

A Study of the Effects of Treasury Funding on Efficiency of the Implementation of the Farmers Input Support Programme (FISP) in Zambia

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ABSTRACT

The importance of the success of the FISP and E-Voucher system are that it may result in an increase in income in rural areas, an increase in production and hence the food reserves in the food basket and for individual families and will also provide a means to contribute to GDP in the economy in efforts to diversify the economy. However, the study noted that there existed several challenges regarding implementation of the program. The overall objective of this study therefore was to assess the effect of treasury funding on the implementation of FISP in Zambia. The study took into consideration respondents in the Ministry of Agriculture that are directly involved in the FISP program and receiving funding from the treasury. The study made use of primary data. The study finds that the treasury does engage the Ministry of Agriculture and all relevant ministries, units and departments in obtaining estimates in a consultative forum before providing these estimates in the national budget. However, the study outlines that there are delayed payments from the treasury that affect implementation and therefore preparation and production of farming output. Nevertheless, the study findings further note that challenges in implementation however are not limited to delays in funding by the treasury but the extent to which resources are allocated to the program as opposed to other Ministry activities that would further support the implementation of the program. This is because about 80 percent of the resources are dedicated to the success of the program. The study further outlines that a possible solution would be contract farming and private extension services, however, these would have a restricted reach as they are motivated by ensuring profit. This would render the rural poverty alleviation activities strained.

Keywords-- Agriculture, Subsidy, Input Support Program, Food Security, Funding

productivity in Africa were (and still are) very low by global standards, and it seemed reasonable to assume that there was a causal link. If so, raising fertilizer use would raise productivity. The low level of use was attributed, inter alia, to farmers' ignorance of the benefits of fertilizer use, underdevelopment of input sales networks, and the lack of affordability for many farmers. Heavily subsidizing fertilizers for a few years would make them affordable, thereby both demonstrating their value and generating sufficient income to eventually let farmers save up and continue to buy their own from private sector suppliers once the subsidy ended. This would lead to a 'virtuous cycle' of growing input use and productivity (World Bank Group, 2021).

It is highlighted that for agriculture to prosper, farm inputs need to be available, affordable, accessible, and of good quality. Seeds, fertilizers and agro-chemicals are argued to be essential for improving the productivity and incomes of smallholder farmers in developing countries. Therefore, as input supply is a critical factor in inclusive agricultural and rural development, many donors support initiatives that improve smallholders' access to inputs including support from Governments. Some of these programs are successful, others are not (SNV, 2015).

Agriculture plays a significant role in the Zambian economy. The report by PMRC (2021) shows that the sector takes up around 70% of the labor force. Despite the significance it's been seen that farmers especially small scale have experience challenges of the high cost of inputs as well as growing their crops. Maize is outlined to be a major feed grain and a major staple food crop in Zambia and represents the largest single source of calories. It is predominant in terms of both production and consumption as it accounts for 60% of the national calorie consumption and serves as a staple food crop in both urban and most rural areas of the country (Ng'ambi, 2012). Against this background, successive governments in the republic of Zambia, in an effort to make the country food secure and reduce poverty decided to provide essential

I. INTRODUCTION

Input subsidy programs have a long history in Africa and other developing countries. The logic behind these seemed persuasive: Both fertilizers use and

inputs such as fertilizer and seed to these small-scale farmers at a subsidized cost.

The Farmer input support program (FISP) was first introduced in 2001 as the Fertilizer Support Program (FSP). The program works as follows: the government distributes subsidized agricultural inputs to small-scale producers of the staple food crop, maize. It also provides a guaranteed minimum price at which the Food Reserve Agency (FRA) buys maize, cassava and sorghum from farmers. In 2014, the input pack size given to farmers was reduced from 50 kilogram bags of fertilizer and 20 kilograms (20kg) bags of maize seed (IAPRI, 2014).

FISP therefore is a measure by the Government of the Republic of Zambia to ensure food security among the economically vulnerable households in Zambia. The objective of the input subsidy program therefore is to support resource constrained agricultural households to access subsidized maize inputs, seed and fertilizer in particular. Furthermore, the program was also meant to increase the amount of maize being produced in the country and hence contribute to National food security (Ng'ambi, 2012).

