



FARMING INPUT VOUCHER PROGRAMME

Solidarity Fund Phase I Report

DESCRIPTION	AMOUNT ALLOCATED	AMOUNT DISBURSED
Farming Input Vouchers	R100 000 000	R74 509 934

01

EXECUTIVE SUMMARY

The Humanitarian Relief Pillar is one of four immediate focus areas for the disbursement of funds that South Africans have donated to the Solidarity Fund. To provide accelerated aid for South Africa's most vulnerable households and communities during the COVID-19 epidemic, the Humanitarian Relief Pillar focuses on promoting human welfare. This pillar augments the efforts of government and business to enhance households' sustained access to food, care, and other interventions. Through this pillar, the Solidarity Fund aims to alleviate the negative impact of economic disruption.

The Farming Input Voucher Relief Programme aimed to disburse 47 864 farming input vouchers to rural subsistence farmers in all nine provinces in South Africa. A total of 46 864 vouchers were disbursed to the value of R93 868 000, and 79.54% of these had been redeemed by 31 May 2021. This was achieved through working with the Department of Agriculture, Land Reform and Rural Development (DALRRD), the Department of Cooperative Governance and Traditional Affairs (COGTA)/The National House of Traditional Leaders (NHTL), LandNNESS and Siyazisiza Trust.

02

PROGRAMME OVERVIEW

The Solidarity Fund's first phase of its humanitarian food relief focused on food parcel distribution which targeted the most vulnerable communities in South Africa. This was followed by a digital food voucher intervention, largely targeted at urban populations and which helped to reduce logistical costs and enhance the dignity of beneficiaries.

Simultaneously, the Solidarity Fund explored options for a more rural-focused relief intervention to address the disruption caused by COVID-19 restrictions to household-level food-production patterns in rural and peri-urban areas. A national-scale Farming Input Voucher initiative was deemed complementary to the digital food voucher intervention.

The Solidarity Fund approved a R75 million programme budget. Subsequently, the Foreign, Commonwealth & Development Office (FCDO) committed co-funding of R25 million to the intervention, bringing the total initiative budget to R100 million. The value of the input voucher was set at R2 000, designed to enable 47 864 rural and peri-urban subsistence farmers to purchase key farming inputs. Preference was to be given to rural and women farmers.

It was estimated that at least 225 000 beneficiaries within the targeted number farmer households would stand to benefit from improved access to food.

INTERVENTION LOGIC

Subsistence-focused smallholder and household farmers faced income loss from a combination of sources as a result of COVID-19 restrictions. (These included family remittances from urban areas, and income derived from informal work.) This compromised their ability to fund ongoing farming activities and the next farming cycle.

These subsistence farmers, who are predominantly rural, play a critical role in household food security. Approximately 75% of these households engage in agriculture to provide additional or supplementary food to their household.

Supporting their ongoing ability to produce food helped to prevent such households from being pushed into a poverty trap, and provided direct access to food. In the long term, there is a potential systemic impact, as beneficiaries were not only supplied with seedlings, but also equipment that could be used in future harvest cycles.

By targeting rural subsistence farmers, the Solidarity Fund was able to support households that displayed key vulnerability indicators for the periodic experience of hunger. These indicators included large households, households with multiple young children and female-headed households. This was supported by the following StatsSA statistics:

- 20.6% of rural households have more than six family members, as compared to 10.6% of urban households;
- Nearly two-thirds of children in the poorest income quintile live in rural areas; and
- 53% of subsistence farmers are female.

Input vouchers enabled existing subsistence farmers to purchase key farming inputs, and ultimately facilitated direct access to food for their households. This modality also sought to maintain the dignity of small-scale farmers who have the desire and capability to grow food.

PROGRAMME DESIGN FRAMEWORK

The Solidarity Fund sought to design an initiative that: a) aligned with its short-term emergency mandate; b) acknowledged its limited internal capacity to execute; c) was cost effective; d) minimised potential abuses; e) supported pre-existing food production capability; and e) targeted households that are most likely to experience hunger. In order to meet these guidelines, the following programme decisions were made:



Target existing, small-scale farming activities with a strong link to household nutrition

Beneficiary identification and selection criteria were drawn up to favour farmers who are predominantly farming vegetables, maize, beans and chicken, on 0.25 ha of land or less. These activities support direct access to food, and smaller land parcels presuppose a lower demand for mechanisation and associated costs – which is appropriate for a small voucher size.

In order to target households with a greater propensity for food shortages, the criteria preferred large households (with five members or more) and households with more than two children below the age of 10. Furthermore, a deliberate bias for a rural beneficiary profile was established.

To recognise the role of women in farming and their care responsibilities, 66% of the farmers were targeted to be women.



