Moving beyond "Survival" towards "Opportunity"

Expanding livelihoods through upstream value chain linkages
SUMMARY

In 2011, Zambia reached middle-income status, thanks to the significant socioeconomic progress it had achieved in the past two decades. However, recent shocks have constrained this growth and resulted in an increase in poverty rates, especially in rural areas, where more than 80 percent of the poor live. Girls and women remain disproportionately affected, with gender-specific social and cultural barriers that limit their access to economic opportunities.

The Government of Zambia has an ambitious vision to build an inclusive economy that “provides opportunities for the well-being of all.” The World Bank is supporting this agenda through the Girls’ Education and Women’s Empowerment and Livelihoods (GEWEL) project, which, among other interventions, is testing an innovative approach around economic inclusion programming to increase poor women’s access to livelihood opportunities.

The women’s empowerment intervention of the GEWEL project includes a comprehensive package of activities for beneficiaries, including training, mentoring, and productivity grants. In collaboration with the Partnership for Economic Inclusion (PEI), the Government and Bank teams are working on complementing these activities by securing access to markets for beneficiaries through a pilot intervention that is in its final design stages and is expected to be carried out in 2022/23.

The pilot will allow GEWEL’s households and women entrepreneurs to grow their micro-businesses by connecting them with activities under the Zambia Agribusiness and Trade Project (ZATP), aiming to increase market linkages for agribusiness.

The success of this intervention will rely on its ability to leverage the synergy between two ongoing and complementary World Bank operations. Likewise, the experience of Zambia provides a successful example of interagency collaboration across Government and World Bank teams, which PEI support has helped catalyze.

The Government and Bank teams have leveraged international experiences and combined this with extensive stakeholder engagement to design and pilot an innovative and locally driven approach to link women-led microenterprises to markets. As the pilot begins its implementation phase, results will provide valuable lessons learnt to inform the design of future economic inclusion programs at scale.
In the past two decades, Zambia has achieved strong economic growth but with limited impacts on poverty reduction. From 2000 to 2014, Zambia achieved strong economic growth, with an average annual gross domestic product growth rate of 6.8 percent pulling the country into middle-income status. However, this strong economic performance – driven by capital-intensive industries, primarily mining, construction, and transport – had limited impacts on the livelihoods of the rural poor, who constitute 82 percent of the population below the poverty line. Furthermore, a series of shocks, including falling copper prices, droughts, the Ukraine war, the resulting increase in food and fuel prices, and the recent COVID-19 pandemic, have stalled economic growth, leading to an increase in poverty rates to an estimated 60 percent of the population.

Girls and women are particularly vulnerable, and gender inequality is high. Women in extreme poverty tend be more economically excluded as they face many gender-specific socio-economic barriers that make them more vulnerable than men. In rural areas, most women farm only at the subsistence level and are unable to sustain viable agribusinesses, given their limited access to credit, basic literacy, business skills, market information and the fact that gender-based violence is endemic, further limiting women’s capabilities and opportunities.

For economic growth to be more inclusive, Zambia needs to raise the productivity and returns for the bottom 40 percent, most of whom are small-scale farmers characterized by a low level of productivity and rampant informality. Even though the country has experienced growing regional and urban demand for food, small-scale farmers are not able to fully capitalize on this opportunity. Many have limited access to credit and poor connectivity to markets, making it difficult for them to connect with large-scale buyers.

The partnership between GEWEL and ZATP have brought together two ministries that worked on similar projects with similar objectives and facilitated their collaboration for the benefit of both target groups. This collaboration will help design complementary interventions in the future that can work at scale and have a positive impact on more beneficiaries.

Barnabas Musonda - Supporting Women’s Livelihoods (SWL) Manager
ZAMBIA’S VISION 2030: A STRONG AND DYNAMIC NATION FOR THE WELLBEING OF ALL

Operationalized through the National Development Plans, Vision 2030 provides an ambitious long-term plan for the development of the nation. The Vision – released in 2006 – constitutes Zambia’s first written long-term plan, expressing Zambians’ aspirations to live in a “strong and dynamic, middle income industrial nation that provides opportunities for improving the wellbeing of all.” The recently approved Cash ‘Plus’ policy complements the vision and lays the policy groundwork for more integrated social protection interventions aimed at human capital growth.

