

# E-vouchers in Zimbabwe

Guidelines for agricultural input distribution





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# Acronyms

<b>AGRITEX</b>	Agricultural Technical and Extension Service
<b>DLVS</b>	Department of Livestock and Veterinary Services
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>MoAMID</b>	Ministry of Agriculture, Mechanization and Irrigation Development
<b>NGO</b>	Non-governmental Organization
<b>POS</b>	Point of sale
<b>SFS</b>	Subregional Office for Southern Africa (FAO)
<b>ZimVAC</b>	Zimbabwe Vulnerability Assessment Committee

## 01 Background

The Government of Zimbabwe, through the Ministry of Agriculture, Mechanization and Irrigation Development (MoAMID), issued national guidelines to govern the provision of support to smallholder farmers in the form of agricultural inputs and extension for the 2011/12 summer cropping season. These sought to minimize direct input distribution and eliminate the provision of free inputs to farmers. The guidelines proposed that inputs be provided using rural input/output markets and that farmers contribute 10 percent to the cost of the inputs they receive (see Annex 2).

Depending on the classification of the farmer, support would be provided through a variety of interventions, as follows:

- Category A farmers – food-for-assets support;
- Category B1 and B2 farmers – input vouchers; and
- Category C farmers – market linkage support to access output markets and credit facilities.

The 2011/12 season marks the second season in which voucher mechanisms are being used in Zimbabwe. During the 2010/11 cropping season, 550 000 households received agricultural assistance from the humanitarian community – of these, 339 000 households (62 percent) received inputs through voucher mechanisms.

In response to the national guidelines, the Food and Agriculture Organization of the United Nations (FAO) Zimbabwe is supporting the 2011/12 agricultural programme through a pilot project that involves using electronic vouchers to provide inputs to 4 100 farming households. For the 2012/13 season, this will be further scaled up to reach 18 000 households.

The electronic vouchers are redeemable at competing rural agrodealer outlets identified to participate in the programme. This empowers farmers to choose the agricultural inputs they need for the cropping season from a selection offered under the programme.

The electronic voucher programme is being implemented through a partnership with MoAMID, various implementing partners, a technical provider and agrodealers. The programme is being implemented in three districts, covering 4 000 households. This paper provides the guidelines for the implementation of this electronic voucher programme in Zimbabwe.

## 02 Description of the vouchers

FAO Zimbabwe plans to use the electronic voucher cards for the provision of agricultural inputs to farmers. The decision to use this mechanism was made based on the findings of two pilot projects, which were coordinated by FAO during the 2010/11 season (contact FAO Zimbabwe). The electronic cards are open, allowing farmers the option to purchase agricultural inputs classified according to four broad categories:

- seeds;
- fertilizers and lime;
- agrochemicals; and
- implements and spare parts for farming equipment.

The broad classification of inputs is informed by the 2011 Zimbabwe Vulnerability Assessment Committee (ZimVAC), which identified farmers' agricultural input needs (available at: <http://www.acwg.co.zw>). FAO also has minimum standards for various agricultural inputs, such as fertilizers, seeds, tools and acceptable agrochemicals. These standards will be maintained by ensuring the following:

- Only agrodealers that provide certificates verifying the quality of agricultural inputs that meet FAO's technical specifications will be part of the programme. A physical verification of sampled inputs stored at the agrodealer outlets will be undertaken before starting the programme. Only certified varieties, including agrochemicals approved by FAO, will be sold under the voucher scheme.
- At the beginning of the programme, after the agrodealers have been selected, a physical verification through sampling of inputs will be conducted by the FAO Procurement Team to confirm that the technical specifications of the inputs meet FAO standards. This will include independent laboratory testing of seeds and fertilizers. A list of banned agrochemicals will be obtained from the FAO technical division and shared with MoAMID, implementing partners and the selected agrodealers.
- Wholesalers and agrodealers will be sensitized to the voucher programme and informed of the acceptable technical standards for seeds, tools and agrochemicals under the programme.
- During implementation of the programme, the FAO Procurement Team will carry out additional spot checks on the agricultural inputs held by the agrodealers twice a month. These checks will begin the redemption process, as noted from the management reports generated by the electronic card system. The team will also collect additional samples during the spot checks to ensure that specifications are consistent with those verified at the beginning of the programme. Dealers that are found not to have inputs conforming to FAO standards will be instantly disqualified from the programme.

