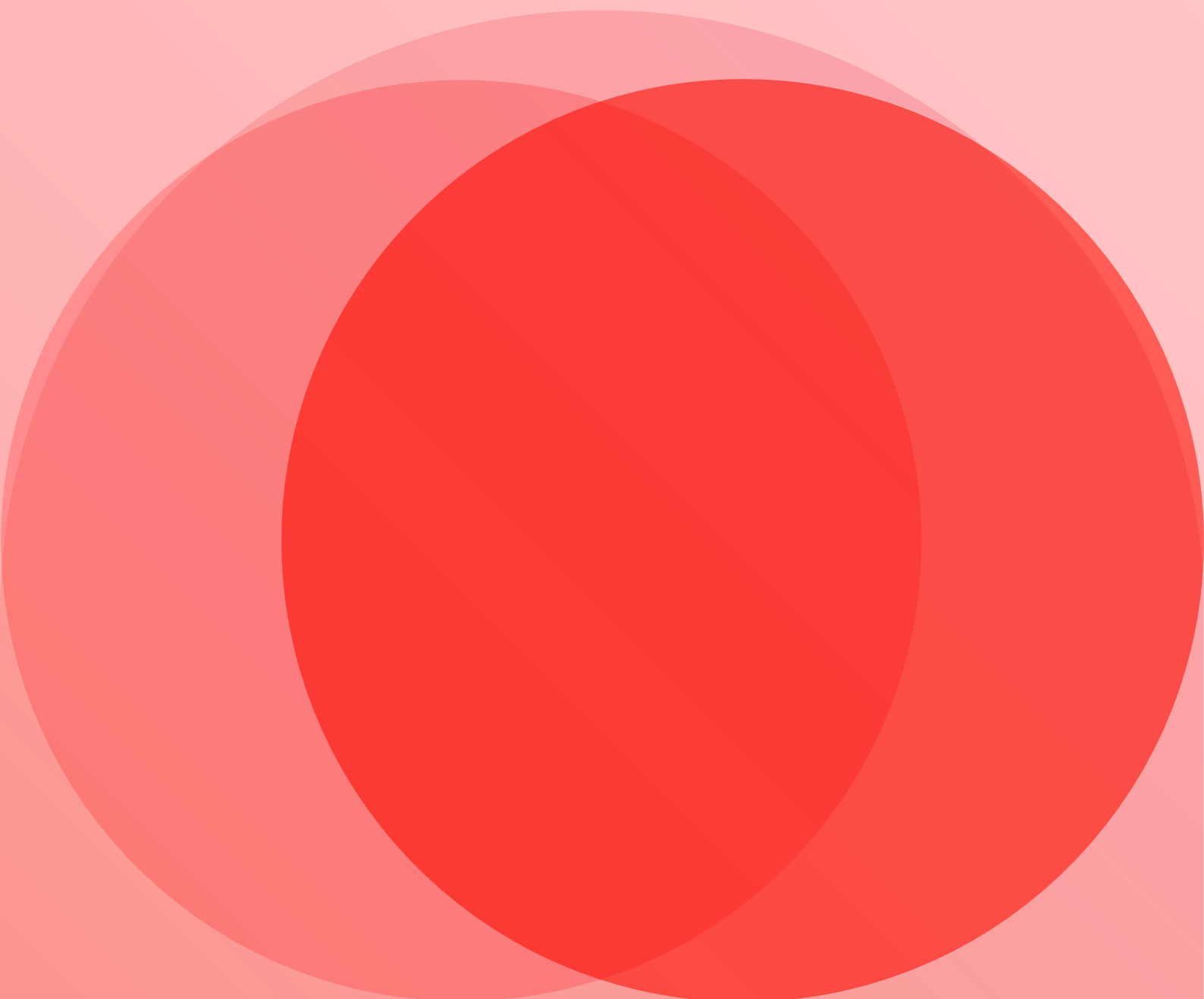


Impact evaluations in Norwegian development cooperation: Opportunities, challenges, and proposed actions



Report to **The Ministry of Foreign Affairs** and **Norad**
from **Task Force on Evidence-Based Aid**

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BACKGROUND AND SCOPE

Norway has increased its ambitions for how to acquire and use knowledge to strengthen the results of development cooperation. According to the State budget for 2023, “Norwegian development cooperation shall be of high quality and be knowledge-based. The Ministry of Foreign Affairs and Norad are working to strengthen systems and methods for measuring and analysing results. Impact evaluations and other real-time evaluations can be integrated into programmes when this will contribute to more knowledge-based aid”. (Our translation.)

