

PSA Policy Brief on Social Accountability of FISPs in Malawi, Mozambique, Tanzania and Zambia

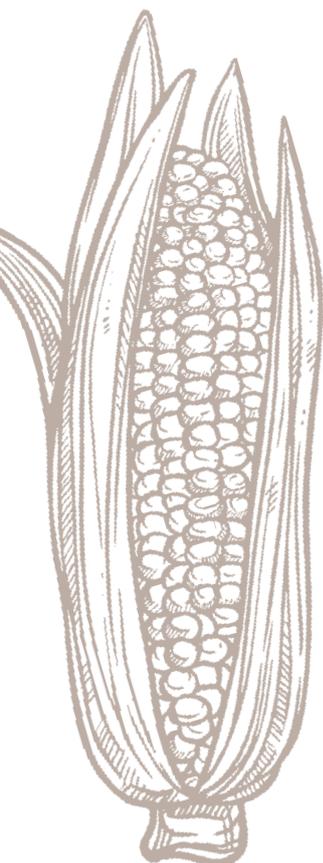
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Policy Brief

Introduction

This policy brief sets out key findings from the Partnership for Social Accountability (PSA) Alliance initiative in southern Africa, a regional civil society consortium doing social accountability monitoring of farm input subsidy programmes (FISPs) in Malawi, Mozambique, Tanzania and Zambia.

With much of the impetus to promote the use of FISPs in these countries driven by regional strategies in the Southern African Development Community (SADC), this paper makes key recommendations on FISPs and social accountability for policy makers, to be discussed at a regional budget summit to be held in Zambia in March 2019, co-hosted by PSA Alliance and the SADC Parliamentary Forum.



FISPs are large-scale input subsidy programmes that distribute coupons, vouchers or e-vouchers to farmers for a package of subsidised improved seeds (mainly maize, rice or legumes), chemical fertilisers and pesticides to boost staple crop production and tackle poverty and food insecurity. These inputs must be purchased at subsidised rates, from a government agency, authorised agro-dealer or commercial supplier.



Of the four FISP programmes monitored by the PSA Alliance, Zambia has the largest scheme currently targeting some 1.02 million farmers.¹ Malawi currently targets 1 million farmers,² Tanzania reached 379,000 farming households in 2017,³ and Mozambique has the smallest, with an e-voucher programme targeting just 24,000 beneficiaries in 2018.⁴

1 IAPRI (2018) *Review of E-FISP Performance During 2017/2018 Agricultural Season, Monitoring Report* May 2018, Indaba Agricultural Policy Research Institute (IAPRI): Lusaka, Zambia

2 Government of Malawi (2018) *The 2018/2019 Budget Statement*, by Minister of Finance, Economic Planning and Development, Honourable Goodall E. Gondwe, 18 May 2018, Government of Malawi: Lilongwe, Malawi

3 ACB (2018) *The future of smallholder farmer support in Tanzania: Where to after the National Agricultural Input Voucher System (NAIVS)*, African Centre for Biodiversity (ACB): Johannesburg, South Africa

4 De Oliveira, W (2018) *E-agriculture promising practice: E-vouchers increasing the use of improved agricultural inputs in Mozambique*, FAO: Rome



Poor and heavily indebted countries such as Malawi continue to spend large sums: US\$57million projected in 2019⁵ and 53% of its entire agricultural budget on FISPs.⁶ Zambia intends spending 26% of its agriculture budget on its e-voucher FISP in 2019.⁷ Tanzania spent 30% of its agriculture budget on its national agriculture input voucher system in 2017,⁸ but has since phased this out and plans to reduce farmgate prices and increase access by spending US\$4.7 million (TZ11 billion) on chemical fertilisers and improved seeds in 2019 through its market-based bulk procurement system.⁹

It is estimated up to US\$1 billion is spent on FISPs a year in 10 sub-Saharan countries, including Malawi, Tanzania and Zambia, accounting for 14-26% of their combined annual public expenditure on agriculture.¹⁰ Despite such large outlays on FISPs over the last decade or so, food insecurity in the SADC region is increasing - 29.4 million people were estimated to be food insecure in 2018/19 - and alarming jumps in food insecurity were reported in individual countries such as Malawi and Zambia for 2018/19.¹¹

Besides the high financial and opportunity costs associated with FISPs, the following widespread and persistent criticism has been levelled against FISPs in the SADC region:¹²

- Have not significantly reduced widespread food and nutrition insecurity.
- Are 'top down', not transparent and marginalise resource-poor small-scale farmers.
- Are poorly designed, implemented and targeted, particularly for rural women, youth and the most marginalised.
- Have been captured by elites.
- Exacerbate climate change and overlook key alternatives such as agroecology.¹³
- Lead to widespread leakage, 'diversion', embezzlement and theft of vouchers and inputs.
- Fuel corruption and misuse of public funds.
- Are used for political patronage and 'clientalism'.

5 A figure of 41.5 billion Malawian kwacha, converted to \$US 56,849,000, at a rate of 730/MK to US\$, taken from: UNDP (2018) *Malawi: Brief on the Budget Statement (Financial Year 2018/19)*, 24 May 2018, United Nations Development Programme (UNDP): Lilongwe, Malawi

6 UNDP (2018) *Malawi: Brief on the Budget Statement (Financial Year 2018/19)*, 24 May 2018, United Nations Development Programme (UNDP): Lilongwe, Malawi

7 The Zambian Government plan to spend 1.4 billion Zambian kwacha on the FISP out of the 2019 Agriculture Budget of 5.4 billion kwacha, see: Government of Zambia (2018) *2019 Budget Address by Honorable Margaret D. Mwanakatwe, MP, Minister of Finance, Delivered to The National Assembly on Friday 28th September, 2018*, Government of Republic of Zambia: Lusaka, Zambia

