The Millennium Villages Project:
Did it overcome the poverty trap?

This Briefing Paper is the second in a series to communicate key points from the independent impact evaluation of the Millennium Villages Project (MVP) in Northern Ghana. The MVP aimed to demonstrate that rural Africa could address poverty and achieve the Millennium Development Goals (MDGs) through low-cost, science-based interventions at the village level.

This mixed method impact evaluation of one MVP site in Northern Ghana took place over more than five years. The evaluation consisted of a statistically representative survey of over 2,000 households within 35 villages in the project site and 68 comparison villages. It also included three longitudinal qualitative studies that collected evidence on institutional change, a range of welfare measures and local perspectives (see MVP Briefing Paper 8). Undertaken by Itad, the Institute of Development Studies (IDS) and Participatory Development Associates Ltd (PDA Ghana) and commissioned by DFID, it is anticipated that the findings will be of interest to a wide range of people in the development sector.

Millennium Villages Project

Beginning in 2005, the MVP aimed to overcome the 'poverty trap' facing some countries by applying an integrated strategy for health care, nutrition, education, water supply and sanitation, infrastructure, agriculture and small business in clusters of villages. The idea was to achieve the MDGs by undertaking simultaneous investments, rather than the usual sectoral or step-by-step efforts. The synergies from these multiple interventions were intended to have a greater impact than that of separate interventions.

By 2016, the project had been implemented in 14 different sites in 10 African countries, reaching approximately half a million people in 79 villages. The MVP sites cover different agro-ecological zones and together represent farming systems used by 90% of the agricultural population of sub-Saharan Africa.

Did the MVP overcome the poverty trap?

The evaluation considered two forms of poverty trap:

1. the Northern Ghana poverty trap in relation to the rest of the country, using average economic growth; and

2. the poverty trap within Northern Ghana itself, by assessing whether economic growth is pro-poor. Achieving targeted MDG indicators would go some way towards overcoming the poverty trap.

Key evaluation findings

▸ Overall, the MVP did not reduce poverty and did not break the poverty trap.

▸ Poverty remained relatively stable in the project villages, and did not decrease more rapidly than in the comparison villages.

▸ However, noticeable improvements in household income attributable to the MVP were seen. Yet there was no accompanying increase in consumption, which indicates that households were saving – probably in the form of assets and livestock. The income improvements were not enough to break the poverty trap and the population remained poor.

▸ Growth in income increased in a similar fashion across all households, and was not pro-poor or pro rich. This leaves inequality unchanged.

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The MVP in Northern Ghana

From 2012–16, the £11 million MVP in Northern Ghana targeted a cluster of 35 villages of up to 30,000 people in the West Mamprusi, Mamprugu Moagduri and Builsa South districts. This is an area of extreme poverty, with 80–90% of the population living below the national poverty line. The project was spearheaded by the Earth Institute (Columbia University), with operations overseen by the Millennium Promise and the Savannah Accelerated Development Authority (SADA), a semi-autonomous Government of Ghana agency.

Evaluating the poverty trap

The evaluation measured the impact of the project against the MDG indicators, including those concerning health and education, which are instrumental to overcoming the poverty trap. Overall, the evaluation found that there was very little impact. The evaluation also extended to an exploratory analysis beyond these indicators to consider whether the MVP reduced poverty in other ways. This included the impact on household monetary poverty; patterns of household income and consumption; explaining investments and savings dynamics; and breaking the poverty trap.

Poverty indicators were calculated using household expenditure measured by adopting an annual recall. The poverty indices employed were the poverty headcount (the proportion of individuals with income below the poverty line); the poverty gap (the distribution of poverty); and the squared poverty gap (the severity of poverty). The distribution of poverty has improved and become less unequal, but this did not occur more quickly in project areas than in comparison areas. The squared poverty gap also decreased in both project and comparison areas. There is little difference between project and comparison areas, and both poverty gap and squared poverty gap are nearly identical at the endline assessment.

Figure.1 Poverty indices over time in Millennium Village Project (MVP) and comparison village (CV) areas
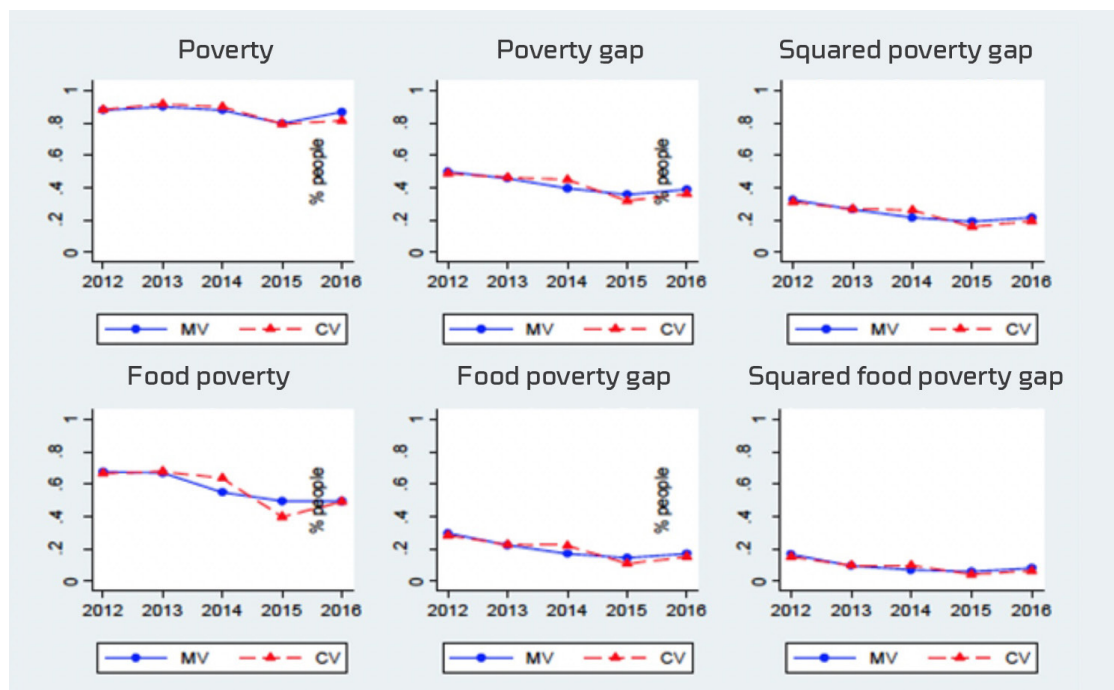
Note: percentages are those that are below the poverty line.