

Evaluation in Impact Investing

Dr. Charles Amoatey
CLEAR Programme Coordinator
GIMPA Business School

Email: camoatey@gimpa.edu.gh

Structure of the presentation

1. Background
2. Institutionalisation of Evaluation
3. Evaluation Policy in Ghana
4. Summary of key issues

Background

What is Evaluation -

An assessment of a planned, ongoing, or completed intervention to determine its relevance, efficiency, effectiveness, impact and sustainability. The intent is to incorporate lessons learned into the decision-making process

Evaluation Means Information on (Kusek & Ray, 2004) :

- Strategy
 - Whether we are doing the right things
 - Rationale/justification
 - Clear theory of change
- Operation
 - Whether we are doing things right
 - Effectiveness in achieving expected outcomes
 - Efficiency in optimizing resources
 - Client satisfaction
- Learning
 - Whether there are better ways of doing it
 - Alternatives
 - Best practices
 - Lessons learned

Background

1. The practice of evaluation is very low in the Ghana's public sector
 - MDA spent 14% of programme budget on M&E (but only 1% went into evaluation related activities) (NDPC, 2011)
 - Low capacity to conduct/manage evaluation
 - Low use of evaluation findings
 - Few evaluations tilt to comply with donors' requirements
 - Set-up of evaluation units remains a challenge for most MDA/MMDAs agencies

Institutionalisation of Evaluation

- ✓ growing recognition of the critical role of evaluations to generate relevant information to guide the decisions and actions of policy makers and project managers

Institutionalisation of Evaluation

- ✓ Mainstreaming (standard practice)
- ✓ Operationalisation (policy to practice)
- ✓ Ownership (locally driven)
- ✓ Sustainability

Institutionalisation of M&E

- ✓ Not about GOOD or BAD practice
- ✓ All about BEST FIT
- ✓ Take local sociocultural and economic conditions into consideration

Evaluation policy for Ghana

1. Incentives for conducting and for using evaluations are shaped by the political economy
2. Need for a national policy to guide conduct of evaluation in Ghana

Evaluation policy for Ghana

- ✓ A Ghana National Evaluation Policy - include the provision of clear mandates to relevant MDAs/MMDAs, CSOs and other development stakeholders to commission, manage and conduct evaluations of all or certain programmes on a regular basis.

Evaluation Policy in Ghana - Principles

Evaluation in the public sector should be:

1. Guided by the National Vision, and aligned to the Long-term National Development Plan.
2. Relevant, effective and implemented, understood by everybody, produced in a consistent way to allow for aggregate benchmarking.
3. Ensure the efficient allocation of roles.

Evaluation Policy in Ghana - Content

1. Rationale, purpose
2. Policy framework statement
3. Policy coverage + financing
4. Key element of the policy (eg. Standards)
5. Roles and Responsibilities
6. Policy implementation processes
7. Policy amendment mechanism

Evaluation Coverage and Funding

A. All programmes and projects should be evaluated within the medium-term.

B. Finance evaluation (options):

- ✓ All MDAs should allocate a percentage of their budgets to evaluation;
- ✓ Public policy and major cross-sectoral evaluations will be budgeted from NDPC budget.
- ✓ All projects over an agreed threshold in value should be required to conduct rigorous evaluation

Evaluation Policy - Key Stakeholders

Key stakeholders	Institution	Role
Lead agency	NDPC	Ensure public results-based planning
Oversight Agencies	Ministry of Finance	Ensure performance-based budgeting
	Auditor General	Ensure value-for-money performance-based audit
	Office of the President	Evidence-based policy decisions by government
	Parliament	Expenditure oversight of government, demand evaluation for accountability
Implementing Agencies	NDPC	Commission and/or conduct evaluations
	MDAs/MMDAs	
	Civil Society Organizations, Academia	
	Sector Working Group	
	Consultants	
Development Partners	UNICEF	Commission evaluations, support evaluation capability building and institutionalization
	DFID	
	USAID	
	AfDB	
	CI7	

