



**International
Growth Centre**

26 Parirenyetwa Road
Economics Association of Zambia
Rhodes Park
Lusaka, Zambia

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Report on Dissemination events

by IGC Zambia and Innovations for Poverty Action

On

The Impact of Seasonal Food and Cash Loans on Smallholder Farmers in Zambia

(forthcoming paper by Kelsey Jack, Günther Fink and Felix Masiye)

1. Introduction

International Growth Centre (IGC) Zambia in collaboration with Innovations for Poverty Action (IPA) held a series of dissemination events on 22nd and 24th March 2016 to present and discuss the preliminary results of a study titled: “*The Impact of Seasonal Food and Cash Loans on Smallholder Farmers in Zambia*” by Kelsey Jack (Tufts University), Günther Fink (Harvard School of Public Health) and Felix Masiye (University of Zambia).

The main objective of the project was to contribute to the literature that investigates the causes of the low levels of, and slow growth in, agricultural productivity in developing countries, such as Zambia, and the resulting continued high poverty rates. The project generated a rigorous assessment of the degree to which farm output can be enhanced by addressing a fundamental challenge faced by small farmers: short-term food and credit constraints. Understanding the nature of short-term labour supply by small scale farmers and its underlying causes is key to the design of effective policies and programs to increase agricultural productivity and help provide small farmers with the necessary means to exit poverty.

The dissemination events contributed to the on-going policy debate surrounding rural development in Zambia by presenting a forum for policy makers and non-government stakeholders to discuss the results of the research in terms of informing national policy and future programs. In addition, the events enhanced the visibility of IGC Zambia by providing an opportunity for further engagement with Government and stakeholders and demonstrating IGC’s desire for collaborative research to inform policy.

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The dissemination comprised three separate events:

1. Targeted detailed discussion on 22nd March 2016 with relevant Government and non-government stakeholders at University of Zambia, Lusaka
2. Public Dissemination Event on 22nd March 2016 at Intercontinental Hotel, Lusaka
3. Local dissemination event on 24th March 2016 at the Protea Hotel, Chipata, where the project was implemented,

2. Discussions with Government, NGOs and Private Sector

Prior to the event, IPA met with a number of stakeholders to share information about the project/event and share the results in cases where organizations were going to be unable to send a representative to the dissemination event.

In Government these included:

- Ministry of Agriculture,
- Ministry of Community Development and Social Welfare (MCD&SW)

They also met with NGO representatives, including:

- The Scaling Up Nutrition Movement
- CARE
- Technoserve
- Catholic Relief Services

There were also meetings with the private sector, including:

- NWK Agri-Services.

After the event there were follow-ups on how these results can inform programs and areas for further research. This interest came from a variety of organizations including One Acre Fund, Financial Sector Deepening - Zambia, World Vision, Catholic Relief Services, and the World Bank. IPA is planning more detailed discussions with these organizations.

3. Event Agendas

Targeted Discussion at University of Zambia, Lusaka - Agenda

- 8:00 Registration
8:15 Opening Remarks - Robert Liebenthal (IGC Zambia)
8:30 Overview of the Project and Results - Professor Günther Fink
9:30 Tea Break
9:50 Breakout Sessions:
 Policy Implications – Professor Günther Fink
 In-depth Research Results – Professor Kelsey Jack
11:30 Closing Remarks - Rachna Nag Chowdhuri (IPA)
12:00 Lunch

Public Dissemination Event at Intercontinental Hotel, Lusaka - Agenda

- 18.00 Registration
18.15 Opening Remarks – Robert Liebenthal (IGC-Z)/ Rachna Nag Chowdhuri (IPA)
18.30 Overview of the Project and Results – Professor Kelsey Jack
19.00 Panel Discussion and Open Discussion
 Panellists: Dr Chrispin Mphuka – University of Zambia
 Stephen Kabwe – Indaba Agricultural Policy Research Institute
19.50 Concluding Remarks

Dissemination Event at Protea Hotel, Chipata - Agenda

- 8:30 Registration
9:00 Overview of the Project and Results
10:00 Tea Break
10:20 Round Table: *Implications for Policy, Projects, Future Research in Eastern Province*

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4. Presentations and Discussions

Project Background and Preliminary Results

Each of the three events mentioned above comprised a presentation of the project background and preliminary results.

