# Evidence-based Impact Evaluation

2017 OFN Conference

9/27/17

✳ summit

complexity simplified.

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## Purpose

**Today we'll talk with three thought leaders and practitioners on the use of evidence-based impact evaluation in the public sector and grant-making and on the most common approaches for impact evaluation.**

- These leaders will share with us their experiences on designing and implementing impact evaluations as well as how donor organizations are introducing requirements for evidence-based research in new funding opportunities.
- This conversation will help your organization prepare for increasing demand from public agencies and non-profits for evidence-based research accompanying funding requests for new initiative or projects.

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## Agenda

- **Introductions: Topic and Panelists**
  - Anthony Curcio (Moderator), Summit Consulting
- **Presentations**
  - Dr. Oswaldo Urdapilleta, Summit Consulting
  - Brian Quinn, Robert Wood Johnson Foundation
  - Aliana Pineiro, Global Impact Investing Network (GINN)
- **Questions**
- **Concluding Remarks**

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## Panelists

- **Aliana Pineiro** is a Research Manager at The Global Impact Investing Network (GIIN). She plays a central role in shaping the GIIN's research agenda, manages study design and execution, and leads dissemination activities to promote GIIN research around the world.

  Before joining the GIIN, Aliana was an impact evaluator for nonprofits, impact investors and social enterprises operating in Latin America, including three years as the director of evaluation at RUNA, a social enterprise in the Ecuadorian Amazon. Aliana began her career in asset management at ClearBridge Investments in New York. She holds a Master of Arts in international affairs from The New School and a Bachelor of Arts in international relations from Boston University.

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## Panelists

- **Dr. Oswaldo Urdapilleta** serves as a Director at Summit. He is a seasoned health economist, social policy researcher, and evaluator with more than 20 years of experience. For the last 15 years, Dr. Urdapilleta's research has focused on program evaluations and performance measurement for multiple U.S. government and international organizations. Dr. Urdapilleta has managed departments and teams, which produced a broad range of products ranging from rigorous mixed methods impact evaluations, data analysis, compliance monitoring, surveys, and technical support projects for the U.S. Department of Health and Human Services, U.S. Department of Labor, the World Bank, and other international organizations.
- Dr. Urdapilleta taught graduate level courses on monitoring and evaluation techniques at Johns Hopkins University. He is a member of the 2016-18 Article-of-the-Year Award Selection Committees for Academy Health, the premier research association for health services research.

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## Panelists

- **Dr. Brian C. Quinn** brings his extensive background in health policy analysis and innovative program development to his work as the Foundation's associate vice president, Research-Evaluation-Learning (REL). In this role he collaborates with the vice president for REL in leading a team dedicated to understanding and measuring the key health and health care issues that are part of the Foundation's strategy, as well as assessing the Foundation's organizational performance.
- Previously, Quinn directed a range of health policy research studies and analyses in the Research and Evaluation unit, where he developed and managed projects to bridge the research and policy worlds. Most notably, he helped support work that contributed to the policy debates around the design and implementation of the Affordable Care Act.

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## Anthony Curcio

### Anthony Curcio is a Partner at Summit Consulting, LLC

- Mr. Curcio brings over 17 years of experience in finance and finance-related consulting and policy and is an expert in the Federal Credit Reform Act of 1990.
- Prior to joining Summit, Mr. Curcio served at the Office of Management and Budget (OMB) and in the financial services industry, where he developed a background in all areas of Federal Credit, financial analysis, money and capital markets, and portfolio management.

**About Summit Consulting, LLC**

Summit is a specialized analytics advisory firm that guides federal agencies, financial institutions, and litigators as they decode their most complex analytical challenges. Summit's staff of economists, econometricians, and research scientists use quantitative techniques to assist our clients as they model risk, evaluate program performance, and predict future performance.

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## Why Should I Focus on Evidence-based Impact Evaluation?