The World Bank is supporting this agenda with a focus on rural women through the Girls’ Education and Women’s Empowerment and Livelihood (GEWEL) project – and its livelihood component Supporting Women’s Livelihoods (SWL), which has so far provided livelihood opportunities to about 96,000 poor and vulnerable women. The project provides a comprehensive package of activities for beneficiaries, including life and business skills training, mentoring, and peer support. Female entrepreneurs are provided with productivity grants of around $225 to help them set up their own microbusiness initiatives and are grouped around savings clubs.

ECONOMIC INCLUSION: TACKLING LOCAL ECONOMIC GROWTH CONSTRAINTS THROUGH MARKET LINKAGES

Economic inclusion programs typically seek to address constraints that poor households face to exiting the “poverty trap.” These include constraints to local economic growth, such as those related to proximity to physical markets, regional market depth, access to connective infrastructure, and production. Extremely poor women face added constraints in interacting with markets, including the risk of physical, sexual, and other forms of gender-based violence; inadequate legal protection or enforcement of existing laws; traditional gender roles and expectations; and lack of control over resources.

The World Bank team is responding to the Government’s interest in ensuring a more sustainable and self-sufficient livelihood path for its citizens. With PEI support, the GEWEL project is contributing to government efforts around the design and testing of an innovative economic inclusion pilot that will provide women with better access to markets, helping them sustain and grow their own microenterprises.

Strengthening links to markets is important to increase income-generating opportunities for the extreme poor and vulnerable. Operating as part of a group (e.g., producer alliances, farmer groups, etc.) can help in overcoming these constraints and enable smallholder farmers to gain access to previously unavailable goods and services. A second Bank operation is supporting the Government to precisely tackle these constraints through the Zambia Agribusiness and Trade Project (ZATP). The main objective of this is to enhance the capacity of producer groups and agribusiness small and medium enterprises (SMEs) to increase their productivity, quality, and scale. The Market Linkages in Agribusiness component of the project aims to develop market links in agribusiness, focusing on “emerging and poor farmers” and growth-oriented agribusiness SMEs – a target group that overlaps with GEWEL’s.
The proposed approach is intended to contribute to increasing coordination among jobs and economic inclusion (JEI) programs, which have historically shown a high level of fragmentation. According to a JEI landscape survey, there are seven ministries actively implementing at least one JEI program, with little coordination among the implementing teams. Such fragmentation leads to duplication of efforts and diminishes program impacts for poor households in need, especially given the limited coverage of existing JEI programs. The combined approach that the economic inclusion pilot will test is expected to provide valuable lessons on how to connect poor women entrepreneurs with better opportunities at local and intermediate markets.

A UNIQUE OPPORTUNITY TO SUPPORT WOMEN-LED HOUSEHOLDS THROUGH LEVERAGING SYNERGIES BETWEEN TWO OPERATIONS

The Government and Bank teams are leveraging the complementarity and synergy between GEWEL and ZATP. While GEWEL is targeting poor and vulnerable rural women to improve their livelihoods by helping them turn piecemeal work into viable microenterprises, ZATP complements this by enhancing the ability of emerging farmers to connect to markets, which in turn increases their income, productivity, and overall viability. Given that both projects operate in nearby communities, it will be possible to establish a concrete operational mechanism (e.g., buyer–seller agreements) that link the two beneficiary groups. This means that GEWEL beneficiaries can become integrated with the economic opportunities arising from ZATP interventions, and at the same time ZATP beneficiaries (e.g., producer groups) can benefit from having access to cheaper and quality-assured products from GEWEL beneficiaries.

