

**Impact Evaluation Study Proposal for
RDTA 7680: Implementing Impact Evaluation at ADB**

1. Title: MON-Impact Evaluation of Medicaid and Food Stamp Programs	Date submitted: 30 March 2011	
2. Title of Related Projects: JFPR 9136-MON: Protecting the Health Status of the Poor during the Financial Crisis (ongoing) and G0137-MON: Food and Nutrition Social Welfare Program and Project (ongoing)		
3. Sector: <input type="checkbox"/> Agriculture and natural resources <input type="checkbox"/> Industry and trade <input type="checkbox"/> Education <input type="checkbox"/> Public sector management <input type="checkbox"/> Energy <input type="checkbox"/> Transport and ICT <input type="checkbox"/> Finance <input type="checkbox"/> Water supply and other municipal infrastructure and services <input checked="" type="checkbox"/> Health and social protection <input type="checkbox"/> Multisector Subsector(s):		
4. Name of Specialist (project team leader): Claude Bodart and Wendy Walker (co-team leaders)	Name of Alternate Specialist: xxxxx	Department/Division: EARD/EASS
Local Number: Claude Bodart (MNRM) – Wendy Walker (5955)	Local Number: #####	
5. Overview of the Related Project: <p>JFPR 9136-MON implements a (Medicaid) program to improve financial access to health care services at primary care and hospital level for the poor by reducing out-of-pocket expenditures for health. It also supplies micronutrients to young children and pregnant and lactating mothers (Claude Bodart is the project officer and the ministry of health is the executing agency).</p> <p>G0137-MON implements a food stamp program directed at the poor to increase household food consumption. The project is also in charge of identifying poor households nationwide through a proxy means test approach (Wendy Walker is the project officer and the ministry of social welfare and labor is the implementing agency).</p> <p>The first phase of identification of the poor (4 provinces and one district of Ulaanbaatar) is completed and Medicaid benefits and Food stamps are distributed to the 5% poorest households. The second phase of identification of the poor will be completed in June 2011. The poor identified during the second phase will be the object of the impact evaluation.</p>		
6. Rationale for the Proposed Impact Evaluation Study: <p>The proposed impact evaluation aims at identifying and quantifying the impact of two innovative projects for the extreme poor in Mongolia. The first is a health care subsidy program (the Medicaid) which was designed to protect the extreme poor against the high cost of medical care (outpatient, inpatient, laboratory test and S-rays and medicines) during the 2009 food and financial crisis. The second is a Food Stamp Program introduced in 2008 which aims to supporting the basic consumption levels of the extreme poor nationwide. Both programs are directed to the poorest 5% of the population. Both programs are proposed to be temporary but are addressing two major gaps in the Mongolian social protection system, which lacks adequate safety nets for dealing with shocks (economic, food price increases, other). Thus, identifying how the two programs individually and or jointly address these major gaps will be critical for government to take a better decision on whether to continue or not the two programs beyond the closing date set for December 2012 (JFPR 9136-MON) and July 2013 (G0137-MON). For ADB the impact evaluation will be of critical importance given the intensive engagement with Mongolia of the Bank for the last few years and the need for more informed decisions by both the government and the Bank</p>		
7. Proposed Methodology: <p>The proposed evaluation methodology for Medicaid and Food Stamp programs is a combination of experimental design and the Regression Discontinuity (RD) method. The regression discontinuity method (RD) can be used when the selecting criteria for program eligibility is based on a continuous score (such as poverty score) with a cut-off point below which people are eligible and above which people are not eligible for the program. Two options are</p>		

being proposed to the government. The first is for evaluating the impact of the two programs together (given that the target populations are exactly the same) and the second is to assess the impacts of each program separately. The latter option makes a lot of sense given that the two programs address different aspects of vulnerabilities of the population and are implemented by two different Ministries—the Ministry of Health for Medicaid program and the Ministry of Labor and Social Welfare for Food Stamp program. While the first option poses no major ethical issue in that the control group will be taken from non-participating but similar population group—the bottom 5-10% under the RD method—the second option requires that some eligible households receive no Medicaid and some no Food Stamps for at least one year of program evaluation. The final selection of the evaluation option for the impact evaluation will be made after further discussion with the government. The following is a brief description of the two evaluation options.