The main points highlighted in the presentation (attached) are as follows:

- Small-scale farming remains the primary income source for a significant part of the population in Zambia, with most small-scale farmers living below the poverty line.
- With a single annual rainy season and lack of irrigation, most households rely on food and income generated by a single annual harvest, occurring between May and July. Starting in September, some households begin to run out of food and cash reserves and by January most farming households struggle to cover basic consumption needs. This period is generally referred to as the “lean” season.
- During the “lean” season, farmers are forced to engage in coping strategies to cover basic needs. These include borrowing, using savings, selling assets and doing short-term labor (referred to as “ganyu”) for better off farms. While the latter provides some cash for farmers in the short term, it also reduces the time farmers spend on their own farms, thereby reducing subsequent harvest outcomes.
- The research project in question aimed to answer the following two questions:
 - Does access to seasonal credit reduced “ganyu” labor and other costly coping strategies?
 - Does access to seasonal credit increase agricultural output?
- To answer these questions, the project employed a randomised control trial approach and provided cash and maize loans to small-scale farmers in Zambia during the lean season.
- Preliminary results indicate that providing seasonal loans increased harvest outputs and values, decreased food insecurity, reduced “ganyu” work on other farms, reduced high-interest borrowing and improved self-assessment of health and well being.
- Overall the key policy implications of the study are:
 - Giving farmers access to resources during the lean season has the potential to increase well-being and reduce hunger.
 - Most loans to small-holder farmers are given as input loans, but small consumption loans may also have the potential to increase well-being and agricultural output.

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- High take up and repayment rates suggest that farmers are not only interested in seasonal loans, but are also willing and generally able to repay loans with interest.
- While the loan program was a success in terms of take-up and repayment, it is relatively costly from an implementation perspective. Therefore, alternative delivery options and savings mechanisms should be considered and evaluated.

Targeted Discussion at University of Zambia, Lusaka

The morning event that took place at University of Zambia was attended by 65 participants, listed in section 5 below. Professor Gunther Fink presented the overall project and preliminary results. Subsequently, the two breakout sessions were held, focused on “policy implications” and “in-depth research results” respectively.

Policy Implications Session

During the “policy implications” session most of the discussion with the participants revolved around the actual implementation of the project rather than possible policy implications. However, the key message from the presentation by Professor Gunther Fink was that a scale-up of an identical programme would be unsustainable due to the high implementation costs. Therefore, it would be important to consider alternative implementation mechanisms or alternative policy options for reducing seasonal hunger. Key discussion points included the following:

- There is a very big difference between cash and maize loans, with the transport costs associated with the latter making the programme unprofitable.
- Given the high costs of recouping the loans, should they be given out as grants?
- Use of mobile money or working together with organisations who are already operating on a village level as this would help reduce the transport costs.
- The programme in question also relied heavily on local chiefs to encourage repayment, which could be replicated by other programmes.
- Could this type of loan be implemented through existing government programmes, such as the cash transfer programmes, Food Reserve Agency purchases, village loans and input loans?
- Another potential option is to promote and improve the use of livestock as a savings mechanism.

Other policy options mentioned in the presentation but not discussed in great detail during the session, included:

- Encouraging savings through formal savings accounts with positive interest rates
- Facilitating food storage and sales when food prices go up

In-depth Research Results Session

The session on research results led by Professor Kelsey Jack was focused on providing an in-depth overview of the research methodology, measurement decisions, and data collection process. Participants learned about the assumptions behind the project's implementation and research design, and they shared measurement and data collection techniques that they used in their own evaluations. A key message from the discussion by Professor Jack was on the importance of measurement and evaluation design from the onset, and how early-stage decisions play an important role in assessing a project's ultimate impact. Participants came away from the discussion with a more thorough understanding of randomized methods and evaluation/implementation design and measurement.