It is noted that policymakers in Southern Africa have long viewed agricultural cooperatives as a way to reach rural households more easily. Therefore, another advantage of FISP is that it is used to encourage cooperatives in agriculture. It is outlined that agricultural cooperatives can serve as an institutional vehicle for policymakers to deliver direct benefits to smallholder farmers in the form of subsidized agricultural inputs, usually improved seed varieties and fertilizers. They can also serve as platforms for collective action through which smallholders can reduce transportation and transaction costs or disperse the costs of marketing (Bekking, et al., 2021).

Despite the easy model, FISP has faced several challenges in its implementation. The program has been affected by erratic funding, political interference and administrative challenges that have led to the program not yielding intended results. The research therefore was aimed at establishing the challenges of erratic funding and how this has affected the effective administration of the program.

II. STATEMENT OF THE PROBLEM

Since 2002, the Government of Zambia has been funding the farmer input support program (FISP) so as to ensure sustained food security at both household and national level. The farmer input support program (FISP) has been an integral part of boosting small scale farmer productivity. The government's Direct Input Support mode of delivering inputs is unsustainable to the Treasury (IAPRI, 2019).

However, the program has encountered problems reaching its intended recipients due to delayed funding. As noted by CUTS International, they projected that the delayed funding to agro-dealers for farming inputs would affect the maize output (CUTS, 2020). The delayed payments and subsequent delays in delivery of inputs may affect planting of the maize in time for the rain season. This challenge was also noted by farmers who were concerned with the reported delays in finalizing the procurement processes for the 2022 FISP fertilizers.

Most recently, it has been argued by several scholars on Zambia that delay and lack of clear direction on farming input availability adversely impacts on production and productivity farming season ((Chibbompa, 2018) (Chapoto, et al., 2016) (Magasu, 2016) (Ng'ambi, 2012)). This therefore leads to diminishing income opportunities, food insecurity and stagnation in the poverty trap for most farmers. It is for this reason that the current study intends to look at the effects of treasury funding on the efficiency of the operations and implementation of FISP.

III. MAIN HYPOTHESIS

Ho: Treasury funding has no effect on the efficiency of the implementation of the Farmer Input Support Programme (FISP) in Zambia.

Ha: Treasury funding has a negative effect on the efficiency of the implementation of the Farmer Input Support Programme (FISP) in Zambia.

The study aims to produce a set of suggestions that might be beneficial for management decision making and policy objectives in treasury departments. It will examine the negative implications of treasury activities on Constitutional Bodies and how these implications impact them. The focus being the financing and the provision of FISP. These proposals would be beneficial not just in Zambia, but also in other Sub-Saharan African medium-sized economies.

IV. EMPIRICAL LITERATURE REVIEW

Norton and Alwang (2020) conducted a study on changes in Agricultural extension and implications for farmer adoption of new practices. They note that agricultural extension programs have changed significantly over the past four decades. Their sought to understand what had changed, and why and whether these changes have affected adoption of innovations by farmers. They note that structural changes in agriculture, new types of agricultural technologies, tight public budgets, efforts to decentralize government, and emerging information and communication technologies (ICT) have led to pluralistic

and, in some cases, lower-cost extension and advisory services that combine public and private mechanisms for financing and implementing extension activities. They further note that farmer groups and virtual networks play a growing role in technology diffusion, and extension services can exploit these networks using the latest ICT approaches.

Mazwi, et al (2019) note that in 2016, the Zimbabwe government initiated the Special Maize Import Substitution Programme to enhance domestic production and reduce food imports which was commonly referred to as the Targeted Command Agriculture Programme (TCAP). It is akin to a contract-farming scheme enlisting both the peasantries and the new small-scale capitalist farms, with funding support from domestic capital. They outline that contract farming in Zimbabwe has largely been driven by domestic and international agribusiness and focused on export commodities such as cotton, tobacco and horticulture. Therefore, they highlight that the TCAP represents a relatively novel and innovative approach by the state to finance food production through contract farming geared to serve the home market. The study examined the effectiveness of this state-driven model of financing agriculture, drawing from research conducted in Zvimba district, in Mashonaland West Province.