The organisations contributing to this report welcome the government’s efforts to ensure that development cooperation is knowledge-based and of high quality, including the use of impact evaluations and other real-time evaluations when this can make aid more effective. At the same time, we realize that higher ambitions will present aid organizations with new challenges. More use of impact evaluations and higher expectations to utilisation of research-based knowledge will require new ways of working, more resources, as well as new skills.

Rather than having each organisation find their own way forward on this, a joint task force was initiated by members of the Monitoring, Evaluation and Learning (MEL) network for Norwegian aid organisations. The purpose of the task force has been to:

- identify opportunities, challenges, barriers, and questions in relation to the use of impact evaluations in humanitarian and development aid,
- propose measures to overcome challenges and barriers, and
- produce a report that informs further decisions in the MFA and Norad and their work with the state budget for 2024.

Participants of the task force were recruited to ensure representation from both humanitarian and long-term aid, organisations of different size, and organisations with some prior experience in impact evaluations. The task force has consisted of staff responsible for Monitoring, Evaluation and Learning in the following organisations: Norwegian Church Aid, Norwegian Refugee Council, Save the Children, Plan International, Norwegian Red Cross, Norwegian People’s Aid, and the Strømme Foundation.

The task force held two meetings in October and December 2022. A draft report was then circulated to all members of the MEL network for comments and inputs, before the task force finalised the report in January 2023.

In this report, impact evaluation is understood as:

The use of rigorous methods to measure and assess effects that can be attributed to a specific intervention (i.e., a project, programme, or policy).

Attribution is the key concept here. Impact evaluations enable us to measure the effect caused by the intervention, i.e., what difference the intervention made.¹ Note also the emphasis not only on measuring effect, but also on assessing why effects do or do not arise, which is crucial for learning.

We applaud Norad’s desire to support Norwegian organisations in making greater use of impact evaluations. Below we provide a number of recommendations to Norad

1 Impact, as understood here, can be measured at all levels of the results-chain, from immediate outputs and outcomes to higher-level outcomes, and it may include both intended and unintended effects. Note that this definition of impact differs from the one used by OECD-DAC which focuses on higher-level effects only (Evaluation Criteria – OECD).

and the MFA on how to ensure that we, as a sector, are able to successfully utilise impact evaluations as part of our systems for Monitoring, Evaluation and Learning (MEL) to generate evidence and learning across the sector.

While impact evaluation is our focus here, several of our recommendations are relevant also for the broader agenda of more knowledge-based aid. This applies for instance to recommendations related to ensuring access to and use of existing evidence, as well as sharing of knowledge across organisations. We encourage reading the report with this broader perspective in mind.

It is also important to acknowledge that impact evaluation is one among a number of tools that can contribute to more knowledge-based aid and that a multitude of approaches will continue to be needed, for different purposes.

OPPORTUNITIES GIVEN BY IMPACT EVALUATIONS

More use of impact evaluations of aid programmes provides opportunities for

- more learning and more effective aid in areas where evidence is weak or lacking,
- strengthening internal capacities of the organisations to utilize impact evaluations and other forms of evidence to inform decisions,
- promoting a culture within aid organisations that values research-based knowledge, and
- strengthening aid organisations' collaboration with research institutions both in the North and the South.

Opportunities for learning

Using the tools of impact evaluation to measure and assess the effects of aid programmes offers opportunities to obtain more precise knowledge about what works well and not, and why. This knowledge can be used to further refine and improve aid programmes, and to make priorities about what to scale up and scale down. More effective aid will ultimately benefit the right-holders.