The national guidelines propose that the value of a voucher be no less than USD 160, with the farmer contributing 10 percent (USD 16). The electronic cards will therefore be produced in values of USD 144. The top-up of USD 16 will be provided directly to the agrodealer, if the farmer purchases inputs up to USD 160.

Necessary security features will be associated with the electronic card, such as the farmer's name, national ID number, gender, etc. to ensure that only the intended beneficiaries are able to redeem inputs using the cards. The system should prompt for a PIN number before any transactions are processed.



*A Zimbabwean farmer displays an electronic card that will allow her to buy agricultural inputs.*

## 03 Identification and selection of the technical provider for the electronic cards

The electronic cards and associated mobile transaction system will be procured from a technical provider chosen through a competitive selection process. Requirements for eligibility will be based on their:

- Being registered in Zimbabwe to do mobile transactions.
- Experience with electronic cards.
- Ability to maintain a single “client account” that would be drawn on only when a farmer redeems inputs through use of the card. No amounts will be placed on hold on the farmer’s account and no farmer account will be opened. To minimize risk to FAO, only a single account will exist.
- Ability to restrict inputs on the card to the category of agricultural inputs specified.
- Ability to manage a system that can produce management reports with the required information (i.e. input type, quantity, unit price, amount per farmer, name of agrodealer).
- Ability to provide training to FAO staff, agrodealers and other partners on: (i) the mobile transaction system; and (ii) agricultural inputs to be redeemed.
- Shortest possible time to set up the system in order to ensure quick implementation.

Five companies have been identified that can provide the electronic card system using different mechanisms. These are:

- Central Africa Building Society;
- Kingdom Bank;
- E-Mali;
- Redan Mobile Transactions; and
- People’s Own Savings Bank.

The list of potential technical providers will be broadened to include other financial institutions, such as the Standard Chartered Bank, which maintains the FAO local bank account. A contract will be issued to the selected technical provider for the printing of the electronic cards, and the set up and monitoring of the mobile transaction system.

The electronic cards will be delivered to FAO with a register of the cards produced. The cards will be checked against the register and stored securely in the FAO Accounts Office until they are delivered to the implementing partners for distribution to the beneficiaries.

## 04 Responsibilities of the technical provider providing the electronic cards

- Production of the electronic cards.
- Management of the technical system that supports the electronic card system and of transactions through an electronic payment system.
- Development, operation and maintenance of a front- and back-end electronic system that secures the completion of transactions between FAO and the agrodealers.
- Provision and installation of point of sale (POS) devices at agrodealer outlets.
- Training of agrodealers, implementing partners and FAO and MoAMID Monitoring and Evaluation Teams on the electronic card system.
- Provision and management of an online FAO data monitoring system that allows for on-the-spot viewing of transactions against the FAO “client account” and available balance.



FAO will work in collaboration with participating partners to identify all available agrodealers operating in the three districts to be covered by the programme. Information gathered will be used for the competitive selection of agrodealers that will participate in the programme. Eligibility will be based on:

- registration in the districts in which farmers are located and quality of inputs conforming to FAO standards, which will be ascertained through: (i) physical checks of the agricultural inputs held by the agrodealers at the beginning of the programme; and (ii) additional physical checks of the agricultural inputs held by agrodealers during the programme (see chapter 2);
- ability to ensure adequate stock of listed agricultural inputs;
- ability to provide invoices to farmers participating in the voucher programme, as evidence of sale and for record keeping;
- willingness and availability to be trained;
- past experience participating in similar programmes; and
- trading history in agricultural inputs.

The list of agrodealers will be provided to the technical provider producing the electronic cards to install the necessary POS devices at the outlets. In agreement with FAO, the agrodealers already being used by the technical partner may be included in the programme if they meet the eligibility criteria. A contract will be issued to the selected agrodealers from whom the farmers will redeem their cards.

To allow for participating farmers to have a choice of suppliers from whom to purchase agricultural inputs, at least two agrodealers will be selected in a ward. This will ensure that prices are competitive. In addition, the contract with agrodealers will include a condition that although they may increase their prices during the programme period, this increase may not be more than the unit price of similar goods sold by other dealers in the same ward who are not part of the programme.

