

## RESEARCH EVIDENCE AND IMPACT EVALUATIONS AT SDC

The study is part of an ongoing partnership between the Swiss Development Cooperation (SDC) and the ETH NADEL Center for Development and Cooperation. The aim of this study is to strengthen the use of research evidence in general, and impact evaluations in particular, to increase policy effectiveness in development cooperation.

### KEY MESSAGES

- SDC has committed itself to use research evidence for decision-making
- SDC staff believes that the use of research evidence should be increased
- Research evidence shared by thematic networks is highly valued but not always taken up in project conception.
- Research evidence and insights from impact evaluations are not explicitly integrated into strategic and operational decision-making.
- Invest in a limited number of high quality impact evaluations
- Evidence-based policy making requires strong leadership and incentives for staff

### INTRODUCTION

Research evidence<sup>1</sup> is not the only information that decision makers in international cooperation might take into consideration for policy making and operational decisions. For operational questions, personal experience or information from trusted sources may be sufficient to make an informed decision.

However, for questions related to the effectiveness of policies, programmes, or projects, the use of and reference to exist-

ing research evidence where relevant and available is often the most reliable type of information. Impact evaluations, which use scientific methods to assess the causal effect (i.e. impact) of an intervention, are particularly effective at generating evidence that can be useful when deciding whether to start, scale up, further improve, or discontinue a project or program. Moreover, impact evaluations are useful for comparing the cost-effectiveness of different development interventions.

### STUDY OBJECTIVES AND DESIGN

The study examined how research evidence is valued, understood and used for evidence-based strategic and operational decision-making at SDC. It also assessed the extent to which SDC produces research evidence to improve its own work and to contribute to existing public knowledge.

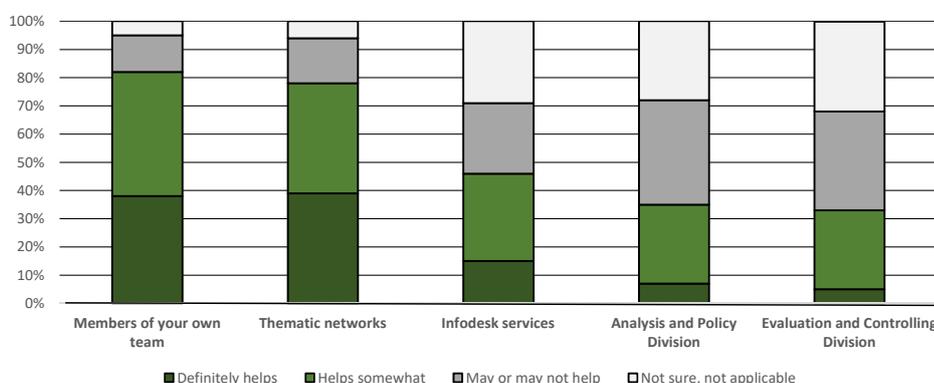
The study relied on a mixed-method approach combining stakeholder interviews, group discussions, desk research with text-mining techniques, and a survey completed by a representative sample of around 400 SDC staff across all SDC departments. Practices related to evidence use and production at seven other donor agencies were also analysed for comparison.

### RESULTS AT A GLANCE

SDC has committed itself to using research evidence for decision-making, and various SDC units are engaged in promoting the production and use of research evidence.

SDC's strategic documents, namely the Dispatch on Switzerland's International Cooperation (2017–2020), the evaluation policy (2013–2016), and the research concept (2017–2020), explicitly recommend using research evidence for SDC's strategic

Figure 1: Helpfulness of SDC divisions for finding and using research evidence



Notes: 247 (out of 400). Responses to the following question: "To what extent do the following SDC actors help you find and use research evidence relevant to your work?"

1 Evidence can be defined as "information that helps us understand a problem, or support/reject a proposition or hypothesis" (Philip Davies). The term "evidence" encompasses many different types of information, which can vary substantially in quality. "Research evidence" is information produced with scientific methods.

and operational decision-making. These documents also stress that SDC should conduct high quality research to both contribute to knowledge as a public good and to assess and improve SDC's effectiveness.

**SDC staff recognize the value of research evidence for project planning and believe that its use should increase.** In the SDC staff survey, more than 90% of respondents stated that research evidence is useful for planning projects. Nevertheless 40% agreed that SDC could enhance its system to ensure that the use of research evidence is institutionally supported.

**Research evidence shared by thematic networks is highly valued but not always taken up in project conception. The rotation system is also seen as an impediment to strong thematic expertise.**

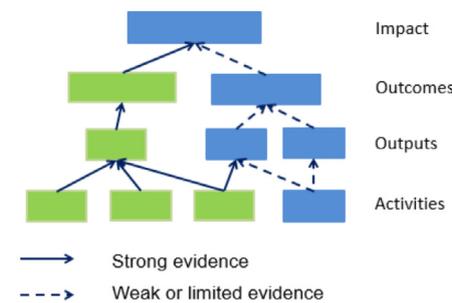
The results of the SDC staff survey indicate that thematic networks, led by a Focal Point, are the most important internal channels for accessing research evidence (see Figure 1). The 12 networks all produce and share important thematic information. However, according to stakeholder interviews, the information provided by the Focal Points is not systematically used for decision-making and project conception. Additionally, interviews revealed that the rotation system at SDC is seen as an impediment to the use and build-up of thematic expertise, which is often a prerequisite for understanding and keeping up with new research evidence.