Impact evaluations represent a step towards a scientification of the organisations' work on monitoring, evaluation, and learning (MEL), as it pushes us towards using a larger part of the scientific toolbox. Our learning will benefit from using research methods which generate more reliable knowledge about the effects of our own and others' programmes. More scientific approaches will also help us to be more transparent and reflective about uncertainties and limitations in our data. Real time evaluations, such as ongoing process evaluations embedded in larger impact evaluations, will also provide opportunities for more timely feedback to the implementing organizations than the standard ex-post evaluations.

We also envisage that increased use of research-based methods of our MEL work may enable us to make better use of existing data, as well as to make use of new data collection tools and tools for data analysis, such as satellite imagery and machine learning.

Better documentation of results through impact evaluations also offers an opportunity to learn from each other and to increase take-up of effective practices across organizations.

Strengthening internal capacities and a culture for evidence-based aid

Most of the time, the results-work of aid organisations focuses on observed changes in outputs and outcomes, with less time and resources devoted to documenting effects that can be attributed to the programme, i.e., its causal impacts. More use of impact evaluations offers opportunities to build capacity on how to pay more systematic attention to effects caused by aid programmes, how to acquire such knowledge, and how to use it more systematically in decision-making.

Building relations with researchers

Doing more impact evaluations provides opportunities to build closer relations with academic partners. Aid organisations will benefit from such relations to ensure that impact evaluations are implemented according to scientific standards, and we envisage that researchers also will be attracted to do more research on aid when they can use a larger part of their scientific toolbox on evaluations.

For aid organisations, it is important to build relations to a network of researchers that can provide guidance on a broad range of impact evaluations methods. It is also important that the researcher network includes research institutions based in the countries where we work.

CHALLENGES – AND HOW THEY CAN BE ADDRESSED

More use of impact evaluations also presents aid organisations with new challenges related to:

- Organizational buy-in
- Internal capacity
- Partner capacity
- Access to research-based knowledge
- Costs and funding
- Obtaining actionable learning
- Conflicting interests with research partners
- Ethical challenges
- Risk of failure

The challenges are described in more detail below, along with proposed measures for addressing each of them. All recommendations are directed to the MFA/Norad, unless otherwise specified.

Organizational buy-in

Challenge:

Most staff in aid organisations have limited or no experience with impact evaluations and have insufficient familiarity with what it entails and what it can contribute to. There is also some scepticism to the request to do more impact evaluations, because 1) impact evaluations are considered highly resources intensive to do, both in terms

of time and money 2) impact evaluations will challenge established ways of working, as our MEL systems are not designed to measure what effects can be attributed to our programmes, 3) there is concern that the push for more impact evaluations will result in the use of impact evaluation methods even when they are not the most useful or appropriate methods given the specific programme or the evaluation questions to be addressed, and 4) the risk that there will be less support for other research and evaluation approaches which are important for learning, including more participatory and qualitative approaches.

Proposed measures:

- Offer basic training to staff about what impact evaluation is, what it entails, and when and why it should be used.
- Make it attractive to do impact evaluations.
 - Make it a contribution to the global pool of knowledge. Avoid making it another mechanism for checking whether the organizations are doing a good job.
 - Establish channels/arenas for sharing the knowledge gained with other development agencies and for policy making.
 - Highlight the role of impact evaluations in driving innovation and scale-up of new and better approaches to aid. Focus for instance on how to adjust existing programmes to deliver even better results.
 - Encourage transparency and give recognition for willingness to learn and adapt.
 - Establish attractive funding mechanisms (more on this below).
- Acknowledge that some of our programmes are not suited for counterfactual analysis (randomised or non-randomised evaluations with comparison groups). Standard ways of doing impact analysis will then have little to offer to enhance learning.
- Be realistic in what you are asking of aid organisations and continue to support a myriad of approaches to evaluation, research, and learning, in particular those that facilitate local ownership and learning.