8 ACB (2018) *The future of smallholder farmer support in Tanzania: Where to after the National Agricultural Input Voucher System (NAIVS)*, African Centre for Biodiversity (ACB): Johannesburg, South Africa

9 Tanzania Ministry of Finance and Planning (2018) *The Citizens' Budget, A Simplified Version of Government Budget for the Financial Year 2018/2019*, Republic of Tanzania Ministry of Finance and Planning: Dar-es-Salaam, Tanzania

10 Jayne T S et al (2018) *Taking stock of Africa's second-generation agricultural input subsidy programs*, *Food Policy*, 75 (2018) 1-14

11 SADC (2018) *Synthesis Report on the State of Food and Nutrition Security and Vulnerability in Southern Africa 2018*, SADC Regional Vulnerability Assessment & Analysis (RVAA), SADC: Maseru, Lesotho

12 See: Jayne T S et al (2018) *Taking stock of Africa's second-generation agricultural input subsidy programs*, *Food Policy*, 75 (2018) 1-14; ACB (2018) *The future of smallholder farmer support in Tanzania: Where to after the National Agricultural Input Voucher System (NAIVS)*, ACB: Johannesburg; ACB (2016) *Farm Input Subsidy Programmes (FISPs): A Benefit for, or the Betrayal of, SADC's Small-Scale Farmers*, ACB: Johannesburg; Messina J P et al (2017) *Re-evaluating the Malawian Farm Input Subsidy Programme*, *Nature Plants*, Vol.3, 17013, 6 March 2017; Kato T & Greeley M (2016) *Agricultural Input Subsidies in Sub-Saharan Africa*, *Development Studies - Past, Present and Future*, *IDS Bulletin*, Vol. 47, No.2, May 2016; ACB (2015) *Which way forward for Zambia's smallholder farmers: Green Revolution input subsidies or agro-ecology?*, ACB: Johannesburg

13 Agroecology is the science of sustainable agroecosystems, it is a set of farming practices, and a social movement. Agroecology draws on social, biological and agricultural sciences and integrates these with traditional, indigenous and farmers' knowledge and cultures. It focuses on the interactions between microorganisms, plants, animals, humans and the environment. Highly knowledge-intensive, context specific and locally adaptive, its technologies are developed based on farmers' knowledge and participatory on-farm experimentation. Adopted by millions worldwide, agroecology knowledge and skills are 'scaled-out' or transmitted horizontally most powerfully through 'peasant protagonism' and social movement-driven 'farmer-to-farmer' methods. Agroecology's key principles include recycling nutrients and energy on farm, rather than introducing external chemical inputs; integrating crops and livestock; diversifying species and genetic resources; and focusing on interactions and productivity across the agroecosystem, rather than focusing on individual species. Highly people-centered, the main agroecology approaches include integrated pest and nutrient management, conservation tillage, agroforestry, aquaculture, water harvesting and livestock integration." Provided by ActionAid (2018). *Agroecology: Scaling Up, Scaling Out*. <http://www.actionaid.org/publications/agroecology-scaling-scaling-out>. Also: Altieri, M (1995) *Agroecology: The science of sustainable agriculture*, 2nd edition, Westview Press, Boulder, CO; Gliessman, S (1998) *Agroecology: Ecological processes in sustainable agriculture*, Ann Arbor Press, Chelsea, MI; Mier y Terán, M et al (forthcoming) *Bringing agroecology to scale: Key drivers and emblematic cases*, *Agroecology and Sustainable Food Systems*. De Schutter, O (2010) *Report submitted by the Special Rapporteur on the right to food*, Olivier De Schutter, Human Rights Council sixteenth session, agenda item 3, A/HRC/16/49. Petty, J (2008) *Agroecological approaches to agricultural development*, Background paper for the World Development Report 2008, World Bank: Washington, DC.

- Entrench a culture of dependency.
- Trap farmers in debt and on a 'chemical treadmill'.
- Promote unsustainable agriculture and deplete fragile soils.
- Undermine local seed systems.
- Reduce dietary and agro-biodiversity.
- Exclude small-scale farmers in design, implementation, monitoring and evaluation.

Partnership for Social Accountability (PSA) Alliance

In response to such concerns, the Partnership for Social Accountability (PSA) Alliance has established a project in four countries to ensure small-scale farmers and Civil Society Organisations (CSOs) can monitor and evaluate the use of public resources, enhance social accountability for FISPs and ensure the needs of small-scale farmers are included. The PSA Alliance comprises ActionAid International, the Eastern and Southern Africa Small Scale Farmers' Forum (ESAFF), the Public Service Accountability Monitor (PSAM) of Rhodes University, and SAFaIDS, with support from the Swiss Agency for Development and Co-operation (SDC). The PSA Alliance uses a rights and evidence-based approach, based on the PSAM model of a social accountability system, involving five processes of public resource management to monitor and evaluate these public service delivery aspects of FISPs:

- **Strategic Planning and Resource Allocation** - assessing if strategic plans prioritise context specific food security needs and what public resources are available for FISPs.
- **Expenditure management** - assessing the best use of available public resources; ensuring spending is within means and on planned FISP priority areas in an economic and effective manner.
- **Performance management** - assessing if planned FISP priorities are achieved and sustained, with results improving over time towards greater food security.
- **Public integrity management** - assessing what mechanisms exist and what corrective action is taken in response to misuse of public resources.
- **Oversight** - ensuring officials or service providers are held accountable by oversight bodies so that the system achieves meaningful and lasting impact for food insecure households and citizens

PSA Alliance partners facilitated 32 village and district-level evaluation and village-level community scorecard meetings during 2017 and 2018, involving an estimated 2,850 male and female small-scale farmers, to evaluate the implementation of FISPs in the four target countries.¹⁴ PSA Alliance also carried out district and national agriculture and FISP budget analysis studies, ongoing local and district level service delivery monitoring and national assessments on FISPs.