Public Dissemination Event at Intercontinental Hotel, Lusaka

The discussion at the Public Dissemination Event was led by Professor Kelsey Jack, who provided a general overview of the project and preliminary results. The subsequent panel and open discussion was to a large degree focused on clarifying the research results and methodology. In terms of policy implications, the following points were highlighted:

- The researchers, panel and participants generally agreed that it would be problematic to scale-up the intervention in its current form and there was general skepticism about devising a loan mechanism to address the seasonal consumption issue. (The researchers were careful to point out that this is not what they were recommending)
- The research results underscore an important aspect of rural poverty in Zambia by stressing its seasonality and the linkages between production and consumption decisions within rural households.
- The benefits of the loan-programme may also have been understated since the results presented didn't take into account farmgate price increases that result from selling later in the season.
- Dr Chrispin Mphuka, one of the panelists, made the following points:
 - Do the results stand without the cash transfers and input loans already provided to the farmers as part of other programmes?
 - Is the labour supply analysed correctly, i.e. are there two or three seasons?
 - Would the impact have been larger with a larger loan?

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- The approach lacks an analysis of labour demand.

Local Dissemination Event at Protea Hotel in Chipata

At the local dissemination event in Chipata, Professor Gunther Fink presented the project overview and results. This led to a productive conversation on how the government and NGOs could adjust programs to account for seasonality and help farmers through the hungry season. The discussion focused on actionable changes that could be made by the managers, coordinators, and leaders in the room. Key discussion topics included:

- In cases where two members of a household are in village savings and loan associations (VSLAs), changing one of the VSLA group's payout be in January, versus the current arrangement where payout is around the time people spend money on inputs.
- How could the timing of the social cash transfers be adjusted to better help smooth income?
- How can food security be considered/addressed in out grower schemes?

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5. Attendance Lists

Targeted Discussion at University of Zambia, Lusaka

Name	Surname	Title	Organization
Mulenga	Bwalya	Associate	AgDevCo
Maumo	Mubila	Support Intern	Agriprofocus
Ruth	Nzala	Administrator	Alliance For Nutrition And Reconstruction
Mutelo	Mayiya	Accountant	Alliance For Nutrition And Reconstruction
Wallace	Mayiya	Director	Alliance For Nutrition And Reconstruction
Olga	Torres	CEO	AMZ (Agora Microfinance Zambia)
Lita	Magawa	M&E Manager	Care Sun Fund
Sydney	Phiri	Evaluation Coordinator	CHAI
Sandra	Mudhune	Senior Evaluation Manager	CHAI
Aleta	Starosta	Research Analyst	Cloudburst Group
Dafulin	Kaonga	Board Secretary	Cotton Board
Eliana	Halwindi		Counterpart International
Sonia	Esquibel	M&E Specialist	CRS
Kebby	Kambulwe		Friends Of Nature And Environmental Concern
Guy	Vanmeenen	Head	FSDZ
Dominique	Uwira	Advisor	GIZ
Stephen	Kabwe	Research Associate	IAPRI
Thelma	Namonje	Research Associate	IAPRI
Musonda	Lclropaus	CEO	LCMCS
Daniel	Kanyembe	M&E Coordinator	IDE
Dennis	Chwele	Country Manager	IGC
Lazarous	Mwale	M&E Officer	Lita
Oscar	Mutinda	Senior Research Manager	IPSOS
Patricia	Malasha	Sp. Advisor	Irish Aid
Chomba	Chibende	DSCDO	MCD&SW

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Milimo	Chiboola	Programmes Officer	Mt Makolo Research Station
Ikabongo	Ikabongo	Research Intern	Musika
Timothy	Sichilima	Researcher	Musika
William	Chirwa	Secretary	Mwashibukeni
Siame	Keith	Chaiperson	Mwashibukeni Community Based Organization
Chisela	Kaliwile	Sociologist	NFNC
Melissa	Kaminker	Country Director	One Acre Fund
Maximiliano	Pin	Field Operations Director	One Acre Fund
Michael	Mbulo	Programme Coordinator	Rural Finance Expansion Programme
Womba	Phiri	M&E Specialist	Rural Finance Expansion Programme
Chanda	Richard		SCCE
Mulenga	Chitengi	Country Director	Self Help Africa
Miia	Saarela	Student	University Of Helsinki
Chiluba.A	Mutono	Student	UNZA
Nelly	Andende		UNZA
Mojack	Chitebe	Student	UNZA
Nkenda	Sachingongu	Lecturer	UNZA
Andrew	Nkhuwa	Student	UNZA
Oliver	Kaonga	Lecturer	UNZA
Edith	Namukonda	Researcher	UNZA
Justina	Namukombo	Lecturer	UNZA
Mulonda	Munalula	Lecturer	UNZA
Dominic	Liche	Lecturer	UNZA
Rudo	Phiri-Mumba	Lecturer	UNZA
Kaumba	Chiunda	SDF	UNZA
Paul	Chishala	Student	UNZA
Busiswe	Mateke		UNZA
Sanny	Mulubale		UNZA
Abraham	Chansa		UNZA

