



HUMANITARIAN PILLAR II

MEZZANINE WARE FARMING INPUT VOUCHER PROJECT

Final Impact Report

| DESCRIPTION | AMOUNT ALLOCATED (EXCL. VAT) | AMOUNT DISBURSED (EXCL. VAT) | RETURNED TO SF |
|----------------|------------------------------|------------------------------|----------------|
| Mezzanine Ware | R13 405 000 | R12 944 094 | R460 906 |

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HUMANITARIAN PILLAR MANDATE - PROMOTING FOOD SECURITY

The Solidarity Fund’s Humanitarian Pillar worked to support the most vulnerable South African’s affected by the COVID-19 pandemic. A key focus for the pillar was supporting and promoting food security, working with government and civil society partners to help vulnerable households’ ability to access food. This support began with the distribution of food parcels, and then evolved to the distribution of vouchers to households most in need to purchase food and essential supplies.

To reach more rural beneficiaries and strengthen more sustainable food security, the pillar then supported the distribution of farming input vouchers to subsistence farmers, enabling them to buy the farming supplies they need to maintain and even grow their farms. This served to benefit not only individual households, but also their communities.

COVID-19 has had a sustained effect in the country, continuing to negatively impact the vulnerable in particular. The Fund sought to make a further impact on food insecurity as it started the process of mapping out its transitioning to a scaled down state. The Fund therefore decided to implement a rapid Humanitarian Pillar project focused on providing additional food relief support.

From October 2022 to February 2023 the Fund partnered with four civil society partners to implement various rapid food relief projects to support the vulnerable South Africans who face the daily struggle to afford sufficient food for themselves and their households.

This report discusses the activities and impact of the Mezzanine Ware farming input voucher project.

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MEZZANINE WARE PROJECT BACKGROUND

The Solidarity Fund partnered with Mezzanine Ware to distribute 6 000 farming input vouchers to qualifying beneficiaries in the Eastern Cape, KwaZulu-Natal, Free State and Limpopo Provinces. Beneficiaries could use the voucher, worth R2 000, at participating cooperatives and other approved suppliers to purchase agricultural products used in vegetable, maize and chicken farming. The goal was to support subsistence farmers to be able to continue to produce food for their households, and in some cases, even plant additional crops.

Making use of proven digital tools and seamless payment methods, the project ensured that identified beneficiaries received their vouchers as quickly and cost effectively as possible. The subsistence farmers, who were struggling financially due to the impact of the COVID-19 pandemic and other socio-economic challenges from the last few years, were then able to purchase the resources they needed to continue to farm. This helped them to avoid falling into poverty and allowed them to sustainably support themselves and their families, and even their communities into the future.

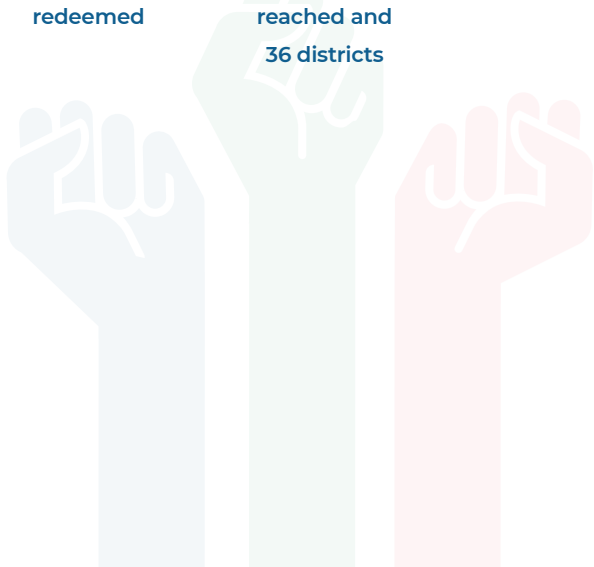
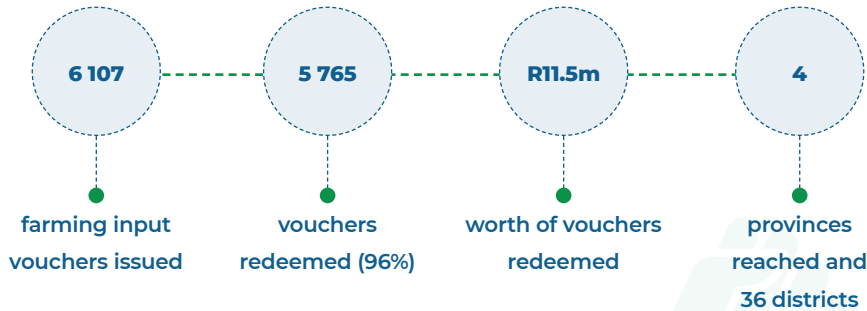
Beneficiaries

Beneficiaries were identified from the Solidarity Fund’s database of farmers who had received and redeemed vouchers during the previous two farming input voucher projects. A key factor was identifying those that redeemed the vouchers within 20 days after the vouchers were issued, due to the need to implement this project at pace. Beneficiaries from the Eastern Cape and KwaZulu-Natal were also prioritised as these provinces had greater need after suffering from the devastating floods in 2022 and civil unrest in 2021.