Regional commitments

Regional commitments have played an important role in the promotion of FISPs in the four countries in this study. As early as 2003 African Union (AU) member states signed the Maputo Declaration, which committed to increasing agricultural budget allocations to 10%, pursuing agricultural growth of 6%, and setting up the Comprehensive Africa Agriculture Development Programme (CAADP).¹⁵

¹⁴ In Malawi, local community, Community Scorecard and district evaluation meetings on FISPs were held at Mkanda, Mikundi, Kalulu and Zulu in Mchinji district in August 2018; In Mozambique, local community, Community Scorecard and district evaluation meetings on the FISP were held at Chibuto with communities from Localidade de Godide, Alto Changane, Chipadja, Maqueze e ChanganiniChaimite, Mukhotweni, Maniquiniqui e Mukhotweni between March 2017 and January 2018; In Tanzania, local community, Community Scorecard and district evaluation meetings on FISP were held at Mhenda, Ilonga, Mvumi, Ulaya and Ludewa in Kilosa district, Idiwiili, Hasamba, Igamba, Msiya, Iyula and Itaka in Mbozi district and at Llonga, Mvumi, Rudewa, Ulya and Mhenda in Kilosa between November 2017 and March 2018; In Zambia, local community, Community Scorecard and district evaluation meetings on FISP were held at Mafuta, Mawawa, Kande and Sefula in Mongu between February 2017 and August 2018.

¹⁵ For the Maputo Declaration, see: <https://bit.ly/2PQ4EhX>



Soon after, SADC member states signed the Dar-es-Salaam Declaration in 2004, which established priority areas for achieving food security, including ensuring access to quality seeds, fertilisers and agrochemicals.¹⁶

The CAADP policy framework was intended to transform the region's agriculture sector and one of its first initiatives was the Africa Fertiliser Summit in 2006. From this came the Abuja Declaration on Fertiliser for the African Green Revolution, which committed signatories to a six-fold increase, to an average of 50kg fertiliser per hectare.¹⁷ One way this was to be implemented was through input subsidy programmes aimed at increasing access to fertilisers for small-scale farmers.¹⁸ The commitment to the Maputo Declaration was reaffirmed in 2014 through signing of the Malabo Declaration. This forms the basis for SADC's revised Regional Indicative Strategic Development Plan 2015-2020 (RISDP),¹⁹ setting out a common agenda for the structural transformation of the region's agriculture-dependent economies and prioritising increased access to agricultural inputs, including better seed and synthetic fertilisers.²⁰

Commitments in the RISDP are further elaborated in the:

- SADC Regional Agricultural Policy (RAP) of 2013
- SADC Food and Nutrition Security Strategy 2015-2025 (FNSS); and
- SADC Investment and Implementation Management Plan (2017-2022) for the Regional Agricultural Policy (RAIP) from 2016.²¹

These strategies prioritise increased access to improved seeds and agricultural inputs, such as fertilisers. Backed by a new SADC Agricultural Development Fund and \$1.3 billion co-financing facility, they emphasise sustainable agricultural production and broad participation and consultation throughout their implementation.²² However, these strategies are not based on the human right of realising the right to adequate food and nutrition for all, and are not aligned with the aim of the 2030 Agenda for Sustainable Development goal of *ending* all forms of hunger and malnutrition by 2030.²³ Instead SADC's FNS Strategy's goal is to '*significantly reduce*' food and nutrition insecurity in the region by 2025. SADC's RAIP also underestimates the threat of climate change to agriculture in the region by earmarking only US\$14 million (out of a total of US\$1.3 billion) for climate adaption and mitigation.²⁴

While only Malawi out of the four target countries has fulfilled its Malabo Declaration commitment of consistently allocating at least 10% of its public expenditure on agriculture,²⁵ Malawi, Tanzania and Zambia's national food and agriculture strategies, policies, strategies and plans all align closely with CAADP goals and SADC priorities.

16 For Dar-es-Salaam Declaration, see: <https://bit.ly/2EzVRPc>

17 For Abuja Declaration on Fertilizer for the African Green Revolution, see: <https://bit.ly/2T4bbrW>

18 See: FAO (2014) *Food and agriculture policy decisions, Trends, emerging issues and policy alignments since the 2007/2008 food security crisis*, FAO: Rome; Lunduka R et al (2013) *What are the farm-level impacts of Malawi's farm input subsidy program? A critical review*, *Agricultural Economics* 44:563-579

19 Oxfam (2015) *Beyond Good Intentions, Agricultural policy in the SADC region*, Oxfam GB: Oxford, United Kingdom

20 SADC (2017) *Summary of the SADC Revised Regional Indicative Strategic Development Plan 2015-2020*, Southern African Development Community (SADC): Gaborone, Botswana

21 See: SADC (2016) *Investment and Implementation Management Plan (2017-2022) For the Regional Agricultural Policy*, SADC: Gaborone, Botswana; SADC (2014) *Food and Nutrition Security Strategy 2015 - 2025*, SADC: Gaborone, Botswana; SADC (2013) *Regional Agricultural Policy*, SADC: Gaborone, Botswana

22 SADC (2016) *Investment and Implementation Management Plan (2017-2022) For the Regional Agricultural Policy*, SADC: Gaborone, Botswana

23 For Sustainable Development Goals, see: <https://bit.ly/1lqCXS>

24 SADC (2016) *Investment and Implementation Management Plan (2017-2022) For the Regional Agricultural Policy*, SADC: Gaborone, Botswana

25 AUC (2018) *Inaugural Biennial Review Report of the African Union Commission on the Implementation of the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared prosperity and Improved Livelihoods*, 28-29 January 2018, African Union Commission (AUC): Addis Ababa, Ethiopia



