

Platform
for Agricultural
Risk Management

Managing risks
to improve farmers'
livelihoods

Capacity development



Zambia

Agricultural Risk Management
Capacity Development Seminar
(CD1)

Report
27–28 June 2018





PARM
PLATFORM FOR
AGRICULTURAL RISK
MANAGEMENT

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Risk Management

Managing risks
to improve farmers'
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Zambia



Agricultural Risk Management Capacity Development Seminar (CD1)

Part I

MAIN REPORT

Lusaka | 27-28 June, 2018

In collaboration with:



**Ministry of Agriculture
Republic of Zambia**

Prepared by:

**Ilaria Tedesco, PARM
Nalishebo Meebelo, PARM**

Acknowledgement

This report summarizes the outcomes of the implementation of the Capacity Development Seminar (CD1) on Agriculture Risk Management (ARM) organized by PARM in collaboration with the Ministry of Agriculture Republic of Zambia held at Twangale Park Hotel, Lilayi (Chilanga District), Lusaka in Zambia from 27th to 28th June 2018. The training was undertaken as part of the partnership between the Ministry of Agriculture and PARM. PARM team would like to thank Mr. Christopher Mbewe (Chief Economist) for delivering the opening remarks, on behalf of the Director for Policy and Planning of the Ministry of Agriculture (Ms. Emma Malawo), in which the importance of the PARM process to Zambia's agriculture sector was acknowledged.

PARM also extends gratitude to Ms. Harriet Mweene Matipa, Economist (Policy and Planning Department), Mr. Kwibisa Liywali (ESAPP/IFAD) and Ms. Meya Zimba (IFAD Country Office) for their supports in organizing the event. The training also greatly benefitted from the guidance given by Massimo Giovanola (PARM), as well as the support from Karima Cherif (PARM), Manuela Zingales (PARM) and Meya Zimba (IFAD Zambia). The training team was led by Ilaria Tedesco (PARM Mission Leader) and Nalishabo Meebelo (PARM Country Liaison Officer for Zambia).

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1. Overview

The Government of the Republic of Zambia in its Vision 2030 prioritized agriculture-led development as a potential driver for economic growth, poverty reduction as well as food and nutrition security. This is also with a view to ensuring that the country's overdependence on copper mining is offset. Currently, agriculture's contribution to overall Gross Domestic Product (GDP) is significantly low compared to services and industry. Agriculture GDP is also below the Sub-Saharan African average.

Besides matters relating to policy reform, investment (public and private), and institutional arrangements, Zambia's agricultural development is affected by human and naturally induced shocks including: extreme weather events, El Nino and La Nina, occurrence of droughts, dry spells and floods, plant and animal diseases etc. Moreover, risks related to price volatility, trade restrictions, post-harvest losses, low information and technological capacities, etc. also cause negative impacts to agriculture sector growth and pose a challenge to food security and nutrition in the country.

For the past years, a number of institutions have placed considerable importance on Agricultural Risk Management (ARM) in the continent and in Zambia. In 2018 World Bank for instance finalised the country's agriculture risk assessment study "Increasing Agriculture Resilience through Better Risk management in Zambia".

In this context, PARM and its partners (Ministry of Agriculture of Zambia and E-SAPP/IFAD project) recognized the need to foster the exchange of knowledge and they collaboratively organized a Capacity Development Seminar (CD1) on Agriculture Risk Management (ARM) held from 27th to 28th June 2018 with the objective to raise awareness and bring together the country's experiences on ARM.

In detail, the ARM CD1 training aimed at:

- Strengthening the knowledge of national stakeholders on agricultural risks and risk management;
- Discussing the tools and strategies to manage agricultural risks with a holist approach, beyond a humanitarian intervention to disasters;
- Sharing experiences on ARM in Zambia

The seminar was delivered through presentations and discussions. It received excellent feedback from the participants who welcomed the interactive and trainees-centered approach. On average, the participants rated the training contents with 4.07 (on a scale from 1 to 5). The participants were very active and appreciated in all the topics, in particular, the general ARM concepts and risk assessment and prioritization. Some of them highlighted the need to bring this type of training at the provincial and district level to reach out to the farmers.

2. Learning Process

The seminar was structured in theoretical but more practical country-related manner. The presentations delivered are as follows:

Day 1

- Presentation I: General Concepts of Agriculture Risk Management
- Presentation II: Zambia risk profile: presentations of the results of the *Increasing Agriculture Resilience through Better Risk management* (World Bank Report 2018)
- Presentation III: Basic Concepts on Agriculture Risk Assessment and Prioritization

Day 2

- Presentation IV: Basic Concepts on Agriculture Risk Management Tools and Strategy
 - Presentation V and VI: ARM finance tools presentations by:
 - Zambia National Commercial Bank (ZANACO); and,
 - Mayfair Insurance
- Presentation VII On-farm ARM tools in Zambia:
 - Climate Smart Agriculture (Department of Agriculture, Ministry of Agriculture)
- Presentation VIII: ARM and Policy in Zambia:
 - Mainstreaming ARM into the National Agriculture Investment Plan (II) (PARM Country Liaison)

Presentation I discussed the definition of risk, the type of risks at farm level and their characteristics, as well as farmers' risk preferences/approaches, the ARM cycle and holistic approach to risk.