By providing these beneficiaries with additional support the Fund helped them to consolidate and expand their crop yields, helping to ensure food security in these hard-hit communities.

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IMPACT AT A GLANCE



MEZZANINE WARE AND PROJECT IMPLEMENTATION

The Fund partnered with Mezzanine Ware, a software company that provides digital solutions in the agriculture, health and education sectors. They have been delivering software solutions as a managed service across Africa for the past 10 years to both public and private sector customers.

The Fund had partnered with Mezzanine Ware on the previous farming input voucher projects and knew they were a reliable partner capable of supporting the rapid implementation of this humanitarian project. Their Connected Farmer eVoucher solution allowed the Fund to deliver value to beneficiaries in a cashless way, at an affordable value distribution cost.

Project implementation and support

Making use of existing suppliers, farmer beneficiaries and systems helped to implement the project rapidly. It meant that many of them were already on the system and familiar with how the voucher issuing, redemption and payment worked. Where necessary, Mezzanine Ware onboarded new suppliers to the existing database and mapped them to new farmers where possible.

Mezzanine Ware provided training and support to suppliers, system users and farmers on the system and the voucher process to ensure high redemption rates and daily payment processing to suppliers.

The team also held weekly management reporting and meetings with relevant stakeholders to identify challenges, risks and steps to resolve them, ensuring the project was rolled out quickly and efficiently and the maximum beneficiaries were reached. This included going so far as to call farmers to remind them to redeem vouchers if necessary.

PROJECT IMPACT

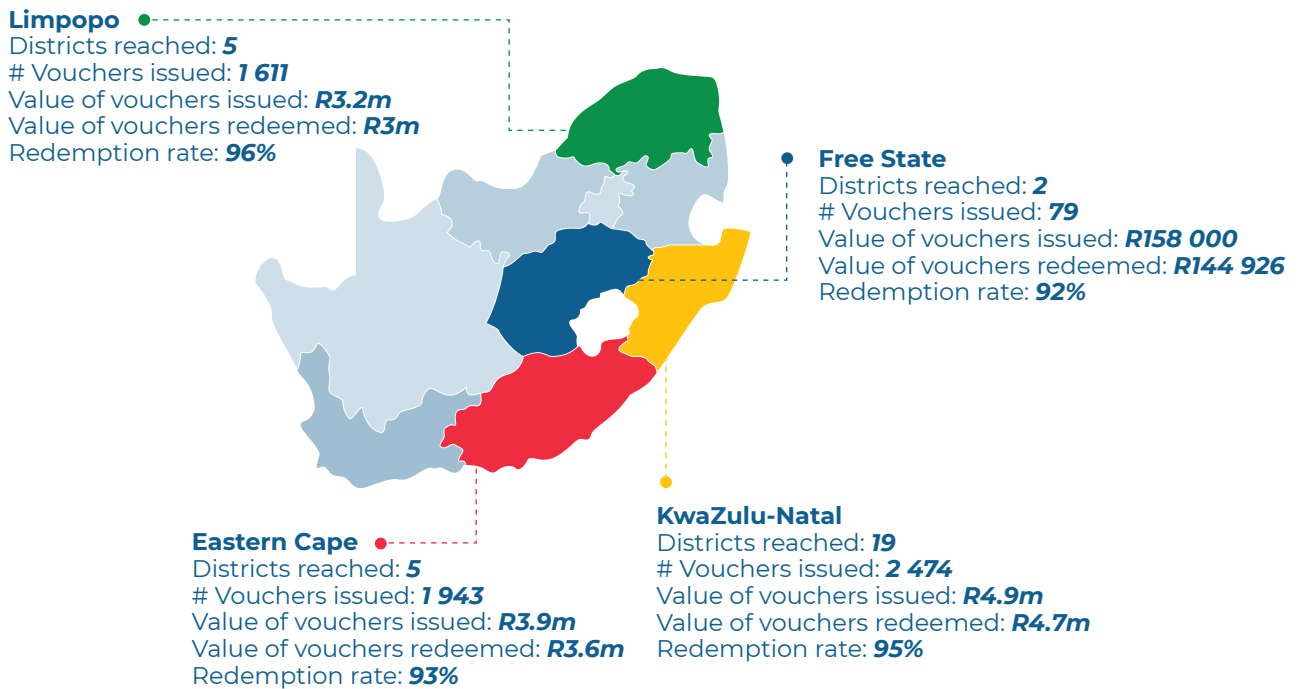
The project was successfully able to **issue 6 107 vouchers to the value of R12m** and support the **redemption of over 96%** of issued vouchers to the **value of R11.5m** in just over five months. Through this support **5 765 beneficiaries** were able to purchase the supplies they needed to maintain and even grow their small holdings.