Evaluating Impact Investment

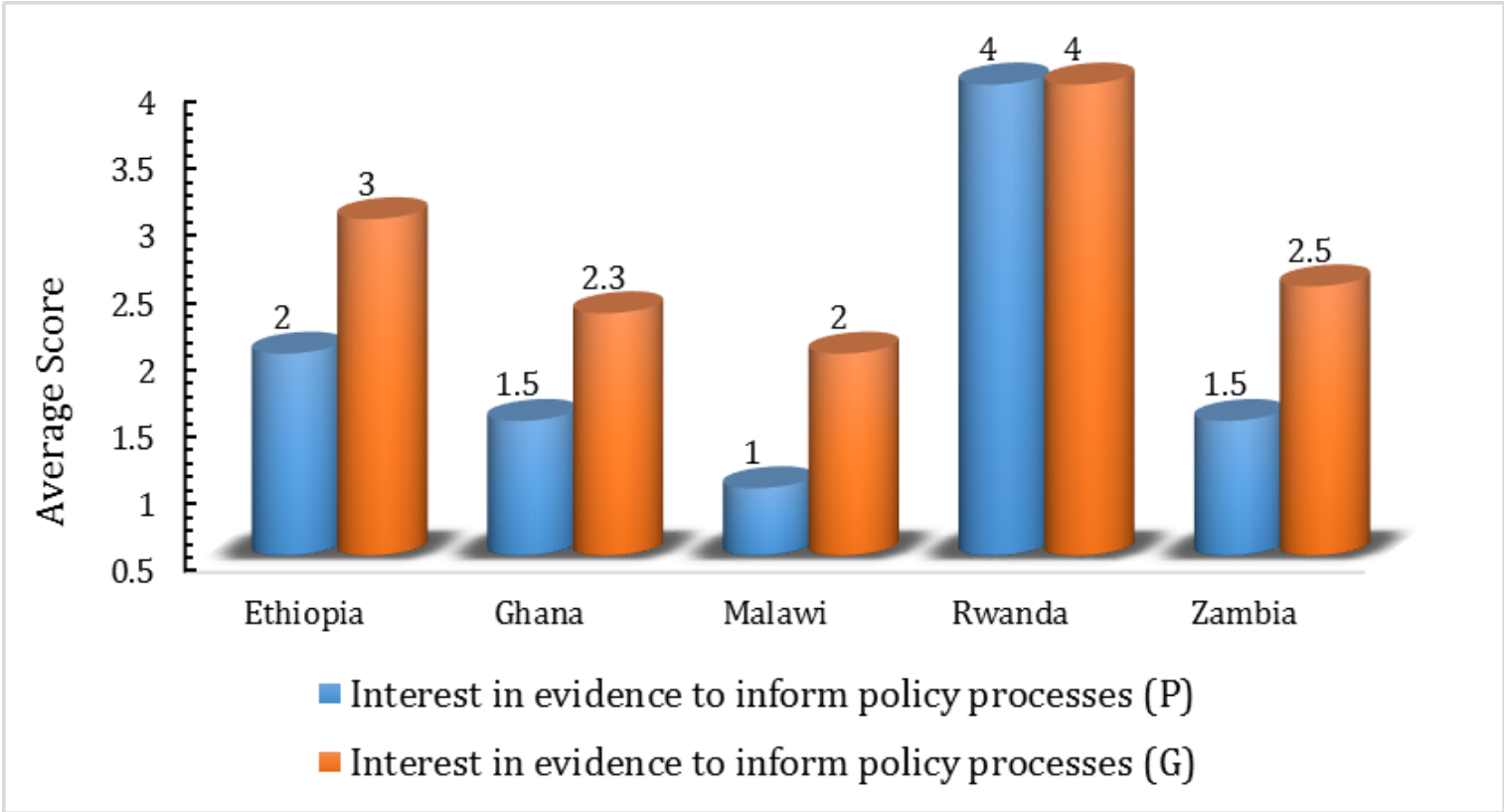
- Issues to investigate further (

1. Alignment of Impact Investing interventions to national development strategy (plan)
2. Build evaluation capacity of investment fund managers
3. Establish sustainable financing of impact investing evaluations

