



Ministry of Foreign Affairs of the  
Netherlands

# Improving Food Security Options for micro credit

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# Presentation outline

1. Systematic review food security
  - Systematic review method
  - Food security: definitions , pathways
  - Impact food security interventions
  - Lessons for evaluation
  
2. Options for microfinance
  - Where did credit play a role?
  - Experiences Malawi, Mali, Sierra Leone, Fairtrade pre-finance
  - Profitable versus productive



## (2) Methods systematic review, overview

Objective: Sum up best available research on a specific question.

Methods: Synthesizing results of several studies; transparent procedures, screening of quality; → less bias.

### Our preceding steps:

- i. evaluation question, definitions
- ii. reconstruction of results chains / impact pathways
- iii. delimitation of subject

### 4 steps recommended by Campbell Collaboration:

- i. Clear inclusion/ exclusion criteria,
- ii. An explicit search strategy,
- iii. Systematic coding and analysis of included studies,
- iv. Meta-analysis (where possible);

## (2) Methods: Food security definitions

food utilisation (nutritional status)

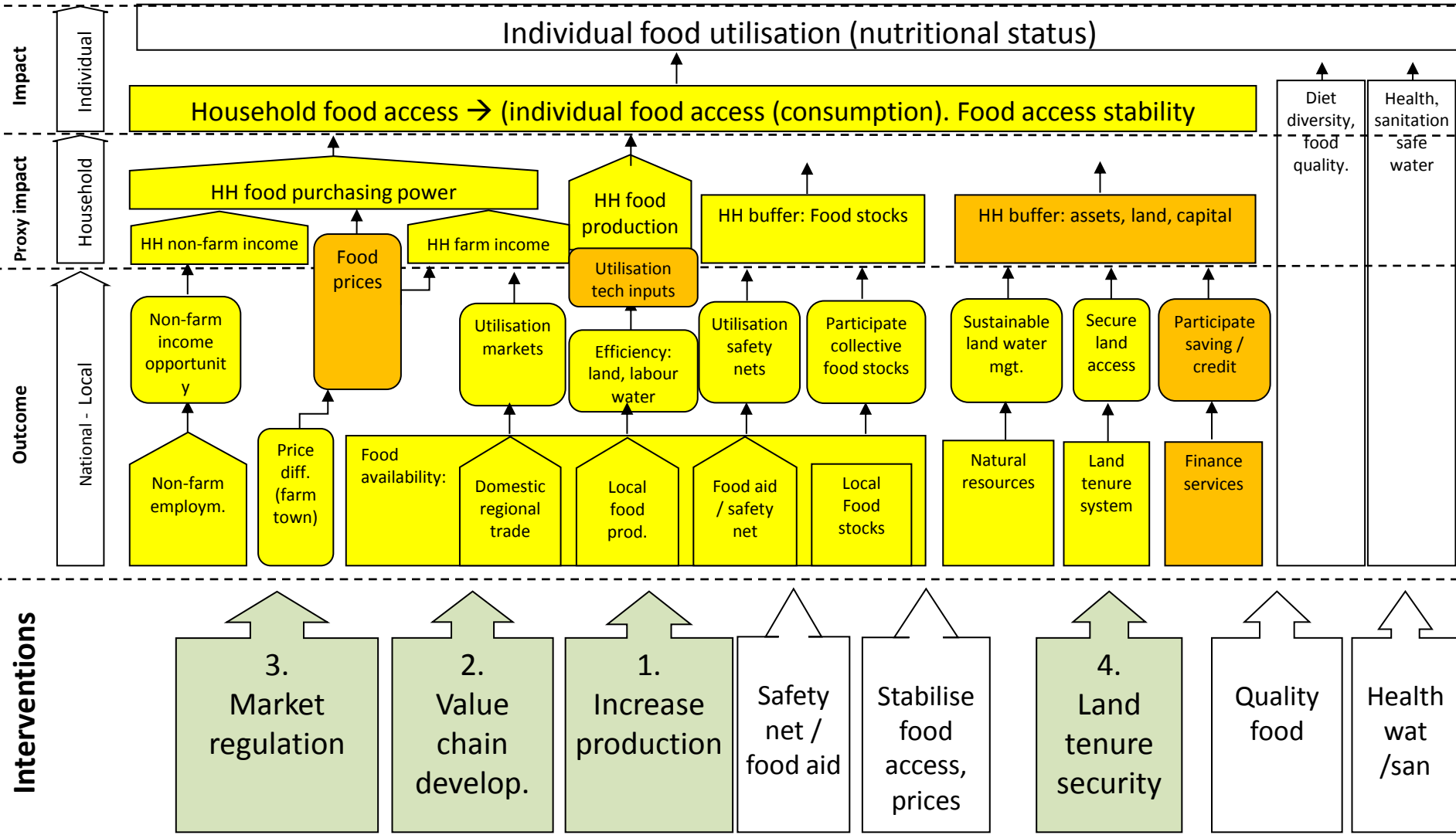
Individual food access

Individual food [access] stability

Food availability



# (2) Methods: delimitation





### (3) Key findings food security interventions:

#### 1. Increasing agricultural production

- Convincing results:
  - Crop genetic improvement (esp. Asia)
  - Reducing production losses (also in Africa)
- Production increase in Asia:
  - Increased yield and reduced production costs
  - Reduced food prices (relative to wages: indirect impact large scale)
- Stagnating intensification in Africa:
  - More diverse agro-ecological zones
  - Less and later efforts in research;
  - Less and underuse irrigation potential
  - Limited preconditions: market, extension, credit; high input costs



## (3) Key findings food security interventions: 2. Value chains (private sector)

- Effective in increasing income
- Domestic and regional markets: potentially many farmers
- Flexibility needed (project; producer organisation)
- Poorest or most vulnerable don't seem to benefit



## (3) Key findings food security interventions:

### 3. Reforming markets (govt policy)

- Poor results where simple reduction of trade barriers was combined with abandoned govt support to agriculture (structural adjustment Africa):