Presentation II introduced the methodology and results of the World Bank agricultural risk assessment report for Zambia (2018) "*Increasing Agriculture Resilience through Better Risk management*". From the study, weather risks and price volatility emerged as main risks for Zambia.

Presentation III explored the basic elements to assessing risks, including the type of information needed, frequency and severity of risks followed by the use of the risk matrix tool to prioritize risks.

Presentation IV illustrated the basic concepts on ARM tools and strategies such as risk mitigation tools, risk transfer tools, risk coping tool and monitoring activities.

Presentation V and VI approached agriculture as a business activity to be protected against risks. As such, agricultural finance and insurance (including weather-index insurance) were presented as concrete tools to help farmers manage risks.

Presentation VII discussed the potentials of Climate Smart Agriculture (CSA), its pillars, possibilities of synergies and practices for Zambia.

Presentation VIII discussed CAADP process and the mainstreaming of ARM in the next generation of NAIPs.

The detailed agenda of the ARM CD1 seminar is presented in Annex 1. All the presentations are available in Volume 2 of the ARM CD1 report.

All modules and presentations were delivered in plenary sessions. Each presentation was complemented and enriched by interactive discussions with participants who asked questions, made comments, shared information and experiences, and applied lessons and practices. A PARM video was also shared with participants and an exercise on risk assessment and prioritization was conducted.

The seminar strongly focused on in-depth presentations and interactive discussions, and on practical guidance regarding how best to apply the concepts taught during the course of the training days. Participants were very active and showed deep interest in the relevance of ARM to addressing agriculture development, food security and nutrition.

3. Participants

The training was delivered to 60 participants. Most of the participants were government officers drawn from Zambia's 10 provinces under the Ministry of Agriculture and the Ministry of Fisheries and Livestock. Officers from the Headquarters of the Ministry of Agriculture and the Ministry of Fisheries and Livestock were also present. Other participants included officials from the Disaster Mitigation Management Unit (under Office of the Vice President); Ministry of Finance; agencies and technical centers of the government; IFAD projects; Zambia National Commercial Bank; University of Zambia; Mayfair Insurance; National Union of Small Farmers; and Zambia State Insurance Corporation (See complete Attendance List presented in Annex 2).

Table 1: Institution represented by the participants

Institution	No. of Participants
Ministry of Agriculture	22
Ministry of Fisheries and Livestock	13
Ministry of Finance	1
Disaster Management and Mitigation Unit	1
University of Zambia	1
Mayfair Insurance	1
Zambia National Commercial Bank	1
Zambia Agriculture Research Institute	1
In-Service Training Trust	1
Zambia State Insurance Corporation	1
Conservation Farming Unit	1
PARM	2
IFAD Country Office and Projects	14
Total	60

The women represented about 21% of the participants.

Table 2: Participants represented by the gender

Males	Females
47	13

4. Evaluation

In serving its purpose, the seminar provided to all participants necessary practical guidance to: identify, assess, prioritize and manage risks. As a result of this training Government Officers from the Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of Finance, researchers and academics, trainers, IFAD project staff extension workers, etc. have been capacitated with relevant information concerning the holistic ARM approach, which emphasizes the necessity to make policy, investment and project decisions based on a solid analysis of all the risk factors.

The seminar received very good feedback from participants; the average score for all areas assessed by participants is 4.07 (on a scale from 1 to 5). The highest score was for the session of general concept of ARM (4.51), followed by the session on risk assessment and prioritization (4.48) and the PARM video that made a synthesis of the ARM process and tools linked to specific context (4.24)

Table 3: Evaluation of single session

Name	AVG	
General Concept of ARM 1	4.51	***
Video ARM/PARM	4.24	*
Highlights on agricultural risks in Zambia	4.13	
Risk assessment and prioritization	4.48	**
ARM tools and strategy	4.21	
ARM Finance tool (ZANACO Bank)	3.91	
ARM Finance tool (MAYFAIR Insurance)	3.46	
ARM On-farm tool (Climate Smart Agriculture)	3.87	
Mainstreaming ARM into NAIP II	3.85	
Overall CD1 seminar	4.07	

The participants judged the seminar very informative and useful to better manage and assess risks. They wished to have more training on similar topics – especially at provincial and district level – and some of them would have preferred a longer CD seminar, more group works and inclusion of livestock issues. Group works have not been organized due to the large audience and the short time available to cover all relevant topics although the presentations were complemented by broad discussions.