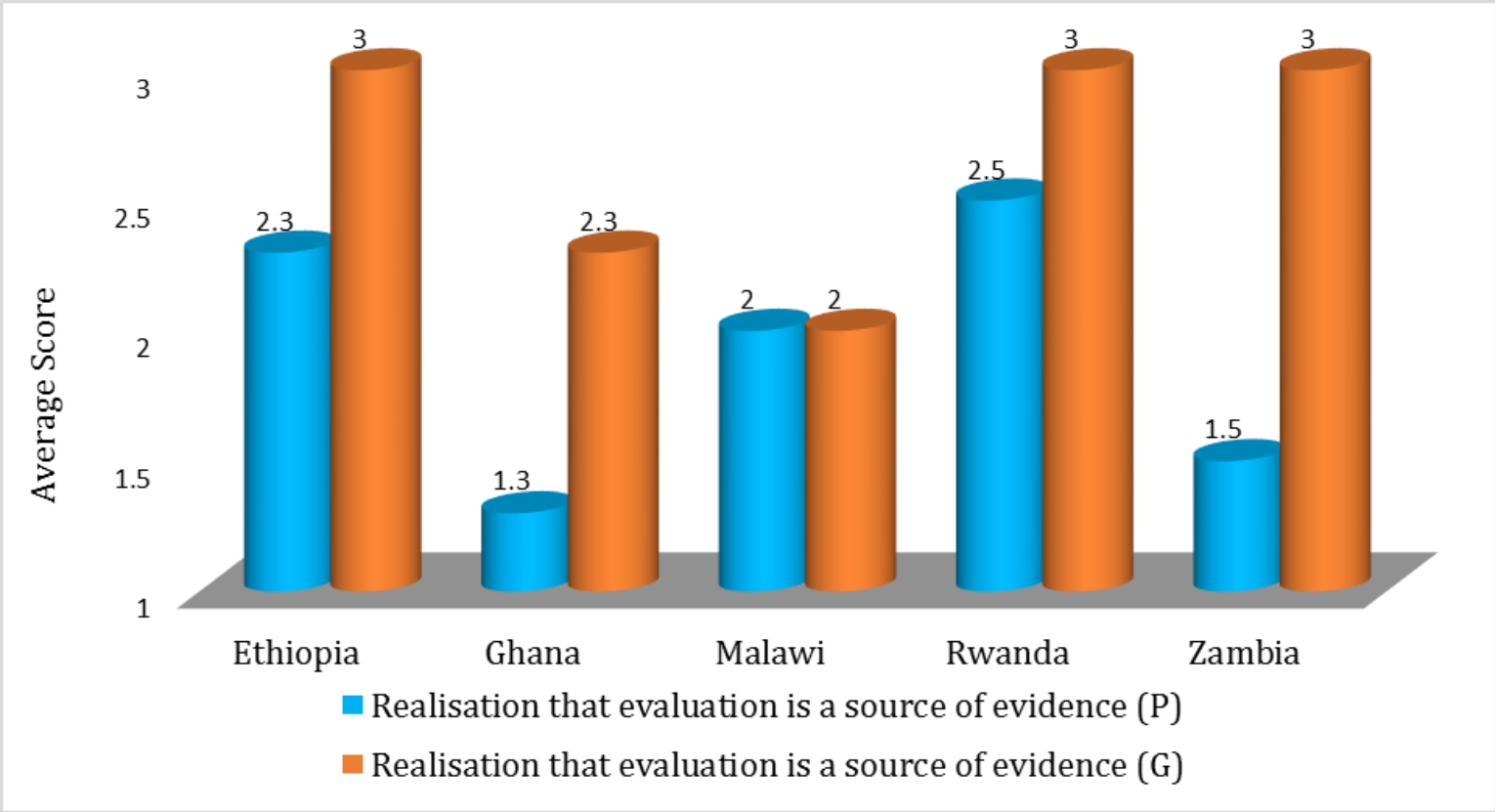
Examples of “Best Fit” Practices

Kenya:	Reporting systems based on their medium and long-term plans Evolving policy framework
Ghana:	Web-based data capturing and monitoring system Tracking of delivery and linkage with planning
Uganda:	Community based monitoring systems Evaluation coordination
Benin:	Political championing and policy framework
Senegal:	Linkages between budgeting and planning
South Africa:	The outcomes system Frontline service delivery assessments

