

2018/2019 FISP IMPLEMENTATION GUIDELINES

1.0 INTRODUCTION

The Government of Malawi will implement a countrywide Farm Input Subsidy Programme (FISP) for the Fourteenth season. The programme has been implemented since 2005/2006 and has enhanced food security in the country. For 2018/2019 FISP will concentrate on maize fertilizer, cereal seed (maize, Rice, sorghum) and legume seed (beans, groundnuts, pigeon peas, soya beans, cowpeas).

1.1 Purpose of the Programme

To increase resource poor smallholder farmer's access to improved agricultural farm inputs.

1.2 Objective of the Programme

To achieve food self sufficiency and increased income of resource poor households through increased maize and legume production.

2.0 Programme Beneficiaries

Beneficiaries of the 2018/2019 Farm Input Subsidy Programme will be fulltime smallholder Malawian farmers that are resource poor of all gender categories except in Dowa, Rumphi, Salima and Mwanza districts where productive small holder farmers will be targeted. The fertilizer package is expected to benefit a total of One Million (1,000,000) farmers. In addition, these farmers will also benefit from hybrid or OPV maize or improved sorghum seed or rice seed based on farmer's choice and legume seed.

3.0 Farm Inputs Package

A total of 100,000 metric tones of maize fertilizer (50,000 metric tones of NPK and 50,000 metric tones of Urea) will be subsidized this season. In addition to the fertilizer, the Government will also subsidize a maximum of 5,000 metric tones of improved maize seed, 90 metric tones of improved sorghum seed, 90 metric tones of rice

seed and a maximum of 2000 metric tones of legumes (groundnuts, beans, soybeans and pigeon peas).

3.1 Subsidized fertilizers

- UREA (50kg)
- 23:10:5+6S+1.0Zn (50kg)

The government has fixed the value of each fertilizer coupon at fifteen thousand Malawi Kwacha (MK15,000.00). A beneficiary will be expected to pay the difference of the coupon value and market price of a fifty (50) Kilograms fertilizer bag. For example if the market price of Urea fertilizer bag is MK18,000.00 and the farmer has a Urea coupon and would like to redeem, he or she will have to give the seller the Urea coupon plus MK3,000.00. Each fertilizer type will have its own coupon with different color marks, security features and district specific serial numbers. A beneficiary will be entitled to a package of one (1) bag of 23:10:5+6S+1.0Zn and one (1) bag of Urea fertilizers for cereal crop.

3.2 Seed

The following seed types are included in the Farm Inputs Subsidy Programme:

- Open Pollinated Varieties maize seed
- Hybrid maize seed
- Improved sorghum seed
- Improved rice seed
- Bean Seed
- Groundnuts seed
- Soya beans seed
- Pigeon peas
- Cowpea seed

Each beneficiary will be entitled to a coupon for purchasing improved maize seed packaged in 5kg packs for either hybrid or OPV or 7 kg packs for improved sorghum seed or Improved rice seed. In addition to improved cereal seed, the beneficiaries will be given coupons for purchasing legume seeds (beans, ground nuts, soya beans, cowpeas and pigeon peas). Beans and groundnuts will be packaged in 1 kg packs while soya beans, pigeon peas and cowpeas will be packaged in 2 kg packs. The seed coupon is fixed

at a value of MK6,000.00 per cereal package and MK2,050.00 per legume package. Like in fertilizer, farmers will be required to pay the difference between the pack market value and the coupon value. For example if the farmer has a maize coupon and a 5kg maize seed pack cost MK7,500.00, then the farmer will give the seller a maize coupon plus MK1,500.00. It is expected that farmers will just be exchanging the legume coupon with legume pack.

To improve efficiency of the programme, farmers will be given an opportunity to select the seed varieties of their preference in line with the agro-ecological zones. Those seed varieties selected by farmers under various demonstrations mounted in their locality.

4.0 Programme Implementation Approach

The 2018/2019 programme will be implemented through the Ministry of Agriculture, Irrigation and Water Development, Ministry of Local Government through District Assembly structures and Ministry of Home Affairs through the Malawi Police Service with the ultimate objectives of enhancing efficiency and effectiveness of the programme. The success of this programme hinges on commitment, collaboration and coordination among stakeholders involved in the planning and implementation at all levels. In this regard, 2018/2019 FISP involves a wide range of stakeholders, which include Ministry of Agriculture, Irrigation and Water Development officials (MoAIWD HQs, ADD, District, EPA and section), Logistics Unit, and other District Assembly Officials especially District Commissioners, the Police, Civil Society and Traditional Leaders.