Supported by key donors such as the World Bank and USAID, Malawi and Zambia's FISPs and Tanzania's fertiliser-based Bulk Procurement System (BPS) all align with SADC's 'Green Revolution' and high external input-intensive approach. In contrast, Mozambique placed the right to food at the core of its National Strategy for Food Security and Nutrition (now ESAN III) and has developed a more participatory, consultative and multi-sectoral approach, which is more driven by the needs of rights holders.²⁶

Key Findings

Below we highlight key findings from the 32 village and district-level community scorecard meetings facilitated by the PSA Alliance involving 2,850 resource-poor small-scale farmers to monitor and evaluate the FISPs in Malawi, Mozambique, Tanzania and Zambia during 2017 and 2018. Analysis is also included from associated PSA Alliance studies on FISP budget tracking and other studies and media reports from the target countries.

Planning and resource allocation

Community scorecard meetings from Malawi, Tanzania and Zambia found that small-scale farmers at village level were involved in none or very limited consultation at the planning stage of their FISPs and district agriculture plans.²⁷ This concurs with other wider national studies. In Zambia, for example, studies found smallholders were generally not consulted during FISP planning processes.²⁸ In Malawi there was very low representation of women and youth in the development structures that fed into FISP planning and assessments.²⁹ Similarly, 25 small-scale farmers in ³⁰ Mawawa in Mongu District, Zambia conducted a community scorecard assessment of the FISP and gave the lowest score of zero (out of five) for smallholder consultation in their district plan for agriculture. The smallholders say they were never consulted and were not even aware that there was a district plan for agriculture. "Consultation is never done," they conclude.³¹

Because of this lack of participation, many of the needs of small-scale farmers (particularly, female smallholders) are not prioritised in district and wider strategic plans. PSA Alliance research from Malawi found district plans were developed and submitted to the Ministry of Finance and Economic Development after the Ministry had already finalised the draft national plans and budgets and thus were unable to influence them.³²



26 De Schutter (2010) *Countries tackling hunger with a right to food approach*, Briefing Note 01, May 2010, Olivier De Schutter, United Nations Special Rapporteur on the Right to Food

27 See: PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request); MIICO (2017) A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27–30 November 2017, MIICO: Dar-es-Salaam, Tanzania (available on request); MVIWATA/ActionAid (2017) Report of Community Score Card Exercises from 4-6/12/2017, MVIWATA, Morogoro, Tanzania (available on request); ActionAid/ESAFF (2018) Community dialogue report, Nalwei Community School, Zambia, 28 August 2018, ActionAid/ESAFF (available on request); CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, Civil Society for Poverty Reduction (CSPR): Lusaka, Zambia (available on request); CSPR (2017) Community Interface Report for Mafuta Community, CSPR: Lusaka, Zambia (available on request)

28 See: FAO (2018) *Country Gender Assessment Series, National gender profile of agriculture and rural livelihoods*, FAO: Rome; ACB (2015) *Which way forward for Zambia's smallholder farmers: Green Revolution input subsidies or agro-ecology?* ACB: Johannesburg

29 PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

30 CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, CSPR: Lusaka, Zambia (available on request)

31 ActionAid International (undated) Country Baseline: Malawi, Policy Sector: Agriculture, ActionAid International: Johannesburg (available on request)

32 See: CSPR (2017) CSPR-ActionAid Third Quarter Report 2017, A Zambia where citizens are empowered and have access to basic needs, CSPR: Lusaka, Zambia (available on request); PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

Community scorecard findings from Malawi, Tanzania and Zambia highlight that many smallholder communities said they did not have access to key services such as rural extension officers, and that the costs of accessing subsidised FISP hybrid seeds and chemical fertilisers were too expensive, their quality unreliable, and the hybrid seeds often fail under harsh weather conditions.³³

Mozambique, however, is the one country where the district agriculture planning process is consultative. Based on the right to food principle of active participation of rights holders, local consultative councils exist in all districts, with improved participatory governance in Chibuto and Marracuene districts and in Gaza province. Consultations at provincial level take place through a development observatory, which includes a matrix of civil society recommendations regularly reviewed and overseen. Although district plans and budgets are heavily influenced by local elites and partisan interests, smallholder-focused rural extension and agricultural research is by far Mozambique's largest agricultural budgetary priority.³⁴ Small-scale farmer networks and CSOs also play an important guidance and oversight role on Mozambique's new inter-ministerial National Council for Food and Nutrition Security.³⁵

All countries except Malawi failed to reach the Malabo Declaration commitment of allocating at least 10% public expenditure to agriculture, and PSA research from all four countries conclude that the type and quality of support and overall resource allocations are insufficient to meet the intensifying needs of resource-poor small-scale farmers.³⁶

Expenditure management

Public expenditure monitoring of agriculture and FISP budgets in Malawi, Mozambique, Tanzania and Zambia is characterised by significant challenges, gaps and a lack of transparency.³⁷ Irregularities, allegations of corruption and misuse of public funds in relation to FISPs have already been widely reported in Malawi, Tanzania and Zambia.³⁸

33 Care/ActionAid (2017) *Mozambique, Policy analysis, Food security, nutrition, climate change resilience, gender and the small-scale farmers*, Care International/ActionAid: London/Johannesburg

34 SUN (2018) *Mozambique, Institutional transformations in 2017-2018, SUN Movement Annual Progress Report 2018, Scaling Up Nutrition (SUN)*