**Government agencies, non-profit organizations and funds are increasingly assessing the value of their public funds or investments relative to alternate investments**

- Because you want to show that your initiative, project introduces a **true impact\*** to society.
- Your organization must remain competitive in finding funding opportunities, you project needs to rely on the **most relevant evidence-based research and metrics**.
- Measuring impact provides a certainty that you have a **robust approach to solving a particular problem**.
- Information acquired through the evaluation may **inform of spillover effects that reinforce the value of your approach**; environmental, health and social effects or simply positive market changes.

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## Impact Evaluations
### Dr. Oswaldo Urdapilleta

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## Key Discussion Points

- **What they are and what they are not**
- **Methods to measure impact**
- **Core Activities**
- **Potential for Social, Economic Development Projects**
- **How are Impact Evaluations used in Health and Employment sectors**

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## What are impact evaluations?

- Analyses of the relationship of inputs, outputs, and their relationship to outcomes (short-, medium and long-term)
- Measures causal relationship of targeted activities to desired outcomes and goals

- Impact evaluation asks the question: 'How individuals who received services/supports from a program would have fared in the absence of the program?'

- Impact Evaluations are *not* impact assessments commonly using in social or impact investing
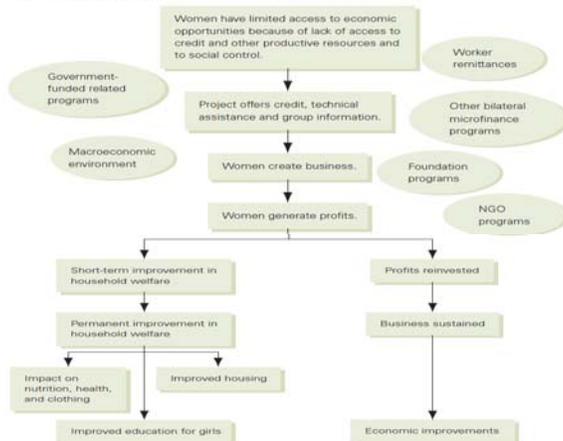
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## Theory of Change

- Representation, backed by evidence, of how an intervention is expected to lead to desired results.
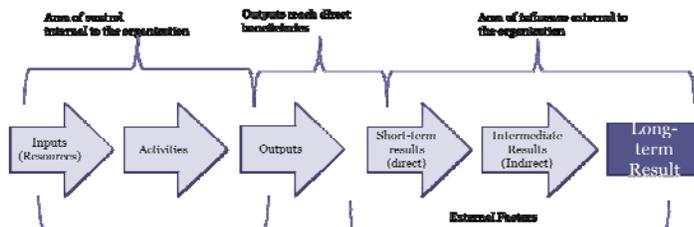
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## Theory of Change



Figure B   More Complex Theory of Change for a Microlending Program

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## Logic Model

- **Representation, backed by evidence, of how an intervention is expected to lead to desired results.**



Using a Logic Model

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## Benefits from using the Theory of Change

- **Sharpens the planning and implementation of initiative.**
- **Guides data collection of the monitoring and evaluation process.**
- **It reduces problems associated with causal attribution of impact.**

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## How to conduct Impact Evaluations?

- **Clear Theory of Change**
- **Evaluation Design – RCT or QED**
- **Comparison or Control Group**
- **Rigorous Statistical Testing**

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## Randomized Control Trials (RCTs)

- **Randomization is most commonly used at the project design stage.**
- **Two groups are compared at the start of the experiment on the variables that will be used to estimate outcomes or impacts, and on individual or group characteristics (income, education, etc) that might affect outcomes.**
- **The two groups are again compared at an appropriate point after the intervention has had time to take effect.**

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## Quasi-Experimental Design (QEDs)

**If an RCT is not feasible, and many times it is not, a solution to the problem of the counterfactual is to select a comparison group, i.e. a set of individuals, households, firms or whatever, who are like the treatment group in every way, except that they were not subject to the intervention.**

**There are, two problems with the comparison group in a non-experimental setting: contamination and sample selection bias.**

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## Comparison Group

- **Select a group of individuals who are similar to the program participants in all observed (and unobserved) characteristics**
- **Impact= mean outcome of treated - mean outcome of Comparison Group**
- **Potential Comparison groups**
  - No shows
  - Waiting lists
  - Eligible but did not participate
- **Regression analysis can adjust for differences in observables characteristics**