Owing to the remote nature of the wards in which the programme will operate, most agrodealers do not have fax or email through which tender documents can be sent. Therefore, FAO will dispatch teams (comprising MoAMID, FAO and community leaders) to visit all agrodealers in the three districts and collect data through a pre-structured questionnaire. The questionnaire will be completed and sealed by the agrodealer. All sealed submissions will go through the normal procurement tender process. Data to be collected include inputs availability, prices, technical specifications of inputs, space availability, agency agreements, etc.

To ensure that comparable prices are maintained during implementation, the FAO Procurement Team will be responsible for obtaining the manufacturer's recommended retail prices to check how reasonable the agrodealers' retail prices are. These prices will be shared with MoAMID, the implementing partner and the beneficiaries.



*The use of electronic vouchers supports the re-establishment of agrodealer networks across Zimbabwe.*



*Farmers will also benefit from extension support and training on improved farming practices and technologies.*

The selection and identification of implementing partners will be conducted through a competitive selection process in accordance with standard FAO rules and procedures, governed by Manual Section (MS) 507.

### 06/1 Terms of Reference for implementing partners

In collaboration with FAO, MoAMID, local authorities and traditional leaders, the implementing partner will perform the following activities:

- assisting in the selection of wards ;
- identifying and selecting beneficiaries (name of household head, ID number, household size, number of economically active persons, land size, number of cattle, number of goats, etc.);
- verifying the beneficiaries;
- maintaining a register of beneficiaries;
- distributing electronic cards to verified beneficiaries;
- training and raising awareness of the programme among beneficiaries;
- distributing information, education and communication materials (posters and pamphlets) on how to use the electronic card;
- reporting on the overall process; and
- participating in baseline, post-planting and post-harvest surveys.

### 06/2 Terms of Reference for MoAMID (Agricultural Technical and Extension Service [AGRITEX])

- providing extension services to programme beneficiaries;
- assessing the performance of inputs purchased under the programme (germination rates, quality of veterinary inputs);
- assisting in the selection of beneficiaries in collaboration with the implementing partner, FAO and the local leadership to ensure the transparency of the process;
- assisting in the identification of agrodealers in collaboration with FAO;
- assisting in the distribution of vouchers to ensure the transparency of the process; and
- participating in baseline, post-planting, and post-harvest surveys.

## 07 Identification and selection of beneficiaries

The identification of beneficiaries will be based on the categorization of rural households outlined in the National Guidelines (see Annex 2).



*Farmers selected to participate must be willing to contribute 10 percent (USD 16) of the value of the voucher.*

The implementing partners will be responsible for distributing the electronic cards to beneficiaries. The named beneficiary must be present on the day of the voucher distribution.

Specific activities to be carried out by the implementing partners during card distribution include:

- issuing cards to bona fide beneficiaries and obtaining their signatures as evidence of receipt;
- documenting and reporting all challenges incurred in the field, such as delays in distribution, the reason for delays, duplicated or incorrect card numbers, etc. to FAO; and
- providing beneficiaries with information on the redemption process, such as:
  - a list of eligible agricultural inputs and prices;
  - the redemption window (15 October 2011 to 31 January 2012) – the card will be disabled after the closure date; and
  - a list of participating agrodealers.



*The availability of quality seeds and other inputs will help smallholder farmers boost agricultural production and incomes.*

## 09 Voucher redemption at participating agrodealer outlets

The redemption process will be monitored by the Monitoring and Evaluation Teams from FAO and MoAMID to ensure that dealers and beneficiaries are adhering to the requirements of the voucher programme. This includes ensuring that:

- the designated beneficiary has the card and nobody else (checks through national ID cards and the PIN);
- prices of inputs are in line with the general market;
- supplies of inputs are sufficient to meet the demand; and
- beneficiaries are receiving the full value of their vouchers and are not discounting the vouchers for cash with the dealers.

Communities will be empowered to participate in monitoring the project through a participatory monitoring and evaluation system.



*Agrodealers must provide invoices to participating farmers as evidence of sale and for record keeping.*



*Seeds and other inputs must meet FAO's quality standards.*

## Payment for agricultural inputs procured under the voucher programme

Based on preliminary discussions held with a few entities that produce the electronic vouchers and manage the mobile transaction systems, it will be necessary for FAO to open a “client account” with the selected technical provider of the system. An initial amount of USD 300 000 will be transferred to this account to ensure access to funds as farmers purchase their inputs, using the electronic cards. This allows for instant payment to the agrodealer from whom the inputs are being purchased.