Internal capacity

Challenges:

Designing and implementing impact evaluations is a tall order for most aid organisations, as it requires significant time, skills, and resources. All the following stages need to be managed well:

- **Identify what projects to evaluate:** This involves a) an assessment of project evaluability, which requires knowledge of what it takes to implement various impact evaluation designs, and b) an assessment of existing evidence to make sure the evaluation will fill a knowledge gap, which in turn requires good overview of the existing literature.
- **Design the evaluation:** This requires being familiar with alternative experimental and quasi-experimental designs, including their strengths and weaknesses and how to mitigate them. It also requires knowledge about sampling and how to obtain reliable data, sometimes on issues that are hard to measure.
- **Implement the evaluation:** This calls for capacity to train data collectors, to collect high quality data, to manage and store the data, and ensure research integrity and transparency.
- **Analyse results:** Competence in advanced statistical analysis is needed, as well as in-depth analysis and interpretation of qualitative data.

While some organisations have the capacity to manage some of these steps, most organisations *lack the skillset* to design and implement impact evaluations. There is also limited knowledge about what skills are required. Cooperation with research organisations is therefore needed. However, it is neither feasible nor desirable to completely outsource impact evaluations to external researchers. To maximize learning, the organisations need to be in charge and to be involved throughout the process in mixed teams consisting of representatives from the organisations and researchers from academic institutions.

For this to work well, the organisations need to know the basics of impact evaluations. They must be prepared to have informed discussions about when and where to propose impact evaluations, and to discuss with researchers how to do it. They also need to communicate with their partners about why, where and when impact evaluations may be useful. Therefore, each organisation needs a dedicated team/staff to work on this in the long term and maintain an internal knowledge base.

Time is another challenge. Even if research organisations can do part of the job, substantial time input is needed from organisations to manage the process and the research partnerships, identify which projects to evaluate, participate in the design phase, bring implementing partner and stakeholders on board, etc. Someone within the organisation also must follow the process from start to end to ensure continued buy-in from all stakeholders.

Internal capacity to *assess, absorb and make use of* research findings is also a challenge. This constraint affects the ability to make informed decisions about when to invest in impact evaluations as well as the use of research-based knowledge in general. Addressing this issue is partly a matter of creating internal structures which ensure that research-based knowledge is actively used in programme design and decision-making processes. But it is also about skills. The staff of aid organisations need to understand how to interpret and use research-based evidence (and other forms of evidence) with care in decision-making process.

Proposed measures:

Provide assistance, guidance, and training

- Provide guidance on how to design impact evaluations to programme and MEL related staff.
 - Arrange impact evaluation incubators or similar on a routinely basis.
 - Provide assistance to individual organisations in developing proposals for impact evaluations to Norad.
- Provide assistance in the initial phase of selecting projects for evaluation (pre-stage to impact evaluation incubators)
 - Offer dialogue with researchers about project evaluability.
 - Offer guidance on which knowledge gaps make it worthwhile to invest in impact evaluations.
- Provide regular training and support for organisational competence building on impact evaluation.
 - Develop a skills assessment tool to assess organisational readiness for doing impact evaluations
 - Offer regular training for basic understanding of impact evaluation, including when to use impact evaluation and for what. The service should be available both to Norwegian organisations, including their in-country staff, and to partners.
 - Offer training of data collectors and other forms of quality assurance in case the organisations do not have the capacity to implement impact evaluations themselves.

Facilitate coordination across organisations:

- Establish mechanisms for information sharing and learning across all organisations on design and implementation of impact evaluations
 - Maintain an overview of which studies are on-going and which have been completed.
 - Create a mechanism to enhance cross-organisational learning on designing impact evaluations (from those who have done similar ones in the past).
- Establish mechanisms for cross-organisational learning from the findings and process learnings from implemented impact evaluations (particularly relevant for organisations that run similar programmes). This mechanism might be combined with the one mentioned above.

Facilitate partnerships with research organisations:

- Provide flexible opportunities for involving research organisations in impact evaluations.
 - Make it administratively easy and economically feasible to include research organisations as partners in impact evaluations funded by the MFA/Norad.
 - Encourage partnerships with research organisations in the implementing countries when feasible.
 - Ensure that a multitude of types of partnerships are feasible. Ensure flexibility in the division of labour between aid organisations and external research partners, reflecting different levels of internal capacities in the organisations.
- Establish a matchmaking function between the organisations and potential research partners
 - Develop a pool of potential research partners to help organisations getting in touch with researchers with appropriate skills.

