FSP Zambia, Bi-annual Report, December 2016

Project Summary

The Zambia buy-in to the Innovation Lab of Food Security Policy (FSP) compliments core BFS funds to enable Michigan State University (MSU) to continue its long-term efforts to enhance food and agricultural policy engagement in Zambia. The primary mechanism by which this occurs is through capacity building of Indaba Agricultural Policy Research Institute (IAPRI). This award is built on three pillars:1) Enhance IAPRI's technical capacity to conduct and disseminate high quality socio-economic research, with a particular emphasis on publishing research findings through international peer-review journals; 2) Support IAPRI's capacity to engage in regional policy debates, and; 3) Strengthen IAPRI's capacity to conduct high caliber research in thematic areas relevant to USAID's expending portfolio in natural resource management, regional trade, nutrition, and gender studies, with particular emphasis on using new methodical approaches.

FY2016 Performance

Although this award only operated for the second half of FY2016, it has achieved several important outcomes. In total this award has contributed to the production of 6 major research reports:

- <u>Understanding Fertilizer Effectiveness and Adoption on Maize in Zambia</u>. William J. Burke, Emmanuel Frossard, Stephen Kabwe, and Thomas S. Jayne. International Development Working Paper 147. October 2016
- <u>Analyzing Trends in Herbicide Use in Sub-Saharan Africa</u>. Philip Grabowski and Thom Jayne. IDWP 142. April 2016.
- <u>An In-depth Analysis of Zambia's Agricultural Budget: Distributional Effects and Opportunity</u> <u>Cost</u>. Auckland N. Kuteya, Nicholas J. Sitko, Antony Chapoto and Emma Malawo. Working Paper No. 107. April 2016
- Can Input Subsidy Programs Promote Climate Smart Agriculture in Africa? T.S. Jayne, Nicholas J. Sitko, Nicole M. Mason, and David Skole. MSU Policy Synthesis #93. July 2016.
- <u>What Drives Input Subsidy Policy Reform? The Case of Zambia, 2002-2016</u>. Danielle Resnick and Nicole Mason. Research Paper 28. October 2016.
- <u>How Is Multinational Investment in Grain and Oilseed Trading Reshaping the Smallholder</u> <u>Markets in Zambia?</u> Nicholas J. Sitko and Brian Chisanga. Working Paper 104. April 2016

Topics of these studies ranged from quantifying available customary land, to the role of multinational investment in transforming Zambian grain markets, to understanding the underlying factors that influence fertilizer use efficiency. These are timely topics, related directly on-going policy debates related to: cross border trade, output market subsidy programs, land policy, and input subsidy design. Findings form these studies were shared broadly through 6 significant learning forums, held within Zambia as well as within international forums.

• <u>Strategic thinking in preparation of journal articles</u>. T. S. Jayne. Indaba Agricultural Policy Research Institute seminar, Lusaka, Zambia. 16 November 2016.

- <u>Analysis of the Farm-to-Retail Maize Marketing Margins in Zambia.</u> Olipa Zulu-Mbata, Thomas Jayne, Johann Kirsten. 5th International Conference of AAAE Transforming Smallholder Agriculture in Africa: The Role of Policy and Governance. Addis Ababa, Ethiopia. 23-26 September 2016.
- <u>An evolution in the middle: Examining the rise of multinational investment in smallholder grain</u> <u>trading in Zambia.</u> Nicholas J Sitko, David Tschirley, and Brian Chisanga. Rural Transformation, Agricultural and Food System Transition Workshop. FAO Headquarters, Rome, Italy. 19-20 September 2016.
- <u>The Role of Legume Technologies in the Agriculture-Nutrition-Food Security Nexus: Evidence</u> <u>from Zambia</u>. C. Sauer, N. Mason, M. Maredia, and R. Mofya-Mukuka. AAEA Annual Meeting, Boston, MA. 2 August 2016.
- <u>Incentivizing unsustainable intensification? The case of Zambia's fertilizer subsidy program</u>. N. Kendra Levine, Nicole M. Mason, Stephen N. Morgan, and Olipa Zulu-Mbata. Invited seminar at Allegheny College. Meadville, PA. 21 April 2016.
- <u>The Geography of Zambia's Customary Land: Assessing the Prospects for Smallholder</u> <u>Development</u>. Nicholas J. Sitko, Jordan Chamberlin, and Munguzwe Hichaambwa. Customary Land Management Research Symposium. Lusaka, Zambia. April 6-7, 2016.

In addition, this award supported 3 short-term training events with IAPRI researchers and students from the University of Zambia.

- IAPRI-MSU Technical Training: <u>An Introduction to Experimental Economics Methodologies</u>. Stephen N. Morgan, Indaba Agricultural Policy Research Institute, Lusaka, Zambia, June 29, 2016.
- IAPRI-MSU Technical Training: An Introduction to Agricultural Household Models. Materials developed by Nicole Mason & Saweda Liverpool-Tasie. Indaba Agricultural Policy Research Institute, Lusaka, Zambia. June 22-23, 2016.
 - Part 1 Using Economic Theory to Guide Our Empirical Work: Insights from Basic Producer and Consumer Theory.
 - Part 2 Agricultural Households as Producers and Consumers: Set-Up and Insights from a Basic Ag Household Model.

These courses were designed to address key methodological gaps identified jointly by IAPRI management and MSU. Finally, this award enabled MSU to provide backstop support to the mission and BFS to analyze mid-line population survey data in the FtF zone of influence.

Successes

In collaboration with IAPRI, this award contributed to an enhanced evidence base to support the new Minister of Agriculture to respond to the regional food deficit. As a consequence, Zambian policies sought to minimize disruptions to the private sector, while at the same time supporting the food price needs of local consumers. This award contributed to a significant enhancement of the capacity of the IAPRI research through short-course training on experiment economics and economic modelling. The combination of enhanced research capacity and a strong, yet developing working relationship with the new Minister will lead to continued positive dialogue and policy reform in the coming year.

Challenges

The combination of general election and a regional food deficit placed significant pressure on the policy making system in Zambia and made reform difficult. Despite a victory by the ruling party, the Ministry of Agriculture leadership was changed, creating the need to establish new relationships and bring her up to speed on the evidence related to agricultural policy. Internally our award does not yet have an incountry presence established in Zambia. A candidate has been identified and will begin in January. This has forced our collaboration with IAPRI to be carried out remotely.

Lessons Learned

The major lesson learned during this reporting period is about the need to invest in relationships lower down the hierarchy within the Ministry of Agriculture in order to maintain progress on policy reform despite leadership change. We seek to intensify this effort in the coming year with activities described below.

Key expected activities in FY2017

In addition to continued collaborative research with IAPRI researchers we plan to implement several key activities. First, at the request of the Ministry of Agriculture, we will support data collection on medium-scale farms in Zambia. This is a segment of the farm population that our research has shown is growing rapidly, but for which standard survey data in Zambia does not collect data. Based on our research, the Ministry has requested that we collect data on this population to inform their land and development policies.

Second, IAPRI has requested that we provide capacity building support to enhancing the writing skills of the researchers. We will hold a writer workshop in January to respond to this request. Finally, over the years IAPRI and MSU have generated a significant evidence base on the intersection between agriculture and climate change. To raise the visibility of this work and to place their findings on policy-makers' agenda, we will hold a major region conference in Zambia on the topic.