PERFORMANCE OF E-FISP SINCE INCEPTION AND 2018/2019 FARMING SEASON E-FISP IMPLEMENTATION

By
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Presented at the Public Discussion Meeting on Implementation of the E-voucher in the 2018/2019 Farming Season
16th July, 2018, Radisson Blu Hotel, Lusaka
Purpose of this presentation

1. To look at lessons learnt from e-voucher pilot and nation-wide roll out

2. Discuss what needs to be done to make e-voucher implementation a success during the 2018/2019 farming season
Multiple stakeholder evaluations acknowledged that e-voucher was working and seems to be a better system than traditional FISP
E-FISP PARTICIPANTS

Key Stakeholders
1. MoA, MoF
2. SMART ZAMBIA
3. LARGE INPUT SUPPLIERS
4. AGRODEALERS
5. MAYFAIR
6. MUSIKA
7. FAO
8. FARMERS
9. BANKS
10. ZNFU

Financial Institutions
1. ATLAS MARA (FINANCE & BANK ABC)
2. ECO BANK
3. BARCLAYS
4. UBA
5. INDO ZAMBIA
6. ZANACO
7. MOBILE PAYMENT SOLUTIONS
8. PAYCODE
Beneficiaries, farmer deposits and e-card activations during 2017/18 farming season

Source: ZIAMIS, 2018
Benefits & Successes of E-FISP
Multiple socio-economic benefits of E-FISP

A better policy solution

Farmers are able to choose inputs appropriate to their agricultural enterprise they engage in (e.g. crops, livestock, fisheries, horticulture etc.)

Better for the economy

E-voucher delivers economic growth e.g. direct and indirect job creation. Scaling back the e-voucher puts these jobs at risk.

Better for public finances

E-voucher is less costly than traditional FISP (1,748 ZMW GRZ spending per farmer for e-voucher compared to 2,057 ZMW per farmer on Traditional FISP). If Government continues to support 1 million farmers through e-voucher, it would save in excess of ZMW309 (US$30m) annually over traditional FISP.
## Comparison of Traditional FISP Vs E-Voucher – Cost Savings

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<tr>
<th>Activity</th>
<th>Traditional FISP</th>
<th>E-FISP</th>
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<tr>
<td></td>
<td>Government</td>
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<tr>
<td>Pre-planning</td>
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<td>Tendering</td>
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<td>Procurement</td>
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<td>Distributing to districts</td>
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<td>Distributing to satellite depots</td>
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<td>Selecting beneficiaries (meetings)</td>
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<td>Facilitating collection of moneys</td>
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<td>Storage of inputs</td>
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<td>Distribution of inputs</td>
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Increased Private Sector Participation in Inputs Distribution

- In 2017/18, number of Agro-dealers/input suppliers rose to 1,364 from 422 in 2016/17
- Some agro-dealers had more than one outlets, making sales points to over 2,300
- About 70 primary input suppliers participated
- Participating banks were 6 plus 2 financial service providers
- In areas where internet connectivity is still a problem, there were 3 mobile money agents (Zoona, MTN & Airtel)

Promoted agricultural diversification

- Some farmers purchased other inputs apart from maize seed and fertilizer, e.g. Veterinary drugs, herbicides, etc.

E-voucher pilot demonstrated how Government can save resources
Some issues with the e-FISP during 2017/18 season
Late start & other related issues

- Late start & late release of programme funds by Government delayed e-card activations
- Continuous changing of operations of the system
- Failure by Agro dealers to transact through ZIAMIS system
- Late generation of farmer codes. Without these codes, no redeeming could happen through ZIAMIS.
- Duplicate of farmer NRCs #s
- Inadequate capacity to use ICT gadgets
Banks related issues

Problems with banks

- Lack of physical presence by contracted banks in some districts (Operations too centralized)
- Taking too long in replacing lost PIN codes
- Expired e-cards
Farmer sensitization

Farmer sensitization of e-voucher operations was inadequate

Weather index insurance was not adequately explained to farmers
Weather Index Insurance Payouts

Source: Mayfair Insurance Zambia, 2018
Lessons Learnt and way forward
Lessons Learnt and way forward

E-voucher requires all systems to be put in place on time

• effective delivery depends on effective coordination between multiple actors (MoA, MoF, other govt agencies and private players)
• Way forward: need a single and authorised agency to oversee implementation

Late release of program funds by Government delayed e-cards activations

• Ministries of Finance and Agriculture should work hand in hand to ensure that e-voucher funds are released on time so payments to farmers can be made on time, ahead of the planting season

FRA late payments

• Late payments delay farmers from making their deposits early – this needs to be improved going forward
Lessons Learnt and way forward (2)

Still have limited agricultural diversification

- Consider having the system to work year round to accommodate fisheries and livestock and horticulture sub-sectors

Farmer sensitization was very limited—this needs to be better this time around

- Farmers need to be told how it works
- What they need to do by when esp. getting their deposits on time

Farmer Register and duplicate NRCs issues

- Ensure all modalities for registering farmers and distributing e-cards are in place ahead of the 2018/19 farming season

Taking too long in replacing farmers’ lost PIN codes

- Banks should be generating new PIN codes or find faster ways of card replacement and deliver new cards on time
Lessons Learnt and way forward (3)

- Inadequate time given for farmer and gadget registration
  - Allocate adequate time for farmer verification and gadgets

- Late accreditation of agro-dealers to ZIAMIS
  - Complete agro-dealer accreditation to the ZIAMIS by August

- Lack of FISP Implementation manual
  - Need early publication and distribution of Implementation Manuals

- Continuous changing of operations of the system
  - There is need to perfect the system before the next farming season

- Too much centralization
  - Institutions should decentralize their activities, esp banks
Questions that beg answers
Question 1

Traditional FISP vs E-voucher

Taking into account the tendering process, transportation, storage and handling costs involved under traditional FISP, will implementing 40% traditional FISP be cheaper than the 60% e-voucher?
Question 2

Why are our agricultural policies inconsistent?

- Unstable policies threaten private sector investments
Question 3

Should e-voucher countrywide rollout fail because of implementation shortcomings??
Thank You