Many participants stated that they enjoyed risk assessment and prioritization, and the risk matrix as tool emerged as one of the most useful topic learned. Participants judged positively the interaction with the presenters. The way the topics were exposed was clear and simple, and the time-management worked well. Among the different country tools presented, access to credit (ZANACO Bank) and insurance (Mayfair) were, respectively, the most and less appreciated tools that led to animated discussion.

Participants were keen to apply the knowledge received during that training and share it with other stakeholders, although it was highlighted that they could need training to bring these concepts at farm level.

Providing basic knowledge and raising awareness on ARM topics, CD1 has been successfully delivered to continue PARM activities in the country and strengthen the inclusion of PARM activities within E-SAPP/IFAD project context.

5. Annexes

Annex 1: Agenda of the Seminar

Annex 2: List of Participants

Annex 1: Agenda of the Seminar

Day 1

WEDNESDAY 27 JUNE 2018		
Time	Description	Trainer/facilitator
08h30-09h00	Registration	<i>Ilaria Tedesco (PARM)</i> <i>Nalishebo Meebelo (PARM)</i> <i>Kwibisa Liywalii (E-SAPP)</i>
09h00-09h15	Welcoming/Opening Speech	Director - Policy and Planning Department, Ministry of Agriculture
09h15-09h20	Introducing the ARM seminar	<i>Ilaria Tedesco (PARM)</i>
09h20-09h30	Presentation of the participants	<i>Nalishebo Meebelo (PARM)</i>
MODULE 1: Agricultural risk management		
09h30-11h00	General Concepts of Agricultural Risk Management: <ul style="list-style-type: none"> • What is a risk? • Which are the risks at farm level and their characteristics? • Which are the farmers' risk preferences/approaches? • What is agricultural risk management? • What is a holistic approach to risk? 	<i>Ilaria Tedesco (PARM)</i>
11h00-11h30	Coffee Break	
11h30-12h30	Zambia Risk Profile (Results from the WB study)	<i>Nalishebo Meebelo (PARM)</i>
12h30-14.00	Lunch	
MODULE 2: Risk Assessment and Prioritization		
14h00-15h30	Basic concepts on Risk Assessment and Prioritization <ul style="list-style-type: none"> • What are the basic elements to assess risks? • Which types of information are needed • How to measure risks and impacts • Prioritizing the risks 	<i>Ilaria Tedesco (PARM)</i>
15h30-16h00	Coffee break	
16h00-16h30	Exercise on Risk Assessment and Prioritization	<i>Ilaria Tedesco (PARM)</i>

Day 2

THURSDAY 28 JUNE 2018		
Time	Description	Trainer/facilitator
MODULE 3: Agricultural Risk Management Tools and Strategy		
09h00-10h30	Basic concepts on ARM tools and Strategy <ul style="list-style-type: none"> • How to deal with risks • Risk mitigation tools • Risk transfer tools • Risk coping tools • ARM strategy • Tools monitoring activities 	Ilaria Tedesco (PARM)
10h30-11h00	Coffee break	
11h00-12h30	Off- farm ARM finance tools in Zambia: <ul style="list-style-type: none"> • Zanaco • Mayfair Insurance 	TBD (Zanaco) Bwalya Namwawa (Mayfair Insurance)
12h30-14h00	Lunch	
14h00-15h30	On-farm ARM tools in Zambia: <ul style="list-style-type: none"> • Climate Smart Agriculture ARM and Policy in Zambia: <ul style="list-style-type: none"> • Mainstreaming ARM into NAIP II 	Joy Sinyangwe (Department of Agriculture, Ministry of Agriculture) Nalishebo Meebelo (PARM)
15h30-16h00	Coffee break	
16h00-16h30	Way Forward -IFAD E-SAPP and ARM	Ilaria Tedesco (PARM) Nalishebo Meebelo (PARM) Kwibisa Liywalii (E-SAPP)
16h30-17h00	Closing	Director - Policy and Planning Department, Ministry of Agriculture