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## Benefits of Impact Evaluations

**An Impact Evaluation helps answer questions such as:**
- **Goes beyond the question of whether the project is working as planned?**
- **What are the true impacts of the project/intervention?**
- **Are there differences across sites in how the project is performing?**
- **Who is benefiting from this intervention? What groups are benefiting more or less from specific interventions**
- **What are we learning? What will we need for scaling up an intervention**

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## Trends in Using Impact Evaluations

- **Impact evaluations are becoming more popular and mainstream for government agencies and foundations**
- **Internationally, impact evaluations have become the standard for testing new approaches in health, economic development, agriculture and irrigation, transportation, education, land tenure, energy, water and sanitation**

- **Government organizations:**
  - Millenium Challenge Corporation
  - Chief Evaluation Office, Department of Labor
  - Innovation Center, Centers for Medicare & Medicaid Services

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## Why is this relevant for CDFI practitioners, investors, funders, researchers

- **Practitioners – Leverage Experience from past research**
- **Investors – Contribute to Social Positive Impacts**
- **Funders - Maximize value of investment**
- **Researchers – Set the threshold for Next Generation Investments**

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## Panel Information

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# Impact Measurement & Management in Impact Investing

Aliana Pineiro

OFN Conference

September 27, 2017

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## Global Impact Investing Network

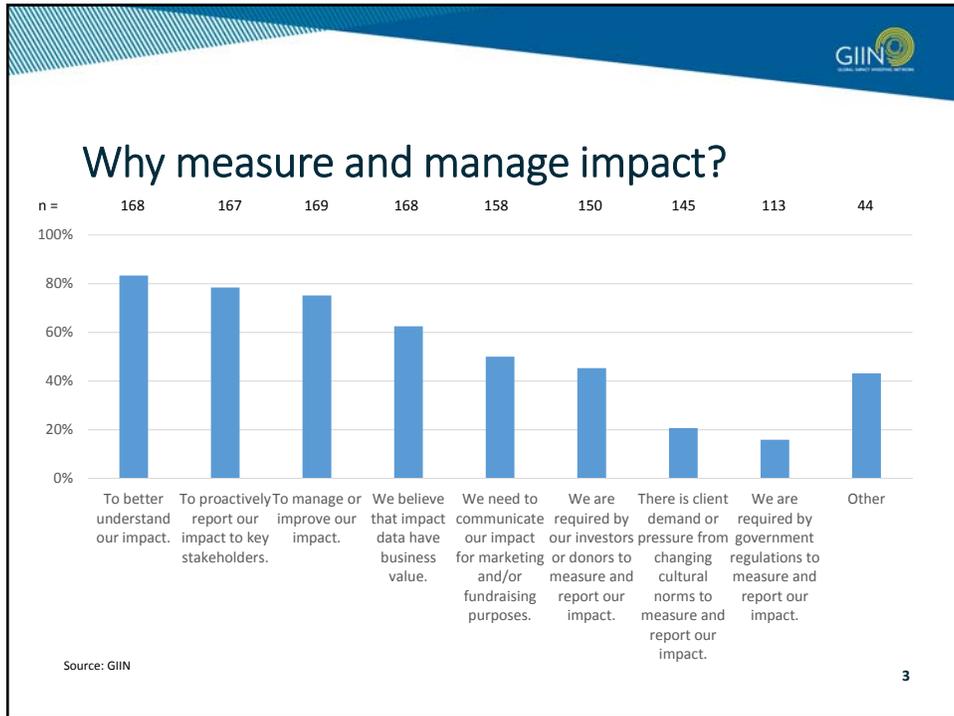| | | |
|---|---|---|
| **ImpactBase** | • Profiles of 400+ funds investing across geographies, asset classes, and impact themes<br>• Free access to 2000+ accredited investors | |
| **IRIS & IMM** | • A taxonomy of 450+ social / environmental performance metrics<br>• Incorporated into leading tools and frameworks, including GIIRS and SROI | |
| **Membership** | • Investors' Council: 54 impact investing leaders<br>• Network Members: ~200 members | |
| **Training** | • Training for new fund managers, especially in emerging markets<br>• Topics include: fundraising, fund economics, impact measurement | |
| **Research** | • Practitioner-oriented research to fill market gaps<br>• Focus on market studies, performance, and practice | |