Nenngwekhulu (2019) carried out a financial analysis of Recapitalization and Development Program in South Africa (RECAP) by evaluating the relationship between budgeting and spending of the program to determine if the investment made by the government in the program can be justified in the light of the program's objectives. The study examined the budget and expenditure of the program using two data sets. The study made use of a primary dataset from impact assessments done on RECAP projects in six provinces of South Africa and secondary data from budget estimates for various provinces. The study results show that there was a sound budgeting method at the DRDLR and farmers are spending their grants to acquire farming assets, equipment and other farming inputs. The expenditure on the program has been argued to facilitate the achievement of some of the program objectives at the farm level, but there is an inverse relationship between the level of investment and achievement of the program objectives. Further, there is need for better employment and market access and there is slow progress of the program in the area of farm production and food security.

Mgbenka, et al (2015) conducted a review of small holder farming in Nigeria and the need for transformation. They note that over the years, deliberate efforts have been made to improve agricultural production by Nigerian governments and some foreign bodies but these efforts have not yielded expected results. Much of the failure was attributed to different constraints included

economic, political and financial constraints and to the adapted transformation approach to agriculture which is characterized by the introduction of a wide variety of large-scale farming and processing technologies. The study recommends that the Nigerian governments should encourage the participation of private sector in supplying farm inputs to ensure steady and timely supply of such inputs.

Machila, et al (2015) assessed the impact of an outsourced extension service on rural households in the Mutasa district of Zimbabwe's Manicaland Province, and examined the financial cost and benefit of this service. They note that the extension service was delivered by a local agribusiness firm and funded by USAID. The study analyzed survey data gathered from 94 client and 90 non-client rural households. The study made use of descriptive statistics compared across the groups and the impact of the extension service on each of several outcome variables was estimated using two-stage least squares regression. The results show that the outsourced extension service contributed significantly to household crop income, net crop income and expenditure on farm inputs and services. In addition, clients perceived a range of socio-economic benefits such as better diets and health, improved product quality and job creation. An analysis of the financial cost and benefit of the extension service suggests an annual net incremental benefit of US\$11,587, representing a 30% return on the investment made by the donor to finance the service.

Lunduka, et al (2013) provide a critical analysis of the current frontier of research evaluating Malawi's Farm Input Subsidy Program (FISP), whose main objectives are increasing maize production, promoting household food security, and enhancing rural incomes. The study focused on farm-level studies in Malawi, identifying consistent and contrasting research results in order to draw important policy lessons and provide suggested avenues for future research. The study notes that there has been a relatively modest increases in maize production and yields during the period of the program and a relative increase in real maize prices and the country continued to import maize during most of the subsidy program years. Furthermore, it is noted that better-off households gained substantially more than poorer households when they participated in the program.

Jayne and Rashid (2013) examined the input subsidy programs in sub-Saharan Africa, making a synthesis of recent evidence. The study argues that the weight of the evidence indicates that the costs of the programs generally outweigh their benefits. Further, findings from other developing areas with a higher proportion of crop area under irrigation and with lower fertilizer prices, which are argued to be factors that should provide higher returns to fertilizer subsidies than in Africa,

indicate that at least a partial reallocation of expenditures from fertilizer subsidies to R&D and infrastructure would provide higher returns to agricultural growth and poverty reduction. The study identifies ways in which benefits can be enhanced through changes in implementation modalities and complementary investments within a holistic agricultural intensification strategy. These include efforts to reduce the crowding out of commercial fertilizer distribution systems and programs to improve soil fertility to enable farmers to use fertilizer more efficiently.

Dorward and Chirwa (2011) noted that the nationwide disbursement of heavily subsidized fertilizers and seed to large numbers of beneficiaries in Malawi represented a significant logistical achievement and substantially increased national maize production and productivity, hence contributing to increased food availability, higher real wages, wider economic growth and poverty reduction. They note however that the latter years of the program have been accompanied by high international fertilizer prices and costs and high maize prices, the latter undermining the program's food security, poverty reduction and growth benefits for many poor Malawian farmers relying on purchased maize for substantial amounts of their staple food requirements.

V. THEORETICAL LITERATURE REVIEW

The Role of Subsidies in increasing Human Welfare

Subsidies can be put to bad use as well as to good. Subsidies are generally well intentioned and can promote economic growth and enhance human welfare. There is therefore the need to carefully sift through the different kinds of subsidies so as to retain the useful ones. It is not always easy to distinguish a welfare maximizing subsidy from one that is not. To help distinguish between the two, economists differentiate between four types of subsidies and their consequences (Sowa & Edpri, 2007).

