



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES

ON THE

**PERFORMANCE AUDIT REPORT ON THE IMPLEMENTATION OF THE
FARMER INPUT SUPPORT PROGRAMME (FISP) 2018-2022**

FOR THE

THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

FOREWORD

Honourable Madam Speaker, the Committee on Agriculture, Lands and Natural Resources has the honour to present its Report on the consideration of the Performance Audit Report of the Auditor General on the Implementation of the Farmer Input Support Programme (FISP) 2018-2022 for the Third Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 197(a) and 198(g) of the National Assembly of Zambia Standing Orders, 2021. Standing Order 198(g) specifically provides that a portfolio committee shall consider special audit reports referred to it by the Speaker or a resolution of the House.

The Committee held eight meetings to consider the Audit Report. In order to gain insight into the contents of the report, the Committee sought both written and oral submissions from stakeholders. The list of stakeholders is at Appendix II. The Report is organised in two parts. Part I presents the audit's objectives and comments from the Auditor General, while Part II constitutes the Committee's findings from its deliberations as well as its observations and recommendations.

The Committee is grateful to all stakeholders who tendered both written and oral submissions. It further wishes to thank you, Madam Speaker, for affording it an opportunity to scrutinise the Performance Audit Report on the Implementation of the Farmer Input Support Programme 2018 - 2022. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Mr Kasauta S Michelo, MP
CHAIRPERSON

November, 2023
LUSAKA

Table of Contents

ITEM	PAGE NO
1.0 MEMBERSHIP OF THE COMMITTEE.....	1
2.0 AUDITOR GENERAL'S COMMENTS	1
2.2 MOTIVATION OF THE AUDIT.....	1
2.3 AUDIT OBJECTIVE.....	1
2.4 AUDIT SCOPE AND COVERAGE	2
2.4 AUDIT QUESTIONS	2
3.0 CONSIDERATION OF THE AUDIT REPORT BY THE COMMITTEE.....	2
4.0 CONCLUSION	10
APPENDIX I - LIST OF NATIONAL ASSEMBLY OFFICIALS.....	12
APPENDIX II- LIST OF WITNESSES.....	13

ACRONYMS

FISP- Farmer Input Support Programme

MoA- Ministry of Agriculture

DIS- Direct Input Support

AER- Agro-Ecological Regions

ZARI- Zambia Agriculture Research Institute

SCCI- Seed Control and Certification Institute

1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Mr Kasuta S Michelo MP (Chairperson); Ms Maureen Mabonga, MP (Vice Chairperson); Mr Mweemba Malambo, MP; Mr Tyson Simuzingili, MP; Mr Lusale J Simbao, MP; Mr Ackleo A Banda, MP; Mr Andrew Tayengwa, MP; Mr Peter Phiri, MP; Mr Yotam Mtayachalo, MP; and Mr Michael J Z Katambo, MP.

2.0 AUDITOR GENERAL'S COMMENTS

The Auditor General informed the Committee that in accordance with the provisions of *Article 250 of the Constitution of Zambia (Amendment) No.2 of 2016*, *Public Audit Act, No.13 of 1980* and the *Public Finance Management Act, No.1 of 2018*, the Office of the Auditor General was mandated to carry out performance audits in ministries, provinces and agencies and to report the results to the President and Parliament for debate.

2.1 BACKGROUND

The Auditor General informed the Committee that agriculture diversification was one of the Government's investment strategies to diversify the economy from dependence on copper, which was a declining asset. Investment in the agriculture sector did not only guarantee food security for citizens but also contributed to the economic development of Zambia. The Government thus introduced the Farmer Input Support Programme (FISP) in 2002, so as to improve small-scale farmers' access to agricultural inputs. Since its inception, beneficiaries increased from 120,000 to 1,024,434 in 2022. In this regard, the Government prioritised the implementation of FISP in the National Budgets during the period under review. According to the Zambia Agriculture Sector Report 2021, a trend analysis of previous budgets showed that at least 50 per cent of the budget was allocated to FISP and the Food Reserve Agency.

