E-VOUCHER PERFORMANCE AND NATIONWIDE ROLL-OUT DURING 2017/18 FARMING SEASON

By
Auckland Kuteya

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WHY THIS PRESENTATION?

To review the lessons learnt from the implementation of the e-voucher pilot

To explore options for upscaling of the E-FISP

To discuss what needs to be done to make e-voucher a reality
FARMER INPUT SUPPORT PROGRAMME

Delivery Mechanism

Farmer Input Support Program

- Traditional system
  - Fertilizer and seed
- E-voucher (E-FISP)
  - Flexible – various inputs to cover crops and livestock
# FISP OBJECTIVES AND REALITY CHECK

<table>
<thead>
<tr>
<th>FISP OBJECTIVES</th>
<th>REALITY CHECK</th>
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<tbody>
<tr>
<td>Raise crop yields and production</td>
<td>• Yields remain persistently low below 5MT/ha Malabo Declaration target</td>
</tr>
<tr>
<td></td>
<td>• Inefficient fertilizer use among farmers</td>
</tr>
<tr>
<td></td>
<td>• Recommendation of one-size fit all fertilizer hasn’t worked</td>
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<tr>
<td>Improve household and national food security and incomes</td>
<td>• Maize production up but limited reduction in malnutrition rates</td>
</tr>
<tr>
<td></td>
<td>• No significant reduction in rural poverty</td>
</tr>
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## FISP OBJECTIVES AND REALITY CHECK

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<thead>
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</table>
| Build capacity of private sector in input marketing                           | • Limited private sector participation under traditional FISP  
• E-voucher crowding in private sector                                          |
| Help cushion smallholder farmers from adverse effects of unfavorable weather conditions | • Negative effects on agricultural diversification under traditional FISP  
• Limited evidence of farmer graduation  
• Poor targeting of beneficiaries  
• Delays in input distribution                                                    |
# Comparison of FISP & E-Voucher - Cost Savings

<table>
<thead>
<tr>
<th>Activity</th>
<th>Traditional FISP</th>
<th>E-FISP</th>
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<tbody>
<tr>
<td></td>
<td>Government</td>
<td>Government</td>
</tr>
<tr>
<td>Pre-planning</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tendering</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Distributing to districts</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Distributing to satellite depots</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Selecting beneficiaries (meetings)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Facilitating collection of moneys</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Storage of inputs</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Distribution of inputs</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
E-VOUCHER OBJECTIVES AND ISSUES

Some issues with E-voucher Pilot:

- Delayed Funding
- Inadequate input supply
- Inadequate sensitisation
- Poor targeting
- Delayed printing of cards
- Limited # of inputs
- Some Coops limiting farmer’s choice – fertilizer & maize seed only
- Input pricing
- General operational challenges

Indaba Agricultural Policy Research Institute
**SUCCESSES OF THE E-VOUCHER PILOT**

**Increased Private Sector Participation in Inputs Distribution**
- Approx. 230 new Agro-dealers came on board in 2015/16 season
- In 2016/17, Musika trained 384 Agro-dealers

**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**
ELEMENTS OF A SUCCESSFUL E-VOUCHER IMPLEMENTATION

- Timely funding
- Pre-planning done on time
- Timely releases of operational funds at district level
- Sensitization of stakeholders
- Timely submission of beneficiaries lists to MoA
ELEMENTS OF A SUCCESSFUL E-VOUCHER IMPLEMENTATION

- Printing of e-cards on time
- Timely distribution of cards
- Timely depositing of farmer contributions
- Timely availability of inputs in agro dealer shops
- Effective monitoring system
- Limited human elements in system operations
# Reality Check on E-Voucher