The technical provider will provide online web access to FAO to allow an instant view of the input sale transactions and available cash balance by at least two persons. This online access will be installed in the FAO Subregional Office for Southern Africa (SFS) Finance Office to enable ready monitoring of the cash balance to ensure the account is replenished in a timely manner, and in an FAO Emergency Rehabilitation Coordination Unit office to monitor voucher redemption. The account will be monitored by the SFS Finance Clerk, who will instantly inform the SFS Administrative Officer of the need to replenish and thereafter take immediate action to replenish to avoid rejection of a transaction owing to there being no funds. However, to ensure daily reconciliation of the “client account”, dedicated personnel will need to be assigned for the purpose.



*Thanks to a single “client account” with the selected technical provider, agrodealers receive instant payment for inputs purchased.*

## 11 Ensuring adequate supply and range of inputs for the farmers

In order to ensure that inputs are readily available at the agrodealer outlets at the required time, wholesalers will be sensitized to the voucher programme. They will be informed of the districts in which the programme is being implemented and the agricultural inputs required so that appropriate distribution arrangements can be made with local agrodealers.



*Farmers can use the vouchers to buy tools or spare parts for farming equipment.*

## 12 Training

Although used by the humanitarian community during the 2010/11 cropping season, the use of vouchers is still unfamiliar to Non-governmental Organizations, MoAMID and FAO Zimbabwe, as well as farmers. It is essential that all partners in the programme receive appropriate training on the intention and scope of the implementation, which includes:

- the voucher exchange process;
- the agricultural goods available through the voucher programme, including information on specified banned herbicides, inferior fertilizer brands and other products specific to the area concerned;
- a list of approved participating agrodealers in all districts covered by the programme;
- monitoring of agricultural stock levels and the quality of goods;
- the validity period of the programme;
- the value of the vouchers per beneficiary;
- the number of beneficiaries per ward or per district; and
- the agrodealers' responsibility to keep invoices and detailed records of the inputs sold through the voucher programme.

## 13 Staff Resources

The voucher programme will be supported by the existing FAO Zimbabwe staff, with support from the SFS Administrative Unit and Multidisciplinary Team.

Some risks associated with the electronic voucher system include:

- lost or stolen electronic cards;
- bias during beneficiary selection;
- price fixing by participating agrodealers;
- inability of selected agrodealers to maintain a consistent supply; and
- delay in redemption of inputs owing to network failure.

The following mitigation measures have been put in place:

- The cards are protected by a PIN number. When lost or stolen, the beneficiary will inform the implementing partner, who will contact FAO. FAO will then contact the technical partner so the card is stopped and a replacement issued.
- During beneficiary selection, bias will be minimized by establishing a team comprising FAO, MoAMID and local leaders to select beneficiaries in accordance with set criteria.
- Price fixing will be minimized through monitoring agrodealer prices against manufacturers' recommended prices and offered by other dealers in the ward.
- In order to ensure consistent supply of inputs to agrodealers, FAO will sensitize various manufacturers to the programme. This will include the lists of required inputs and participating agrodealers.
- FAO will liaise with the technical provider to provide alternative solutions in case of network failure. In the event of a network failure, the beneficiary will inform the implementing partner, who will inform FAO. FAO will then contact the technical provider for action.



There are 1 534 396 smallholder farmers in Zimbabwe, according to the National Guidelines for the 2011/12 Smallholder Farmer Agricultural Inputs, Extension and Support Programme. Beneficiaries of the programme will be grouped and identified as indicated in the table below.