Use technology to minimise distribution costs and create beneficial flexibilities and controls

Conventional food-security programmes aimed at farmers have historically relied on either the distribution of physical farming inputs to beneficiaries, or a paper-based voucher for beneficiaries to redeem only pre-specified farming inputs. The Solidarity Fund elected to use digital vouchers, thereby eliminating the cost of delivering physical vouchers.

An integrated beneficiary registration and vouchering solution was preferred, which reduces error in data capturing and the time associated with generating a database of beneficiaries. Beneficiary information is captured live within an Android-based application, and provides valuable mapping data through geo-location tagging. Mezzanine Ware was the preferred supplier responsible for the deployment and management of the Connected Farmer eVouchers solution, as well as key operational activities. These activities related to farmer registrations, system user training, suppliers' registration, bank verification and the on-boarding of system users who redeem vouchers, and lastly the daily payment of suppliers for vouchers redeemed.

The digital voucher has given the Solidarity Fund the ability to control what goods are purchased, and where. However, it was decided that the digital voucher design would provide beneficiaries with latitude on farming inputs available for purchase within broadly defined categories. These categories relate to inputs that facilitate the farming of vegetables, maize, beans, and poultry, and also enable farmers to purchase basic equipment and tools (in the event the farmer perceives the acquisition of capital goods to be of greater benefit).



Leverage the geographic reach and organising capacity of others

The Fund collaborated with partners who would support voucher access for targeted beneficiaries across South Africa. In keeping with the Solidarity Fund's mandate to complement government's initiatives, the Fund established partnerships with key government departments charged with national relief efforts.

The Department of Cooperative Governance and Traditional Affairs (COGTA), as well as the Department of Agriculture, Land Reform and Rural Development (DALRRD) were well placed to identify and register qualifying beneficiaries – given their role in farming and rural communities.

Since the government partners were focusing on traditional communities, it was necessary to bring on board an additional partner to secure beneficiaries in the Western Cape, in peri-urban areas, and in rural areas outside of traditional communities. The Land Network National Engagement Strategy in South Africa (LandNNES), a network of NGOs representing marginalised agricultural communities, was recommended by another programme partner – the Food and Agriculture Organisation (FAO). FAO's role was to support the programme by providing technical advice on input voucher category specifications, and to facilitate targeted agricultural extension services/farming information for voucher beneficiaries.

KEY PROCESSES AND CONTROLS

Given the largely volunteer-based and temporary status of individuals involved with overseeing the Solidarity Fund, it was necessary to a) identify a voucher service provider; b) establish a process for partners to identify beneficiaries and input suppliers; and c) establish project controls.



Process for selecting a voucher service provider

The Solidarity Fund proactively sought established service providers. The criteria that the Solidarity Fund used to assess their offering included: 1) ability to handle scale; 2) cost effectiveness; 3) comprehensiveness and flexibility of the solution (to meet the Fund's specific needs); 4) risks associated with the delivery and use of the voucher; and 5) ability of beneficiaries to use the voucher, and merchants (input suppliers) to process the voucher.

The Solidarity Fund ultimately selected Mezzanine Ware as the preferred provider, based on the above criteria.



Process for identifying beneficiaries and input suppliers

It was agreed that CoGTA would identify 45 864 beneficiaries in 882 traditional communities, across eight provinces. To avoid the complexity of determining a pro rata number of beneficiaries per traditional communities, it was agreed that each traditional community would have 52 beneficiaries. Similarly, LandNNEs would identify 2 000 beneficiaries in six provinces (outside traditional communities). A more detailed breakdown per province is provided in the table below.

These beneficiary identification partners nominated "data collectors" to register the proposed beneficiaries. DALRRD supported CoGTA by making available its provincial extension officers (600) and ex-National Rural Youth Service Corps (NARYSEC) programme participants (300) to act as data collectors.

Data collectors were trained on the use of Android-based app, and were expected to apply pre-determined selection criteria on farm size, farming activity, household size and number of children in the household. During the registration process, potential beneficiaries were also asked questions to test their commitment and approach to farming.

The final selection of beneficiaries was to be based on the extent to which they met the qualifying criteria, and whether they were registered in a compliant manner. A back-end scoring matrix was designed to facilitate the selection of beneficiaries.

It was agreed that the leadership of each traditional community and NGO would sign off on the veracity of their final list of beneficiaries before vouchers were issued.



Table 1: Number of targeted beneficiaries per province, split by beneficiary identification partner

PROVINCE	TRADITIONAL COMMUNITY BENEFICIARIES	LANDNNES BENEFICIARIES	TOTAL ESTIMATED NUMBER OF BENEFICIARIES
Eastern Cape	12 896	0	12 896
Free State	780	0	780
Gauteng	104	500	604
KwaZulu-Natal	15 808	300	16 108
Limpopo	9 776	800	10 576
Mpumalanga	3 224	50	3 274
North West	2 808	50	2 858
Northern Cape	468	0	468
Western Cape	0	300	300
TOTAL	45 864	2 000	47 864

In terms of sourcing participating input suppliers, DALRRD shared the list of the suppliers that participated in their COVID-19 Disaster Agriculture Support Fund (CDASP). LandNNES was requested to provide recommendations for input suppliers in their geographies, and the Agricultural Business Chamber of South Africa was asked to inform their members of the opportunity to participate in the programme.