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Silungwe	Abiud		UNZA
Wisdom	Kaleng'a	Lecturer	Unza - Development Studies
Brian	Martalus	FTF Coordinator	USAID Zambia
Samantha	Malambo	Programme Officer	World Food Programme
Joseph	Simukoko		World Vision
Steve	Cole	Scientist	Worldfish
Angela	Bwalya	Agriculture Research Officer	Zambia Agricultural Research Institute
Juliet	Mataa	Senior Agriculture Research Officer	Zambia Agricultural Research Institute
Abigail	Kalebwe	Programmes Assistant - Policy	Zambian Governance Foundation
Florence	Phiri	Head Outreach	ZNFU
Mutale	Chimba	Key Accounts Manager	Zoona

Public Discussion at Intercontinental Hotel, Lusaka

First Name	Surname	Organisation
Chrispin	Mphuka	UNZA/EAZ
Greg	Chikwanka	DFID
Willy	Chigoma	NAPSA
Felix	Masiye	UNZA
Nathan	Tembo	PALM ASSOCIATES LTD
Sizimulela	Chitundu	
Frank	Chisamanga	COMACO
Floud	Mwansa	MCA ZAMBIA
Matt	Snell	UOH
Robert	Liebenthal	IGC
Doreen	Manda	DFID
Lyton	Mbewe	VITALITE
John	Fay	VITALITE
Nikhil	Wilmink	CHAI
Patrick	Bowa	The Intertrade Institute
Kingsley	Kaswende	ZNFU
Stephen	Kabwe	IAPRI
Terry	Nchimunya	IPA
Kelvin	Sichilongo	B.B.S

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Joseph	Simukoko	WORLD VISION
Emmanuel	Mulenga	VITALITE
Helen	wright	VITALITE
Ernest	Mwape	ZDA
Chilweza	Muzonufwe	MCDSW
George	Sizala	EAZ
Lydia	Chikumbi	EAZ
Mark	Phiri Yoyo	IPA
Henry	Lubinda	UNECA
Gregoy	Smith	WORLD BANK
Joseph	Thole	ZISERV
Obed	Bwalya	PS PF
Anthony	Taylora	UNECA
Kapele	Ndumba	EAZ
Robert	Malasha	Development Bank of Zambia
Kapeza	Peter Lungu	IPA
Willard	Mapulanga	EAZ
Laughani	Mwanza	EAZ
Epho	Chisulo	IFO Consulting
James	M'nulty	European Union
Richard	Chanda	SCCI
Philippe	Masengo	EAZ/BOZ
James	Mwenya	MIOMBO FOREST PRDS
Grace	Mschili	IPA
Sam	Shabiyemba	KEEGY
Michelo	Chinzila	EAZ Member
Edward	Lowe	VITALITE
Genious	Musokotwane	MCMZ
Emily	Heneshan	WFD
Charles	Akayombokwa	
Gibson	Masumba	ZIPAR
Thulani	Banda	ZIPAR
Evaristo	Sakala	MOD
Hamachuta	Harbot	HK Diesel Systems
Kaluba K	Mataka	ZCAHRD

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Name	Surname	Title	Organization
Rosalia	Daka	Gender Mainstreaming Officer	Cargill
Whiteson	Daka	Extension Manager	COMACO
Jnemiah	Tembo	Conservation Manager	COMACO
Dale	Lewis	Founder	COMACO
Erin	Baldrige	Deputy Chief of Party	CRS
Whytson	Sakala	Team Leader	Eastern Province Farmers Cooperative
Walter	Sanchez	Coordinator	GIZ
Emmanuel	Musonda	Advisor - GIC	GIZ
Rennie	Eprestein	Project Manager	IFPRI
Mulemba	Kaleyi	Provincial Social Welfare Officer	MCD&SW
Rosalynn	Hang'omba	Senior Social Welfare Officer	MCD&SW
Kenson	Chiphaka	CEO	Microloan Foundation
Michael	Ngulube	District Agricultural Coordinator	MoA

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