2.2 MOTIVATION OF THE AUDIT

The Auditor General informed the Committee that, regardless of the huge budgetary allocations directed at the implementation of FISP, the Programme faced a number of challenges. One of the challenges was, delayed payment of agro-dealers by the Ministry of Agriculture (MoA), who in turn failed to stock adequate quantities of the agricultural inputs required by farmers. In addition, the E-voucher system also experienced a number of challenges, some of which included delayed activation of E-voucher cards, lost cards and PIN codes, network challenges and delays by the MoA to load E-voucher cards with funds. The Committee further learnt that ministerial statements had shown that the country experienced prolonged dry spells in some parts of the country, particularly the Southern and Western Provinces in the 2018/2019 agricultural season. These affected the harvest of most crops and the household food security and nutrition of most farmers in these areas.

2.3 AUDIT OBJECTIVE

The audit objective was to assess the effectiveness of the measures put in place by the MoA in the implementation of FISP to improve supply and distribution of agricultural inputs to small-scale farmers.

2.4 AUDIT SCOPE AND COVERAGE

The Committee learnt that the audit covered the period 2018- 2022. The target population was the MoA and some insurance companies affiliated to FISP, namely: Mayfair Insurance and the Zambia State Insurance Corporation (ZSIC).

The sample population used during the audit process was 1,024,434 of the beneficiary farmers distributed across the ten provinces of Zambia out of which, five provinces were sampled, representing 50 per cent of the provinces. The audit sampled 1,118 farmers in fifty-four agricultural camps and in eighteen districts. The criterion used to select the provinces was based on the fertiliser and seed distribution patterns that were used, such as the Direct Input Support (DIS) and the E-voucher modalities.

Additionally, the purposive sampling technique was used in selecting the camps. Other considerations included distribution modalities, number of beneficiaries per camp, geographical location and agro-ecological region and beneficiary farmers issued with authority to deposit. The areas visited included, selected districts in Lusaka, Central, Eastern, Southern and Western provinces.

2.4 AUDIT QUESTIONS

In line with the audit objective, the audit questions were as below.

- a) To what extent had the MoA ensured the existence of adequate policies and legal framework, institutional framework and structures to govern the FISP?
- b) To what extent had the MoA ensured timely, effective and adequate supply of agriculture inputs to targeted small-scale farmers?
- c) To what extent did the MoA facilitate the processes of farmer organisations, monitoring and evaluation, and sensitisation?
- d) To what extent had the MoA ensured the expansion of markets for private sector input supplier/ agro-dealers?
- e) To what extent had the MoA put in place effective measures to ensure a risk sharing mechanism was in place to share part of the cost of improving agricultural productivity?

3.0 CONSIDERATION OF THE AUDIT REPORT BY THE COMMITTEE

The Committee considered submissions from the Permanent Secretary, MoA and various stakeholders listed at Appendix II. The submissions; and the Committee's observations and recommendations are set out hereunder.

3.1 POLICY AND LEGAL FRAMEWORK TO GOVERN THE IMPLEMENTATION OF THE FARMER INPUT SUPPORT PROGRAMME

Stakeholders submitted that there was no specific legal framework in place to guide the weaning off of farmers that had benefitted from the Programme for three years. They stated that the available guidelines were not binding hence making it easy for any implementer to either ignore or follow them. This resulted in farmers benefitting perpetually from the Programme thereby disadvantaging eligible registered farmers that had not benefited from the Programme since its inception. Additionally, failure to have a clear legal framework to guide

the weaning off of farmers after the stipulated period, contributed to the Programme's failure to meet its intended goal.

The Committee was also informed that the number of bags of inputs in the package received by farmers was not adequate. The Committee learnt that a beneficiary was given 1 x 10 kilogramme bag of maize seed; 3x 50 kilogramme bags of Compound D and 3 x 50 kilogramme bags of urea under the DIS and a 1 x 10 kilogramme bag of maize seed under the E- voucher.

Stakeholders further bemoaned the absence of a programme that would assist farmers that graduated from FISP. This was because despite benefiting from the Programme for a long time, some farmers did not have the capacity to sustain themselves after graduating. Stakeholders were of the view that a programme should be developed that would train farmers to run farming effectively as well as educate them on the benefits of graduating from the Programme.

