OBJECTIVES & PERFORMANCE OF THE FARMER INPUT SUPPORT PROGRAM

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DIS system is not synonymous to e-FISP but similar to trad FISP

As DIS is trad FISP by another name, it shares the same flaws:

- It is not very transparent and is more expensive than e-voucher
- It denies farmers choice over their inputs and therefore stifles diversification
- It squeezes out private sector participation in input marketing and job creation

How did E-FISP perform in 2018/19 growing season?

- Cardless system improved time of processing farmer deposits
- Arrears combined with pre-financing of inputs to farmers affected agro-dealers
- E-FISP implementation was delayed relative to DIS implementation
By contrast, e-FISP remains best policy option for Zambia, therefore:

- Gov should develop a real time payment system to agro-dealers
- Gov should release funds on time, register farmers and accept farmer deposits by September of each year

Government should progress with e-FISP: MoA should start preparing for the 2019/20 season now.
In 2015/2016 agricultural season, Zambia reformed FISP to implement it through a flexible electronic voucher system.

E-voucher pilot was launched in 13 districts during 2015/2016 agricultural season, targeting 241,000 smallholder farmers.

In 2016/17 farming season, pilot expanded to include all ten provinces covering 39 districts with a target of 602,521 farmers.

In 2017/2018 farming season, it was rolled out nationwide to cover 1 million farmers.

In 2018/19 farming season MoA reverted 40% of farmers to traditional (now Direct Input Supply) FISP citing challenges of network and agro dealers capacity.

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E-FISP Objectives

- Greater economic multiplier effect
- Promote agricultural diversification
- Increased private sector participation in input market
- Provide small-scale farmers a wider choice of inputs
- Timely supply of agricultural inputs
- Savings on implementation costs
In 2018/19 farming season 45 districts (371,616 farmers) were covered under DIS while 650,818 farmers remained under e-FISP. Gov appointed a single distributor of fertilizer and seed in each district, two lead farmers of farmer groups redeemed inputs on behalf of others. Both DIS and e-FISP were implemented through a digitalized card-less system. But DIS and e-FISP are different, DIS is only an improved version of trad FISP which cannot address shortcomings of trad system. Direct Input Supply system is NOT synonymous to e-FISP.
Activities under traditional, DIS and e-FISP

<table>
<thead>
<tr>
<th>Activity</th>
<th>Traditional system</th>
<th>DIS</th>
<th>E-voucher</th>
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<tbody>
<tr>
<td></td>
<td>(Done by Government)</td>
<td>(Done by Government)</td>
<td>(Done by Private Sector at their own cost)</td>
</tr>
<tr>
<td>Pre-planning</td>
<td>✓</td>
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<tr>
<td>Tendering</td>
<td>✓</td>
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<td>Procurement</td>
<td>✓</td>
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<tr>
<td>Distributing to districts</td>
<td>✓</td>
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<tr>
<td>Distributing to satellite depots (farmers’ locations)</td>
<td>✓</td>
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<td>Storage of inputs</td>
<td>✓</td>
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<tr>
<td>Handling costs</td>
<td>✓</td>
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Beneficiaries and farmer deposits during 2018/19 farming season

This represents 98% achievement

But what’s the % of farmers that got inputs on time?

Source: ZIAMIS, 2019
DIS key challenges during 2018/19 ag season

Challenges

• Fertilizer and seed suppliers not paid on time
• Some farmers were issued with expired maize seed e.g. seed supplied by Zambezi Ranching and Cropping Ltd.
E-FISP key challenges during 2018/19 ag season

Notable challenges of e-FISP:

- Late release of funds prevented full participation of private sector and delayed release of inputs
- Delayed accreditation of agro-dealers on ZIAMIS
- Inadequate and delayed training of agro-dealers – but caught up quickly
- Some network issues persist – but ZICTA is installing communication towers countrywide
To realise potential of e-FISP, these critical elements should be put in place:

- Release funds on time and instantly pay agro-dealers
- Minimize human interference in system operations and improve payment system
- Prepare for e-voucher implementation early as late start always delays delivery of inputs to farmers
Did e-FISP fail in 2018/19 Agric Season?

NO

Because critical elements were NOT put in place for e-FISP to work effectively
But can we get the e-FISP right?

YES

if critical requirements are put in place for e-FISP to work effectively
Conclusion and Recommendations

Not all necessary requirements for a successful implementation of e-FISP were met but future lessons are:

- Late implementation of awareness campaigns have held back farmers and agro-dealers from maximizing the opportunity of e-FISP
- Pre-financing of inputs dampened effectiveness of system as small agro-dealers are not liquid to bankroll supply of inputs in advance and wait 30+ days before they are paid

Thus, for GRZ to avail finances for instant payments, size of FISP must be reviewed and reduced to a level that will facilitate quick payments
Conclusion and Recommendations

The e-voucher is the future:

- DIS should not be seen to be a substitute for e-FISP because e-voucher has not yet been fully implemented to achieve its full benefits
- MoA should give e-FISP a chance to service farming sector and save country’s limited financial resources

With careful implementation, we can realise e-FISP’s potential
Thank you