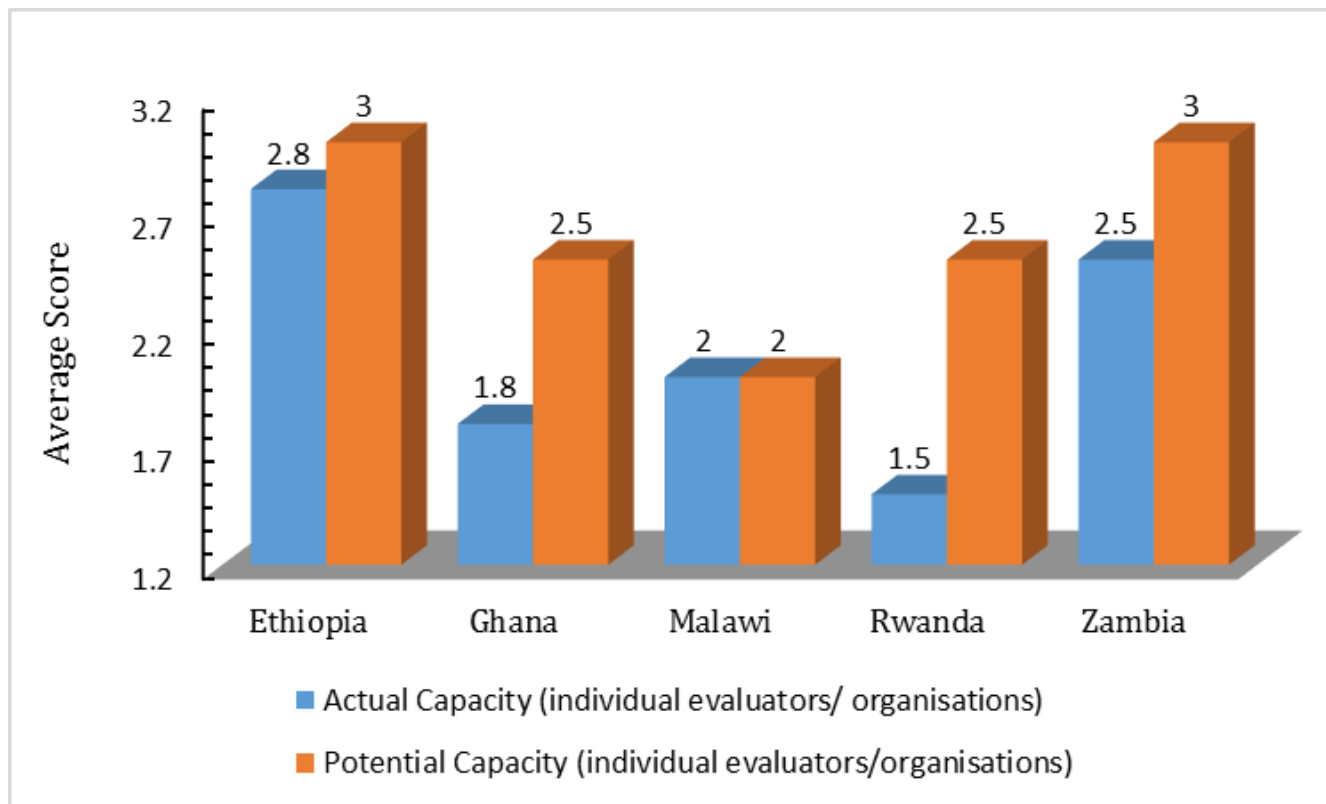
Demand for Evaluation



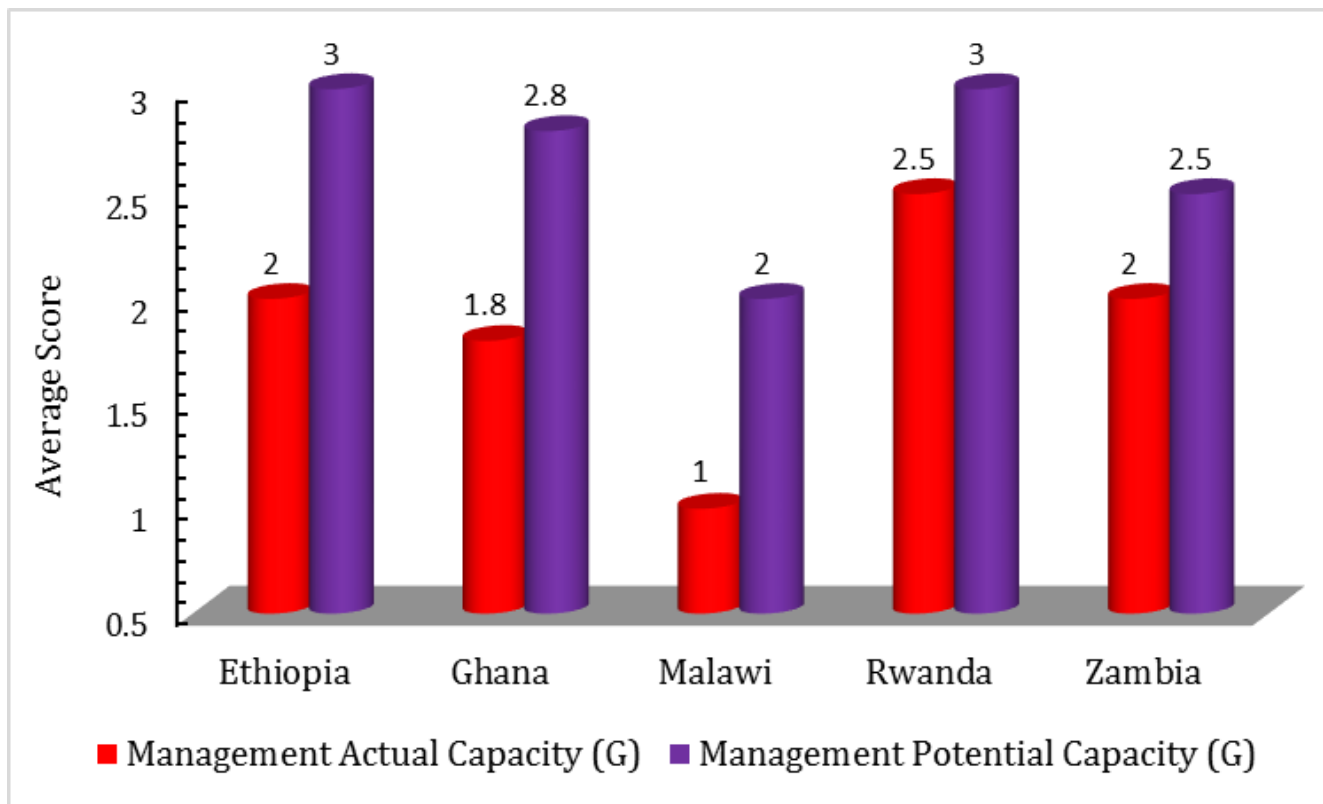
Demand for Evaluation



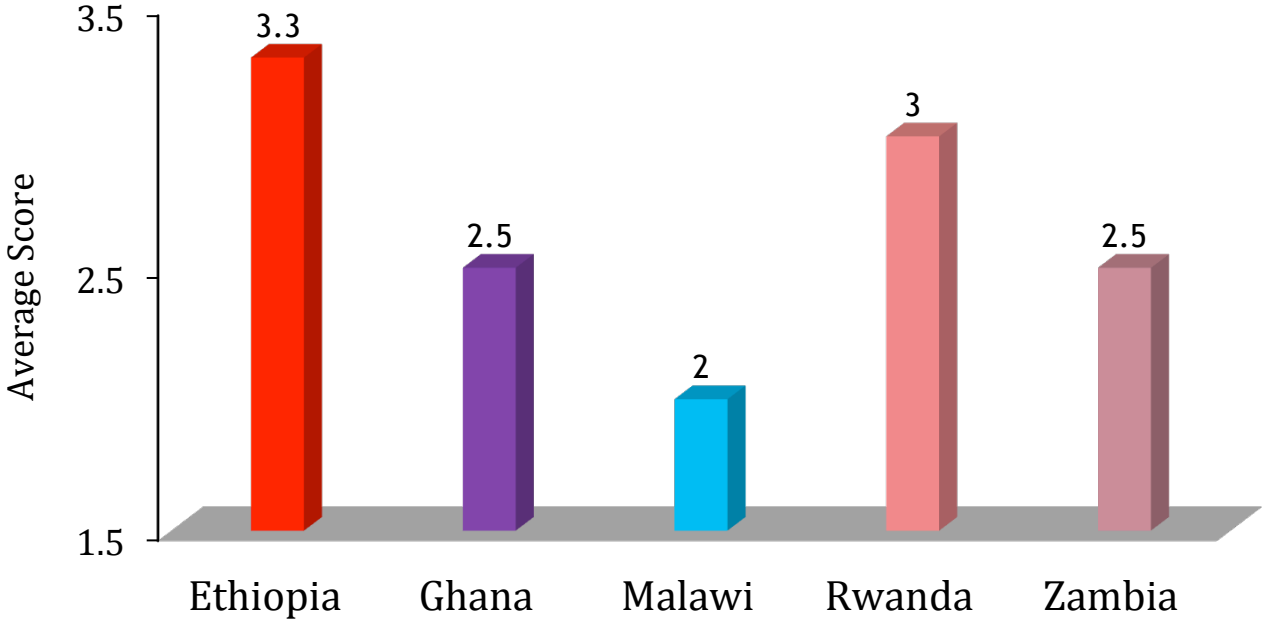
Supply of Evaluation



Supply of Evaluation



Funding for Evaluation



Availability of funds to contract evaluations

Funding/Capacity for Evaluation

❑ NDPC

- 20 technical staff (only 5 in M&E)
- Budget GH¢ 429,394 in 2009, only 14% was spent on M&E activities (NDPC, 2011)