5.0 Role of various Stakeholders.

The Ministry of Agriculture, Irrigation and Water Development will take a leading role in the implementation of the programme. It will use its existing structures in programme sensitization, beneficiary identification, coupon distribution and supervision on farm inputs redemption. The following are specific roles to be played by various stakeholders in the programme.

5.1 Ministry of Agriculture, Irrigation and Water Development Headquarters

The Ministry's management will provide overall policy and technical guidance to the implementation of the programme while the FISP Coordinating unit will be responsible for the overall coordination of

this programme. In addition, the Coordinating Unit will be responsible for beneficiary selection and send to DADOs and PMs for vetting. The Unit will also ensure that coupons are packed and then delivered to the districts. Furthermore, the Coordinating Unit will employ communication strategy targeting all stakeholders to ensure that information about FISP is accessible by all stakeholders. The Ministry will also be responsible for monitoring and evaluating FISP.

In liaison with the Police and ACB, the Ministry will sensitize the Private companies, Agro-dealers as well as ADMARC, SFFRFM retailing officers on the security features of the coupon before starting any transaction of FISP fertilizer and seed retailing.

The Ministry will also be responsible for publishing beneficiary list by village at least five days before coupon distribution exercise and publicizing where the registers have been displayed.

5.2 The Role of the Programme Manager (PM)

The Programme Manager (PM) will provide technical back-stopping and oversee the implementation of the programme all the way from beneficiary selection to inputs redemption and utilization in the districts within their jurisdiction. To ascertain that the Programme Managers has verified that the DADO has selected the bonafide beneficiaries, they will be required to indorse their signatures against district beneficiary selection list. The PM will also orient the district staff on the implementation of the 2018/2019 FISP.

5.3 The role of the District Commissioner

The role of the DC will include:

- In liaison with the DADO and the District Executive Committee (DEC), will call for inputs retailers to a meeting to strategize on covering all areas within the districts including difficult to reach areas during inputs retailing.
- Ensure adequate Police security is provided to DADO for safekeeping of coupons and coupon distribution exercise.
- In liaison with DADO, address irregularities that may arise during the exercise.
- Chair district FISP planning and review meetings.
- Monitor implementation of FISP activities in the district.

5.4 The role of the District Agriculture Development Officer (DADO)

Through the office of the District Commissioner (DC), the District Agriculture Development Officer (DADO) will be responsible for the implementation of the Farm Inputs Subsidy Programme (e.g. programme sensitization, beneficiary cleaning and vetting and coupon distribution to the beneficiaries) in the district including:

- Constituting teams which will facilitate farmer sensitization and coupon distribution exercises in an open forum on given and well publicized dates.
- Pack coupons according to village, section and EPA matrices and deliver to the programme beneficiaries.
- Safe custody, record and distribution of coupons to the beneficiaries.
- Ensuring that a record of beneficiaries by gender category for each village is well documented and certified at each level before submission to the Ministry through the Programme Manager of the ADD.
- Keeping copies of the village register/list of beneficiaries for the district for reference.
- Reporting of irregularities timely.
- Producing periodic reports on the progress of the programme.
- Coordinate the planning and distribution of farm inputs retailers within the district.
- Ensure proper redemption and utilization of FISP inputs in the district.
- Monitor implementation of FISP activities in the district.

Note: The District Agriculture Development Officer (DADO) will be required to sign on beneficiary list to ascertain that legible beneficiaries for the programme are selected before sending the list to logistics for printing final copies.

5.5 The role of the Agriculture Extension Development Coordinator (AEDC)

The role of Agriculture Extension Development Coordinator (AEDC) will be as follows:

- Backstop AEDOs in community sensitization and mobilization.
- Monitor and supervise the cleaning exercise of the selected beneficiaries.
- Monitor and supervise distribution of coupons to beneficiaries.
- Document and manage registers of beneficiaries for each village in the EPA.

- Submit to DADO, registers of beneficiaries for each village in the EPA.
- Keep copies of the record of beneficiaries within the EPA for reference.
- Publicize the markets for purchase of inputs.
- Produce periodic reports on the progress of the programme.
- Keep record of quantities of IEC materials distributed by type.
- Ensure proper utilization of FISP inputs in the EPA.
- Monitor implementation of FISP activities in the EPA.

5.6 The role of Agriculture Extension Development Officer (AEDO)

The AEDO shall perform the following roles:

- Undertake sensitization campaigns on the Farm Inputs Subsidy Programme.
- Update the farming household data including National ID numbers
- Display beneficiary registers in public/ common places atleast 5 days before coupon distribution
- Facilitate community mobilization for coupon distribution exercises.
- Introduce the coupon distribution teams to communities.
- Facilitate the coupon distribution at an open forum.
- Directly responsible for coupon distribution to registered beneficiaries.
- Ensure that only one beneficiary per household is identified and issued with coupons.
- Keep a copy of the register/list of beneficiaries for the section.
- Submit beneficiary registers to the AEDC.
- Produce periodic reports on the progress of the programme.