Address time constraints:

- Make sure that resources are made available for the time input required by the organisations.
 - At a minimum, a focal point will be needed within the organisations.
- Promote better utilisation of existing monitoring frameworks for learning.
 - Offer guidance on how existing monitoring systems can be used as part of impact evaluations and for more learning in general.
 - Provide external assistance to help organisations critically assess and simplify results frameworks, with the aim to increase learning.
 - Expect that the organisations drop “nice to have” indicators and focus on the essential ones.
- Establish venues for working intensively with impact evaluation design across organisational units over time (such as impact evaluation incubators). It is important that MEL staff and programme staff work on this together.

Enhance absorption of evidence and evaluation results:

- Offer training on how to understand and interpret research findings and utilize research-based knowledge with care.
- Expect that all organisations have well working systems for using evidence and evaluation findings in decision making.
- Do check-ins from Norad’s side on what is done with evaluation findings.
- Organisations should share best practices on utilising evidence and evaluation results in decision-making and put in place their own systems for doing so.

Partner priorities and capacity

It is important to support and enable partners and local communities to take the lead on and have ownership of the sector's learning agenda. Partners who engage with us have their own priorities which more closely reflect those of the communities we are working in. The methods and approaches we use in our evaluations need to serve both our priorities and our partners' priorities.

When an impact evaluation is to be implemented, it is important to engage partners at an early stage to build trust and buy-in, to understand and accommodate their knowledge needs, and to ensure they are able to contribute to the development of evaluation questions and shaping the evaluation approach.

Challenges:

Partners face similar challenges to those mentioned above, often to an even greater extent than at the Norwegian NGOs / head offices in Norway.

Many partners, as well as the Norwegian organisations' country offices, are small and stretched in terms of staffing and resources. They might not have time to engage in the intensive data collection required for an impact evaluation. Nor will they usually have the skills to ensure the appropriate quality of the data. To manage local research partnerships would also be very resource demanding on them.

Partners' understanding of basic concepts in impact evaluation may also be limited. Discussions about issues such as randomised evaluations and alternative impact evaluation design could be a challenge, and it doesn't make communication easier that staff at head office also may lack these skills.

Proposed measures:

The measures needed are similar to those discussed above.

- Ensure that the decision to implement an impact evaluation is made in collaboration with partners and reflects their needs and priorities.
- Make training and support offered in Norway available also to partners and country office staff as appropriate.
- Offer in-country trainings for partners and country office staff on the basics of impact evaluation.
- Ensure involvement of partners throughout the process to maximize their learning.
- Make resources available to cover partners' time input in impact evaluations.
- Arrange research partnerships in ways that do not put an excessive administrative burden on implementing partners. (For example, engage local research organisations through consortia with Norwegian based research institutions as in projects funded by the Research Council.)

Access to research-based knowledge

Challenge:

There is large variation across organisations in their access to research-based knowledge. While some international organisations have their own research departments, others have very little access to research. The fact that a lot of research is accessible only behind paywalls is a constraint for all organisations.

Even if research article were freely available, most organisations would not have the time and the skills to properly search for, assess, and synthesise the available evidence. The amount of available research is often overwhelming, and literature reviews are usually too

time-consuming to be part of the process of developing impact evaluations. Moreover, research competence is usually needed to assess the quality and interpret the research.

These challenges affect not only the ability of organisations to make the right decisions about when to invest in impact evaluations but are core issues when it comes to their use of research-based knowledge in decision-making more generally.

Coordinated efforts are needed to address these challenges. Knowledge reviews are public goods that will benefit more than one organisation. This creates a need for coordinated decision-making. With the establishment of thematic portfolios in Norad, there is an opportunity to create thematic knowledge hubs that also include the organisations and where coordinated investments are made in synthesizing and making available existing research.

Proposed measures:

- Establish a mechanism, including financial support, for coordinated investments in evidence reviews across organisations working on similar issues.
- Align this mechanism with Norad's own portfolio management and knowledge plans. Norad can play a coordinating role.
- Provide organisations with assistance on how to interpret evidence reviews and to apply the findings in their contexts.
- Make use of the organisations' own internal research, such as large international studies and meta-analysis from the international federations, when available.