Ministry's Response

The Ministry submitted that FISP implementation was guided by a few policy documents, which included the National Agriculture Implementation Policy and the Ministerial Strategic Plan. The Programme was also supported by the 8th National Development Plan. However, there was no specific law in place that provided for weaning off of farmers who had benefited from the Programme for more than three seasons. The Ministry had since been given guidance on how to wean off farmers who had been on the Programme for more than three years and that the exercise was expected to commence in 2023. In this regard, the Ministry had since commenced sensitising beneficiaries.

Committee's Observations and Recommendations

- i) The Committee notes with concern that the absence of a clear legal framework to guide the process of weaning off farmers from the Programme, makes it difficult for the MoA to effectively remove beneficiaries who had been on the Programme for more than three years. The Committee therefore, strongly recommends that the Government should urgently develop a clear legal framework that will guide the weaning off of farmers and clearly stipulate the conditions for farmers to be weaned off.
- ii) The Committee observes that the farming inputs provided for the farmers are not enough to sustain them and improve their livelihoods after graduating from the Programme. In view of the forgoing, the Committee recommends that the Government through the MoA should consider implementing one of the alternatives below.
 - a) The number of bags for the inputs provided to the farmers be increased from six to nine and the period to be weaned off be maintained at three years; or
 - b) The number of bags be maintained at six bags and the period to be weaned off be increased to five years.
- ii) The Committee observes that there is inadequate sensitisation of the farmers on the benefits of graduating from FISP. In this regard, the Committee recommends that

the MoA should undertake more and frequent sensitisation programmes through media platforms that will educate farmers on FISP and the graduation aspect attached to it. This will help farmers to prepare and be ready to be weaned off from the programme after the stipulated period.

- iii) The Committee is concerned that there is no deliberate programme to prepare farmers graduating from FISP to be self-reliant. The Committee is of the view that for a farmer to be weaned off, he or she should have gained the capacity to be food secure and independent without the assistance and benefits accrued from FISP. In this regard, the Committee recommends that the MoA should include a sustainability programme in the FISP, through which a farmer will be trained on how to remain sustainable after being weaned off.

3.2 PROVISION OF TIMELY, EFFECTIVE AND ADEQUATE SUPPLY OF AGRICULTURE INPUTS TO BENEFICIARY SMALL-SCALE FARMERS

The objective of the FISP Manual 2020/2021 agricultural seasons was to ensure timely, effective and adequate supply of agricultural inputs to beneficiary small-scale farmers. However, this was not effectively implemented due to a number of factors, a few of which are outlined below.

3.2.1 Supply of inputs under the Electronic Voucher and Direct Input Support

The Committee learnt that there was insufficiency and imbalance in the allocation of inputs specifically to farmers utilising the E-voucher system in comparison to those under the DIS. For instance, the E-voucher package held a value of K2,100, whereas the DIS alternative encompassed six 50 kilogramme bags of fertiliser and a 10 kilogramme maize seed bag. Further, during the season under review, a 50-kilogramme bag of fertiliser was priced at approximately K650, while a 10-kilogramme bag of seed was at K360. This calculation led to the DIS subsidy amounting to about K4,260, which was K2,160 higher than the E-voucher's value. As a result, farmers on the E-voucher system accessed fewer inputs, thereby producing less and consequently having food insecurity.

In addition, the Committee learnt that agro-dealers reportedly raised input prices, placing many farmers at a disadvantage and consequently, the popularity of the E-voucher waned among most farmers, who preferred the DIS method.

Ministry's Response

The Ministry submitted that during the 2020/2021 agricultural seasons, the Government had budgeted to purchase the inputs at an equivalent value for both DIS and E-voucher. The Government proceeded to procure inputs from national suppliers based on the number of packs. However, the Ministry stated that there was no price lock that was affected on the E-voucher system such that when the market prices of fertiliser increased due to external factors, the beneficiaries were not able to collect the equal number of bags as those on DIS. Further, due to budgetary constraints, the Government was not able to intervene in the matter.