Option 1: Study the join impact of Medicaid and Food Stamp programs

Since Medicaid and Food Stamp programs are being implemented at the same time for the same target population, the proposal is to select at random a sample of eligible people who are receiving Medicaid and Food Stamps (the same people under the rules of the two programs) for a baseline and follow up survey after one year of programs implementation. A comparison group to be selected at random from the following non-eligible 5-10% percent of the population to be applied the same baseline and follow up survey. The results before and after of the two groups can be compared (double differences) to assess the impacts of the two programs combined. The exact number of households in each group to be sampled and surveyed is still to be determined, but could reach about 600 households.

Option 2: Isolate impact of Medicaid and Food Stamp program

For isolating the impact of Medicaid from that of the Food Stamp program, a design combining the experimental with the Regression Discontinuity method is proposed. Under this design, a group of eligible households receiving Medicaid benefits will be selected to have delayed Food Stamps and another randomly selected group receiving Food Stamps will be selected to have delayed Medicaid benefits for one year, to be compared with a control group selected at random from the bottom 5-10% of the population. The assumption under the regression discontinuity method is that the control group has similar observable and unobservable characteristics as the other two treatment groups. The sample size of each group is still to be determined, but preliminary calculations suggest that a sample of about 600 households can provide impact estimates at acceptable confidence interval levels.

The estimated dates for the baseline survey will be about June/July, 2011 while the follow up survey is estimated to be completed by July 2012. The final evaluation report is estimated to be completed by end of September 2012.

Advisory support to the ADB team on the design of the methodology is provided by international consultants recruited under both the JFPR 9136 and G0137.

8. Proposed Capacity Building and Dissemination Approach:

The evaluation proposal and design has been made with close participation of staff of the Medicaid and Food Stamp programs and the participating ministries. Both Medicaid and Food Stamp programs, which have been developed with support from ADB, have good capacity to develop and analyze surveys as the Food Stamp program has been implementing the Proxy Means Targeting (PMT) system, which is used to target beneficiaries of both programs, and Medicaid undertook a preliminary baseline study before Medicaid was implemented. ADB staff have been active discussants and participants with Impact Evaluation and Targeting consultants and government counterparts.

The impact evaluation proposal will be presented to the ethical committee of the government and will be widely discussed within and outside government.

The dissemination plan includes workshops to discuss the proposal and the results of the baseline study; wide dissemination and publication of study results to government and international development agencies; and policy recommendations to government.

9. Implementation Period:

- a. Approval of Project: 30/04/2011
- b. Start of Project implementation: 30/05/2011
- c. Physical completion of Project: 30/09/2012
- d. Proposed timing of the baseline survey: 30/06/2011
- e. Proposed timing of the endline survey: 30/06/2012
- f. Submission of final report: 30/10/2012

10. Cost Estimate:

The total cost of the subproject is estimated at \$227,700 including contingencies.

Cost Item	TA Financed (\$)	Other Sources (\$)	Total (\$)
1. Preparatory activities (Design of study, preparation of questionnaire, instructions, training materials, and data collection protocols)—Attached TORs 1		25,000	25,000
2. Data collection for baseline and follow up survey surveys			
2.1. Lead consultant for data collection—attached TORs 2	21,000		21,000
2.2. Costs of actual enumeration work by assistants (honorarium, transport, inputs, other—at USD 24.2 per unit X 3,600 households)	59,300	27,700	87,000
3. Data analysis (baseline survey and the final evaluation report)—Attached TORs 3 for international consultant	75,000		75,000
4. Dissemination of baseline and final evaluation reports—workshops, publication, press releases, translation, other	10,000		10,000
5. Contingencies (10% applied to data collection and dissemination activities)	9,700		9,700
Total	175,000	52,700	227,700

11. Implementation Arrangements:

ADB will be the executing/implementing agency for the subproject, in coordination with a joint committee composed of representatives of the Ministry of Health and the Ministry of Social Welfare and Labor, under the guidance of the IE committee. The ADB team consulted with both ministries on the need to carry-out a rigorous impact evaluation of both programs. The final selection of the evaluation option (see section 7) for the impact evaluation will be made after further discussion with the government and approval by the ethic committee.

Upon approval by the IE Committee, the EARD evaluation team will seek endorsement from the Mongolian Government on a written confirmation to support the proposed design of the IE subproject.

