



# Trip Report: Cash Transfers, Risk Management and Asset Accumulation

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**Nicaragua: July 11 – August 18, 2007; September 2-9, 2007**

Travelers: Karen Macours, Johns Hopkins University

Objectives:

The main objective of the first trip (July 11- August 18) was the qualitative evaluation of the “Atencion a Crisis program”, 6 months after it’s completion. This was conducted in collaboration with CIASES, CIERUNIC and the World Bank. Ximena Del Carpio (University of Southern California and World Bank) and Patrick Premand (Oxford University and World Bank) joined Karen for most of this period.

The objective of the second trip (Sept 2 to 9), which was joint with Renos Vakis (World Bank), was to follow-up with both CIASES and CIERUNIC, as well as with various other potential partners, on possible complementary interventions, to be piloted and evaluated in the region of the *Atencion a Crisis* program.

## **Collaboration**

- During both visits there were several discussion and workshops with the Ministry of the Family (MIFAMILIA), which had implemented the *Atencion a Crisis* pilot program. The team shared lessons learned from the qualitative and quantitative evaluations of *Atencion a Crisis* with the new staff in the ministry, and discussed implications for a follow-up transfer program that the ministry was developing. We also held technical discussions about targeting mechanisms, and a small capacity training workshop on monitoring and evaluation, organized on specific demand of the ministry’s technical program team.
- Following up on the suggestion of Connie Johnson of the USAID Managua office we were in communication with Jose Ignacio Mata of the Excelencia project, based at the ministry of education. We had a meeting at the Excelencia offices with Melba Castillo (due to a last minute emergency, Jose Ignacio could not attend the meeting). Excelencia focuses on improving the quality of primary school education, and has a relatively strong presence in the region of the *Atencion a Crisis* pilot. The meeting aimed at understanding the potential importance of this supply-side intervention, when analyzing the impacts of the *Atencion a Crisis* pilot (which focused on the demand side).

- The team also met with representatives of various civil society organizations that are active in issues related to the objectives project, in particular a number of NGOs with strong focus on gender empowerment and/or micro-finance (Caruna, FUMDEC, ADIM and Xochilt Acalt), FUNICA (provider of agricultural technical assistance, partly funded by IFADs Program for Economic Development of the Dry Region), and the Millenium Challenge Corporation. The objective of these various meetings was to learn from the experiences and approaches of the various organizations, in light of the potential complementary interventions in the region of *Atencion a Crisis*. In collaboration with the local World Bank office, a half-day workshop was organized on targeting, monitoring and evaluation with several of the NGOs that focus on gender empowerment and micro-finance.

### **Qualitative fieldwork**

From July 12 to July 18, Karen worked with Vanessa Castro and Ana Patricia Elvir on the finalization of the design of an ex-post qualitative evaluation of the *Atencion a Crisis* project, which had as main objective the identification of possible complementary interventions. 2 student researchers, Elba Perez and Daniel Rivas (funded by BASIS) took part in this preparation.

During the same time, Karen, Patrick and Ximena, worked with Veronica Aguilera and Enoe Moncada from CIERUNIC to finalize the design of a study of the main input, labor and output markets in the region of the pilot.

From July 20-22, a 3-day training workshop focusing on various methods of qualitative data collection was organized in the local offices of the World Bank to train the field teams for the qualitative community and market studies. The training was followed by pretests of the survey instruments on July 23-24.

From July 25 to August 14, we conducted the field work for the qualitative and market studies in the 6 municipalities of the *Atencion a Crisis* program (San Lucas, Las Sabanas, San Jose de Cusmapa in Madriz; Pueblo Nuevo in Esteli and San Francisco del Norte and Cinco Pinos en Chinandega), as well as in the markets with linkages to these municipalities (Somoto, Condega, Ocotal, Esteli, Chinandega, Somotillo). The team consisted of 2 groups (one of for the community-level evaluation and one for the market study), including both junior and senior researchers : Elba Perez, Daniel Rivas, and Reynaldo Sanchez from CIASES, Veronica Aguilera, Sander Guerrero, Mario Martinez, and Enoe Moncada from CIERUNIC, Ximena Del Carpio and Patrick Premand (World Bank) and Karen Macours (JHU). The fieldwork included daily de-briefings as well 3 entire intermittent days for summarizing and optimizing the learning between the different researchers.

On the 16-17<sup>th</sup> of August, there was a 2-day final workshop with participation of the field team, as well as Vanessa Castro and Ana Patricia Elvir from CIASES.

In follow-up discussions in September, it was agreed that Mario Martinez (one of the junior researchers of the field work) would integrate in the CIERUNIC team on a full-time basis (with partial BASIS and partial World Bank funding). We also agreed on academic and financial support for master educations of Mario, and 2 of the senior researchers of CIERUNIC (Veronica Aguilera and Enoe Moncada) in the framework of the project.

## **Complementary Interventions**

Based on the results of the quantitative evaluation of the *Atencion a Crisis* pilot, and the analysis of the qualitative information collected in the summer of 2007, a number of areas for possible complementary interventions were identified. The *Atencion a Crisis* project had the double objective of protecting households human capital base, and increasing households' income diversification potential through productive asset accumulation. Complementary interventions were identified in both these areas.

### *Early Childhood Development*

In the area of human capital, the fieldwork and the ex-post analysis of the qualitative information by the CIASES team, revealed striking shortcomings in households' investments in early childhood development. This appears to a large extent due to a lack of attention to, and information about, proper nutrition, stimulus behavior, and preventive health care by the caregivers of small children. Most interventions that target early childhood in Nicaragua are either focused on nutrition, or are based on improving access to, and quality of, day care centers and preschools. Little is known about the potential to affect early childhood development by targeting behavior by the primary caregivers themselves. Based on these observations, the CIASES team is designing an intervention focusing improving parental care through community educators. The intervention will be pilot in a random subset of the *Atencion a Crisis* treatment communities (conditional on resolving funding uncertainties). The data and evaluation design that is place because of the original pilot will allow rigorously evaluating the impact of the early childhood intervention, as well as the complementary with the *Atencion a Crisis* pilot.

### *Market information and business capacity training*

In the area of households' productive capacity and income diversification, the analysis revealed several areas for potential complementary interventions. In particular, the research identified large information asymmetries about product and labor market conditions among the women beneficiaries. Many of the beneficiaries of the vocational training and of the productive investment grant appeared to be constrained in using their new skills or resources because of lack of information about labor and product market conditions and lack of basic business skills. At the same time, the work revealed examples of beneficiaries who had acquired such information through learning from

successful peers. Based on these insights, the CIERUNIC team is designing a small but targeted information intervention, to be piloted in a random subset of the original treatment and Control communities of *Atencion a Crisis*, before the quantitative data collection programmed for the summer of 2008. The data and evaluation design that is place because of the original pilot, will allow rigorously evaluating the impact of this intervention, as well as the complementary with the *Atencion a Crisis* pilot.

*Other possible complementary interventions*

In addition to the above, various other findings suggest room for potential complementary interventions. In terms of primary school education, various supply side constraints were identified, such as teacher absenteeism and lack of teacher training to teach multi-grade classrooms. In terms of households income diversification strategies, many households lack businesses skills and in-depth training in business practices (including basic math, accounting practices, commercialization methods, etc...) would appear to have a potentially high pay-off.

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