Category	Number of households
<b>A:</b> Poor households with limited land and labour	107 408
<b>B1:</b> Poor households with access to labour and land, but no cash. Households can gain food security through cereal production support or improved garden or livestock production in combination with extension	322 223
<b>B2:</b> Emerging smallholder farmers with land and labour but cash constraints. Households can increase productivity to achieve food and income security. Increase cereal production and/or sale of agricultural (including livestock and garden) produce and improve livelihood through sale of agricultural produce.	889 949
<b>C:</b> Farmers that have labour and land but no credit access. Support engagement into market linkage arrangements with private sector and produce surplus	214 815
<b>Total</b>	<b>1 534 396</b>

#### Household non-negotiable selection criteria

- Access to land (over 0.5 ha)
- Labour of at least two economically active members (18 – 59 year age group)
- Willingness to pay the copayment of USD 16



*Innovative approaches that put farmers in the driver's seat will help move agriculture forward in Zimbabwe.*



**SMALLHOLDER FARMER AGRICULTURE INPUTS, EXTENSIONS  
AND MARKET SUPPORT PROGRAMME**

**Supported by a partnership of Government, development partners, NGOs,  
the private sector and communities**

**2011/2012 SUMMER CROPPING SEASON**

**- August 2011 -**

## **INTRODUCTION**

For the past eight agricultural seasons, the humanitarian community in Zimbabwe has supported smallholder farmers through agricultural programmes, providing inputs, extension and training. The overall objective of these programmes was to improve household food security. The most common input assistance mechanisms employed by humanitarian organizations have been free direct input distributions.

These mechanisms were considered to be appropriate in previous years, characterized by economic decline, relatively high levels of food insecurity and unavailability of agricultural inputs through formal marketing channels. However, given the changing environment, brought about by improved macro-economic and food security conditions, more market based input assistance methods to support smallholder farmers, are considered to be more appropriate.

Programmes for the 2011/12 agriculture season should focus on supporting farmers through utilizing input and output markets. It is proposed that farmers should not receive inputs for free, but contribute towards the inputs through the use of subsidized vouchers or/and contract farming arrangements.

### **Objectives of the Programme**

The overall objective of the 2011/12 Agriculture Input Support Programme is to increase production and productivity of small holder farmers in Zimbabwe, improving food security, livelihoods and on farm incomes. More specifically the objectives of the Programme are to:

- target surplus production beyond household food security requirements;
- enable “graduation” from one socio-economic group to the next;
- decrease dependency on annual input support programmes;
- ensure efficiency of inputs use; and
- provide livestock support in Natural Regions IV and V to enable targeted households to generate income to meet their household food requirements.

Through the Programme, farmers will access subsidized inputs, which will be distributed wherever possible through rural agrodealers using voucher mechanisms. Livestock distribution will be through Livestock Fairs or locally organized livestock sales also using voucher mechanisms. Farmers will be supported by AGRITEX, NGOs, farmers’ unions and private companies through extension and training to improve productivity. The low levels of agricultural productivity among smallholder farmers requires extension and training support to be promoted to ensure optimum use of inputs. The use of conservation agriculture will be promoted. Market linkage and contract growing programmes will be promoted to enhance farmers’ income and strengthen rural economies.

### **1. KEY FEATURES OF THE PROGRAMME**

The partnership between Government, donors, NGOs and communities in implementing the 2011/12 Agriculture Input Support Programme aims to increase production and productivity of smallholder farmers ensuring surplus production beyond household food security requirements by:

- providing farmers with access to agricultural inputs using subsidized voucher mechanisms;
- providing farmers with extension support to ensure increased agricultural productivity and optimum use of inputs;
- supporting farmers with enough inputs to farm 1 ha – the target is to increase maize yields to 2 tonnes per hectare;
- alternatively providing farmers with sufficient numbers of small livestock to generate sufficient income for livelihoods protection and promotion, with relevant support in veterinary and livestock extension support;
- linking farmers with private sector companies in order to access output markets and to access credit facilities;
- the private sector will be encouraged to ensure that retail outlets have sufficient inputs for the exchange of vouchers for inputs and to meet the needs of farmers who are able to purchase inputs with own resources;
- mobilizing national, local, and community leaders to disseminate information on this programme; and
- the implementing partners will document procedures, processes, and monitor results from the Programme as part of building greater public and social accountability in the Programme during this and future seasons.

## 2. BENEFICIARIES FOR THE PROGRAMME

- The Programme will target communal farmers, old resettlement farmers and small-scale commercial farmers.
- Globally, Zimbabwe is estimated to have about 1 524 396 smallholder farmers broken down as follows:
  - 1 403 651 communal farmers;
  - 107 625 old resettlement farmers; and
  - 23 120 small-scale commercial farmers.
- Distribution of smallholder farmers across the country in relation to the targeted households by region is shown in Table 1 below.