The first group, referred to as Pigouvian subsidies, named after a famous economist A.C. Pigou, are those that directly increase efficiency by encouraging activities with positive, rather than negative, externalities. These involve transfers that are likely to directly enhance welfare. For example, afforestation is good in itself as it

prevents soil erosion, flooding, and can halt desertification; and thus, has direct gains to society.

The second group of subsidies however offer gains to society very much like the Pigouvian, but mostly with the intention of promoting the use of the best of alternatives. Indirect subsidies are those that improve the environment by encouraging the production of relatively clean goods that are close substitutes for goods with harmful externalities. Although not the most efficient policy, such subsidies may be appealing in the presence of political or administrative obstacles to direct regulation. For example, subsidies for public transport can reduce the pollution and congestion costs of cars. Also, subsidies for solar power plants and wind farms will more likely promote use of more environmentally friendly sources of energy than fossil ones.

Third, are the production-reducing subsidies, which directly discourage productive activities with harmful externalities. For example, under the Conservation Reserve Program and Wetland Reserve Program in the U.S., farmers are paid not to produce on land in environmentally sensitive areas, such as habitat for endangered species.

Lastly, there are the group of perverse subsidies that do not benefit anyone and that are generally environmentally unfriendly. The environmentally unfriendly subsidies, unlike the above subsidies, compound rather than alleviate environmental problems. For political or other reasons, these subsidies are quite pervasive. For example, fossil fuel combustion, the major cause of air pollution, is typically encouraged in developing countries by direct energy subsidies and underpricing of electricity.

It is outlined that Governments have social responsibility to see to fair distribution of resources to all citizens. When market imperfections exist, it is the right of governments to use subsidies to palliate those that are ill-advantaged (Sowa & Edpri, 2007).

VI. CONCEPTUAL FRAMEWORK

The study follows the Conceptual framework outlined in Figure 1 below:

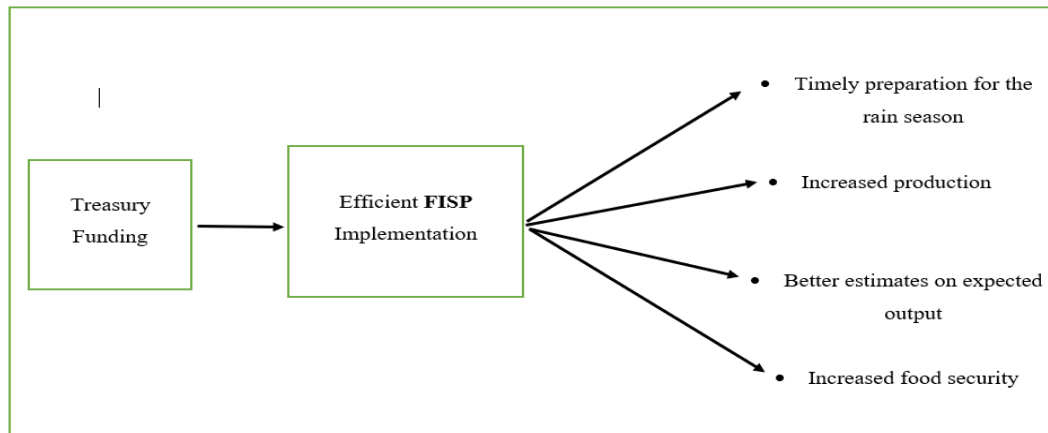


Figure 1: Conceptual Framework

It is argued that the intention of FISP is to among other factors provide income and a food security for poor Zambians alongside add to the food security of the nation. However, for this to be achieved, there is need to have an efficient implementation of the FISP. It is outlined that if there is timely disbursement of funds towards the FISP, this will promote an efficient FISP implementation

VII. RESEARCH METHODOLOGY

Research Design

The study made use of a descriptive research design while adopting a mixed-methods approach, in that the study collected and analyze both quantitative and qualitative data in order to address the research objectives. The choice of a descriptive research design is that it is a type of research design that aims to obtain information to systematically describe a phenomenon, situation, or population. Basically, it helps answer the what, when, where, and how questions regarding the research problem (Voxco, 2022).

Population of the Study

The respondents of the study were from the Ministry of Agriculture responsible for the FISP and extension and agricultural officers.