Project controls

The Solidarity Fund designed controls at different stages to reduce the incidence of error and misuse. This included: authorising beneficiary identification personnel; automated cross-checking of selected registration inputs; formal signing off on final beneficiary lists by principals of the identification partners; user and product set-up protocols for input suppliers; and sales/voucher redemption reconciliations of input suppliers.

At the beneficiary-registration stage, controls consisted of:

- Checking the conformity of cellphone and ID numbers;
- Cross-checking for duplicated cellphone numbers; and
- Silent geo-location tagging to flag multiple registrations in a single location.

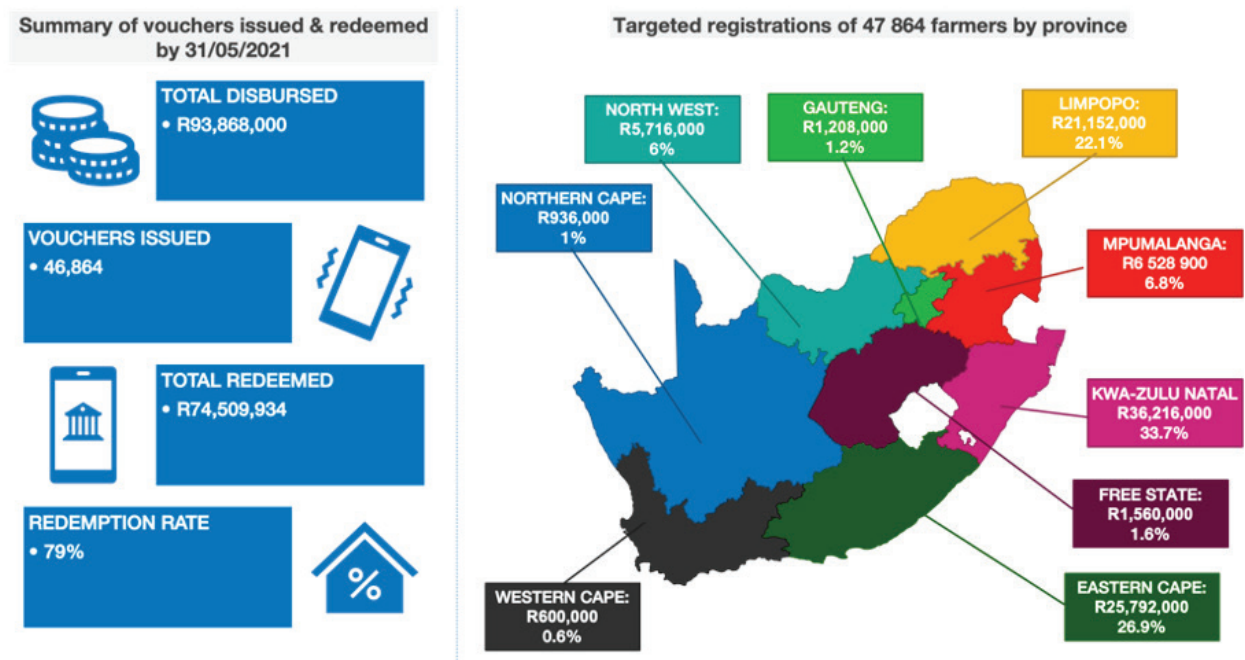
At the stage of input supplier reimbursement, suppliers were expected to provide daily electronic sales reports, which would be cross-referenced against the daily voucher redemption reports (at summary value level).



PROGRESS AT 31 MAY 2021

At a glance: disbursement data and farmer registrations

Picture 1: Disbursement data and farmer registrations by province



Farmer registration

Some 46 864 subsistence farmers across the country were registered by participating data collectors, using the Connected Farmer mobile application. The registration team consisted of Government Agricultural Extension Officers in certain communities, young community members who were part of the NARYSEC programme, and employees/volunteers of participating NPOs. Not all farmers who were registered qualified for the voucher benefit.

The qualification criteria included:

- **Farmers who are actively farming vegetables on more than half of their land;**
- **Farm size of less than 0.25 ha (smaller than one third of a soccer field, or a square plot of land of about 50m by 50m); and**
- **With five or more people living in the farmer's household, of which two or more are children younger than 10 years old.**

Explanatory notes:

- It was assumed that most farmers engage in mixed farming, i.e., vegetables or grains and poultry or livestock. The project targeted mostly vegetable farmers, but was not restricted to those who exclusively grow vegetables.
- It was understood that land is often shared. The farmer may have access to a land area exceeding 0.25 ha, or may be farming together with others on a plot of land that exceeds 0.25 ha. The farmer, however, should have primary responsibility for production on an area of 0.25 ha or less.
- Formalised farming groups did not qualify as potential beneficiaries.

