



Nicaragua

MCC Learning from

“Evaluation of MCC’s Investments in Rural Business Development in Nicaragua: Final Report”

**Michael Carter, Patricia Toledo and Emilia Tjernstrom 2012
Conner Mullally 2015**

MCC has identified the following programmatic and evaluation lessons based on the Evaluation of MCC’s Investments in Rural Business Development in Nicaragua: Final Report.

PROGRAMMATIC LESSONS

- *Linking to household income is difficult.* In Nicaragua, the evaluators find that farm incomes increased; however, they do not find an impact on household consumption (a proxy for household income). This highlights two main issues around the difficulty of making the link to household income: (i) household income from a variety of sources is difficult to measure and (ii) the assumption that an increase in farm income leads to an increase in overall household income does not always hold. This may be because in the short to medium term, as households adjust to increases in farm income, the overall household income stays the same or can decline as a result of substitution from other sources. These points will be taken into consideration for future evaluations.

EVALUATION LESSONS

- *Work in lock-step.* Despite the many challenges, the evaluations are examples of how effective partnerships can be developed between implementers and evaluators and incentives can be aligned resulting in successful impact evaluations. Conditions for success in Nicaragua were evident early on, given the effective partnership between MCA-Nicaragua and the evaluator, facilitated by a strong and independent MCA monitoring and evaluation department. This case is and should be a model for other compacts and demonstrates that MCA is a significant part of the equation.
- *Structure evaluation for learning.* In Nicaragua, the evaluations were not designed to measure and understand the pathways by which changes in farm income occur. In addition, the original assumptions of the program logic did not question the content or duration of training, or the content of technical support to program participants, so these basic questions were not built into the evaluation design. This limited MCC’s ability to learn why changes in farm income are occurring, even though the findings of the



evaluation suggest that the type of in-kind financial support and duration of technical services make a difference in adoption over time. In the future, MCC and MCAs will look for opportunities to use impact evaluations to test traditional assumptions about what works and structure evaluations for learning.