**Table 1: Distribution of rural households by region**

Farming area	Number of households					Total
	Region 1	Region 2	Region 3	Region 4	Region 5	
Communal areas	39 023	255 888	246 504	600 044	262 192	<b>1 403 651</b>
Old resettlement areas	1 080	33 225	40 652	23 985	8 683	<b>107 625</b>
Small-scale areas		4 364	5 701	9 354	3 701	<b>23 120</b>
<b>Total</b>	<b>40 103</b>	<b>293 477</b>	<b>292 857</b>	<b>633 383</b>	<b>274 576</b>	<b>1 534 396</b>

Source: AGRITEX

- The Programme is targeting to support at least 870,000 households. Approximately 220 000 households will receive subsidized input vouchers; approximately 540 000 households will receive market linkage support linking farmers to output markets and access to credit facilities. Approximately 110 000 households will benefit from food for assets programmes.
- The Programme will cover rural wards in the communal areas, old resettlement areas and small-scale sector.

### 3. CRITERIA FOR IDENTIFICATION OF BENEFICIARIES

Four broad categories of rural households have been identified. Different interventions will be adapted for each category. Beneficiaries to the Programme will be grouped and identified as indicated in Table 2 below.

**Table 2: Categorization of rural households**

Category	Number of households	Number of households targeted to receive assistance*
<b>A:</b> Poor households with limited land and labour	107 408	12 161
<b>B1:</b> Poor households with access to labour and land, but no cash. Households can gain food security through cereal production support or improved garden or livestock production in combination with extension	322 223	321 045
<b>B2:</b> Emerging smallholder farmers with land and labour but cash constraints. Households can increase productivity to achieve food and income security. Increase cereal production and/or sale of agricultural (including livestock and garden) produce and improve livelihood through sale of agricultural produce.	889 949	470 585
<b>C:</b> Farmers that have labour and land but no credit access. Support engagement into market linkage arrangements with private sector and produce surplus	214 815	68 923
<b>Total</b>	<b>1 534 396</b>	<b>872 714</b>

\*Figures subject to revision due to ongoing discussions with donors

### 4. GUIDELINES FOR THE PROVISION OF AGRICULTURAL SUPPORT

- i. **Group A Households:** these households will be supported mostly by the Department of Social Welfare and the World Food Programme through humanitarian cash transfers or food for assets programmes.
- ii. **Group B1 & B2 Households:**
  - these households will receive a subsidized open voucher;
  - the minimum value of the voucher is USD 160; and
  - households will be required to make a contribution of 10 percent on the value of the voucher received.

Two mechanisms are proposed for farmers to receive the subsidized input voucher

### Option 1:

The financial contribution from the farmer will be paid at the agrodealer outlet upon redemption of the input voucher. For each purchase made, 10 percent of the value of the purchase would be paid for in cash by the farmer to the agrodealer. The intrinsic details of this arrangement will be specified in the Memorandum of Understanding signed between the agrodealer and the wholesaler.

### Option 2:

At the end of the season farmers will make payment into a revolving fund which would be used to secure inputs for the next season.

### iii. Group C farmers:

- farmers will receive vouchers worth USD 400, redeemable at contracting private companies or agrodealers (based on contractual agreements with the private sector);
- farmers will make a 100 percent repayment on the value of the inputs received at interest free; and
- the support will be based on credit guarantees enabling private sector to support smallholder farmers at reasonable costs (reduced interest rates), extension support, farmers' capacity building and contracting support. These programmes will be implemented by private sector and NGOs, with the aim to link smallholder farmers to markets and enable them to generate surplus production and income from cash crop sales.

### iv. Livestock support

No support to maize production will be provided in Natural Region V; livestock support will be encouraged. The livestock support provided to farmers should allow the generation of income to allow farmers to purchase their household food requirements. Farmers in other agro-ecological areas also have the option to access livestock vouchers. Shown in Table 3 is the proposed level of livestock support.