The criteria listed above was taken into consideration, as well as the limitation on the total number of farmers per community and province.

Some 352 data collectors from LandNNES, Narysec and DALRRD were successfully registered on the Solidarity Fund's service provider platform and were tasked with identifying beneficiaries and uploading information via the Connected Farmer mobile application. Data collectors who participated from Narysec and LandNNES received stipends amounting to R313 500 collectively.

A total of 46 934 farmers were registered from a targeted number of 47 935. In order to reach farmer registration targets, a decision was taken to issue vouchers to excess farmers registered in traditional councils beyond the targeted 52 farmers per traditional council, and to register an additional 1 253 from a network of farmers through Siyazisiza Trust, an NGO that works to develop local small-scale and subsistence farms in rural areas in South Africa.

Table 2: Farmers registered per province at 31 March 2021

PROVINCE	TARGET NUMBER FOR DALLRD AND NHTL	NUMBER REGISTERED	PERCENTAGE
Eastern Cape	12 896	13 462	104.39%
Free State	780	823	105.51%
Gauteng	604	1 107	183%
KwaZulu-Natal	16 108	14 416	89.50%
Limpopo	10 576	10 074	95%
Mpumalanga	3 274	3 234	99%
North West	2 858	2 823	99%
Northern Cape	468	615	131%
Western Cape	371	380	102%
TOTAL	47,935	46,934	98%

Voucher distribution and redemption

The redemption process involved sending an SMS to the farmer's mobile phone with a voucher number and details of shops nearest to where they operate. The table below shows the number of R2 000 vouchers issued per farmer in all nine provinces, as well as the value of total vouchers issued and redeemed.



Table 3: Total vouchers issued and redeemed by 31 May 2021

PROVINCE	NUMBER OF R2 000 VOUCHERS SENT TO DATE (INCLUDING EXPIRED VOUCHERS)	VALUE OF VOUCHERS ISSUED TO DATE (INCLUDING EXPIRED VOUCHERS)	VALUE OF VOUCHERS REDEEMED	PERCENTAGE REDEEMED (31-05-2021)	PERCENTAGE REDEEMED (27-05-2021)
Eastern Cape	13 462	R26 924 000	17 884 021.78	66.42%	70.25%
Free State	823	R1 646 000	1 577 362.95	95.83%	94.72%
Gauteng	1 107	R2 214 000	1 046 247.78	47.26%	82.59%
KwaZulu-Natal	14 416	R28 832 000	25 008 271.68	86.74%	81.96%
Limpopo	10 074	R20 148 000	18 151 826.66	90.09%	84.51%
Mpumalanga	3 234	R6 468 000	4 879 976.16	75.45%	75.61%
North West	2 823	R5 646 000	4 286 016.92	75.91%	73.95%
Northern Cape	615	R1 230 000	1 092 410.07	88.81%	91.66%
Western Cape	380	R760 000	583 800.25	76.82%	77.32%
GRAND TOTAL	46 934	R93 868 000	R74 509 934	79.38%	79%

The table below shows the breakdown of redemptions by per gender.

Table 4: Redemption rates by gender

GENDER	NUMBER OF VOUCHERS ISSUED	NUMBER OF VOUCHERS REDEEMED	RAND VALUE OF VOUCHERS REDEEMED	PERCENTAGE
Female	29 803	24 120	R48 241 611.51	64.75%
Male	17 131	13 134	R26 268 322.74	35.25%
TOTAL	46 934	37 254	R74 509 934.25	

Input suppliers

The Solidarity Fund, via its service provider, accredited about 324 merchants to sell agricultural inputs in all nine provinces. Payment for vouchers redeemed for each business day and each outlet was paid on a daily basis (business days), four to five days after voucher redemption, depending on the cross-bank transfer time required between the respective banks (for example vouchers redeemed on a Monday were paid into the merchant account on the Friday).

Sales amounting to R74 509 934 were achieved by 31 May 2021.