Committee's Observations and Recommendations

The Committee notes the negative effects of the discrepancies that exist between the farmers on the E-voucher and those on the DIS system with regard to the value of the inputs received. The Committee observes that this status quo if not worked on will result in continuous poor yields, and in turn food insecurity for the farmers on the E-voucher system. In this regard, the Committee recommends that the Government through the MoA should take measures to urgently improve the operations of the E-voucher system and to frequently check the effectiveness of the system before each farming season to ensure its effective operations. The Ministry should further harmonise the inputs for all FISP beneficiaries to ensure that they are all accorded the same benefits.

3.2.2 Redeeming Inputs on the E-voucher

The Committee was informed that the procedure for farmers to redeem inputs under the E-voucher required that they presented their National Registration Card (NRC) and E-voucher card to an agro-dealer. The agro-dealer would in turn ensure that the details provided matched the details on the system, after which, the agro-dealer proceeded to redeem inputs on the Zambia Integrated Agriculture Management Information System window. This would subsequently prompt the beneficiary farmer to provide an E-voucher code. The Auditor General informed the Committee that if funds were sufficient, the redemption of inputs was successful and an invoice was generated for the agro-dealer, while a text was sent to the beneficiary's mobile phones.

The Committee learnt however, that the beneficiary farmers experienced challenges during the implementation of the E-voucher. The farmers were unable to redeem inputs due to network challenges, forgotten pin codes and delays by the MoA to load E-voucher cards with funds. This situation resulted in frequent visits to agro-dealers. Further, the farmers were not adequately sensitised on card security, as in some cases, farmers would leave their E-voucher cards and pin codes to allow the agro-dealers redeem inputs on their behalf. As a result, agro-dealers took advantage of the MoA's delay to load funds by redeeming inputs without issuance to farmers.

Ministry's Response

The Ministry acknowledged the delays in loading the E-voucher with funds during the season under review and assured the Committee that going forward, the Ministry would front-load the E-voucher accounts for farmers before redeeming of inputs.

Committee's Observations and Recommendations

The Committee bemoans the delayed loading of the E-voucher cards with the needed funds to procure inputs from the agro-dealers. The Committee recommends that the Ministry should ensure that financing of the E-voucher is loaded upfront in order for the Programme to be implemented effectively.

3.2.3 Distribution of Inputs to FISP Beneficiaries in Agro-ecological Regions

The Committee learnt that the distribution of fertilisers and maize seed were not efficiently carried out in relation to the agro-ecological regions (AERs). The Auditor General submitted

that despite the MoA receiving submissions from the Provincial Agriculture Coordinating Officers on the required types of seed and prevalent soil types in the respective AERs, the Ministry failed to distribute farming inputs in accordance with the relevant parameters. This exposed beneficiary farmers to the risks of low-crop yields rendering the objective of FISP to distribute agricultural inputs ineffective.

Ministry's Response

The Ministry confirmed that during the 2020/2021 agricultural season, the distribution of inputs was not uniformly done regardless of the agro-ecological zones. To increase crop diversification and farmer's choice of inputs as well as to respond to the requirements of the three agro-ecological zones, crops such as maize, soya beans, groundnuts, common beans, rice, sorghum, sunflower and cowpea seed had been included. This was done in consultation with different stakeholders such as experts from the Zambia Agriculture Research Institute (ZARI) and Seed Control and Certification Institute (SCCI). The Ministry further informed the Committee that there were several factors that could affect the performance of seed, such as climatic conditions, handling of seed by the farmers and farming practices.

Committee's Observations and Recommendations

- i) The Committee observes that one of the factors impeding the effective implementation of FISP is failure to consider the agro-ecological regions, regarding soil types and weather, among others. In this regard, the Committee recommends that the Ministry of Agriculture should enhance regional soil mapping in all districts in the country. This will aid the Ministry to be aware of the specific inputs to be distributed to the different parts of the country.
- ii) The Committee also notes that some areas have acidic soils that hinder the proper growth of crops. The Committee, therefore, recommends that the Ministry should consider adding a bag of agricultural lime as part of the inputs given to areas with such soil types in order to neutralise the acidic soils.