**Research evidence could be better used for strategic and operational decision-making.**

The use and production of research evidence could strengthen SDC's well-established result based management system

(RBM). For example, the staff could be encouraged to refer to relevant research evidence – if available – in entry or credit proposals. Research evidence can help establish and reinforce the plausibility of a theory of change, impact hypothesis, or log frame (see Box 1). The Operational Committee could also systematically consider the size (number of studies) and strength (rigor of methods) of the evidence base in the process of approving funding for a proposed project.

**Box 1: Evidence supporting cause-and-effect relations**



This graph represents the cause-and-effect relations in a theory of change (ToC). In current SDC practice, ToC are widely used as a planning instrument to reinforce the focus on outcomes of projects and programs. The cause-and-effect relations are based on plausible hypotheses. Whenever possible, available research evidence can and should help to reinforce the plausibility of a ToC, or log frame. The graph illustrates a ToC that shows the varying strengths of evidence for each cause-and-effect mechanism posited. The green "results area" is based on stronger evidence than the blue one.

**SDC invests considerably in the production of research evidence. However, more effort should be directed to ensuring that research results are shared and used for strategic decisions and project activities.**

The SDC divides its production of research evidence into two categories: knowledge as (a) a public good and (b) a tool to improve SDC's work. In 2015, the SDC invested a considerable 51.3 million CHF in research activities, representing 2.2% of its overall expenditures<sup>2</sup>.

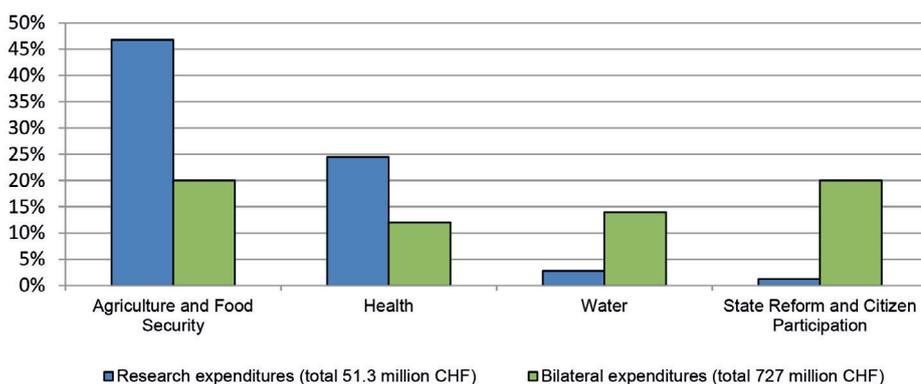
There is no correlation between topics covered by research funded by SDC and the operational spending related to those topics. For example, "Agriculture and Food Security" represents 47% of the SDC's total research expenditure, but only 20% of its bilateral spending. On the other hand, the SDC spends almost 20% of its bilateral expenditure on "State Reform and Citizen Participation", to which it only allocates 1% of its research expenditure (Figure 2).

Most funded research is managed in a decentralized manner by organizational units. This has the advantage of bringing research closer to the local context and the experience of field staff. However, decentralization makes it harder to guarantee that funding is allocated to topics of strategic importance for SDC. Decentralization may also hinder the sharing of research results with other units and the diffusion of knowledge throughout the institution.

**SDC monitors and evaluates projects regularly, but rarely uses knowledge created by impact evaluations. SDC staff are, in general, not yet familiar with impact evaluations.**

With about 100 evaluations per year, SDC evaluates a large share of its projects on a regular basis. However, only 10 impact evaluations have used methods that estimate the causal effect of SDC interventions on people's wellbeing. Moreover, the survey revealed that the majority of SDC staff is not yet familiar with the current definition of impact evaluation used

**Figure 2: SDC research and bilateral expenditure for selected themes in 2015 (in % of respective total budgets)**



<sup>2</sup> 51.3 million CHF is the number cited by the SDC research desk, based on data from ARAMIS. 2.2% comes from our own calculation based on total SDC expenditure, which totaled 2.36 billion CHF in 2015 (SDC Report "Statistics 2015").

by most international development organizations. Impact evaluations focus on the causal effect of development interventions rather than on assessing long-term impacts (Figure 3). Staff knowledge of the most important counterfactual methods used for impact evaluation, such as randomized control trials or quasi-experimental designs, is also limited.

Impact evaluations aim to assess the causal effect of an intervention on an outcome. The blue line indicates what happened to the group that received the intervention. Monitoring data aims to analyse this observed change of outcomes over time. Impact evaluations also construct a counterfactual (green line) to understand what would have happened without the intervention. The impact is the difference between outcomes for those who benefited from the intervention (blue line) and their hypothetical outcomes in the absence of the program (green line).