  - Good for competitive export crops
  - Not good for domestic food production
- Better results with gradual, negotiated reform
  - Cotton sector Burkina Faso: from govt to new institutions
  - Rice trade in Vietnam
- Good to reduce price volatility
  - Private trade Bangladesh: recovery from flood in 1998





## (3) Key findings food security interventions:

### 4. Land tenure security

- Land use rights, as part of economic reform China and Vietnam: spectacular results
- Formalising land use rights, or land ownership: encouraged farmer investments
- No effect on access to credit
- Poorest farmers need additional support



### (3) Key findings food security interventions: Costs and benefits per household

	Cost (\$/hh)	Benefit (\$/hh/y)	B/C
Disease resistant cassava (Mozambique)	\$9	\$25	+++
Organic certified coffee (Uganda)	\$90	\$95	++
Irrigation (India)	\$1,840	\$225	+
Dairy sector (Zambia)	\$3,660	\$340	?
Rust resistance in wheat	\$2/y	\$13	+++
Seed and fertiliser pack (Zimbabwe)	\$37 /y	\$20	?

#### Reference:

- Available ODA for agriculture (2010): \$8.4 billion
- Malnourished people (2010): 0.9 billion → \$45 / household



## Credit as explicit project component

Out of 38 cases, only 6 had credit as explicit component. SR searched for other pathways. Credit as context not mentioned.

Case	Effect	Reason
1. Export crop Guatemala	+/o	Inflexible in business dev.
2. NGO, local Mali (1)	(+)	Synergy women, credit, irrigation
3. NGO, local Mali (2)	(+)	(unclear)
4. Land reform Philippines	0	Opposition land owners
5. Cotton reform Burkina	+	Gradual privatisation
6. Fairtrade Peru Costa Rica	++	Long-term invest; stability



# Cases

1. Malawi 1990s: credit for fertiliser was NOT profitable.  
Fertiliser use Uganda, Kenya explained by crop/fert. price ratio
2. Mali, liberalised credit, consumptive credit, in deep depth
3. Sierra Leone, bridging hunger months, usurer rice for cocoa
4. Fairtrade, crop pre-finance:
  - a) Reduced fluctuations (escape from usurer)
  - b) Long-term investments

# Productive – non-productive versus profitable-non-profitable

	Non-productive	Productive
Non-profitable	Motorbike, 2 <sup>nd</sup> wife Mali	Fertiliser Malawi (1990s), Uganda
Profitable	Bridge hunger season Sierra Leone; Fairtrade A: stability	Fertiliser Kenya Fairtrade B: Long-term investment Peru, Costa Rica  (Condition green revolution?)