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Done on time?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-planning</td>
<td>No</td>
</tr>
<tr>
<td>Submission of Beneficiaries lists to MoA</td>
<td>Yes</td>
</tr>
<tr>
<td>Printing of e-cards</td>
<td>No</td>
</tr>
<tr>
<td>Distribution of cards</td>
<td>No</td>
</tr>
<tr>
<td>Depositing of farmer contributions</td>
<td>No</td>
</tr>
<tr>
<td>Availability of funds to load in cards</td>
<td>No</td>
</tr>
<tr>
<td>Availability of inputs in agro dealer shops</td>
<td>Yes</td>
</tr>
<tr>
<td>Releases of operational funds at district level</td>
<td>No</td>
</tr>
</tbody>
</table>
1. Subsidies should be part of a wider strategy
2. Support market development / private sector investment
3. Promote competition
4. Pay attention to farmer demand
5. Insist on economic efficiency
6. Put farmers in the driver’s seat
7. Have an exit strategy
8. Pursue regional integration
9. Ensure sustainability
10. Promote pro-poor growth
HOW CAN WE SUCCESSFULLY ROLL-OUT E-VOUCHER NATIONALLY

Timely funding of the programme

- Timely releases of operational funds at district level
- Card printing and other modalities should begin early, by April

Sensitization of stakeholders

- Embark on a national sensitization program e.g. radio, TV, print media, etc.
- Awareness and sensitization of the program to farmers, agro dealers, political leaders and DCs need serious attention
- Farmers should be encouraged to treat subsidy as a top-up
Role of Banks need to be enhanced

- Printing of e-cards on time
- Tie the activation of e-card to farmer contribution deposit
- Local banks should be allowed to handle issues of lost PIN codes and activation to expedite the process
- Farmers to use any bank in their locality
- Need to have a separate desk specifically for farmers’ deposits at banks during peak period

Effective monitoring system

- Need an electronic system to enhance trouble shooting
- Bar coding
PROPOSED ROAD MAP FOR ROLLING OUT E-FISP

March – May 2017

• Official Public Announcement on the E-Voucher roll out nationally.
• Set up a Public-Private (PP) Taskforce responsible for rolling out E-FISP
• Initiate programme financing plan with Ministry of Finance and create settlement account with local banks.
• Review selection of beneficiary process. Who should benefit should be very clear
• Related to the above, clean up District farmer registers and make it electronic
  • Cross check names and NRC numbers, remove names of individuals that have left the district, and add new farmers.
....PROPOSED ROAD MAP FOR ROLLING OUT E-FISP

March – May 2017

• Register and train more agro-dealers especially in areas where network is not established
• Geo reference their location to allow for effective monitoring
• Upgrade the e-voucher platform to limit human elements in the system
• Consider setting up an IT technical group to address the flaws in the e-voucher system
June and July 2017

- Publicize the range of products to be subsidized
- Sensitize Agro dealers to stock the wide range of products to promote agricultural diversification
- Train district staff and other stakeholders involved in the E-FISP implementation
August – October 2017

- Begin the roll-out: With financing in place, farmers identified and registered, agro-dealers registered and notified of demand expectations, cards need to be distributed to target beneficiaries
- Activation of cards can be linked to farmer deposit
- Monitoring: Throughout the course of the roll-out the PP Taskforce need to monitor the program and implement corrective measures
Thank you
## Implementing Agents

<table>
<thead>
<tr>
<th>Implementing Agent</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>MoA</td>
<td>The PCO works both through provincial (PACO) and district structures (DACO) including CACs</td>
</tr>
<tr>
<td>ZNFU</td>
<td>Facilitates printing, distribution and activation process of e-cards through banks</td>
</tr>
<tr>
<td>Musika</td>
<td>Responsible in creation of awareness and training of agro-dealers and input suppliers</td>
</tr>
<tr>
<td>Agro-dealers and input suppliers</td>
<td>Stock and supply agricultural, livestock/veterinary and fisheries inputs to farmers</td>
</tr>
<tr>
<td>Banks</td>
<td>UBA, BancABC, ZANACO, Barclays and Eco bank</td>
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<tr>
<td>IAPRI</td>
<td>Monitors e-voucher pilot to provide recommendations to improve program implementation</td>
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<tr>
<td>Other partners</td>
<td>FAO, Sida, USAID and EU</td>
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