35 See: PSA/TACOSODE (2019) A report on the Analysis of Government reports for Agriculture sector (Plans, expenditure reports, Auditor General Reports) Report, Submitted by MwiruSima, January 2019, PSA/Tanzania Council for Social Development: Dar-es-Salaam (available on request); NGOCC/ActionAid (2018) Budget Analysis of the 2019 National Budget Speech Delivered by the Minister of Finance, Hon. Margaret Mwanakatwe, on Friday 28th September 2018, Submission by the Non-Governmental Gender Organisations' Coordinating Council (NGOCC) and ActionAid Zambia (available on request); CISANET (2018) District Agriculture Intra-Budget Study Validation, Aldred Kambwiri, Program Director, Civil Society Agriculture Network (CISANET): Malawi (available on request); GMD (2018) *Análise Da Planificação e Gestão Do Orçamento Do Estado (2016-2018)*, June 2018, Grupo Mocambicano da Dívida (GMD): Maputo

36 See: PSA/TACOSODE (2019) A report on the Analysis of Government reports for Agriculture sector (Plans, expenditure reports, Auditor General Reports) Report, Submitted by MwiruSima, January 2019, PSA/Tanzania Council for Social Development, Dar-es-Salaam (available on request); NGOCC/ActionAid (2018) Budget Analysis of the 2019 National Budget Speech Delivered by the Minister of Finance, Hon. Margaret Mwanakatwe, on Friday 28th September 2018, Submission by the Non-Governmental Gender Organisations' Coordinating Council (NGOCC) and ActionAid Zambia (available on request); CISANET (2018) District Agriculture Intra-Budget Study Validation, Aldred Kambwiri, Program Director, CISANET: Malawi (available on request); GMD (2018) *Análise Da Planificação e Gestão Do Orçamento Do Estado (2016-2018)*, June 2018, Grupo Mocambicano da Dívida (GMD): Maputo

37 See: 'FISP coupons free for all', Jonathan Pasungwi, 14 December 2018, *The Nation*, Malawi; Chikobola M, & Tembo G (2018) *Gaps in the implementation of the e-voucher system in Zambia: implications for strategies to make the model efficient and effective*, *African Journal of Agricultural and Resource Economics*, 2018 Vol.13 No.2 pp193-197 Ref 10; Kato T & Greeley M (2016) *Agricultural Input Subsidies in Sub-Saharan Africa*, *Development Studies – Past, Present and Future*, IDS Bulletin, Vol. 47, No2, May 2016; ACB (2018) *The future of smallholder farmer support in Tanzania: Where to after the National Agricultural Input Voucher System (NAIVS)*, ACB: Johannesburg; Resnick D (2016) *What Drives Input Subsidy Policy Reform? The Case of Zambia, 2002-2016*, IFPRI Discussion Paper 01572, IFPRI: Washington, DC; Dorward A et al (2013) *Evaluation of the 2012/13 Farm Input Subsidy Programme, Malawi, Final Report*, November 2013, Undertaken for the Ministry of Agriculture and Food Security, Malawi, School of Oriental and African Studies (SOAS), University of London

38 See: PSA/TACOSODE (2019) A report on the Analysis of Government reports for Agriculture sector (Plans, expenditure reports, Auditor General Reports) Report, Submitted by MwiruSima, January 2019, PSA/Tanzania Council for Social Development: Dar-es-Salaam (available on request); NASFAM (2018) *Strengthening Social Accountability and Oversight in Health and Agriculture in Southern Africa, Technical Summary Report, Agriculture Sector Activities*, July 2018, National Smallholder Farmers Association of Malawi (NASFAM): Lilongwe, Malawi



Recent PSA Alliance budget analysis from Tanzania shows that agricultural programme funds are often disbursed late (sometimes towards the end of the financial year) and invariably district authorities rarely receive the full allocation.³⁹ Budget analysis from Mozambique in 2018 found that more than half of the budget was made available, but only 10% of time was left to implement it.⁴⁰

Financial accountability for FISPs is a key issue. In Malawi the media regularly uncovers corruption scandals involving politicians and government officials. Opaque tendering processes for FISP contracts are another key concern,⁴¹ and there are often news stories on dubious awards of contracts to supply farm inputs under FISPs.⁴² Public expenditure tracking from Malawi also shows a lack of district planning frameworks such as district agricultural work or implementation plans, making expenditure tracking difficult.⁴³ Furthermore, the implementation of activities in Malawi is not clearly documented and expenditure plans and reports are not recorded accurately in line with district priorities, again allowing for the mismanagement of public funds.⁴⁴

Transparency and social accountability is further undermined as financial reporting is not accurate or made available to the public on time in Zambia. In Malawian estimated 70% of financing is donor-funded off-budget support and consequently does not go through the official IFMIS financial reporting system.⁴⁵ Only quarterly, but not monthly, expenditure reports are available in Mozambique;⁴⁶ in Malawi district reports are not always publicly displayed on council notice boards as required;⁴⁷ and in Tanzania budget reports are not made public at village level.⁴⁸ Overall, spending is inconsistent in all four countries and is not in line with budgets. In Mozambique execution was just 58% of the original budget in 2018,⁴⁹ while spending is always under budget in Tanzania,⁵⁰ and Parliament spending is always greater than the final disbursement to the sector.

