

*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 Innovation for Poverty Action (IPA) held a series of dissemination events on 22<sup>nd</sup> and 24<sup>th</sup> 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.

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



The dissemination comprised three separate events:

1. Targeted detailed discussion on 22<sup>nd</sup> March 2016 with relevant Government and non-government stakeholders at University of Zambia, Lusaka
2. Public Dissemination Event on 22<sup>nd</sup> March 2016 at Intercontinental Hotel, Lusaka
3. Local dissemination event on 24<sup>th</sup> 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.

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



### 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

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



#### 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.

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



- 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.

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



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?

Deleted: .

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



- 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?

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY





**International  
Growth Centre**

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

[www.theigc.org](http://www.theigc.org) | @The\_IGC



## 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                                      |

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY







**International  
Growth Centre**

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

[www.theigc.org](http://www.theigc.org) | @The\_IGC



|             |             |                           |   |
|-------------|-------------|---------------------------|---|
| 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     | Mbulu       | 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                                      |

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY





**International  
Growth Centre**

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

[www.theigc.org](http://www.theigc.org) | @The\_IGC



|          |          |                                     |  |
|----------|----------|-------------------------------------|--|
| 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                    |

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY



|           |             |                            |
|-----------|-------------|----------------------------|
| 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                     |

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY





**International  
Growth Centre**

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

[www.theigc.org](http://www.theigc.org) | @The\_IGC



Local Dissemination Event at Protea Hotel, Chipata

| 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                                  |

DIRECTED BY



The IGC is Directed by the London School of Economics and Political Science (LSE) and the University of Oxford. The LSE is a charity and is incorporated in England as a company limited by guaranteed under the Companies Act (Reg. 70527).

FUNDED BY

