

Randomized Controlled Trials

STRENGTHS, WEAKNESSES AND POLICY RELEVANCE

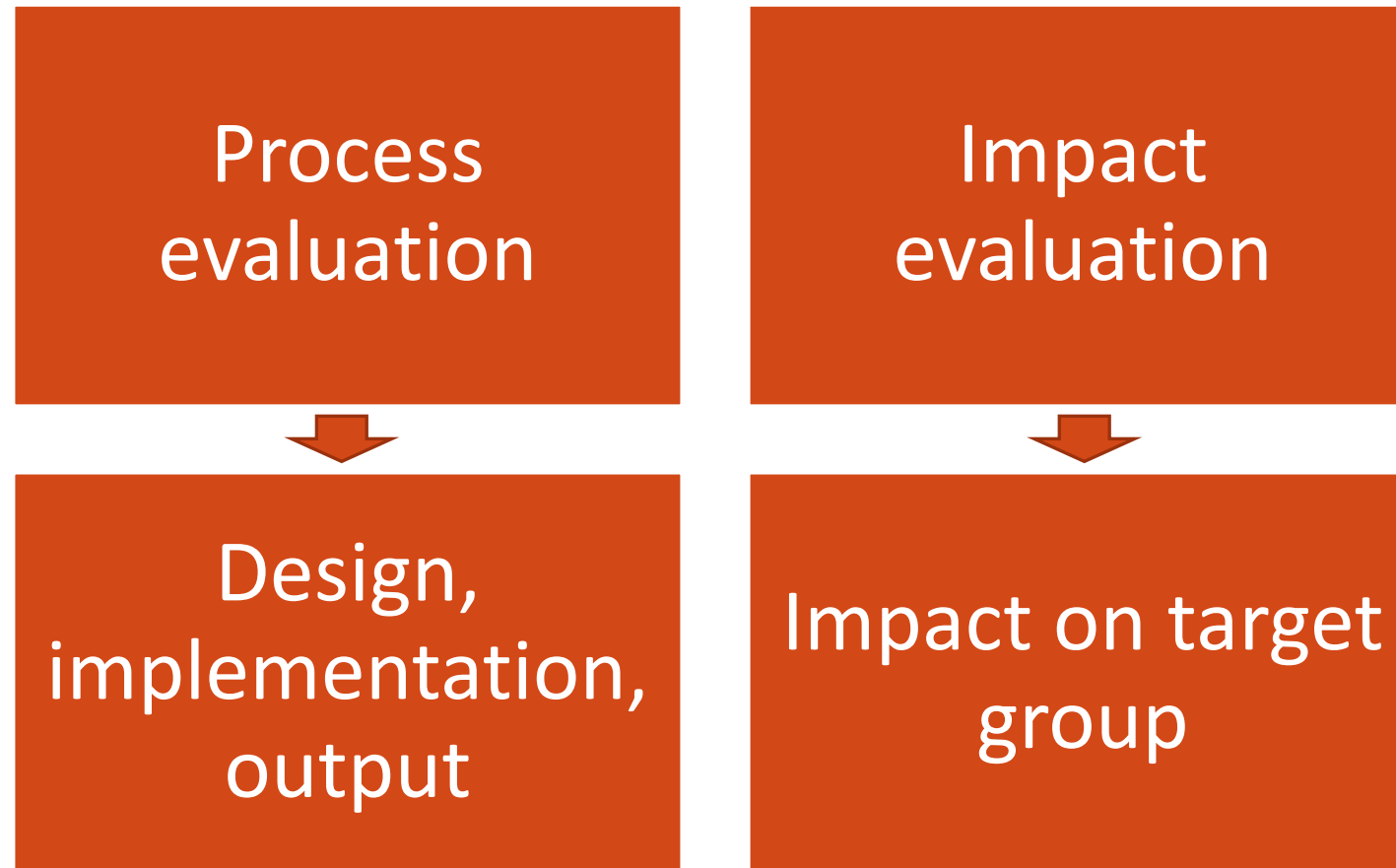
Intended Contributions and Mandate

The discussion of aid evaluation and evidence based development policy.

How randomized controlled trials (RCT) can contribute to our understanding of impact.

Discuss the use of RCT in Swedish aid context.

Background on aid evaluation



Background

School building project

Output: # schools
built

Impact: performance
of school children

Causal impact?

Randomized Controlled Trials

- I. The methodology randomly assigns subjects to treatment and control status, and then implements the intervention only in the treatment subset.
- II. A baseline study maps out conditions in both subgroups before the intervention.
- III. An endline study maps out conditions in both subgroups after the intervention.
- IV. Impact is estimated as the difference in conditions before and after the intervention in the treatment group, relative to the same difference in the control group (diff-in-diff).

Applications

Conditional Cash Transfers

Microfinance

Public Service Provision

Political Accountability and Corruption

Self Help Groups

Strengths and Weaknesses

External validity

- Place
- Provider
- Scale

Selection

- Interventions
- Outcomes
- Confirmation bias

Ethics

- Local information
- Preliminary results
- Control group

Resource requirements

- Planning
- Time
- Skills

Policy purposes

Evidence based
development
policy: Learning for
future aid strategy.

Evaluate impact as part
of responsibility to
evaluate and monitor
government spending.

The relative importance
of strengths and
weaknesses discussed
above partly depends
on this purpose.

In Sum

RCT is a very useful methodology in the right circumstances, but it can only be one of several tools in the toolbox.

RCTs and Swedish aid evaluation?

Weaknesses in Swedish aid evaluation.

- Imbalance in relative focus on process and impact.
- Lack of quantitative methods to evaluate impact .

Sida has not yet commissioned any RCTs on any of their own projects and programs.

Emphasis on results

Paris Declaration

Swedish political
statements and
guidelines
(resultatstrategier)

Donors such as
DIFID, USAID and
World Bank.

Incorporating RCTs into the Swedish evaluation toolbox is a concrete and credible opportunity for the Swedish aid community to signal that it takes impact and the quality of evaluations seriously.

Benefits?

1. Getting a better estimate of impact of specific projects and general types of interventions.

2. Strengthening the reputation of Sweden as a leading donor country in the forefront of project and program development.

3. Lending some discipline to the process of project and program planning (well defined objectives, requires baselines, definition of measurable outcomes).

Suggestions

Make systematic use of existing results from high quality impact evaluations, and make sure that those who make decisions on the allocation of spending have access to, and capacity to critically assess, these results.

Develop the necessary competence to procure RCTs in-house.

Make sure that partner country representatives and implementing organizations are on board.

Glass half full?

Often easier to improve when you have fallen behind, as long as there is a will to change.

Competence exists nationally and internationally, and I sense an increased interest in collaboration with the academic community from Sida.

Opportunities to combine building competence and direct development assistance exist.

Why credible impact assessment matters.

We know from first hand experience that foreign aid can contribute to employment, income and welfare in *donor countries*.

We need to make sure that this is true also for those we are trying to help in the partner countries.