Annex 2: List of Participants

No.	Participants Name	Organisation
1.	Martin M. Liywalii	S3P
2.	Michael Chishimba	S3P
3.	Musonga Venautious Mulenga	Ministry of Fisheries and Livestock [MFL] (Fisheries Dept)
4.	Bridget Mulenga Kaluba	Zambia State Insurance Corporation
5.	Timothy Tonga	MFL, Policy and Planning Dept (PPD)
6.	Mutiyo Namwinga	E-SAPP
7.	Juliet Chinoda	E-SAPP
8.	Frank M. Kayula	NUSFAZ
9.	Sikota Mushimbei	E-SAPP
10.	Stanely Silwimba	Conservation Farming Unit
11.	Kalaba Chama	Ministry of Agriculture (MoA)
12.	Yapulani Chunga	MoA – Copperbelt Province
13.	Bruce Chulu Simbunji	MoA
14.	Ramans H. Kayumu	MFL
15.	Mwape W. Mweni	MFL
16.	Sylvester Nyendwa	MoA/MFL
17.	Muzumbwe Kanemanema	MFL – Veterinary Department
18.	Moffat Goma	MoA – Copperbelt Province
19.	Evans Nkhoma	MoA
20.	Eric Nsofu	MoF - RFU
21.	Vincent Simoongwe	MoA
22.	Mwikisa L. Likulunga	University of Zambia
23.	Collins Sikajila	ISM
24.	Mavis C. Mupeta	MoA
25.	Kwibisa Liywalii	E-SAPP
26.	Harriet Mweene Matipa	MoA
27.	Joseph Manda	MFL
28.	Caiaphas Habasonda	RUFEP
29.	Christopher Kambole	E-SAPP
30.	Kayula Mwila	E-SAPP
31.	Dr. Wilfred Tembo	MFL
32.	Richard Likando	MoA
33.	Rebecca E.S. Nalungwe	MoA
34.	Mwaba Mwansa	MoA – Muchinga Province
35.	Jebros Kabinda	MoA- Muchinga Province
36.	Dr. Chitwambi Makungu	MFL, DVS
37.	Dr. Wilson Katumbi	MFL - Muchinga
38.	Alick G. Mbewe	MFL North Western
39.	Mweshi Mukanga	Zambia Research Institute
40.	Swithen Pondamali	MoA – Central Province
41.	Mainza S. Chibomba	E-SAPP
42.	Derek Chimangi	MoA – Lusaka
43.	Fundi Banda	MoA – Southern Province
44.	Joy Sinyangwe	MoA Department of Agriculture

45.	Arthur Mumbuluma	MFL – Eastern Province
46.	Cabour Mungomba	MoA – Eastern Province
47.	John Chuba	MoA – Eastern Province
48.	Kisha Namufungwe	MoA – Northern Province
49.	Hobab Mumbi	MoA – Luapula Province
50.	Darlington Besa	MFL – Luapula Province
51.	Mubambwe Simbarashe	MoA – North Western Province
52.	Dickson Musama	MoA – North Western Province
53.	Boyd Siyanga	Disaster Management and Mitigation Unit (OVP)
54.	Ben Hampondi	E-SAPP
55.	Dick Siame	IFAD CO
56.	Bwalya Namwawa	Mayfair Insurance
57.	Chomba Langamu	MFL – Copperbelt Province
58.	Phillimon Lubeya	Zambia National Commercial Bank
59.	Augustine Mutelekesha	E-SLIP
60.	Patrick Longwani	MoA



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PLATFORM FOR
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MANAGEMENT

Zambia



Agricultural Risk Management Capacity Development Seminar (CD1)

Part II

MAIN REPORT

Lusaka | 27-28 June, 2018

In collaboration with:



**Ministry of Agriculture
Republic of Zambia**

Prepared by:

**Ilaria Tedesco, PARM
Nalishebo Meebelo, PARM**

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Day 1



Presentation 1.1:

General Concepts of Agriculture Risk Management
Ilaria Tedesco (PARM)



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Presentation 1.2:

Zambia Agricultural Risk Profile

Dr. Nalishabo Meebelo PARM
Country Liaison Officer (Zambia)



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Presentation 1.3:

Basic Concepts on Agriculture Risk Assessment and Prioritization
Ilaria Tedesco (PARM)



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Day 2



Presentation 2.1:

Basic Concepts on Agriculture Risk Management Tools and Strategy
Ilaria Tedesco (PARM)



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Presentation 2.2:

Finance and Agricultural risks-ZANACO



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Presentation 2.3:

Finance and ARM - MAYFAIR INSURANCE
Bwalya Namwawa (Mayfair Insurance)



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CLIMATE SMART AGRICULTURE

PRESENTATION MADE AT THE AGRICULTURAL RISK MANAGEMENT SEMINAR AT TWANGALE PARK IN CHILANGA DISTRICT – 27 – 28 JUNE 2018

JOY SINYANGWE
MINISTRY OF AGRICULTURE & LIVESTOCK
DEPARTMENT OF AGRICULTURE
MULUNGUSHI HOUSE - ROOM 347

E- Mail: joysinyangwe@gmail.com

Presentation 2.4:

Climate Smart Agriculture
Joy Sinyangwe



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Presentation 2.5:

Mainstreaming ARM in CAADP/NAIP process in Zambia

Dr. Nalishabo Meebelo PARM Country Liaison Officer (Zambia)



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NOTE



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