DISTRICTS ANALYSIS: WHERE E-FISP SHOULD BE DELIVERED DURING 2019/2020 FARMING SEASON

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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
Summary Points - Recommendations

The climate change question

- Drought has emphasized importance of climate-resilient agriculture
- E-voucher can support this by providing choice, allowing farmers to diversify from maize and grow appropriate produce for their conditions
- Agro-ecological climate zones I and II are most vulnerable to changing rain patterns: this means e-voucher needs to be implemented across the southern half of the country

How to make the e-voucher work this year:

- Implement in districts that have i) high concentration of agro-dealers; and ii) good connectivity
- Accelerate registration process to ensure readiness for onset of rains
- Prioritise funding to agro-dealers to ensure timely delivery of inputs
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 cardless system.

But DIS and e-FISP are different, DIS is only an improved version of trad FISP which cannot address shortcomings of trad system.
E-FISP Objectives

- Promote agricultural diversification
- Reduce poverty by empowering farmers
- Timely supply of agricultural inputs
- Create jobs through private sector participation
- Savings on implementation costs
- Promote growth through greater economic multiplier effect
Beneficiaries and farmer deposits during 2018/19 farming season

ZIAMIS works: 98% enrolment

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

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

- Fertilizer and seed suppliers not paid on time
- Some farmers were issued with expired maize seed
- Reduced private sector participation (limited to a few selected suppliers)
- Some crop varieties were not assigned codes
- Limited number of warehouses per district (farmers travelling long distances)
- Some inputs not accepted by local farmers – pre-defined inputs
E-FISP key challenges during 2018/19 ag season

Challenges mostly related to delayed actions

- 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
Impact of scaling back e-voucher

Higher costs during a period of fiscal consolidation:

- e-voucher is 15% cheaper than traditional FISP,
- 20% reduction in the e-voucher translates into K61.8m additional cost

Job losses

- At full rollout, 23,000 jobs in agro-dealerships created
- 20% reduction in the e-voucher could equate to 4,600 further job losses

Loss of climate-resilience

- Choice allows farmers to diversify and choose the produce appropriate to their circumstances, which can raise incomes – and is even more important as rain patterns change due to climate change
Climate change has led to droughts in Western, Southern, Lusaka and Central Provinces – but provinces across the agro-ecological zones I and II are particularly vulnerable to changing rain patterns.
## District analysis: where to deliver e-FISP

<table>
<thead>
<tr>
<th>Region</th>
<th>Districts</th>
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<tbody>
<tr>
<td>Eastern</td>
<td>Chipata, Nyimba, Vubwi, Chadiza, Lundazi, Sinda, Katete, Petauke</td>
</tr>
<tr>
<td>Central</td>
<td>Itezhi-Tezhi, Chisamba, Mkushi, Serenje, Kabwe, Chibombo, Kapiri-Mposhi, Mumbwa</td>
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<tr>
<td>Southern</td>
<td>Choma, Mazabuka, Chikankata, Zimba, Pemba, Monze, Kalomo, Namwala</td>
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<td>C/belt</td>
<td>Kitwe, Mpongwe, Ndola</td>
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<tr>
<td>Lusaka</td>
<td>Lusaka, Kafue, Chongwe</td>
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<td>Muchinga</td>
<td>Mafinga, Mpika, Nakonde, Isoka</td>
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<tr>
<td>N/Western</td>
<td>Kasempa, Mwinilunga, Solwezi</td>
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<tr>
<td>Western</td>
<td>Kaoma</td>
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<td>Luapula</td>
<td>Mansa</td>
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<td>Northern</td>
<td>Kasama</td>
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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 for months before they are paid
- Continue developing ZIAMIS and improving connectivity across the country
Conclusion and Recommendations

To make e-voucher work this year, government needs to:

- Ensure the e-voucher is held in areas with appropriate agro-dealer capacity and connectivity – while prioritising areas vulnerable to climate change across agro-ecological zones I and II
- Accelerate preparation for the season by registering farmers and agro-dealers
- Prioritise timely payment to agro-dealers. This means minimizing human interference in payment system and ringfencing farmer deposits to ease liquidity constraints
- Use district agriculture staff to promote climate-resilience through sensitizing farmers and agro-dealers to the benefits of diversification
Conclusion and Recommendations

The e-FISP is the future:

- Benefits of e-voucher include improving farmers’ livelihoods, responding to climate change across the country and conserve fiscal resources.
- 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.
- GRZ needs to commit to scaling up e-voucher in 2020/21 season.

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