### Promoting evidence-based decision-making in development agencies.

Like SDC, the seven organizations that were analysed for the study (AFD, DFID, Norad, Sida, USAID, KfW and the World Bank) all fund research and conduct evaluations of their own projects. However, the comparison suggests that development agencies differ in their approaches to research evidence and impact evaluations and their use in strategic decision-making.

A common feature among organizations which are advancing towards evidence-informed policy making is strong leadership that has implemented a research up-take strategy. Additionally, these organisations generally provide clear guidance outlining expectations for evidence use, and combine them with the provision of the necessary resources, training, and incentives for implementation. Furthermore, these organizations tend to maintain a network of highly qualified staff to commission impact evaluations and to provide research evidence for strategic and operational decisions.

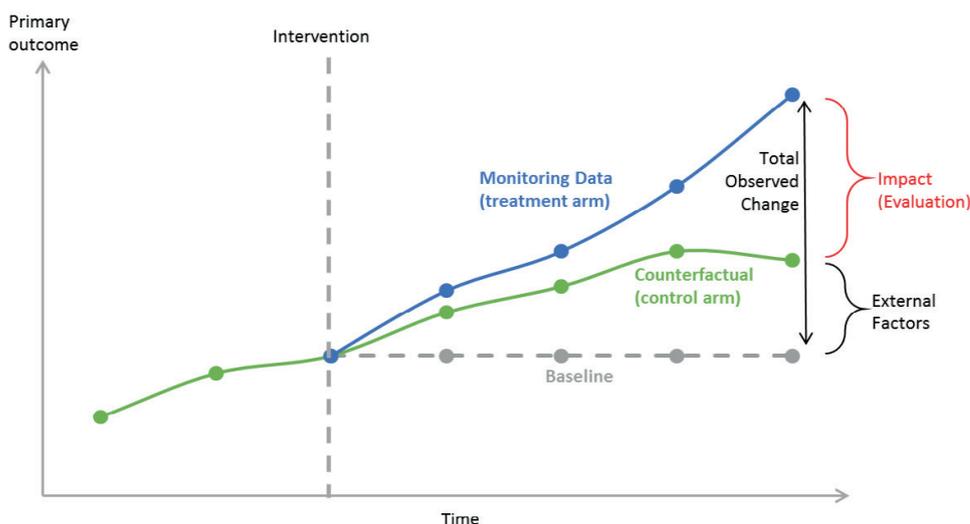
## SUGGESTIONS

SDC could consider the following measures to strengthen its use of research evidence and impact evaluations within its well-established RBM system:

### Ease of implementation

1. Be explicit about the extent to which the hypotheses and assumptions of the Theories of Change (ToC) are based on evidence, and indicate the strength of that evidence.<sup>3</sup> To this end, we recommend SDC adapt quality assurance guidelines for credit proposals and dedicated sections within any project proposal outlining the evidence the proposed intervention builds upon.
2. Systematically make reference to the evidence base – if available and relevant – in Entry and Credit proposals and in discussions within the Operations Committees and other bodies that determine project funding, and invite staff with particularly strong thematic and methodological knowledge to these meetings.
3. Clarify terms related to research evidence, impact evaluations, and strength of evidence. For an example, see the SDC InfoSheet “What are impact evaluations?”
4. Inform SDC staff about impact evaluation methods and provide guidance on where to find existing impact evaluations. Provide incentives for using these resources.
5. Make sure that relevant research evidence – along with contact information for relevant researchers and research institutions – are included in the handover notes used for the staff rotation process.

## BOX 2: Explaining Impact Evaluation



Impact evaluations aim to assess the causal effect of an intervention on an outcome. The blue line indicates what happened to the group that received the intervention. Monitoring data analyses this observed change of outcomes over time. What distinguishes impact evaluations from the usual practice of monitoring is the construction of a counterfactual (green line). A counterfactual is an estimate of what would have happened without the intervention. The impact is the difference between outcomes for those who benefited from the intervention (blue line) and their hypothetical outcomes in absence of the program (green line).

<sup>3</sup> How-to note from DFID: “Assessing the Strength of Evidence”

### **Requiring additional (time) resources**

6. Ensure that thematic policies and institutional strategies are also based on research evidence, ideally through the inclusion of specific sources of evidence.
7. Request that Focal Points systematically collect, store, and synthesize research documents financed or commissioned by the SDC (centrally and decentrally), along with other relevant research, to make them useable for the SDC at large (and especially for Program Managers and National Program Officers).
8. Invite Focal Points and thematic networks to prepare short research summaries on issues that are of strategic or operational importance to the SDC. Information can thus be better understood and used for operational and strategic decision-making. We recommend a network of technical experts to support the focal points in this matter.
9. Invest in a limited number of high quality impact evaluations (planned during cooperation strategy or project planning) to address questions of high strategic importance for SDC and the broader development community. Pay special attention to cost-benefit analyses. Such impact evaluations may benefit in particular from co-funding with other donors and from intensive collaboration with national ministries and research institutions.
10. Draft and implement a research uptake strategy outlining how to increase the use of existing research evidence throughout the organization.

### **Publication (full version):**

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