Sample and Sampling Procedure

The data collection technique that was used for this study was the administering of a questionnaire. The sampling procedure that was used is a non-probabilistic approach of purposive sampling as the people interviewed were officers from the Ministry of Agriculture who are directly involved with the FISP.

Data Collection

In this study, a pretested structured interview schedule and focus group was used in which a

process. This will therefore allow farmers to timely prepare for the season given that they would have received all necessary inputs, which would lead to better planning and increased production. As the farmers already have the farming inputs, they are better placed to estimate the expected output which will ensure increased food security both at household and individual level.

questionnaire was administered. As there are limited studies on the subject matter, this study made use of primary data. Non-verbal behaviour and mannerisms can be observed during the interview and questions can be clarified if they are misunderstood as well as obtaining in-depth responses.

Data Analysis

Data analysis refers to examining what has been collected in a survey or experiment and making deductions and inferences. In this study, both qualitative and quantitative data were collected and analysed. Qualitative data was analysed thematically. Quantitative data was analysed descriptively and through factor analysis and is presented using tables and charts.

VIII. RESEARCH RESULTS AND ANALYSIS

Descriptive Statistics

This section of the chapter outlines the demographics of interest of the respondents which includes their Gender, Age Range, Education level and Years served in the Ministry of Agriculture.

Gender of Respondents

The study sought to establish the gender of the respondents to the questions advanced in the questionnaire. The findings are outlined in the figure 2 below:

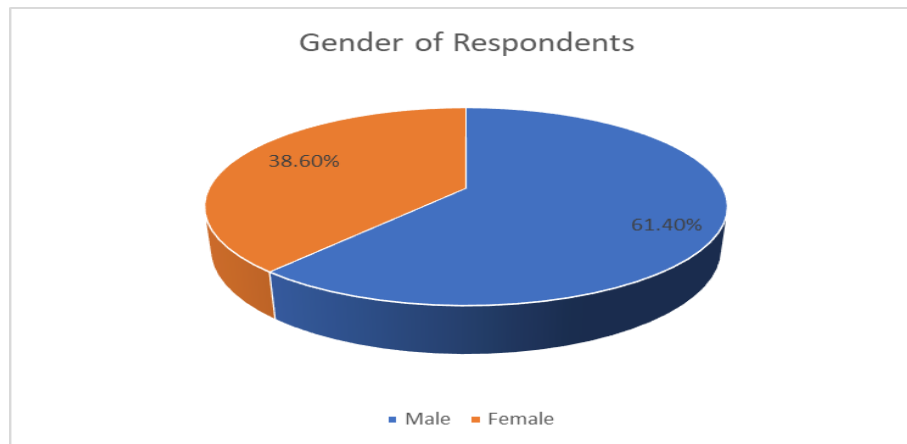


Figure 2: Gender of respondents

The results of this analysis show that the majority of respondents are male, representing 61.40 percent while female was representative with 38.60 percent.

Age Range of Respondents

The study sought to establish the age range distribution of the respondents to the questions advanced in the questionnaire. The findings are outlined in the figure 3 below:

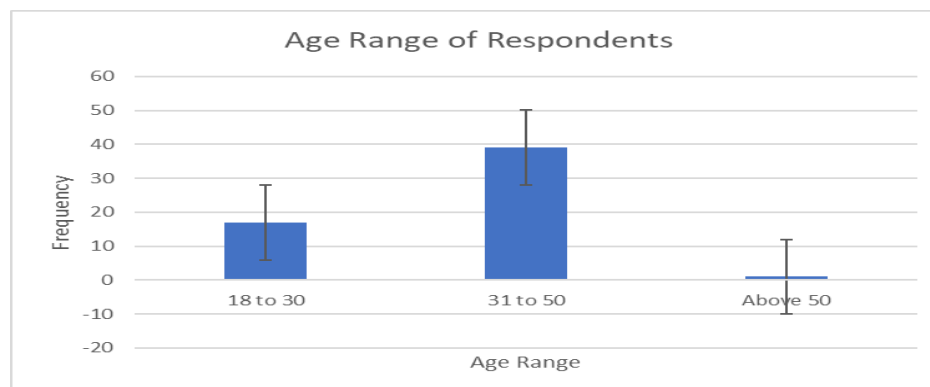


Figure 3: Age Range of respondents

The findings of the study outline that the majority were found to be of the age range from 31 to 50 years old, which was followed by those that indicated to be between 18 and 0, and lastly the respondents above the age of 50 years old.