Capitalizing on these synergies, PEI is providing technical assistance and advisory support to government counterparts implementing GEWEL and ZATP. PEI support is expected to contribute to improved coordination between the two implementing teams to generate market linkages between the beneficiaries of the two projects. This is taking place through three phases:

**Operational Techniques Review**
- Desk-based review and consultations with experts on operational techniques used in similar contexts

**Learning Exchange**
- A participatory process where Zambia-based technical experts, government teams, and beneficiaries will co-create and design the mechanisms to develop value chain linkages

**Technical Support for Piloting**
- Testing and refining the innovative approach developed through the previous steps
Zambia country teams and PEI are working together to implement each phase:

Relevant international experience has been identified and expertise engaged within the World Bank to support an Operational Techniques Review, focused on (i) defining the program context, evolution, and scale; (ii) developing program design; (iii) establishing institutional arrangements; and (iv) undertaking an assessment of implementation effectiveness and challenges.

A Learning Exchange was planned to validate knowledge captured through a participatory process; however, this was affected by COVID-related travel and meeting restrictions. Once the situation improves, the team will bring together local technical experts, government stakeholders, and GEWEL/ZATP beneficiaries to collect ideas to feed into the design and ensure its suitability to the local context. These exchanges will also help the Government have a clear understanding of the capacity requirements and coordination needs of the intervention.

While still a work in progress, this extensive deliberation, detailed diagnostics, and participatory ideation process will inform the design of the Economic Inclusion Pilot, which will test and refine the approach. This will focus primarily on the soybean, sunflower, and groundnut value chains. The pilot will also identify operational techniques for establishing linkages between GEWEL and ZATP beneficiaries, and the constraints and barriers in doing so.

LESSONS LEARNED WILL ENCOURAGE COLLABORATION BETWEEN THESE COMPLEMENTARY PROGRAMS, CONTRIBUTING TO THE EVENTUAL SCALE-UP OF FUTURE GOVERNMENT-LED ECONOMIC INCLUSION PROGRAMMING

The knowledge generated from the pilot will support the Government to increase its understanding around the feasibility of, and operational needs required to implementing upstream value chain linkage projects.
These insights will allow the Government and World Bank teams to capture important lessons around beneficiaries’ understanding of the approach, adoption rates, beneficiaries’ assessment of gains, and, finally, the effectiveness of the institutional mechanisms established.

Areas where the design of the pilot will place special emphasis include:

**Formation of producer groups.** What challenges might be faced while forming producer groups among women engaged in a variety of activities? The pilot will provide insights into women’s preferences, including regarding whether to create their own groups and sell their produce directly or to work with bigger producer groups by sending them a pre-agreed amount of produce outlined in a buyer–seller agreement.

**Implementation partnerships.** Is there a need for local non-governmental organizations/firms to supplement the Government in implementing economic inclusion and market linkage interventions? The PEI-supported pilot will provide a clearer understanding of which activities to outsource and when to leverage local actors’ expertise.

**Degree of localization.** What degree of localization is needed for economic inclusion interventions implemented in Zambia? Early discussions are pointing to a need to customize provided solutions to the local district level. Having a single solution for all districts is not feasible, given the different contexts. Therefore, improved capacity at the district level is key to proper implementation, while relying on community-based volunteers will remain crucial.

This brief utilizes the definition of economic inclusion programs as a multidimensional set of “bundled interventions” that support households and communities to increase their incomes and assets. These interventions are sometimes referred to as productive inclusion, graduation, or community-driven development programs. Common interventions include a combination of cash or in-kind transfers; skills training or coaching; access to finance; and linkages to market support.

The Partnership for Economic Inclusion (PEI) is a global partnership helping governments develop, implement, and scale economic inclusion programs to sustainably increase the income, assets, and economic resilience of extreme poor and vulnerable people. The work is guided by the Sustainable Development Goal to “end poverty in all its forms everywhere by 2030.” The PEI network includes national governments, policymakers, development partners, and non-governmental and research organizations. It is hosted by the Social Protection and Jobs Global Practice at the World Bank and PEI receives funding through a Multi-Donor Trust Fund administered by the World Bank.