3.2.4 Food and Nutrition Security

The Auditor General informed the Committee that food security at household and national levels was compromised. This was because some farmers on the DIS modality realised poor yields due to inadequate inputs caused by sharing farmer packs, delayed distribution of agricultural inputs and uniform distribution of inputs regardless of the AERs. During its interactions, the Committee learnt that farmers shared packs of inputs as a way of showing social support to farmers that were not beneficiaries of FISP. The Committee was informed that in some areas, farmers singled out a FISP beneficiary and assisted that one to raise the required K400 subscription fee and in turn shared the packs that were collected.

Ministry's Response

The Ministry informed the Committee that during the 2020/2021 agricultural season, the farmers' choice played a significant role in the redemption of inputs. This contributed greatly to farmers being in possession of inputs, which they later sold or shared amongst themselves. In addition, inadequate sensitisation, on the disadvantages of sharing inputs was due to understaffing of extension officers, insufficient transport and equipment that were

fundamental in the sensitisation process. The Ministry informed the Committee that these factors had far-reaching effects, on best farming practices and required urgent attention. The Ministry further informed the Committee that some beneficiaries collected money from other farmers in order to raise the K400 subscription fee and subsequently shared the inputs received among them.

Committee's Observations and Recommendations

- i) In noting the submission, the Committee urges the MoA to take practical steps aimed at sensitising farmers on the negative effects of sharing farming inputs. This will ensure that each beneficiary of FISP maximises the inputs before being weaned off the Programme.
- ii) The Committee is concerned that sharing inputs is quite prevalent and is one of the reasons contributing to poor yields. The Committee, therefore, recommends that the Government through the MoA should develop strict and stern measures to prohibit the sharing of inputs among farmers. The Committee further recommends that the Government should consider increasing the subscription fee from K400 to K600 and in turn increase the number of bags from six to nine bags so that farmers can have adequate inputs. This is to be done in view of the increase in prices of farming inputs that has occurred over the years.

3.2.5 Certification of Agricultural Inputs

Stakeholders submitted that national suppliers and agro-dealers had the mandate to ensure the availability of certificates confirming that the quality of agricultural inputs met the MoA technical specifications and quality standards. The Auditor General informed the Committee that two national suppliers, namely: Alpha Commodities and Rockliffe Trading and four agro-dealers, namely: Twatibanji, Piyo Investment, Palpet and Sinks Enterprises, were unable to avail the certificates. This was because MoA did not test the agricultural inputs to certify that the standards were met. Further, it was learnt that Neria Investment Limited, Alpha Commodities Limited and Rockliffe Trading had supplied poor quality fertiliser in the 2021/2022 agricultural season. The Committee however, learnt that some of the cited companies were still awarded contracts for the next agricultural season.

Ministry's Response

The Ministry submitted that it was a requirement under the Programme for both fertiliser and seed to be tested and certified by ZARI and SCCI respectively. The Committee learnt that during the process of evaluation, all suppliers were required to submit test certificates during the submission of tenders for seed and fertiliser. In this regard, the Ministry had engaged ZARI and SCCI to undertake timely inspections of inputs being supplied to the districts. The Ministry explained that the companies that had been reported to have supplied poor quality inputs were contracted for the next agricultural season because they had replaced inputs that had poor standards and as such were not barred from participating in the programme.

Committee's Observations and Recommendations

The Committee observes with concern that companies which, were reported to have supplied poor quality inputs continued to be awarded contracts and finds this situation unacceptable.

The Committee, therefore, strongly urges the MoA to ensure that, no contracts should be awarded to companies that supply inputs of poor quality to the vulnerable farmers.

3.3 MONITORING AND EVALUATION FRAMEWORK

The Committee was informed that the MoA had not put in place a Monitoring and Evaluation Framework to effectively implement and ascertain the impact of various institutions. The Auditor General informed the Committee that the absence of a Monitoring and Evaluation Framework impeded the Ministry from overseeing the management of FISP and the late releases of funds by the Treasury. Further, the absence of the unit resulted in the failure to conduct an impact assessment of FISP. As such, without the Framework, the MoA was not able to ascertain whether or not FISP was effectively meeting its intended objectives.