Farming inputs

The following voucher categories and products were issued to farmers in exchange for vouchers:

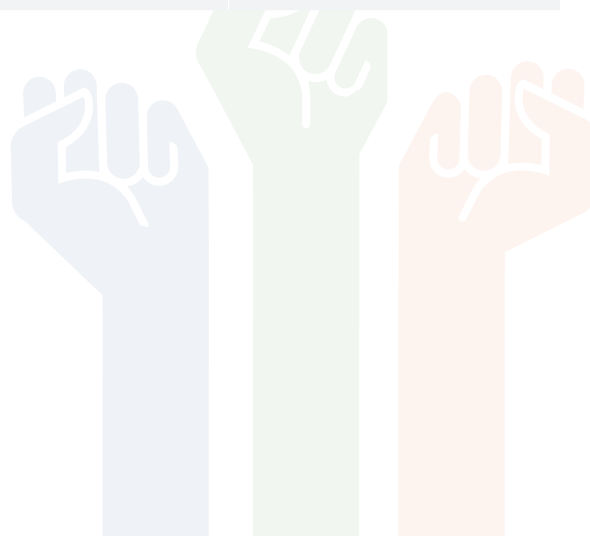
Table 5: Farming inputs categories

BASIC EQUIPMENT	<ul style="list-style-type: none"> • Wheelbarrow, hand hoe, spade, fork, rake, pick axe, garden hose and hose connectors, watering can. • Shade netting, mesh fencing, fence posts, wire, basic DIY irrigation pipes. • Water tank, water pump and associated accessories, e.g., taps and connectors. • Gumboots, overalls, gloves, goggles. • Knapsack sprayer, hand-held spray bottles.
POULTRY	<ul style="list-style-type: none"> • Chicks (pullets or juvenile cockerels) • Poultry feed • Vaccines
MAIZE AND BEANS	<ul style="list-style-type: none"> • Maize seeds • Dry bean seeds • Vegetables seeds or seedlings
OTHER INPUTS	<ul style="list-style-type: none"> • Fertiliser • Natural fertiliser (kraal manure) • Pesticides/insecticide • Fungicide • Bean inoculant

Nationally, about 135 955 inputs were purchased with Solidarity Fund farming input vouchers. The table below shows the three most purchased items per province.

Table 6: Most purchased inputs per province

PROVINCE	1 ST MOST PURCHASED	2 ND MOST PURCHASED	3 RD MOST PURCHASED
Eastern Cape	Inorganic fertiliser	Natural fertiliser (kraal manure)	Herbicide/ weed killer
Western Cape	Other seed and Seedlings	Other farming inputs	Poultry feed
Limpopo	Other farming inputs	Wheelbarrow	Chicks (pullets)
Gauteng	Poultry feed	Other farming inputs	Vegetables seeds
North West	Other farming inputs	Garden hose	Wheelbarrow
Northern Cape	Pesticides/insecticide	Wheelbarrow	Mesh fencing
Kwa-Zulu Natal	Other farming inputs	Inorganic fertiliser	Knapsack sprayer
Mpumalanga	Other farming inputs	Wheelbarrow	Poultry feed
Free State	Other farming inputs	Vegetables seeds	Garden hose



Programme outcomes

Some 46 864 vouchers were disbursed and 37 275 redeemed to small-scale farmers with an average of five household members per voucher, of whom at least two are children. The impact of the initiative can only be adequately measured after the farmers have harvested the produce from the inputs procured using the vouchers. It is anticipated that the benefiting households will be food secure, and farmers who have access to markets will also be able to sell some of the produce for income generation. The programme also played a role in the overall agriculture farming economic activity during the pandemic, as input suppliers were able to sell produce worth R74 509 934 whilst most business experienced a catastrophic impact.

07

CHALLENGES AND LESSONS LEARNT

Based on implementation experiences to date, the following have emerged as challenges and lessons in programme execution:



Prefer scoring of selection criteria over the use of qualifying criteria – qualifying criteria proved inflexible at times, especially when households did not neatly fit the profile of 5+ members and >2 children over the age of 10, or when their farming plot was slightly greater than 0.25 ha. In practice, if a farmer and their household did not meet all the qualifying criteria, they were not disqualified. In instances where more than 52 farmers were registered in a traditional community, the scoring matrix was used to determine which 52 farmers best met the selection criteria.



Streamline communication channels – the enrolment of data collectors proved to be a labour-intensive task and lengthened the timeline, with lessons learnt around priming identified data collectors with foundational information before enrolment; limiting the number of coordinating contact people per province; and waiting for a complete list of data collectors prior to their enrolment. Furthermore, better controls around sharing contact details of the helpdesk are necessary to avoid non-beneficiaries contacting the helpdesk and extraneous requests being directed to the helpdesk. The uptake of training by data collectors via YouTube videos was low, even though sufficient mobile data of 1GB was provided for viewing the training videos.



Apply project controls consistently and justify deviations – the requirement for participating input suppliers to have a point of sales (POS) system was not uniformly applied, making it difficult to determine whether vouchers in stores without a POS system were appropriately redeemed. It was anticipated that some input suppliers, who are important to the successful redemption of vouchers, would not have a POS system. In such instances, deviation was deemed to be acceptable and should be explicitly noted.



Pay greater attention to onboarding input suppliers and adapt to realised risks – an anticipated project risk was the inadequate participation of input suppliers, based on their experience of DALRRD's CDASP paper-based voucher programme. This proved true in some instances. The programme adapted by taking a demand-driven approach and by requesting beneficiaries to refer their local input suppliers to the Solidarity Fund in order to secure their participation. However, gaps still exist, resulting in beneficiaries having to travel impractically great distances to purchase their inputs.