# Why measure and manage impact?

n =

| 168 | 167 | 169 | 168 | 158 | 150 | 145 | 113 | 44 |



Bar chart categories:
- To better understand our impact.
- To proactively report our impact to key stakeholders.
- To manage or improve our impact.
- We believe that impact data have business value.
- We need to communicate our impact for marketing and/or fundraising purposes.
- We are required by our investors or donors to measure and report our impact.
- There is client demand or pressure from changing cultural norms to measure and report our impact.
- We are required by government regulations to measure and report our impact.
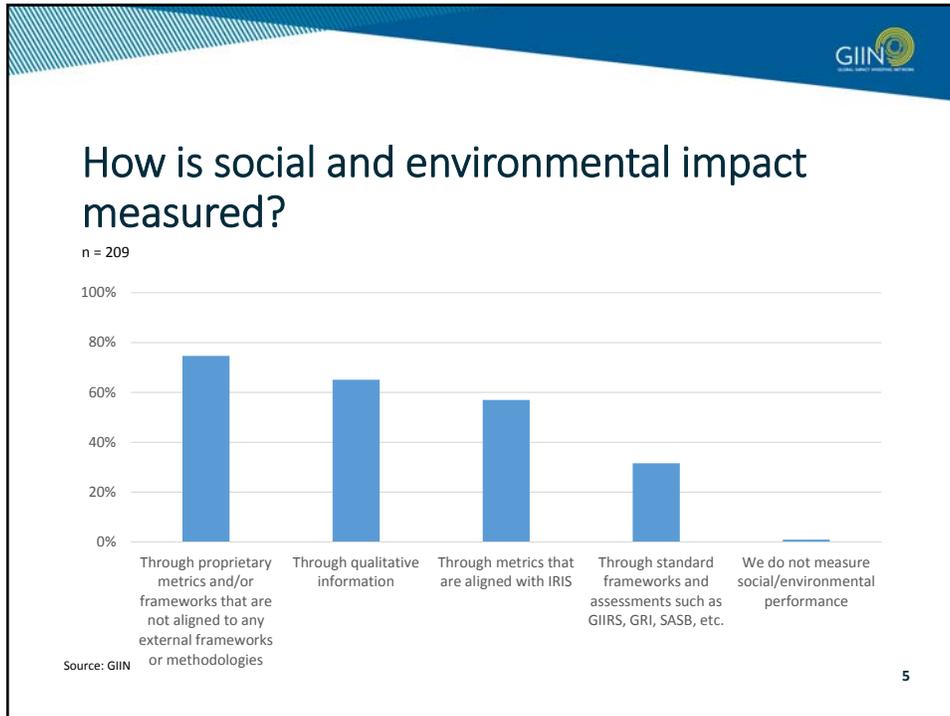- Other

Source: GIIN

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# Business value of impact measurement

- Revenue growth
- Operational effectiveness and efficiency
- Investment decisions
- Marketing and reputation building
- Strategic alignment and risk mitigation



THE BUSINESS VALUE OF IMPACT MEASUREMENT

GIIN ISSUE BRIEF

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How is social and environmental impact measured?

n = 209



Source: GIIN

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What level of evidence is sought?

n = 182



Source: GIIN

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## Resources for IMM

- **IRIS** – catalogue of generally accepted social, environmental, and financial performance metrics

- **B Analytics** – platform that aggregates and analyzes data on over 40,000 companies' positive impact practices and performance

- **Navigating Impact** (forthcoming)– tool that provides an onramp to impact strategy setting and development of a sophisticated impact strategy

- **The Impact Management Project** – framework for understanding impact using five dimensions: what, how much, who, contribution, and risk

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# Thank you

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