Education level attained by respondents

The study sought to establish the education level attained by the respondents to the questions advanced in the questionnaire. The findings are outlined in the Table 1 below:

Education Level	Frequency	Percentage
Primary	0	0%
Secondary	0	0%
Certificate/ Diploma	21	36.8%
Degree	29	50.9%
Advanced Degree	7	12.3%

Table 1: Education Level attained by respondents

The findings of the study indicate that the highest response with 50.9 percent indicated to have an Undergraduate Degree, which was followed by those that indicated a Certificate/ Diploma at 36.8 percent followed by those with an Advanced degree at 12.3 percent of the total respondents.

Construct	No. of Items	Cronbach Alpha
Treasury Financing FISP	6	0.781
FISP Efficiency	4	0.984

Table 2: Construct Reliability

Based on the rating of the Cronbach alpha, the study concludes that there is internal consistency in both constructs as they were greater than 0.7. Therefore, none of the variables in the construct were dropped.

Mean and Variance Analysis

The study tested the findings of the Constructs using Mean and Variance analysis.

Constructs Reliability

The study made use of the Cronbach alpha in ascertaining the reliability of the constructs which certifies the internal consistency among the constructs. Table 2 below outlines the findings of the analysis done:

Treasury Financing of FISP

This analysis made use of ranked mean and variance analysis of the variables/ constructs that were formulated. The section made use of a 5-point Linkert scale which were Strongly Disagree, Disagree, Unsure, Agree and Strongly Agree.

Rank	Statements	Mean	Variance
1	The treasury approaches the Ministry for budget estimates before creating the budget	4.23	.715
2	There is a consultative forum that includes all key Ministry workers involved in the FISP planning and implementation departments to create FISP budget estimates	4.00	.750
3	Budget estimates availed to the Ministry are reflective of the current needs of the agricultural season	3.75	.689
4	Funds are made available timely according to expected implementation periods	3.4035	1.531
5	The process of financing of FISP by the Ministry is efficient to ensure timely disbursement of funding	3.0351	1.820
6	Complete disbursement of funds is made within the allowable period for farmers and the Ministry to ensure a successful season	2.8947	1.632

Table 3: Mean and Variance Analysis on Treasury Financing

The interval scale that was employed is the five-point Likert scale. The mean is a highly important variable to take into account. A score of 1 to 1.8 indicates a strong disagreement. From 1.81 and 2.60, this shows disagreement. In the range of 2.61 to 3.40, this denotes neutral. 3.41 to 4.20 on average imply agreement, and 4.21 to 5 suggest significant agreement.

The respondents indicated that they agree that:

- The treasury approaches the Ministry for budget estimates before creating the budget
- There is a consultative forum that includes all key Ministry workers involved in the FISP planning and implementation departments to create FISP budget estimates
- Budget estimates availed to the Ministry are reflective of the current needs of the agricultural season

The respondents indicated that they were neutral on:

- Funds are made available timely according to expected implementation periods
- The process of financing of FISP by the Ministry is efficient to ensure timely disbursement of funding
- Complete disbursement of funds is made within the allowable period for farmers and the Ministry to ensure a successful season.

FISP Efficiency

This analysis made use of ranked mean and variance analysis of the variables/ constructs that were formulated. The section made use of a 5-point Linkert scale which were Strongly Disagree, Disagree, Unsure, Agree and Strongly Agree.

Rank	Statement	Mean	Variance
1	Treasury funding is always made in good time to allow for the efficiency of FISP in ensuring better estimates on expected output by farmers and the Ministry	3.4035	1.531
2	Treasury funding is always made in good time to ensure efficiency of FISP in ensuring increased food production and food security	3.2807	1.741
3	Treasury funding is always made available in good time to allow efficiency of FISP in ensuring increased production by farmers	3.2807	2.491
4	Treasury funding is always in time for efficiency of FISP allowing farmers to prepare in good time for the rain season	3.1579	2.921

Table 4: Mean and Variance Analysis on FISP efficiency

The interval scale that was employed is the five-point Likert scale. The mean is a highly important variable to take into account. A score of 1 to 1.8 indicates a strong disagreement. From 1.81 and 2.60, this shows disagreement. In the range of 2.61 to 3.40, this denotes neutral. 3.41 to 4.20 on average imply agreement, and 4.21 to 5 suggest significant agreement.