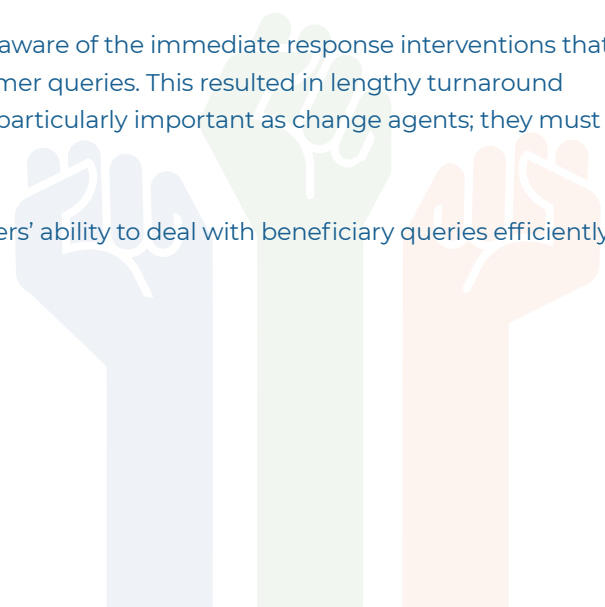
Keep abreast of new technologies for future voucher initiatives – the digital voucher used by the programme represents a parallel system for processing payments, which introduces an unnecessary technology adoption step for input suppliers. Digital vouchers and wallets are rapidly developing, and in all likelihood may replace the digital voucher used for this programme (for future programmes of this nature), assuming there is a clear view of smartphone penetration within the beneficiary group.



Slow redemption was the biggest challenge throughout project implementation, particularly in KwaZulu-Natal, the Eastern Cape and North West provinces. After consultations with delivery partners, we identified that provinces which achieved higher redemption rates had greater engagement with beneficiaries on the ground. To this end, a roadshow was conducted by representatives from SF, DALRRD and NHTL with the aim of encouraging higher redemptions, and to assess the effectiveness of the initiative in achieving its stated objectives.

This was achieved through engaging the participating input suppliers and beneficiaries alike. The field visits were especially relevant to understand the impact of the initiative by getting the views, challenges and success stories from both the implementers and beneficiaries. With remote assistance from Mezzanine Ware, the roadshow team also had an opportunity to address some challenges experienced on the ground. Slow redemption rates were attributed to the following factors:

- Farmers who are illiterate have had to rely on third parties to read e-voucher messaging and redeem vouchers. Messaging sent via the Connected Farmer Voucher platform was assumed to be spam and therefore deleted by receivers. A few farmers who are unaccustomed to the use of cellphone technology were unable use the SMS platform for reissuing their lost or deleted vouchers.
- The Solidarity Fund's service provider for the Connected Farmer Vouchers received a high volume of requests for changes in beneficiary details due to incorrectly captured beneficiary data, deceased beneficiaries and changed cellphone numbers. The service provider created a safe platform for the changes to be effected without compromising the credibility of the their process, however, additional support desk resources had to be sourced as part of dealing with increased farmer queries.
- Rural communities, mostly in the Eastern Cape and KwaZulu-Natal, lamented the lack of adequate infrastructure. Bad roads, a lack of transportation, poor telecommunications and remoteness were identified as having a negative effect on the communities' ability to access e-vouchers and input suppliers. Long distances often meant that beneficiaries had to pay something for transportation to and from input suppliers. There was a continuous effort by the Solidarity Fund's service provider to increase the number of input suppliers within each geographical area in order to improve accessibility. However, finding qualifying merchants remained a challenge.
- Another problem cited by the communities was the unavailability of preferred inputs at shops. They also indicated having to endure long hours in the queue to redeem vouchers, and in some instances, shops would close while they waited to be attended to.
- The presence of extension officers was a key factor in ensuring that the current challenges are managed on the ground. New and competing initiatives have contributed to decreased engagement with Solidarity Fund beneficiaries as extension officer focus was redirected.
- Some of the DALRRD extension officers were not aware of the immediate response interventions that could be applied on the ground for managing farmer queries. This resulted in lengthy turnaround times for resolving queries. Extension officers are particularly important as change agents; they must be fully trained and informed.
- Competing initiatives affected the extension officers' ability to deal with beneficiary queries efficiently.



The Solidarity Fund had to approve programme extensions to address these challenges and achieve a higher redemption rate. An additional resource was added to the Connected Farmer Voucher support desk, and visibility on the ground was increased by all implementing partners at DALRRD and NHTL to reach the targeted 80% redemption rate. There was a continued need during programme implementation to increase the number of input suppliers to deal with the issue of accessibility.