The IE study will require 3 person-months of international and 6 person-months of national consultant services. In addition 1 person month of international consultant services to finalize design and sampling work that are already funded by existing TA of both Medicaid and Food Stamp program. The terms of reference for all consultant services are provided in Appendix A.

EARD will be responsible for the completion and quality of final subproject outputs and reports. The results will be published as part of project completion reports and as a stand-alone working papers regardless of the nature of outcomes after seeking government's no-objection. The EARD evaluation study team, with support from the IE committee, will supervise data collection. The data produced by the impact evaluation will be owned by ADB, stored in electronic format and accessible to researchers upon request addressed to ADB after seeking government's no-objection.

The EARD evaluation team will submit a progress reports to the IE committee after completion of the baseline survey and the endline survey, or as may be required by the IE committee. The final IE report will be submitted in November 2012.

12. Assumptions and Risks:

Major risk is that GOM does not approve evaluation design for ethical or other reasons.

Another risk is data collection to select beneficiaries of Medicaid and food stamp programs is delayed beyond June 2011 and there is not enough time for extending the benefits to the treatment group for one year and carrying out the impact evaluation within the duration of the projects. ADB will monitor the implementation of the identification of the poor through the proxy means test and will advise the government.

13. Self-Evaluation of Proposal's Eligibility:

- a. Is the Project/Subproject/intervention being proposed for impact evaluation relevant to DMC's own and ADB-assisted operations in the country—both ongoing and planned? If yes, please describe the relevance.

The Medicaid and food stamp programs have been set-up by the government to mitigate the effects of the recent food crisis and the financial crisis. Both programs are innovative and are targeted to poor identified through a proxy means test. The IE will inform the government on the effect of the two programs and will be the basis for deciding on their continuation. Alleviating poverty and improving targeting of social programs are at the core of ADB's support to the DMCs to strengthen social protection.

- b. Will the proposed evaluation generate lessons that will help improve policies and design of future operations? If yes, please discuss while referring to any specific operations, policies, and regulations.

The IE will be the first rigorous evaluation of a government program in the social sectors. The IE results will help in demonstrating the benefit of targeting, which could be extended to additional social transfers (e.g. subsidies for textbook). The IE is also an important capacity development tool to strengthen evaluation capacities in the government.

- c. Have alternate methodologies been considered for the proposed evaluation? If yes, please state the alternatives that were considered and why the proposed methodology was considered most appropriate?

The main alternative methodology considered was using a quasi-experimental design by piggy-backing on the National Statistics Office (NSO) Socio Economic Households Survey. The idea was to include rider questions in the current questionnaire to include participation and outcome variables of both Medicaid and Food Stamp program for econometric analysis of outcomes variables and participation in the two programs holding constant many household and other control variables. This method was discarded on grounds of the relatively small sample size of the NSO survey which will not allow any powerful statistical analysis of the two programs

- d. Do the regional department and/or DMC have the required expertise to design and conduct the evaluation? If not, have the deficient expertise been clearly identified in the proposal and have the terms of reference been outlined for their procurement through the TA?

EARD's and DMCs expertise will be complemented by consultants' expertise recruited by the TA. Some expertise is already available within the two projects that are the purpose of the evaluation, especially to prepare the baseline study, determine the study design, the sampling strategy and size and finalize the survey questionnaire.

- e. Does the evaluation entail a capacity building component? If so, who will be the target audience? How large will be the target audience group?

Capacity development will be implemented through participation in the discussions and workshops organized throughout the IE exercise, and on the job during implementation of the baseline and follow-up survey.

- f. Has the proposed evaluation been discussed with the concerned agencies within the DMC? How strong is the buy-in from the relevant planning/oversight and sector agencies within the country?

The need for rigorous evaluation is written into the project document of both projects. MOH and MOSWL have shown initial commitment to the proposed IE.

- g. Can the evaluation be completed by September 2012? If the evaluation cannot be completed before September 2012, how will the endline survey and dissemination activities be financed and what commitments have been secured to ensure completion of the evaluation?

Data collection will be completed by June 2012. The final report of the IE will be available by October 2012.

Endorsed by:

{name}
{Director-General, RD}
Date: dd mmm yyyy

{name}
{Director, xxx}
Date: dd mmm yyyy

Approved by:

{name}
Chair, IE Committee
Date: dd mmm yyyy