Performance management

PSA Alliance research in all four countries found *issues* with performance management of their FISPs; in particular that the FISP was not delivered as planned and budgeted. In Malawi most districts are operating without District Development Plans (DDP); in Mchinji the DDP expired 12 years ago, while in Nsanje it expired eight years ago.⁵¹

39 GMD (2018) *Análise Da Planificação e Gestão Do Orçamento Do Estado (2016-2018)*, June 2018, Grupo Mocambicano da Divida (GMD): Maputo

40 'Malawi Corruption Report,' GAN Business Anti-Corruption Portal, accessed 9 February 2019

41 See: 'Govt suspends Fisp amid chaos', Archibald Kasakura, 8 November 2018, *The Nation*, Malawi; 'ACB arrests Tansglobe boss on 'Maizegate' scandal', Nyasa Times, Malawi, 20 July 2017; 'Fisp is chaotic – Parliament', *The Times*, Malawi, 11 November 2015

42 NASFAM (2018) *Strengthening Social Accountability and Oversight in Health and Agriculture in Southern Africa, Technical Summary Report, Agriculture Sector Activities*, July 2018, NASFAM: Lilongwe, Malawi

43 NASFAM (2018) *Strengthening Social Accountability and Oversight in Health and Agriculture in Southern Africa, Technical Summary Report, Agriculture Sector Activities*, July 2018, NASFAM: Lilongwe

44 'Fear over rise in off-budget support', *The Nation*, Malawi, 4 July 2016

45 GMD (2018) *Análise Da Planificação e Gestão Do Orçamento Do Estado (2016-2018)*, June 2018, Grupo Mocambicano da Divida (GMD): Maputo

46 NASFAM (2018) *Strengthening Social Accountability and Oversight in Health and Agriculture in Southern Africa, Technical Summary Report, Agriculture Sector Activities*, July 2018, NASFAM: Lilongwe, Malawi (available on request)

47 PSA/TACOSODE (2019) *A report on the Analysis of Government reports for Agriculture sector (Plans, expenditure reports, Auditor General Reports) Report*, Submitted by MwiruSima, January 2019, PSA/Tanzania Council for Social Development, Dar-es-Salaam (available on request)

48 GMD (2018) *Analysis of the Planning and Management of the State Budget (Agriculture and Health sectors)*, Mozambique Debt Group (GMD): Maputo

49 PSA/TACOSODE (2019) *A report on the Analysis of Government reports for Agriculture sector (Plans, expenditure reports, Auditor General Reports) Report*, Submitted by MwiruSima, January 2019, PSA/Tanzania Council for Social Development: Dar-es-Salaam (available on request)

50 PSA/ActionAid (2018) *Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District*, PSA/ActionAid (available on request)

51 MIICO (2017) *A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27 – 30 November 2017*, MIICO: Dar-es-Salaam, Tanzania (available on request)



This makes it difficult to track performance indicators and sanction poor performance. In Tanzania there was no monitoring of programme performance on a quarterly basis in the focus districts of Kilosa and Mbozi, and annual performance reports were not readily available.⁵² Monitoring processes are in place in Mozambique, but not all are implemented.

Below, PSA Alliance community scorecard assessments of FISPs in Malawi, Tanzania and Zambia found serious gaps in implementation at the grassroots level and a profound lack of response to the needs of small-scale farmers.⁵³ These include:

Unfair targeting of FISP vouchers



Consistent with numerous other reports,⁵⁴ smallholders in Malawi, Tanzania and Zambia reported that better-off farmers and even deceased ‘ghost’ beneficiaries are often fraudulently selected to receive input vouchers or e-vouchers, and that women, widows, youth, the poorest or those with disabilities or HIV/AIDS often miss out.⁵⁵ A community scorecard involving 414 community members found high-income people were accused of bribing beneficiaries to get hold of their vouchers in Mbozi in Tanzania.⁵⁶ Elites are also accused of capturing the voucher allocation process and distributing them for private gain, or political

patronage at community scorecard meetings in Malawi and Zambia.⁵⁷ Findings from a community scorecard exercise involving 200 smallholders in four areas in Mchinji in Malawi in 2018 allege that FISP vouchers were fraudulently assigned to wealthy agro-dealers rather than going to more deserving smallholders and concluded the practice was rampant in that district.⁵⁸

52 See: PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request); MIICO (2017) A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27–30 November 2017, MIICO: Dar-es-Salaam, Tanzania (available on request); MVIWATA/ActionAid (2017) Report of Community Score Card Exercises from 4-6/12/2017, MVIWATA, Morogoro, Tanzania (available on request); ActionAid/ESAFF (2018) Community dialogue report, Nalwei Community School, Zambia, 28 August 2018, ActionAid/ESAFF (available on request); CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, CSPR: Lusaka (available on request); CSPR (2017) Community Interface Report for Mafuta Community, CSPR: Lusaka (available on request)

53 See: Kato T & Greeley M (2016) *Agricultural Input Subsidies in Sub-Saharan Africa, Development Studies – Past, Present and Future*, IDS Bulletin, Vol. 47, No.2, May 2016; ‘Clean up nets 20,000 ghosts,’ Zambia Daily Mail, NkomboKachemba & Arthur Mwansa, 6 April 2017; ‘FISP has failed, and needs overhaul – Zambian agriculture minister,’ African Farming, Davis Mulenga, 30 November 2016

54 See: ActionAid/ESAFF (2018) Community dialogue report, Nalwei Community School, Zambia, 28 August 2018, ActionAid/ESAFF; CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, Civil Society for Poverty Reduction (CSPR): Lusaka, Zambia (available on request); MIICO (2017) Community score card report for delivery of services in Agriculture and Health in Mbozi district, by Adam Siwingswa, April 2017, MIICO: Dar-es-Salaam (available on request); MIICO (2017) A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27 – 30 November 2017, MIICO: Dar-es-Salaam; PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

55 Some 24 Community Scorecard focus group discussions on the NAIVS and HIV/AIDS services were held in 8 villages in Mbozi in Tanzania involving 414 community members in 2017, see: MIICO (2017) Community score card report for delivery of services in Agriculture and Health in Mbozi district, April 2017, MIICO: Dar-es-Salaam

56 Some 201 people participated in Community Scorecard discussions with agriculture extension officials at Mkanda, Mikundu, Kalulu and Zulu in Mchinji between 3-7 July 2018, see: PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request); A district Community Scorecard meetings were held at in Mongu and community meetings were held at Mawawa and Kande in Zambia involving 53 participants in February 2017, including district officials, farmer representatives, CSOs and the media, see: CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, CSPR: Lusaka (available on request)

