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## **Making Development Aid Work: New Methods for Impact Evaluations**

Is development aid effective in fighting poverty around the world? This question has recently been the subject of controversial debates. The simple answer is: it depends how the money is spent. But: how do we know what works?

New methods aimed at evaluating the effectiveness of development projects have been developed in recent years. Randomized studies allow measuring the impacts of poverty reduction interventions in a very precise and scientifically rigorous way, sometimes with very striking results.

In this context, development economists have proposed reorienting the approach of development policy. Some have suggested concentrating aid on those projects whose effects have been shown to be strong enough by at least one scientific study that satisfies the new standards.

Such an evidence based approach can contribute to finding and promoting those interventions that are most effective in reducing poverty. We explore the questions of what this would mean. What can the new methods contribute? What are their advantages and limitations? How do they work, and who can employ them? And what results have they delivered so far?