Ministry's Response

The Ministry noted the finding from the Auditor General's Report and submitted that it was in the process of reviewing its structure, which would allow for the creation of a Monitoring and Evaluation Unit. The Ministry had planned to engage an independent evaluator in 2024.

Committee's Observations and Recommendations

The Committee expresses concern at the absence of a Monitoring and Evaluation Framework since inception of the Programme in 2022. The Monitoring and Evaluation Framework is cardinal for a Programme like FISP, which takes up a huge part of the MoA's budget. The Committee, therefore, urges the MoA as a matter of urgency to establish a monitoring and evaluation unit that will monitor the implementation of FISP. This will not only assist the Ministry to assess the impact of the measures effected but also enhance transparency in the implementation of the Programme.

3.4 PROVISION OF EXTENSION SERVICES

The Committee was informed that despite the provision of extension services being cardinal in the improvement of production and productivity, the services were not frequently carried out. The Auditor General reported that there were no annual plans for extension services and that, in cases where extension services that had been provided, it was difficult to establish the frequency and type of extension services that had been provided. In addition, the Auditor General revealed that Camp Extension Officers played a dual role of providing extension services to all farmers as well as checking on the implementation of FISP activities. A review of staffing levels highlighted that the ratio of Camp Extension Officers to the number of farmers in an agricultural camp exceeded the recommended ratio of 1:400 but was rather at the ratio of 1 extension officer:1200 farmers.

Ministry's Response

The Ministry agreed with the findings of the Auditor General and informed the Committee that they had embarked on a recruitment exercise of extension staff. This was because extension services were fundamental in improving agriculture production. Therefore, it was imperative that the recruitment of extension staff was given the required attention it deserved. Further, the Ministry stated that it had procured motorbikes to be used to ease transport problems that were being experienced by extension officers.

Committee's Observations and Recommendations

The Committee observes with concern the low staffing levels of extension officers resulting in failure to meet the prescribed ratio of 1 extension officer to 400 farmers. The Committee finds the current ratio of 1 extension officer to 1200 farmers unacceptable and thus urges the Government to urgently recruit more extension officers.

3.5. FARMER SENSITISATION ON MATTERS RELATING TO FISP

The Committee was informed that the MoA was mandated to ensure that farmers had access and were privy to appropriate agricultural information. The Committee learnt that the Ministry had to ensure that all farmers were sensitised on matters relating to FISP such as farmer registration, contribution, insurance and diversification.

3.5.1 Sensitisation on Insurance

The Committee learnt that despite sensitisation being conducted on farmer registration, farmers were not knowledgeable about the embedded weather index insurance scheme for which they paid K100 under the E-voucher and DIS modalities. Further, some beneficiaries were knowledgeable about the composition of insurance cover but not the insurance cover period. Farmers were unaware of this information because sensitisation was normally carried out at the time when they were occupied with farming activities, hence paying less attention to the information being given to them.

Ministry's Response

The Ministry noted the audit finding and informed the Committee that farmers were usually sensitised on matters related to insurance during the farming season. However, the Ministry would enhance farmer sensitisation programmes on insurance.

Committee's Observations and Recommendations

The Committee recommends that the Government through the MoA should enhance sensitisation programmes on insurance cover and the packages offered thereof.

3.6 RISK SHARING MECHANISM TO IMPROVE AGRICULTURAL PRODUCTIVITY

The Committee was informed that the MoA had provided strategies to develop synergies with other institutions to facilitate provision of credit and insurance support. The Ministry's objective was to serve a risk sharing mechanism for small-scale farmers to cover part of the cost of improving agricultural productivity. Therefore, the Ministry contracted Mayfair Insurance and the Zambia State Insurance –Consortium, to cover beneficiary farmers as a risk-sharing mechanism through an insurance premium of K100, which was embedded in the K400 contribution per farmer in each season.