5.7 Village Development Committees and Community Policing

The Village Development Committees (VDC), Area Stakeholder Panels (ASP) and Community Policing Members (CPM) with the help of the AEDO will:

- Together with the AEDO, plan and publicize areas for coupon distribution
- Discourage sale of coupons by beneficiaries within the communities.
- Publicize the markets for purchase of inputs and make sure that inputs are redeemed in orderly manner

5.8 The role of Traditional Authorities (TA) and Village Headman (VH)

The role of TAs and VH is to support implementation of FISP which include:

- Providing support during farmer sensitization and coupon distribution exercise.
- Checking irregularities and resolving conflicts.
- Monitoring implementation of FISP activities.

5.9 The role of the Logistic Unit

The Logistics Unit will be responsible for consolidation of the registers at national level and managing the database. Other roles include:

- .Provide the Ministry with three hard copies of beneficiary registers together with village summary lists covering all 28 districts. These will be forwarded to the Ministry per district within 7 (seven) days of the finalised selection data for an individual district being provided to the Logistics Unit by the Ministry.
- Set up a competent and secure voucher checking and counting system to log payment claims by project seed and fertiliser dealers. Such system to be in place 7 (seven) days prior to the first submission by dealers.
- Forward checked and certified claims for payment by dealers within 3(three) days of receiving final submission of same.
- Provide weekly reports on progress on all aspects of the above.

5.10 The role of ADD Desk Officers

- Monitor input availability in markets.

- Make sure that farm input retailers' open markets in all intended markets including difficult to reach areas in the district.
- Ensure that inputs are distributed to selling points on time.
- Ensure that all preferred seed types/varieties are distributed to designated market outlets

5.11 The role of Civic Education Leaders (Political Leaders, Faith Group Leaders – Pastors/Sheikhs/Bishops etc)

- Provide support during farmer sensitization and coupon distribution exercise.
- Monitor implementation of FISP activities.
- Discourage sale of coupons by beneficiaries within the communities.
- Report of irregularities timely to the Ministry and/or ADDs and/or DC/DADO.

6.0 Sensitization of Stakeholders

Stakeholders will be sensitized on:

- The importance of the programme.
- The package of the inputs.
- Beneficiary identification and registration exercise.
- Coupon distribution process at national, district and village levels.

The community will be sensitized on:

- The objective of the programme.
- The importance of the programme.
- The package of the inputs.
- Beneficiary identification and
- Coupon distribution process.

7.0 Beneficiary Identification and registration

The districts updated names of farming households per village in 2018/2019 season. The data was sent to the Ministry for cleaning and resent to the districts to verify.

In 2018/2019, Government will do the selection of productive poor farmers in four districts, thus Rumphu, Dowa, Salima and Mwanza. In these districts, farmers are categorized according to their productive capabilities. Amongst the criteria used in targeting of the productive farmers, the following are included: Access to land for use in the particular year; farmers that demonstrate that if given inputs they can properly utilize; access to extension services; farmers' production trends in the past season and farmers that when given coupons they don't exchange for cash but they redeem with the subsidized inputs

In 2018/2019 season a total of 1,000,000 farmers will be selected as beneficiaries of the programme. Random selection of beneficiaries will be done by the Ministry headquarters in order to remove the component of biasness.

The list of selected beneficiaries is sent back to DADOs for vetting. Once the DADO is satisfied that the intended beneficiaries have been selected, he/she shall recommend the Coordinating Unit to print beneficiary registers for distribution of coupons.

7.1 Beneficiary identification criteria

The districts will be requested to pre-select eligible beneficiaries so that working class, well-to-do and the dead are removed in the list. Guidelines to be used during the exercise are:

A resource poor farmer is a Malawian and resident in a village that owns a piece of land.

- The household should own land and should be cultivated during the 2018/2019 growing season.
- The community shall identify the bonafide residents of the village as beneficiaries.

The following vulnerable groups should also be considered:

- Elderly resource poor household heads.
- HIV positive resource poor household head with proof of status.
- Resource poor female headed household head.
- Resource poor child headed household head.
- Resource poor orphan headed household head.
- Resource poor physically challenged household head.

- Resource poor household heads looking after elderly and physically challenged.