Based on the findings of the study, it was outlined that the respondents were largely unsure.

IX. PRINCIPAL COMPONENT ANALYSIS

The method of principal component analysis (PCA) was used to highlight variance and reveal clear patterns in a dataset. It is frequently employed to facilitate data exploration and visualization. Through the use of the Bartlett's Test of Sphericity and the Kaiser, Meyer, Olkin (KMO) Measure of Sampling Adequacy, this determines whether the data are suitable for factor analysis.

Kaiser, Meyer, Olkin (KMO)

KMO is outlined to be a measure of sampling adequacy in the process of factor analysis. Kaiser (1970) is outlined to have introduced a measure of sampling adequacy which was later modified by Kaiser and Rice (1974). It is outlined that the Kaiser-Meyer-Olkin (KMO)

statistic, which can vary from 0 to 1, indicates the degree to which each variable in a set is predicted without error by the other variables. It is outlined that a value of 0 indicates that the sum of partial correlations is large relative to the sum correlations, indicating factor analysis is likely to be inappropriate. A KMO value close to 1 indicates that the sum of partial correlations is not large relative to the sum of correlations and so factor analysis should yield distinct and reliable factors. This is outlined to mean that the patterns of correlations are relatively compact, and so factor analysis should yield distinct and reliable factors. It is outlined that values smaller than 0.5 are unacceptable and therefore require more data to be collected or change in variables.

Bartlett's Test of Sphericity

A matrix (of correlations) is tested for sphericity using Bartlett's (1951) test to see whether it significantly differs from an identity matrix (filled with 0). It checks to see if all of the correlation coefficients are 0. The test determines the likelihood that the correlation matrix in a dataset contains substantial correlations between at least some of the variables, which is necessary for factor analysis to function. The table below outlines the findings of the KMO and Bartlett's Test of Sphericity of the two constructs used:

The findings are further explained below:

Construct	KMO	Bartlett's Test of Sphericity
Treasury Financing of FISP	0.576	0.008
FISP Efficiency	0.796	0.000

Table 0: KMO and Bartlett's Test

Treasury Financing of FISP

The KMO for sampling adequacy for Treasury Financing of FISP was found to be 0.576 outlining an acceptable sampling adequacy. All the communalities were found to be above 0.30 which is the accepted range. The extracted factors could explain about 60.197 percent of the total variance explained. The reliability and internal consistency was checked using the Cronbach's alpha

which was found to be 0.788 which is a good outcome of internal consistency.

- The treasury approaches the Ministry for budget estimates before creating the budget
- There is a consultative forum that includes all key Ministry workers involved in the FISP planning and implementation departments to create FISP budget estimates

FISP Efficiency

The KMO for sampling adequacy for FISP efficiency was found to be 0.795 outlining an acceptable sampling adequacy. All the communalities were found to be above 0.30. The extracted factor could explain about 96.788 percent of the total variance explained. The reliability and internal consistency were checked using the Cronbach's alpha which was found to be 0.983 which is a good outcome of internal consistency. The extracted factors are that:

- i. Treasury funding is always in time for efficiency of FISP allowing farmers to prepare in good time for the rain season.

X. THEMATIC ANALYSIS

Disbursement of Financing by the Treasury

The following comments were made on the Disbursement of financing by the treasury:

- i. Funding should be made regularly on time to avoid late disbursement of funds for the intended purposes
- ii. Disbursement of funds to the moa is usually less than the estimated budget presented by the Ministry. Also. About 80 percent of disbursed funds to moa are channelled to the implementation of FISP which negatively affects the execution of the moa activities aside implementing FISP.

Treasury Disbursement Impact on FISP Efficiency

The following comments were made on the impact on FISP efficiency by treasury disbursements:

- i. Usually, the disbursement of FISP funds is not timely and this has negatively affected the food and nutritional security, income generation and productivity of the small holder farmers. FISP inefficiencies also include late payments to the agro-dealers and suppliers under the E-VOUCHER and the reduced number of inputs contained in a farmer pack which was initially 8bags of fertilizer and 10kg seed

General Comments

The respondents were then asked for any general comments on the subject matter. The responses are outlined below:

- i. Treasury should disburse funds early to ensure that FISP is well implemented before the rain season.