3.6.1 Zambia State Insurance Corporation Consortium

The Committee was informed that insurance pay-out cover ranged from K85 to K2000 per farmer for the weather and yield indices for the 2018/2019 and 2019/2020 agricultural

seasons. The Committee learnt that the lowest pay-out was K160 and the highest amount was K400 for weather index and K433 for yield index pay-out for the 2020/2021 season, respectively. The Committee further learnt that although the maximum compensation was K2000, no beneficiary farmer was compensated up to the highest amount of K2000 since the year 2018 when the insurance component was incorporated in the programme. Further, agro-dealers compelled farmers to redeem inputs costing less than the actual pay-out amount per farmer, which denied farmers an opportunity to get the full value of their claim. As a result, pay-out amounts could not exceed the set compensation amounts due to the method of payment adopted by insurance companies. This situation posed a risk to the sharing mechanism to cover the cost of improving agricultural productivity.

Ministry's Response

The Ministry acknowledged that no farmer was compensated more than the stipulated K2,000 as was reported by the ZSIC Consortium. The Ministry also noted that agro-dealers compelled farmers to redeem inputs less than the trigger pay-out amount. Arising from the observation, the Ministry stated that the modality of payment to farmers through their mobile phone numbers was an ideal solution that was being considered. In addition, the insurance service providers were directed to manage the farmer pay-outs through their mobile numbers.

Committee's Observations and Recommendations

The Committee is concerned that the compensation given to farmers especially those who suffer loss due to climate change related factors such as floods is very low and unrealistic. The Committee, therefore, recommends that the insurance pay-out policy be revised and the pay-outs be increased to enable farmers who suffer from climate change related loss to be adequately compensated.

4.0 CONCLUSION

Following the critical analysis of the submissions made before the Committee and the subsequent interactions with the stakeholders, the Committee notes that there are a number of factors impeding the effective implementation of the FISP. A noteworthy aspect is the absence of clear legal framework that speaks to the weaning off of farmers, which makes it difficult to wean off farmers and in turn afford an equal opportunity to other farmers to benefit from the Programme. The Committee also observes that FISP beneficiaries have for the longest time paid a subscription fee of K400 which is not viable as the agricultural industry has over the years experienced an increase in prices of fertiliser and other agricultural commodities. The Committee is therefore of the strong view that the subscription fee should be increased from K400 to K600, which in turn should be followed with an increase in the bags of inputs given to the farmers.

Further, the Committee observes that the quantity of inputs given to farmers is not adequate and is of the view that the number of bags should be urgently increased from the current six bags to nine bags. Lastly but not the least, the Committee is concerned that the number of extension officers is extremely low and that there is an urgent need to recruit more extension officers. The Committee is privy of the importance of these officers in the achievement of FISP and achieving maximum agricultural production, the Committee in this regard hopes that the Government through the Ministry of Agriculture will make efforts to improve this status quo. In a nutshell, the Committee is hopeful that the concerns that have been raised in

the report on the ineffective measures implemented by the Ministry and the observations of the Committee will be addressed urgently. This will ensure that FISP achieves its intended purpose and for it to be appreciated.



Mr Kasauta S Michelo
CHAIRPERSON

November, 2023
LUSAKA

APPENDIX I - LIST OF NATIONAL ASSEMBLY OFFICIALS

Mr Stephen Chiwota, Principal Clerk of Committees (FC)
Mrs Angela M Banda, Acting Deputy Principal Clerk of Committees (FC)
Ms Chitalu R Mulenga, Senior Committee Clerk (FC2)
Ms Rachel Mumba, Committee Clerk
Mr Innocent Mweemba, Intern
Ms Eneless Njobvu, Administrative Assistant
Mr Danny Lupiya, Committee Assistant
Mr Muyembi Kantumoya, Parliamentary Messenger

APPENDIX II- LIST OF WITNESSES

1. Office of the Auditor General
2. Ministry of Agriculture
3. Ministry of Finance and National Planning
4. Zambia Agriculture Research Institute
5. Zambia Cooperative Federation
6. Zambia State Insurance Corporation
7. Seed-Co Zambia
8. Smart Zambia Institute
9. Agriculture Consultative Forum
10. Golden Valley Agricultural Research Trust
11. Jesuit Centre for Theological Reflection
12. Policy Monitoring and Research Centre
13. Alpha Commodities Limited
14. Nitrogen Chemicals of Zambia
15. Zambezi Seed Company Limited