❑ M&E by Parliament

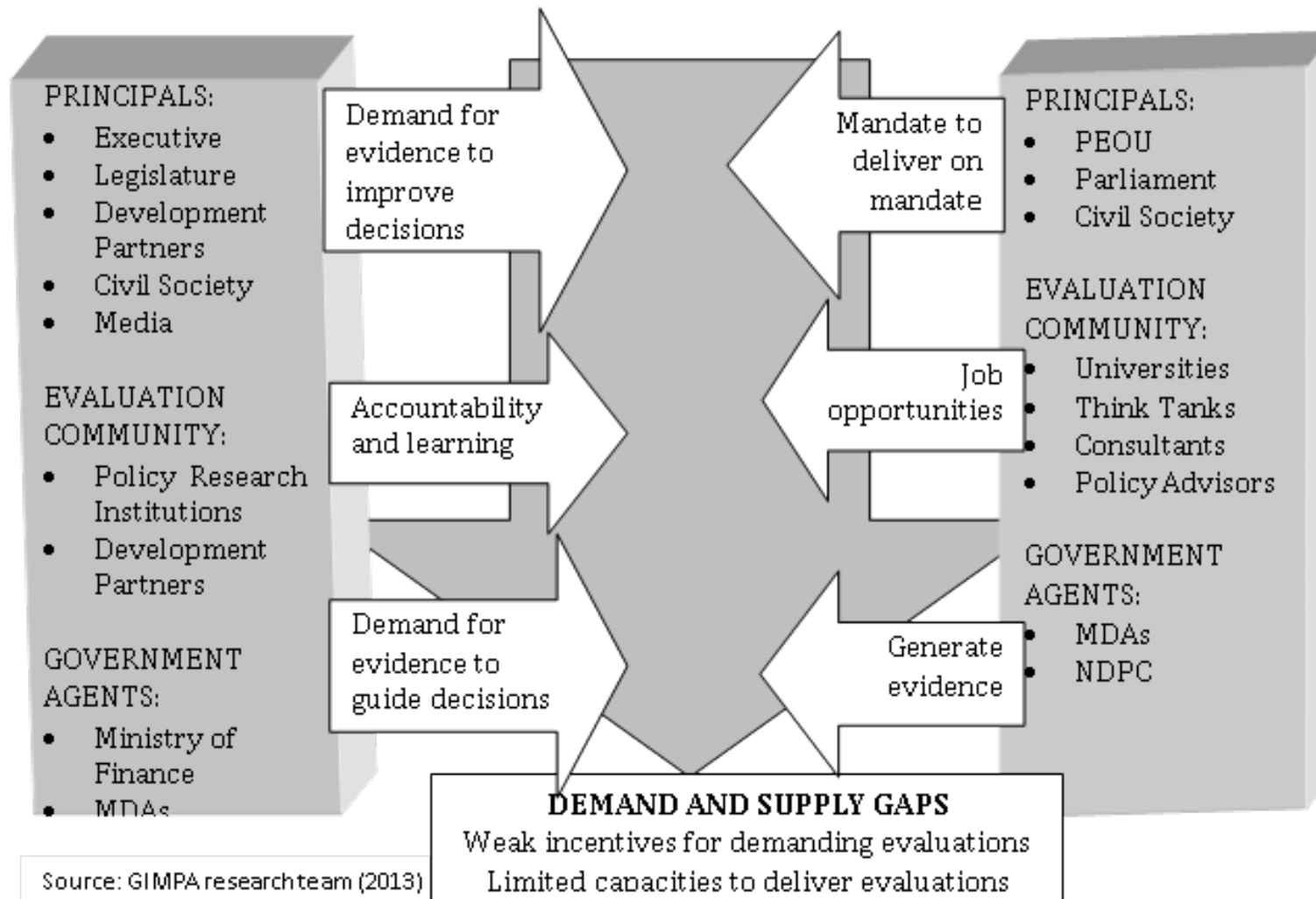
- GH¢ 1,883,168 (\$1.2 million)

❑ M&E at Office of the President

- GH¢ 2,301,425 (\$1.55m)

✓ Power to allocate resources!!!

Evaluation Supply and Demand Situation



Summary of Key Issues

1. Incentives for conducting and for using evaluations are shaped by the political economy (eg FOAT)
2. Some attempts were made in the past to identify “champions” of ECD but with no significant success.
3. Building, using and sustaining country-systems