57 PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

58 See: MIICO (2018) Strengthening Social Accountability & Oversight Capacity for Rights-based Public Resources Management in Health and Agriculture in Southern Africa Programme, Mbozi District 20-23 March 2018, MIICO: Dar-es-Salaam (available on request); MIICO (2017) A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27 – 30 November 2017, MIICO: Dar-es-Salaam; Mviwata/ActionAid (2017) Report of Community Score Card Exercises from 4-6/12/2017, Morogoro, Mviwata/ActionAid Tanzania: Dar-es-Salaam (available on request); PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request); ActionAid/ESAFF (2018) Community dialogue report, Nalwei Community School, Zambia, 28 August 2018, ActionAid/ESAFF; CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, CSPR: Lusaka (available on request)

Expensive, fake or late input distribution

Smallholder farmers in 10 villages in Tanzania, four local communities in Malawi and two local communities in Zambia reported that subsidised inputs are very expensive, agro-dealers often demand unfair extra payments, and hybrid seed and chemical fertilisers often distributed too late to cultivate successfully.⁵⁹ Long a source of concern in Malawi,⁶⁰ supply chain oversight and quality assurance of hybrid seeds or fake inputs – such as bags of fertiliser bulked up with sand or stones – is weak or practically non-existent.⁶¹ Smallholders also reported about half of the input vouchers are sold on and not used for their intended purpose.⁶²

Lack of rural extension or focus on women

Also long recognised as an area of weakness,⁶³ the vast majority of smallholders surveyed in Malawi, Tanzania and Zambia say they had none or inadequate access to rural extension officers or services, and did not receive any technical advice or guidance on using FISP inputs.⁶⁴ Rural extension officers invariably did not have soil-testing kits or materials for demonstration plots, and rarely offered advice on cheaper and more sustainable alternatives such as agro-ecology, or on diversifying cropping systems. Women smallholders in particular are also rarely targeted by rural extension services, and FISP-related agencies do not collect disaggregated data on key beneficiaries such as girls, youths, women, widows, vulnerable groups and those living with disabilities or HIV/AIDS.

Public integrity management

Some potentially useful mechanisms to ensure public integrity management of FISPs were identified in all four countries, however, not all powers are being fully used to combat misuse, abuse, fraud or corruption. Conflicts of interest in the public management of FISPs are often identified, mainly through media reports, but not all are fully investigated or resolved. In Malawi investigations into corruption are carried out by the Anti-Corruption Bureau, Auditor General, Chief Secretary, and Public Affairs Committee, however, suspects are often simply transferred by the Government to other jurisdictions.⁶⁵ Similarly the Zambian FISP public tendering process is still considered highly questionable even though there is an Anti-Corruption Commission,⁶⁶ and the Zambian Competition and Consumer Protection Commission has used its powers in the past to fine two fertiliser companies US\$20m for bid-rigging in relation to the FISP in 2013.⁶⁷

59 'Malawi fertilizer scandal: 1,610 bags of sand found at Admarc depot in Mzimba,' *Nyasa Times*, Malawi, 28 November 2012

60 PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

61 PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

62 See: NAO (2015) *Performance Audit on Provision of Extension Services to Farmers in Tanzania*, A Report of the Controller and Auditor General of the United Republic of Tanzania, National Audit Office: Dar-es-Salaam: 'Fix the broken down agric extension services for improved agricultural production, CTPD urges Govt,' *Lusaka Times*, 13 August 2018

63 See: ActionAid/ESAFF (2018) Community dialogue report, Nalwei Community School, Zambia, 28 August 2018, ActionAid/ESAFF; CSPR (2017) Report on the district stakeholders meeting and community scorecard development in Mongu, CSPR: Lusaka (available on request); MIICO (2017) Community score card report for delivery of services in Agriculture and Health in Mbozi district, by Adam Siwingwa, April 2017, MIICO: Dar-es-Salaam (available on request); MIICO (2017) A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27 – 30 November 2017, MIICO: Dar-es-Salaam; PSA/ActionAid (2018) Report of Comprehensive Community Score Card on Farm Input Subsidy Program in Mchinji District, PSA/ActionAid (available on request)

64 '7 DCs transferred, Minister says 'normal' changes,' *Nyasa Times*, Malawi, Tiwonge Kumwenda & Mphatso Nkhoma, 30 November 2016

65 'ACC Probes FISP Fertiliser Procurement,' *Times of Zambia*, Chusa Sichone, 7 January 2014

66 See: ACB (2015) *Which way forward for Zambia's smallholder farmers: Green Revolution input subsidies or agro-ecology?* Africa Centre for Biodiversity (ABC): Johannesburg

67 'Mozambique: FDA Case – *Setina Titosse* Sentenced to 18 years,' 21 December 2017, All Africa



For the first time in the Mozambican agriculture sector, the chief executive of the Agriculture Development Fund (FDA) was sacked by the Minister of Agriculture in 2017 and sentenced to 18 years in prison for fraud, corruption and embezzlement of US\$5.6 million of FDA funds following an investigation by the Central Office for the Fight against Corruption.⁶⁸ Similarly, in Malawi the Minister of Agriculture was sacked by the President in 2017 following allegations of corruption involving maize shipments from Zambia in a US\$35 million scandal known as ‘Maizegate’, investigated by the Anti-Corruption Bureau.⁶⁹

Oversight

Effective oversight of FISPs varies across the four target countries, and much more could be done to scrutinise needs, plans and budgets and hold the Executive to account. In Tanzania and Zambia the relevant oversight bodies do not always scrutinise the needs assessments, strategic plans and budgets for FISPs before approval.⁷⁰ Some Zambian MPs and district councillors currently lack the skills for such analysis and in most cases the budget estimates are approved as presented by the Ministry of Finance.⁷¹ In Malawi, parliamentary committees scrutinise the needs, plans and budgets before approving them, however, parliamentarians say they do not have independent research and the technical assistance to fully inform themselves. Annual audits of public offices and independent audits of programmes such as FISPs are carried out and published in Malawi, Mozambique and Zambia, although independent audits are less regular in Tanzania.

