



# Why are (impact) evaluations important?

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- › Foreign aid differs from other publicly financed activities in several ways
- › Many actors
  - Government of Tanzania has to produce 2,000 reports to different aid organizations and receives more than 1,000 aid delegations each year
- › *Missing accountability link*
  - the people for whose benefit aid agencies are supposed to work (poor people in recipient countries) are not the same as those from whom their revenues are obtained ( tax payers in the donor country)

# Missing accountability link

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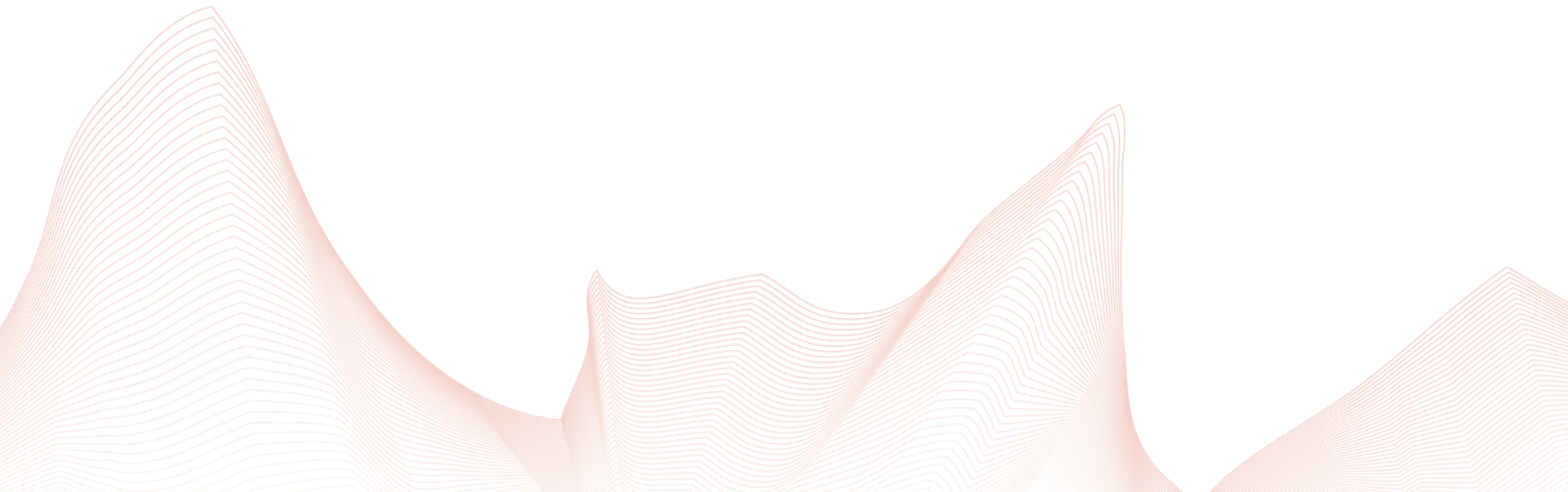
- › This geographical and political separation between taxpayers and beneficiaries blocks the normal performance feedback process
  - Citizens in the donor country have no direct knowledge or experience of the programs financed by the aid agency
  - Costly for tax payers in the donor country to obtain reliable information on the outcomes of aid programs that they finance
  - The intended beneficiaries (the clients) are not voters in the country that pays for the aid and therefore have no real political leverage over domestic politicians/officials who approve these programs

# Missing accountability link

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- › Impact evaluation is a partial solution to the broken feedback loop by providing information to those that finance the program about its impact

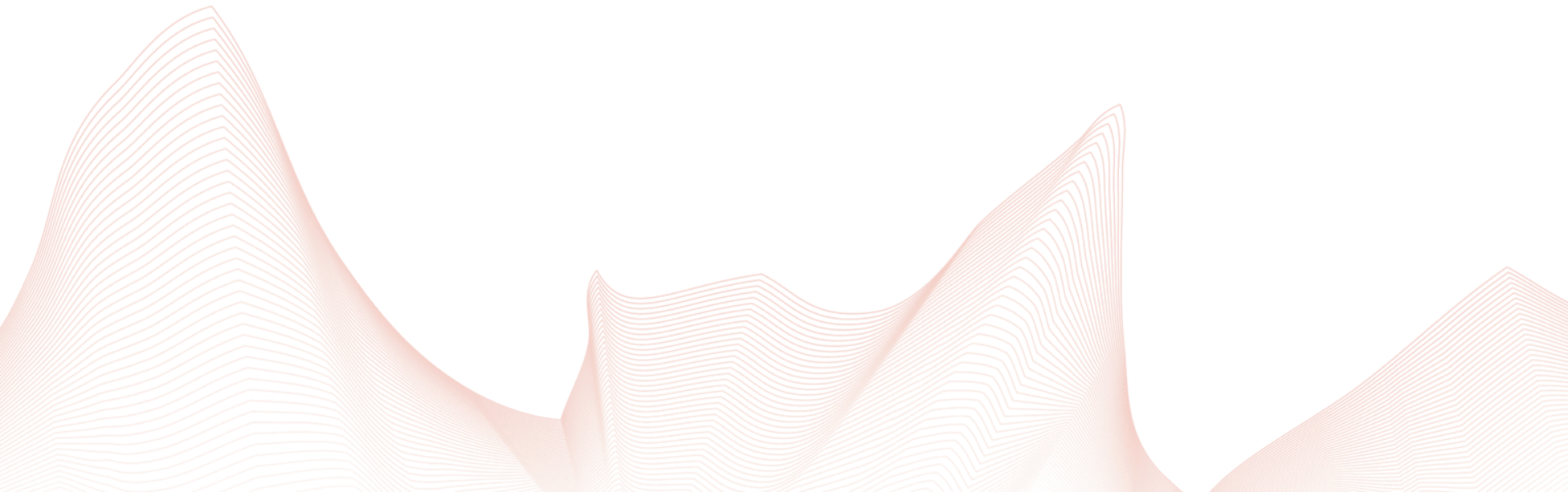


# Limited resources and large needs

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- › Are we funding the right things?
- › One way to answer this questions: Derive and estimate cost effectiveness of possible actions and chose the most cost effective
- › What's required: Objective, **impact**, cost



# Changing the discussion about aid

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› Transparently informing the public of what is done, why it is done, and what the impact of it is will

... (hopefully) change the discussion from issues of budget volumes and spending, to a discussion of impact, learning and a deeper understanding that this is a difficult area to work in

# Pedagogical problem

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- › But a stronger focus on impact also will require that we are ready to talk about both failures and success
- › In fact, one reason for not doing proper impact evaluations is to avoid having to talk about firm evidence of projects or programs that don't work
- › On the other hand, those countries in most need of support are in need of support for a reason, and in these countries the risk of failure is the largest.
- › This is a discussion that should go hand-in-hand with a stronger focus on results and measuring impact