**Table 3: Livestock support**

Group	Intervention	Cost/household	Subsidy (pre-pay or repay)
<b>A</b>	Department of Social Welfare and WFP through food-for-assets or cash transfers for the most vulnerable households		
<b>B1 and B2</b>	Livestock production (small stock)	USD 200 12 layers/3 goats Stock feed and veterinary costs	Pre-payment: USD 20 (10%)
<b>C</b>	Livestock production (small stock)	USD 550 40 layers/8 goats Stock feed and veterinary costs	100%

## **5. PILOT PROJECTS**

In order to strengthen the use of market based mechanism and to provide evidence-based information for future programmes various pilot projects will be implemented. The pilot projects will include but are not limited to:

- establishing community revolving funds through farmer repayment mechanisms;
- establishing Trust Fund revolving funds through financial institutions; and
- establishing mechanisms for farmers to access a “Top Up Voucher” in addition to the basic voucher.

## **6. MODE OF DISTRIBUTION**

Distribution of inputs will be done in a manner that supports the growth and development of markets in the rural economy. Wherever possible in areas where there are agrodealers, distribution will be done through these outlets to ensure that the local markets are supported.

The distribution mechanism will include among others, the use of open and closed vouchers linked to agrodealer networks. A combination of open and closed vouchers will be used to adjust to market conditions and ecological zones.

### **i. Vouchers**

The voucher system entails beneficiaries receiving vouchers that are redeemable at local retail outlets/agrodealers. These will come in two forms:

#### **Open vouchers**

These vouchers allow households to have freedom in the selection of goods. Open vouchers can be redeemed for crop inputs or livestock specific inputs. These vouchers have the additional benefit of supporting local/national suppliers and therefore a form of 'local purchase'. The open electronic swipe card is the preferred type of voucher dependant on the availability of network coverage and the network of agro dealers and wholesalers.

#### **Closed vouchers**

Closed vouchers will be used in areas where the network of agrodealers and wholesalers is too low to support an open voucher system. Through the closed voucher system inputs are purchased through central tendering systems, and distributed through agrodealers.

### **ii. Direct distribution**

Direct distribution will be used only in circumstances where there is no market infrastructure to support the use of vouchers.

## **7. DISTRIBUTION AND REPORTING MECHANISMS**

- Committees through existing structures from national to ward/village level will play a critical role in supporting NGOs and communities in the distribution of vouchers to ensure transparency, accountability and non-partisan distribution (see Annex 2).
- Where Direct Input Distribution will be done, inputs procured will whenever possible be ferried directly from source to the distribution points in the wards to avoid logistical bottlenecks related to moving inputs to central points in districts for further movements to distributions in the wards where direct input distribution will be done.
- The monitoring and reporting structure will start from the ward/community to the national level. The technical members of the National Smallholder Farmer Inputs Support Programme will meet monthly as part of this process for monitoring and evaluation of the programme, which will also further strengthen evidence-based policy-making in further years through lessons learned.

## **8. THE ROLE OF EXTENSION (AGRITEX, DLVS, NGOS, FARMERS' UNIONS, ETC.)**

Extension services will play a critical role in the effective implementation of this programme.

The Department of AGRITEX will be responsible for the provision of technical and advisory services for crop production.

The Department of Livestock and Veterinary Services will be responsible for the provision of technical and advisory services for livestock production.

In addition the Department of AGRITEX and the Department of Livestock and Veterinary Services will provide the following services:

- monitor input utilization;
- working in collaboration with the NGOs maintain a system of records detailing the following information:
  - province
  - district
  - ward
  - name of beneficiary
  - sex
  - identity number
  - vouchers/inputs received
  - date of receipt of inputs
  - date of planting
- assess crop condition throughout the season and provide periodic reports;
- coordinate efforts of stakeholders at ward level including NGOs and other international cooperating partners; and
- ensure each participating farmer keeps an updated activity report similar to the Master Farmer record book.

## **9. THE ROLE OF OTHER PLAYERS**

Other players that will be important for the successes of the Programme are listed below and will be expected to complement this Programme wherever necessary. These are:

- ZIMRA (with regards to importation of inputs);
- seed houses;
- fertilizer companies;
- wholesalers;
- commodity buyers and contract farming companies;
- livestock industry;
- GMB;
- Meteorological Department; and
- logistics (DDF, CMED, NRZ as well as private transporters).

## **10. KEY SUPPORT TO ENSURE SUCCESSFUL IMPLEMENTATION OF THE PROGRAMME**

From the onset, there is need to know operational capacities of all key stakeholders involved to ensure that there are no hindrances to the implementation of the programme.