Recommendations

The Partnership for Social Accountability (PSA) Alliance has highlighted widespread small-scale farmer concerns about the planning, budgeting, performance management, public integrity and oversight of large-scale FISPs in Malawi, Tanzania and Zambia. In the short term, national policy makers should open up FISPs so that the needs assessments, planning, budgeting and implementation genuinely reflect the needs of all small-scale farmers.

In the medium term, a radical re-orientation is required and FISPs should diversify away from a hybrid seed and chemical-intensive model of agriculture towards adopting agro-ecology approaches at scale. Appropriate and high-quality assistance through widespread and sustained support for adopting agroecology practices should be provided – such as organic composts, intercropping, permanent ground cover and green manures.

National and SADC policy makers should also commit to realising the right to food for all and thereby guaranteeing greater participation, transparency and accountability for comprehensive national food and nutrition strategies.

68 ‘Situation Report – Malawi’s Maizegate’, undated, A2 Global Risks, see: <https://bit.ly/2Uuhe9z>

69 See: MIICO (2017) A report on Community Score Card (CSC) exercise conducted in Mbozi District Council from 27–30 November 2017, MIICO: Dar-es-Salaam, Tanzania (available on request); PSA/MS TCDC/ActionAid Denmark (2016) *Strengthening Social Accountability and Oversight in Health and Agriculture in Southern Africa, Social Accountability Partner Capacity Assessment, Tanzania Country Report*, MS TCDC/ActionAid Denmark: Copenhagen, Denmark

70 PSA/MS TCDC/ActionAid Denmark (2016) *Social Accountability Partner Capacity Assessment, Zambia Country Report*, MS TCDC/ActionAid Denmark, Copenhagen, Denmark

71 See: PSA/MS TCDC/ActionAid Denmark (2016) *Social Accountability Capacity Assessment, Malawi Country Report*, MS TCDC/ActionAid Denmark: Copenhagen, Denmark; ActionAid International (undated) Country Baseline: Malawi, Policy Sector: Agriculture, ActionAid International: Johannesburg (available on request)

National Governments Policy Makers in SADC Member States should:

- Make constitutional and legal commitments to ensure the realisation of the right to adequate food and nutrition for all.
- Fulfil the Malabo Declaration commitment, and progressively allocate budgets to agriculture that efficiently and effectively reach the Malabo Declaration target of at least 10% in order to sustain the desired annual agricultural GDP growth of at least 6%. It is further urged that there be greater efficiency and effectiveness in programming and budget utilization as a means of ensuring return on investment.
- Align national investments in agriculture with farmers' own priorities and focus on financing diversified smallholder support programmes such as extension services, research, climate change adaptation and financing, input support and improve farmers' access to finance and market.
- Support innovative agricultural research and development as well as the implementation of alternatives to hybrid seeds and chemically intensive agriculture such as (i) integrated pest management (ii) use of community-based seed systems (iii) improvement of soil fertility through increasing soil organic matter and to (iv) facilitate the diversification of farmer support programmes and the redirection of funds towards the adoption of agro-ecological practices.
- Strengthen or establish small-scale farmer and CSO-inclusive food and nutrition councils at district and sub-district levels to guide, monitor and oversee food and nutrition strategies, plans, programmes and budgets, such as FISPs.
- Set up independent multi-stakeholder reviews of FISPs in Malawi, Mozambique, Tanzania and Zambia to help diversify FISPs away from hybrid seed and chemically-intensive agriculture towards providing support for adopting agroecology at scale.
- Strengthen and re-orient rural extension services towards the needs of rural women, girls, youth, the most vulnerable and those living with disabilities or HIV/AIDS.
- Conduct performance audits of agricultural extension services to assess their efficiency and effectiveness in capacitating smallholder farmers, particularly women, to sustainably contribute to the realization of food security goals in the region.
- Conduct forensic audits of all farmer support programmes, with a focus on FISPs, with the aim of identifying and addressing the systemic internal control weaknesses that allow for misuse of funds.

SADC Member States and Policy Makers should:

- Respond to the findings of the Inaugural Malabo Biennial Review Report of 2017 and fast-track efforts towards ending hunger in the region by 2025 and ensuring resilience to climate change.
- Urge SADC Member States to fulfil their Malabo Declaration commitment and allocate progressively at least 10 per cent of public expenditure to appropriate and high-quality agriculture and nutrition support by 2025 and ensure full and timely disbursement of allocated budgets.
- Encourage the SADC Parliamentary Forum to form a right to food and nutrition-based Parliamentary Front Against Hunger in the SADC region, based on models from the Portuguese-speaking African countries and Latin America and the Caribbean.
- Encourage SADC members to adopt the right to food and nutrition framework in all new or any future reviews of SADC food and nutrition policies or strategies.
- Operationalise the gender-balanced and small-scale farmer and CSO-inclusive SADC Food and Nutrition Security Regional Steering Committee (formed during the SADC Food and Nutrition Security Strategy Forum in Malawi in 2014) to advise on regional food and nutrition policy frameworks and strategies.
- Respond to the findings of the Inaugural Malabo Biennial Review Report of 2018 and fast-track efforts towards ending hunger in the region by 2025 and ensuring resilience to climate change.
- Encourage SADC members to diversify FISPs away from hybrid seed and chemically-intensive agriculture towards providing support for adopting agro-ecology approaches at scale.



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