FISP funding should be separated from the ministry funding. This is because about 80 percent resources of the ministry are for FISP activities at the expense of other MoA activities such as extension services provision and recruitment of camp extension officers who

are currently outnumbered by farmers both FISP and non FISP.

XI. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The study outlined that the respondents agreed that the treasury does approach the Ministry of Agriculture before creating estimates for the National budget. This outlines that the treasury indeed does involve the Ministry of Agriculture in the budgeting process and therefore do contribute to more efficient planning. The study has further outlined that the respondents agreed that there is a consultative forum that includes all key Ministry workers involved in the FISP planning and implementation departments to create FISP budget estimates. Furthermore, the study has outlined that the budget estimates that are availed to the Ministry are reflective of the current needs of the agricultural season as per the Ministry's guidance. However, the study has shown that the respondents were neutral on whether the funds are made available timely according to expected implementation periods. Furthermore, the respondents were unsure on whether the process of financing of FISP has timely disbursement and whether it is made within the allowable time. However, with regards to treasury financing of FISP, the study has shown that the two assertions that hold definitive are that the treasury approaches the ministry on budget estimates and also ensures a consultative forum of key stakeholders in the important departments and units. The respondents were largely unsure on the efficiency of FISP implementation.

According to the thematic analysis, the respondents outlined that regarding the disbursement of financing by the treasury, funding by the treasury should be made regularly on time to avoid late disbursement of funds for their intended purposes. Furthermore, they outline that the disbursement of the funds by the treasury to the Ministry is usually less than the estimated budget presented by the Ministry. Further, they outlined that 80 percent of disbursed funds to the Ministry are channeled to the implementation of FISP which negatively affects the execution of the Ministry of Agriculture activities aside from the implementation of FISP. They outline that on the treasury disbursement impact on FISP efficiency, it was noted that the disbursement of FISP funds is not timely and this has negatively affected the food and nutritional security, income generation and productivity of the small holder farmers. Furthermore, they highlighted that the FISP inefficiencies also include late payments to the agro-dealers and suppliers under the E-VOUCHER and the reduced number of inputs contained in a farmer pack which was initially 8bags of fertilizer and 10kg seed. They

further highlight that the Treasury should disburse funds early to ensure that FISP is well implemented before the rain season. Furthermore, the respondents further add that FISP funding should be separated from the ministry funding. They outline that this is because about 80 percent resources of the ministry are for FISP activities at the expense of other Ministry of Agriculture activities such as extension services provision and recruitment of camp extension officers who are currently outnumbered by farmers both FISP and non FISP.

Conclusions

The overall objective of this study was to assess the effect of treasury funding on the implementation of FISP in Zambia. Therefore, the study took into consideration respondents in the Ministry of Agriculture that are directly involved in the FISP program and receiving funding from the treasury. The importance of the success of the FISP and E-Voucher system are that it would result in an increase in income in rural areas, an increase in production and hence the stores in the food basket and for individual families and will also provide a means to contribute to GDP in the economy in efforts to diversify the economy. However, the study noted that there existed several challenges regarding implementation of the program. The study therefore sought to establish if this was as a result of funding from the Treasury. The study finds that the treasury does engage the Ministry of Agriculture and all relevant ministries, units and departments in obtaining estimates in a consultative forum before providing these estimates in the national budget. However, the study outlines that there are delayed payments from the treasury that affect implementation and therefore preparation and production of farming output. Nevertheless, the study findings further note that this however is not limited to funding by the treasury but the extent to which resources are allocated to the program as opposed to other Ministry activities that would further support the implementation of the program. This is because about 80 percent of the resources are dedicated to the success of the program. The study further outlines that a possible solution would be contract farming and private extension services, however, these would have a restricted reach as they are motivated by ensuring profit. This would render the rural poverty alleviation activities strained.

Recommendations

The paper makes the following recommendations:

- The study recommends that there is need for more equitable resource allocation to promote other Ministry of Agriculture services such as extension officers who would further support the effort of the FISP
- There is need for the timely disbursement of funding. As opposed to payment in portions.

- There is need for a dual approach of the FISP and either contract farming/ private extension services as this will reduce the pressure on the Government.
- There is need for a more comprehensive study that includes observations from the treasury and from the farmers and agro-dealers.

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