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Jon Baron
jbaron@coalition4evidence.org
202-683-8049

1725 I Street, NW, Suite 300
Washington, DC 20006
202-349-1130
www.coalition4evidence.org

Daniel W. Yohannes
Chief Executive Officer
Millennium Challenge Corporation
875 Fifteenth Street NW
Washington, DC 20005-2221

Dear Mr. Yohannes:

We're writing to express strong support for the Millennium Challenge Corporation's (MCC) pioneering efforts to incorporate scientifically-rigorous evaluations into its development assistance projects, to determine which are truly effective in improving people's lives.

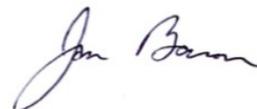
The evaluations that MCC is reporting on today – for farmer training projects in El Salvador, Armenia, Honduras, Ghana, and Nicaragua – are a striking departure from usual practice in development assistance. Four of these evaluations were well-conducted randomized controlled trials, widely considered the most objective, credible method of assessing program effectiveness. Remarkably, a recent World Bank report found only three prior randomized studies of farmer training have been carried out anywhere in the world since 2000, leaving a void of reliable information about what works and what doesn't work in this widely-used form of assistance.

The results being reported today are a critical step toward filling that void. On one hand, these evaluations have identified at least one training strategy – used with dairy farmers in El Salvador – that produced sizable impacts on important outcomes: (i) a convincing \$2,000 increase in farm income per household over one year, compared to the control group; and (ii) promising, but less certain, increases in total income and consumption per household (\$2,600 and \$1,200 respectively, which fell short of statistical significance and therefore need confirmation in future research).

The results are also valuable in identifying a number of widely-used training strategies that did not produce the desired effects on farm income or other key outcomes.

The evaluation of the Ghana training program, for instance, found no overall impact on crop income. In the process, this study illustrated why it is hazardous to rely on less rigorous evaluation methods. Specifically, the Ghana study found that crop incomes of households in both the program group and the control group increased over the one-year study period, and they did so by about the same amount, signifying that the program had no *net* effect on crop income. If the study had instead assessed effectiveness with a widely-used but less rigorous performance metric – gains in income for program participants without reference to a control group – it would have concluded erroneously that that the program was highly effective, increasing participants' crop income by about 30 percent.

Development agencies and other organizations spend tens of billions of dollars annually to help the world's poor, with little basis in evidence about which strategies are effective and which are not. MCC's leadership in evidence-based assistance – along with parallel work at the World Bank, USAID, and elsewhere – is addressing that gap, generating the credible, actionable knowledge needed to improve the lives of struggling people around the world.



Jon Baron, President