7.2 Coupon distribution exercise

The communities will be advised through media and Ministry of Agriculture, Irrigation and Water Development staff on the actual dates of coupon distribution to the registered beneficiaries. The DADO will be the custodian of coupons in the districts. The DADO will draw up a programme on the actual dates and venues of coupon distribution in the district and it will be made available to the Ministry headquarters. The AEDO will be responsible for coupon distribution with a team comprising AEDC, DADO, DC or representative, Malawi Police Service, Community Policing, Programme Managers or representative. Officers from the Ministry headquarters might join some of the teams to backstop.

The programme will use a coupon system where each prospective beneficiary will be issued with a certified coupon to enable him/her purchase fertilizers and seed at subsidized prices. The coupons will be distributed to the registered beneficiaries at an open village forum to ensure that no farmer benefits twice in this programme. The registered beneficiary will also bring the voter registration card or National Identity card (where possible) as an identity. The coupon serial number will also be recorded against the beneficiary's name in the register. The community should therefore ensure that only one member of the household receives the coupons for the programme. Coupon sharing amongst households is **absolutely discouraged** as this jeopardizes the objectives of the programme.

The distribution team will compile a list of recipients with copies retained by the VDC, AEDO, AEDC and DADO. These lists should be submitted to the FISP Secretariat through Programme Managers. Any person or government official found stealing the coupons will be dealt with by the law.

7.3 Beneficiary list publication

Beneficiary lists will be posted on the notice boards at the Village level EPA and district five days before coupon distribution. All registered beneficiaries will be encouraged to check their names and report any anomalies within the five days.

8.0 Security of Coupons

Security features have already been put on the coupons in order to minimize abuse at all levels and community policing will be strengthened at various levels. Forgery will be reduced with presence of farm household registers derived from registration exercise and be distributed to all those involved in the distribution process to enhance monitoring of the movement of coupons and the inputs. The various committees will be available at all selling centers to check malpractices. Local committees will be empowered to check on the illegal sale of coupons by beneficiaries. In addition, each commodity has its own well labeled coupon with different colour marks and serial numbers which are district specific.

8.1 Role of Input Suppliers in checking fraud

Input Suppliers should sensitize their staff members and Agro-Dealers on serious repercussions of accepting/transacting fake coupons. The Ministry of Agriculture, Irrigation and Water Development **WILL NOT HONOUR** invoices for fake coupons.

8.2 Custody of Coupons

The coupons will be handed over to the DADO who will be responsible for the safe custody of the coupons including during the distribution exercise. The number of coupons handed over to the DADO should be properly documented and certified. If there are any shortfalls or overages when compared to the distribution matrix this should be communicated to the Farm Input Subsidy Programme (FISP) Coordinator urgently with copies to Programme Manager. The DADOs should provide adequate safe guards to ensure that there are no leakages and theft incidences. There will be no printing of replacement coupons. Once one loses a coupon through theft, rain, fire or loss of any kind, no claims should be made.

8.3 Coupon Redemption Procedures

The programme has harmonized all coupon redemption procedures to ensure effective implementation of the programme. The Input Suppliers and not their agents will present the used coupons to the Logistics Unit who will then submit the coupons to the Ministry of Agriculture, Irrigation and Water Development for

payment. The Ministry will pay the supplier basing on the number of genuine coupons presented through Logistics Unit.

9.0 Input Procurement and Distribution

Farm inputs procurement, warehousing, distribution and retailing will be done by the contracted companies. Government will only identify companies to participate in the programme through competitive bidding process. The successful companies will be allocated in the areas they applied for and will be allowed to sale in those areas only. Companies are asked to pre-position fertilizer and seed in all parts of their jurisdiction including difficult to reach areas before onset of the rains. Seed will be distributed through licensed Agro-dealers. In an event that the supplier/retailer is not able to retail fertilizer or seed, Government shall not be held responsible to receive and pay for the unsold fertilizer. The supplier therefore, shall find their own ways of selling fertilizer without recourse to the government.

For all the seeds namely: maize, sorghum, rice and legumes, government will involve the private sector especially members of the Seed Traders Association of Malawi (STAM) in the procurement, distribution and selling of these inputs. However, all the participating private sector companies, fertilizers and seed dealers, are required to enter into a contract agreement with government to ensure quality standards and sharing of information. Government has all the discretion to choose which private company to participate in the programme based on past performance.

For all the inputs on this programme, the Ministry of Agriculture, Irrigation and Water Development will provide a full list of companies and organizations that will be involved in the distribution or retailing of the inputs. Reports on sales of the subsidized inputs will be mandatory for the companies/organizations involved in the programme and should be made available to the District Agriculture Development Offices and FISP Coordinating Unit on fortnightly basis.