Other challenges – Incidences of voucher sharing and beneficiaries entrusting their vouchers to third parties for redemption and the delivery of inputs were reported.

An input supplier in Ixopo, KwaZulu-Natal, highlighted the need for their involvement in the planning phase of the programme to help inform the process for voucher redemptions at shops. The input supplier indicated the following challenges:

- Long queues due to the voucher redemption process not fully aligning to their selling processes. This affected quality of service to their regular customers whom they need to retain beyond the Solidarity Fund programme. They also had to extend their working hours to cater for beneficiaries who remained in the queue after operating hours.
- Stock shortages were experienced as a result of increased orders.

The identified challenges could be mitigated by increasing engagement with beneficiaries on the ground, however, due to directly competing initiatives (e.g. The Presidential Employment Stimulus Initiative, or PESI), DARLLD participants are thinly spread out between initiatives and cannot adequately manage issues facing Solidarity Fund beneficiaries.

The PESI initiative, which was introduced recently, identified the same input suppliers as the Fund and this has exacerbated issues of stock availability and the capacity to service the Fund's beneficiaries. Our partners at DARLLD had to be relied on to provide support through their extension officers, as mandated for the programme, but they are shared between competing initiatives.

Beneficiary identification and monitoring of the programme can be implemented by NGOs with farmers' networks. This would minimise the amount of time spent identifying and registering farmers, and furthermore, the responsibility of monitoring and assisting farmers on the ground would remain with the NGO.



Mezzanine Ware comments – The large number of stakeholders involved to put together the total programme was quite challenging, and it was time consuming to align all parties and their responsibilities. However, these stakeholders were necessary to ensure successful implementation.

Due to COVID-19, the training was conducted by sharing a YouTube video and 1GB data was supplied to the data collectors. All individuals who watched the training were able to easily instal and use the application. Yet Mezzanine Ware found that many of the data collectors did not watch the training videos. For future deployments, it is suggested that an initial introductory meeting be held with each province and their data collectors to introduce the programme, what is expected of each party, and clearly explain how and when they will receive the training material.

The on-boarding of suppliers across the country was much more challenging and complex than anticipated. The list of suppliers received from DALRRD and COGTA was not up to date, and there was missing information. Ensuring that the programme had a good footprint of trustworthy suppliers (within a reasonable distance of the farmers) and collecting their relevant information was quite a task.

Initially, there was resistance to participate in the programme, mainly due to negative experiences with earlier programmes or incentive schemes which were previously run by the public sector. The fact that payments were processed daily and that the public sector is not involved in the payments convinced most suppliers to participate.

The daily payments process that was implemented in this programme was new for Mezzanine Ware and in South Africa (similar automated payment processes are in place in Kenya, using M-Pesa). After a slow start with low redemption rates, during the 2020/2021 Christmas holiday period, the redemptions and daily payments picked up. By this time, the process was well established, with suppliers also understanding the process and reports available to assist them with bank reconciliations.

Most importantly, this programme enabled Mezzanine Ware to deliver efficient support to smallholder farmers in South Africa at a time when it is really needed in rural communities. This is something that Mezzanine Ware feels passionate about. Mezzanine Ware believes that this can be a base to build from by offering the other digital and financial services to farmers, as well as access to markets for their produce. Working with the very competent Solidarity Fund team was a real pleasure for Mezzanine Ware.

08

KEY HIGHLIGHTS

Overall redemption rate: Benefits have already accrued to the subsistence farmers and their communities as a result of the programme. A redemption rate of approximately 80% of issued vouchers was achieved, with 37 254 household (about 186 000 people) reached through the farming inputs voucher programme. A sustainable ecosystem has developed, with farmers benefitting from their purchases while addressing food security in their immediate environment through a diversity of diet, improved income and nutrition security.

Women beneficiaries: Women accounted for approximately 65% of farmers who redeemed farming inputs vouchers, with total redemptions of R48 241 611.51.

Input supplier sales: Some 324 input suppliers, ranging from well-established agri-dealers to small, medium and micro enterprises (SMMEs) have exchanged about 135 995 units of farming inputs with Solidarity Fund beneficiaries. Sales to the value of R74 509 557 were achieved. This has provided input suppliers access to a market, while allowing them to sustain their businesses economically.

Public-private partnerships: This programme demonstrated a successful model that could be referenced for future public-private partnerships in food relief. Participants from the public sector, private sector and civil society were able to collaborate effectively towards the common cause of food relief.

Participating government departments sought to assist as far as possible to achieve the greatest outcomes, and in some cases even helped by deploying resources into the community to help drive redemption numbers. Private-sector participants and civil society were also highly motivated to assist in a productive manner, and to work together in unison. The partnerships leveraged through this programme are among the assets that ensured its successful delivery.