Costs and funding

Challenge:

Impact evaluations are costly, because a lot of data is needed to measure impacts with precision. In addition to data collection and analysis, funding is needed for the aid organisations and implementing partners' efforts to plan and implement impact evaluations, and for the time and effort of collaborating with research institutions.

It will be very difficult for organisations to mobilise these resources out of their already constrained budgets and severe time pressures. The needs on the ground are always huge, and tough priorities will have to be made to put aside sufficient funding to do impact evaluations. One potential risk is that impact evaluations are implemented with in-sufficient resources, leading to evaluations of sub-optimal quality and low value.

As discussed above, there are also substantial costs involved in the design process, before a decision is made to fund and implement the evaluation. It is a concern that time and resources may be wasted in the preparations of evaluations that eventually do not materialize, because they do not succeed in, competitive bidding processes. Lack of guidance on what impact evaluations will be prioritised for funding may exacerbate this challenge.

Proposed measures:

- Establish funding mechanisms that make it attractive for the organisations to implement impact evaluations.
- Hybrid mechanisms are recommended: It should be possible to incorporate funding into the long-term agreements with Norad/MFA. In addition, there should be funding available for all organisations through competition. This is particularly important for smaller organisations that have greater difficulty funding impact evaluations from their long-term agreements. It will also be important for seizing opportunities for impact evaluations that arise in the course of implementing

long-term agreements, for instance due to opportunities for scale-up of an ongoing programme (which would offer a good opportunity for doing an impact evaluation).

- Implement mechanisms to avoid waste of resources in the preparations for and bidding for impact evaluation call (e.g., “fast-track” application procedures which clearly state priority themes, offer relevance checks, offer guidance and direction to avoid unnecessary duplication). It should be possible to obtain acceptance in principle to early ideas, even though final funding decisions are made based on full proposals.
- Ensure that all organisations have one contact point in Norad’s Knowledge Department who can offer consistent guidance on the use of impact evaluations. The person should be the same for all organisations (to ensure learning and sharing) and would come in addition to the case managers of the long-term agreements.
- Reporting mechanisms for impact evaluations should be simple, e.g., like reporting requirements for research projects in the Research Council, and should not resemble regular reporting requirements for aid programmes.

Obtaining actionable learning

Challenges:

Ensuring sufficient learning from impact evaluations is the flip side of the cost challenge. Ultimately, what could justify the costs is that there is practical learning resulting in more effective programmes for the right-holders.

Learning can be enhanced by careful design of impact evaluations to ensure they produce a rich set of information relevant for decision-making. In addition to measuring aggregate impacts, it may for instance be valuable to understand how different groups were affected. Moreover, it will usually be important to know why the results are as they are. To get to the why questions, impact evaluations must include data collection and analysis focusing on the process that generates impacts. Such in-depth process evaluations require a broad set of methodological approaches. This will add to the costs of the impact evaluation but is likely to pay off in terms of more learning.

Learning also requires a solid understanding of the evaluation findings. Active participation by key stakeholders in the analysis and interpretation of findings, as well as transparency about limitations and uncertainties, will enhance trust and promote learning.

Learning can also be enhanced by making sure that findings from impact evaluations are shared across organisations that run similar programmes in similar contexts (see above). Careful documentation of the context where the evaluation was implemented will enhance opportunities for such learning.

Proposed measures:

- Ensure that sufficient resources are available for running carefully designed impact evaluations that produce a rich set of relevant information, including knowledge about the process by which impacts were generated.
- Encourage and ensure opportunities for active involvement of key stakeholders in analysis and interpretation of finding.
- Ensure solid documentation of the context of programme implementation to facilitate learning across locations.
- Ensure that findings from impact evaluations are shared across organisations. Ensure full transparency about data and methods, including weaknesses and limitations.

Conflicting interests with research partners

Challenge:

While increased collaboration between aid organization and research institutions is an opportunity, there are also potential challenges involved. Researchers and practitioners do not necessarily have the same objectives. Several organisations have collaborated with researchers who seemed more interested in pursuing their own academic goals than to produce evidence of relevance to the organisations and their programmes.

