

# PROJECT EFFECTIVENESS REVIEWS

'enhancing effectiveness through evidence-based learning'



## Capacity Building for Small Producers: Nicaragua 2011/12

This project, usually known by its Spanish acronym of "PRODER", supports approximately 450 producers in three value chains – dairy products, cocoa, and wooden furniture – in three municipalities of the Atlantic North Autonomous Region of Nicaragua. The project focuses on building capacity among producers to improve the quality of their production, facilitate their access to markets, and increase their negotiating power. Participants have received a package of training and support to enable them to adopt improved production techniques. On the marketing side, the project partners have provided information and training about standards demanded by buyers, facilitated access to producers' fairs, and organised apprenticeship visits and exchanges for groups of producers. Project participants have also been encouraged to move further along the value chain by engaging in processing of dairy products or forming groups to produce artisanal chocolate. Local producer cooperatives have been formed or strengthened in each area, allowing members to gain from economies of scale in storage, processing and marketing their products.

More recently, the PRODER project has invested in physical infrastructure to support value-chain activities in each area. The construction of these facilities was not yet complete at the time of the effectiveness review, so their impact could not be evaluated as part of the effectiveness review.

Photo credit: Annie Bungeroth

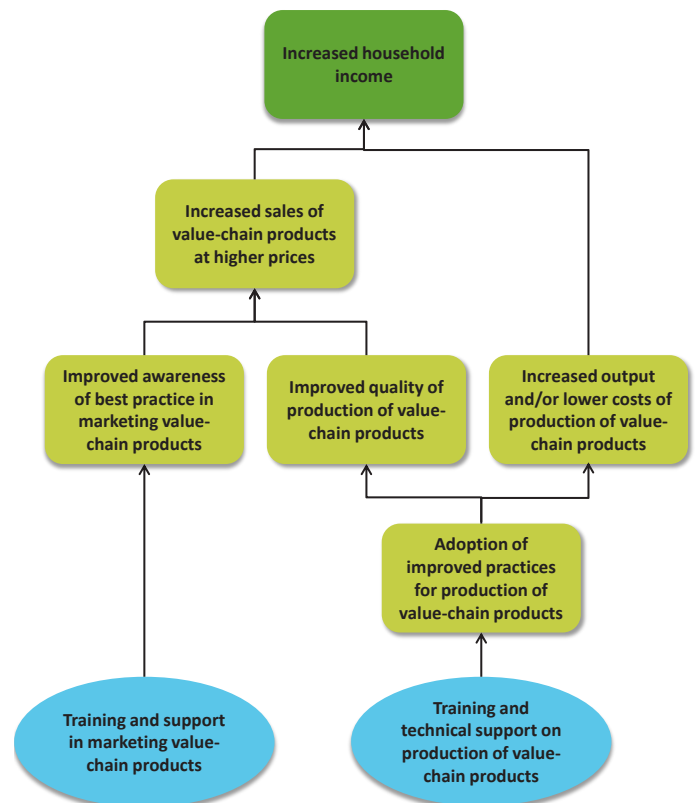


Figure 1: Intervention logic: Capacity building for small producers

## Evaluation Method

To assess the effectiveness of the programme on reducing risk and promoting adaptive capacity, a quasi-experimental impact evaluation was implemented. This involved carrying out surveys with 386 dairy and cocoa producers in the Municipality of Siuna, including those supported by the PRODER project and those in neighbouring communities who have not benefited from PRODER or similar projects. The survey collected data on production and sales of the value-chain products, as well as on household income and wellbeing and on attitudes towards women's economic roles. At the analysis stage, the statistical tools of propensity-score matching and multivariable regression were used to control for measured differences between the supported and comparison producers.

## Results

Overall, the results provided some evidence that the PRODER project had led to increased household income among supported households in the dairy-producing areas. These households had also experienced greater asset accumulation, suggesting that their higher household incomes had been sustained for some time.

However, the mechanism for this improvement was apparently different to that envisaged in the project's design: although the project seemed to have encouraged more of the supported households to engage in sales of dairy products, they did not appear to be realising consistently higher prices for those products.

Among the households in the cocoa-producing areas, the increased revenue generated by sales of cocoa appears not yet to have led to increases in overall household income or asset wealth. However, there is evidence that the project was successfully encouraging households to invest in planting cocoa, much of which had probably not fully matured at the time the effectiveness review was carried out. Consequently, it is possible that this component of the project will translate into improvements in household wellbeing at a later time.

A surprisingly large proportion of the supported producers reported having received training on gender equity during the lifetime of the PRODER project, and these producers expressed significantly better attitudes to women's economic roles than comparison producers who did not receive such training.

**Rating key:** ● - Evidence supporting large impact; ● - Evidence supporting more modest impact; ● - Evidence of large impact, but only for specific sub-groups/measures; ● - Evidence of modest impact, but only for specific sub-groups/measures; ● - No evidence of impact

Outcome	Rating	Commentary
Outcome 1 – Higher prices realised for sales of value-chain products	●	No evidence that supported producers in either value chain are selling at prices significantly higher than comparison producers.
Outcome 2 – Increased revenue from sales of value-chain products	●	Higher proportions of the supported households made sales of the value-chain products, and so generated higher revenue on average from these products than the comparison households.
Outcome 3 – Increased overall household income	●	Evidence of increased overall household income among supported producers in the dairy value-chain area, but not the cocoa value-chain area.
Outcome 4 – Accumulation of asset wealth	●	Clear evidence of significant increases in asset wealth among supported households in the dairy-producing area, but not in the cocoa-producing area.
Outcome 5 – Improved attitudes to gender roles	●	Evidence of more positive attitudes to gender roles among those who report having received gender training during the project's lifetime

*Applicability: These results apply to the households supported under the cocoa and dairy value-chain strands of the PRODER project within the Municipality of Siuna, up to January 2012. The infrastructure investments made under this project had not yet been completed at that time. No evaluation was made of the project activities carried out in the municipalities of Bonanza or Rosita.*

## Going forward

The results of this effectiveness review have been discussed in a workshop with the partner organisation. The results were largely as had been expected at this stage of the project's lifetime. Now that the number of project participants engaging in the targeted markets has increased, the next step is to support them in gaining a comparative advantage to generate higher returns from those markets. This is expected to be achieved through recent investments in productive infrastructure, which will enable producers in both the dairy and cocoa value chains to increase the quality of their production. The project has also recently contracted a gender specialist, who will seek better to understand this project's effects on women's position in the home and in their agricultural businesses, and to identify lessons which can be learned from this project and applied elsewhere.