Due to the success of the farming inputs initiative, Mezzanine Ware (the service provider contracted by Solidarity Fund), was appointed by DALRRD to roll out the PESI initiative, which “aims to sustain and increase employment in the agricultural sector” by providing some 75 000 subsistence producers with farming input vouchers as well as support food security.

Beneficiary stories

Benefits have already accrued to the small-scale farmers and communities as a result of the programme. A sustainable community ecosystem has developed, with farmers benefiting from the purchases of their crops while addressing food insecurity in their immediate environment.

Ellie Masego, a recipient from the Bojanala District in North West province said: *“This voucher and help we have received has really made a big difference, as we have been struggling. Now I am able to extend my vegetable garden so that I can improve my life and that of my community.”* Ellie said that she would use her inputs to expand her garden and improve her family’s wellbeing – and that of her community. She currently distributes her crop to four families and receives funds monthly from the community trade.

Picture 2: Farming inputs recipient, Ellie Maseko, in Bojanala, North West



Flora Mphuthi, a farmer in the Kholokoeng traditional council, Free State, sells takeaway meals from her kitchen. She uses the produce from her garden to feed her family and to use in her takeaway business.

Picture 3: Farming inputs recipient, Flora Mphuthi, in Kholokeng, Free State



Gratitude from NHTL

"The National House of Traditional and Khoisan Leadership's partnership with the Solidarity Fund is a great example of positive results that can be achieved through partnerships. It has brought back hope and confidence to our communities during the COVID-19 pandemic. The asset-based community development approach of the Farming Inputs Voucher Programme has helped reduce the dependency syndrome and uplifted our country's economy. Some lessons learnt include poor telecommunications and road infrastructure that contributed to delays in delivery – particularly to poverty stricken and remote areas. We appreciate working with the Solidarity Fund and are grateful to its donors. It has been amazing and we look forward to future partnerships." – Nkosikazi Mhlauli, Deputy Chairperson, National House of Traditional and Khoisan Leaders (Convenor for Solidarity Fund projects/programmes).



Picture 4: Farmers collecting inputs from TWK Agri in iXopo, KZN Picture 5: Farming Inputs Voucher beneficiary in Phuthaditjhaba, Free State

09

CONCLUSION AND WAY FORWARD

The first phase of the Farming Inputs Programme was a success. Vouchers to a total value of R93 868 000 were issued to 46 864 beneficiaries in need. An amount of R74 509 934 in vouchers was redeemed, reaching 37 254 beneficiaries. The programme has yielded important lessons learnt, which can help to shape the second phase and the development of other farming e-voucher disbursement platforms designed in South Africa (and globally).

The farming inputs voucher programme in partnership with DALRRD and NHTL ended on 31 May 2021. There is an amount of approximately R21 234 467 in unspent funds from the farming inputs programme. A proposal was approved by the Solidarity Fund Executive Committee to pivot unspent funds towards working with SaveAct Trust and Lingelihle Farmers Agricultural Primary Cooperative (Lingelihle) to reach their respective members in districts with low redemptions rates, and an extension of the programme until 30 September 2021 to allow for further voucher redemptions. This will become phase 2 of the farming input voucher project.

SaveAct works with the rural poor, mainly in the former homeland areas. SaveAct is an NPO that promotes financial literacy, self-managed financial services through savings groups, and sustainable livelihoods. Founded in 2005, SaveAct has worked with other NGO partners to build a programme of 100 000 members, adding approximately 10 000 members a year. Some 92% of members are women, about 40% youth, 6% disabled and the focus of SaveAct's work is on vulnerable households.

Lingelihle Farmers Agricultural Primary Cooperative Amathole District Co-op (Lingelihle) works with rural farmers in the areas of livestock and vegetable farming and supply Access to approximately 5 000 farmers and women farmers for this programme. Lingelihle has on the ground capability and capacity to follow up post-disbursement for redemptions and uptake. They are knowledgeable on input supplier and transport networks to assist farmers in accessing supplies, and have a large community network and relationship with Traditional Leaders, Herdmen in the Amathole district, Eastern Cape Province.



Farming Input beneficiaries from Limpopo and Eastern Cape.

Implementation Approach

Of the projected remaining ±R21.2 million:

- SaveAct will focus on farmers in rural KZN and Northern Cape, while Lingelihle's focus will be in the Amathole district in the Eastern Cape.
- Mezzanine Ware's contract will be extended to 30 September 2021.
- The Solidarity Fund project manager will work with both organisations to ensure that implementation proceeds as planned.
- No additional budget is required as this will fall within the current R100 million envelope.
- Solidarity Fund will work with SAVE Act and Lingelihle to ensure that their distribution lists include adequate women representation, and that members are sourced from rural communities to ensure inclusivity and reach in identified areas of low redemption.
- SaveAct and Lingelihle's service fee for the distribution of vouchers is 3% per issued voucher.

The project will be closed on 30 September 2021, whereafter a phase 2 project report will be completed and issued.