## **11. COMMUNICATION STRATEGY FOR THE PROGRAMME**

Effective implementation of this Programme will require that all potential beneficiaries to this Programme be fully informed of the programme, its modalities and how it will be implemented. This is crucial in ensuring that no other interests, including political factors override the programme.

AGRITEX officials will play a very critical role in dissemination of information to the communal farmers.

Both Government and the donor community are expected to participate in these information dissemination programmes to ensure effective implementation of the programme.

A reporting mechanism will be put in place to ensure information on progress is available to central level, and any major challenges can be handled effectively. Government will ensure all competent official and political authorities are aware to minimize misunderstandings during implementation.

## **12. MONITORING AND EVALUATION OF THE PROGRAMME**

A committee chaired by the Ministry of Agriculture Mechanisation and Irrigation Development will be responsible for monitoring and evaluating the Programme. The committee will be in charge of commissioning studies, research and impact assessments. Specific studies and evaluations may be conducted by individual donors or programmes, complementing monitoring tools implemented by the Government and other relevant institutions.

**ANNEX 1: MONITORING AND REPORTING STRUCTURES FOR THE PROGRAMME WILL BE DONE THROUGH EXISTING STRUCTURES:**

The **National Committee** comprises the following:

- Minister of Agriculture, Mechanization and Irrigation Development (Chair)
- donor community
- United Nations agencies
- Food and Agriculture Organization of the United Nations (Secretariat)

**Provincial Committee** comprises the following:

- Ministry of Local Government, Rural and Urban Development (Chair) – Provincial Administrator;
- Ministry of Agriculture, Mechanization and Irrigation Development – Chief Agriculture Extension Officer;
- Ministry of Labour and Social services – Provincial Social Welfare officers;
- Ministry of Women Affairs, Gender and Community Development – Provincial Development Officer;
- Zimbabwe Republic Police – Officer Commanding Province; and
- NGO representatives.

**District Committee** comprises the following:

- Traditional leadership – Chiefs;
- Ministry of Local Government Rural and Urban Development (Chair) – District Administrator;
- Ministry of Agriculture, Mechanization and Irrigation Development – District Agriculture Extension Officer;
- Ministry of Labour and Social Services - District Social Welfare Officer;
- Ministry of Women Affairs, Gender and Community Development – District Development Officer;
- Zimbabwe Republic Police – Officer Commanding District;
- Rural District Council – Chief Executive Officer; and
- NGO representatives.

**Ward Committee** comprises the following:

- Ministry of Agriculture, Mechanization and Irrigation Development (Chair)– all extension workers in the ward;
- Ministry of Women Affairs, Gender and Community Development (secretariat) – Ward Development Coordinator;
- Ministry of Labour and Social Services;
- Village Heads; and
- Councillors as Ex-officio members.

## **ANNEX 2: TERMS OF REFERENCE FOR COMMITTEES IN THE PROGRAMME**

### **National Steering Committee**

The National Steering Committee will:

- coordinate with International cooperate partners and provide policy direction;
- the chairperson of the committee will update Cabinet on a regular basis on progress made;
- have an oversight role of other committees to ensure compliance of set Terms of Reference; and
- monitor and evaluate performance of the national programme.

### **Provincial Committee**

The committee will oversee the implementation of the Programme at provincial level specifically in the following areas:

- facilitate the timely distribution of inputs in the province;
- coordinate logistical support in districts to ensure that inputs get to intended beneficiaries;
- provide weekly progress reports to the National Committee; and
- compile a register of all provincial beneficiaries.

### **District Committee**

The District Committee will:

- compile a register for the beneficiaries in the district;
- ensure sufficient support of extension services at household level;
- put in place logistic arrangements as advised by the Provincial Committee;
- supervise, monitor and evaluate distribution and utilization of inputs at ward level; and
- submit weekly progress reports to the Provincial Committee and dates should be communicated to the Provincial Committee in advance.

### **Ward Committee**

The Ward Committee will:

- compile a register for all beneficiaries in the ward;
- work with NGOs and the community in identifying beneficiaries for the programme;
- supervise, monitor and evaluate distribution and utilization of inputs at household level; and
- submit weekly progress reports to the District Committee.

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