Proposed measures:

- Develop templates for collaboration agreement between aid organisations and research institutions that helps clarify expectations early in the process.
- Develop a standard “code of conduct” for this type of collaboration and encourage aid organisations and researchers to sign up.

Ethical challenges

Challenge:

Impact evaluations sometimes involve ethical challenges beyond those that arise in other kinds of evaluation or research. Some impact evaluation methods, such as randomised evaluations, require that different groups are treated differently. While differential treatment can be ethically justified, it can also be unethical. Careful judgement is therefore needed in each case. One aspect that needs to be considered is the potential to cause harm in politically and socially sensitive environments where delivery of aid to some members of a community and not others could lead to conflict or exacerbate existing tensions.

In all research and evaluation there is a risk that data collection becomes an extractive activity on the communities where we operate (e.g., by drawing on peoples’ time without giving anything in return). This also applies to impact evaluations, in particular to surveys and other data collection methods that are less interactive.

Proposed measures:

- Develop a guide to ethical conduct for impact evaluations.

Risk of failure

Challenge:

Impact evaluations sometimes fail due to implementation challenges with the programme or with the evaluation itself. External circumstances, such as the eruption of violent conflict, may also make it impossible to implement the evaluation as planned.

The risks are that resources may be wasted and/or the reliability of the results are weakened, which may lead to decisions being made based on bad quality studies. There is also a risk that failed evaluations may lead to backsliding to not even trying to document results through impact evaluations.

Proposed measures:

- Give initial priority to impact evaluations that are relatively easy to implement and where the risks of external disruptions are small. Think of this as the first step in a long-term learning process.

MAIN RECOMMENDATIONS TO NORAD / MFA

- Make sure impact evaluation does not become a burden to organizations, but rather a tool for enhanced learning and an opportunity to innovate and continuously improve the quality of aid programmes. Use it as a platform for strengthening the organisations' capacity and culture for evidence-based aid in general.
- Establish a mechanism that organisations can draw upon for guidance and training on the use of impact evaluations. Ensure that their partners are included at all stages.
- Facilitate coordination mechanisms across organisations for pooling of knowledge and sharing of experience related to design, implementation and learning from impact evaluations.
- Facilitate partnerships with research institutions. Make sure Southern based research institutions are included whenever possible.
- Establish suitable, flexible funding mechanisms. In addition to the possibility of building impact evaluations into long-term agreements with Norad/MFA, there should be funding available that allows for fast-track implementation of impact evaluations when relevant opportunities arise or to match/"top up" existing funding. Ensure also that resources are not wasted in planning and applying for impact evaluations that eventually do not materialize.
- Promote synergies between existing monitoring systems and data collection for impact evaluations.
- Create thematic knowledge hubs related to Norad's portfolios. Invest in knowledge reviews in each of the thematic portfolios and make the evidence available to all organisations.
- Provide organisations with a contact person in Norad for continued dialogue on opportunities and challenges related to impact evaluations.
- Impact evaluation is one tool among several that may contribute to more knowledge-based and more effective aid. Ensure that balanced investments are made across all appropriate tools, including both quantitative and qualitative research methods.

MEMBERS OF THE TASK FORCE

Members of the task force have been:

Adalei Broers, Norwegian People's Aid
 Gregory Glead, Norwegian Refugee Council
 Guro Nesbakken, Plan International
 Nikolai Holm, Save the Children
 Ole Morten Stavland, Strømme Foundation
 Øivind Fjeld-Solberg, Norwegian Church Aid
 Øivind Hetland, Norwegian Red Cross

All other organisations that participate in the Monitoring, Evaluation and Learning network (listed below) were invited to provide comments and inputs to the draft report. In total, 14 of the 18 organisations in the network have contributed to the report.

ADRA
 Atlas-alliansen
 CARE
 Caritas
 Digni
 KFUK/KFUM
 NIS
 Norges Vel
 Regnskogfondet
 SAIH
 Utviklingsfondet

The report is the result of the collective input from the contributing organisations. The report therefore does not reflect the opinion of a single organisation or author, nor does it commit the organisations listed to adopt impact evaluation methodologies at this stage.

Ottar Måstad and Pauline Lemaire at the Chr Michelsen Institute / Development Learning Lab have served as secretariat for the task force.