10.0 Input Quality and Quality Control

The Ministry of Agriculture, Irrigation and Water Development will be responsible for monitoring the chemical composition of the fertilizer and its physical characteristics and seeds of the programme through the Department of Agricultural Research Services. Heavy

Penalties will be imposed on any private company found cheating on the inputs of the programme. All participating companies have been sensitized on the same. However, all staff members of the Ministry of Agriculture, Irrigation and Water Development will also be involved in the monitoring of the input quality and should report any suspected malpractice/cheating to Ministry Headquarters through their respective ADDs. The input suppliers, organizations/associations are also responsible for monitoring quality of inputs sold by their members and are expected to discipline those that may be involved in selling sub-standard inputs. Government officials and contracted quality control companies should have unrestricted access to premises of Input Suppliers for the purpose of monitoring quality of the product. It should also be known that civil society organizations may monitor the quality of inputs accessed by farmers in various inputs outlets.

11.0 Capacity Building, Information, Education and Communication

A special technology promotion campaign alongside the coupon distribution will be launched focusing on the need to grow more cereals and legumes (groundnuts, beans, soya beans, pigeon peas and cowpeas) and good crop management practices under the subsidy programme. Farmers will also be mobilized into clusters and mndandanda to facilitate integration and implementation to improve technologies. Government will therefore intensify information, education and communication (IEC) activities for the success of the Farm Inputs Subsidy Programme in the 2018/2019 growing season.

12.0 Transporters

Government will not be responsible for the transportation, distribution and warehousing of farm inputs under the programme. This will be the responsibility of the contracted private companies.

13.0 Monitoring and Evaluation

The Ministry will intensify monitoring of the programme at all levels. At national level, the Ministry holds taskforce meeting every Wednesday where programme implementation is reviewed. Membership to the taskforce includes Ministry of Agriculture, Ministry of Finance, Ministry of Development Planning and Cooperation (MDPC), Cooperating Partners, The Anti Corruption Bureau (ACB),

Fertilizer Association of Malawi (FAM), Seed Traders Association of Malawi (STAM), Farmers Union of Malawi and other UN Agencies.

There are also Monitoring teams led by Directors which have been assigned to ADDs. These are replicated at ADD, district and village levels. The Ministry will ensure that all monitoring reports are sent to the FISP Coordinating Unit for records and appropriate action. Weekly reports on the programme performance should also be submitted to the FISP Coordinating Unit by DADOs (copy to Programme Managers). The final Programme Evaluation will be done soon after finalizing the selling of the inputs to assist with information of early designing of the following year's programme.

14.0 ENQUIRIES:

For any enquiries contact the Farm Inputs Subsidy Programme Coordinator through the Secretary for Agriculture and Food Security, P.O. Box 30134, Capital City, Lilongwe 3. Phone: 265 1 789 033/417 and also the Programme Managers whose contact details are given in the table below:

<p>Programme Manager, Karonga ADD, P/Bag 4, Karonga.</p> <p>Tel (O): 265 1 362 382 Mob: 265 994 579 345/ 888 32 Fax: 265 1 362 251/013</p>	<p>Programme Manager, Mzuzu ADD, P.O. Box 131, Mzuzu.</p> <p>Tel (O): 265 1 312 083 Mob: 265 998 312 803 Fax: 265 1 312 381/915</p>
<p>Programme Manager, Kasungu ADD, P/Bag 28, Kasungu.</p> <p>Tel (O): 265 1 253 744 Mob: 265 999 576 818 Fax: 265 1 253 747/790</p>	<p>Programme Manager, Lilongwe ADD, P.O. Box 259, Lilongwe.</p> <p>Tel (O): 265 1 756 075 Mob: 265 888 508 312/ 999 510 539</p>
<p>Programme Manager, Salima ADD, P/Bag 1, Salima.</p> <p>Tel (O): 265 1 263 004 Mob: 265 995 284 504/ 888 872 836 Fax: 265 1 263 015</p>	<p>Programme Manager, Machinga ADD, P/Bag 3, Machinga.</p> <p>Tel (O): 265 1 542 451 Mob: 265 888 515 009 Fax: 265 1 542 417</p>
<p>Programme Manager, Blantyre ADD, P/Bag 379, Chichiri, Blantyre 3.</p> <p>Tel (O): 265 1 822 382 Mob: 265 995 231 400 Fax: 265 1 825 116/01 831 950</p>	<p>Programme Manager, Shire Valley ADD, P/Bag Ngabu.</p> <p>Tel (O): 265 1 427 211 Mob: 265 888 345 713 Fax: 265 1 427 276</p>