This support has helped **to strengthen food security** not just for the beneficiary households, but their **communities** who benefit from access to food as well. Beneficiary households are also able to sell their surplus produce helping to **raise additional income for themselves**.

The project also had a **big impact for suppliers**, many of whom have also been struggling under the impact of the pandemic, **bringing in much needed business** and helping them to develop lasting relationships with new clients. This is helping to **boost the economies of small and rural communities and entrepreneurship**.

The map below shows the redemption rates, the number and value of issued and redeemed vouchers, and the number of districts reached per province.

Farming input voucher redemption rates by province
(6 107 vouchers issued, 5 765 vouchers redeemed, 96% redemption rate)



A breakdown of redemptions per district and supplier is provided in Annexure 1.

Beneficiary testimonials

“Participating in this project helped a lot because we had more sales if we include vouchers and some of the profits came out of the vouchers.”

– TWK Agri – farming input supplier

“Getting the vouchers was of a lot of help - for example fertilizer was hard to buy with my own cash because the prices had gone up. It made my life easier because I could get all the inputs I need and gave me back hope for the future.”

– Farmer who received a farming input voucher





Farmers who received the farming input vouchers purchasing their supplies

“Zama Zama Feeds are very thankful to be part of the project to assist the farmers. It was our privilege and pleasure to assist the farmers to redeem their vouchers. We did not send one farmer away for any reason and we made a plan to assist them as soon as possible. Assisting farmers with funding to help them step forward and allowing them to do something for themselves was what was great about the project. It also made Zama Zama Feeds more positive about supporting the farmers and to see them leaving our shop happy and satisfied makes us proud to be their supplier.”

– ZAMA ZAMA FEEDS Burgersfort, Limpopo

“Zama Zama Feeds explained to me the procedure [to redeem the voucher] and I was very happy with their customer service. I will return to Zama Zama Feeds and support them again because those people know how to treat customers.”

– Voucher beneficiary



Zama Zama Feeds staff assisting voucher beneficiaries

CHALLENGES AND MITIGATIONS

| RISK DESCRIPTION | MITIGATING ACTIONS |
|--|--|
| <i>Delays to redemptions as details of existing beneficiaries had changed</i> | In some cases the use of existing beneficiaries uploaded to the system during the previous projects caused challenges to the redemption process because their mobile numbers had changed, or they assumed the voucher SMS was a scam, or some had passed away or relocated, or had found jobs. However, the team contacted beneficiaries to understand why the vouchers weren't being redeemed and addressed issues as they were identified – either by assuring them that vouchers were legitimate, updating details or removing them from the list as appropriate. |
| <i>Lack of participation from local partners hampered progress</i> | This phase of the project did not work with local partners – local NGOs and the Department of Agriculture, Land Affairs and Rural Development (DALRRD), as had been done previously. This meant some stakeholders were mistrustful of the initiative and also impacted the ability to provide first line technical support to assist farmers in the field. It is crucial to involve all stakeholders during the project initiation in order to get their buy-in. Mezzanine provided all levels of support to farmers and suppliers as best they could. |
| <i>New suppliers made mistakes</i> | New suppliers made mistakes doing their first redemptions, slowing down the process and resulting in a few vouchers being redeemed incorrectly. Mezzanine Ware engaged with suppliers to double check their redemption before they submitted again, helping them to learn from their errors and minimize mistakes. |

LESSON LEARNED

- Review and approval of the farmer beneficiary list by local NGOs and DALRRD will ensure that only beneficiaries that are eligible are identified for vouchers.
- The learning curve for all stakeholders involved in the operational tasks, planning and roll out of a voucher system like this is steep. Frequent meetings and templates serve as guidelines to help stakeholders onboard quickly and implement in a timely fashion.
- Basic system setup requests, such as the requirement for each specific project phase, should be documented clearly to ensure all stakeholders understand the execution plan.
- Programme reports used weekly should be system generated reports and not manually compiled reports, which are time consuming and prone to errors.
- Where possible, client first line support teams should be used for each project phase.
- Supplier outlets should be informed of how many vouchers are available in their district to ensure proper planning, stock management and voucher redemption capacity in the outlets. This will allow them to assist farmers faster.
- Having extension officers, NGO staff and other farmers engagement support on the ground will ensure better redemption rates, especially for a new initiative.

CONCLUSION

This additional phase of the farming inputs voucher programme was designed as a crisis food relief response to alleviate the devastating impact of the COVID-19 pandemic and other tragedies that have left many South Africans struggling to feed themselves and their families. It is a cost effective programme that has proven to be extremely successful in helping to not only address food insecurity but also help to support income generation and support local economies.



**ANNEXURE 1
REDEMPTION RATE PER DISTRICT**

| PROVINCE | DISTRICT | ISSUED VOUCHERS | ISSUED VALUE | REDEEMED VALUE | REDEMPTION RATE |
|---------------|-----------------------------|-----------------|----------------------|----------------------|-----------------|
| Eastern Cape | Alfred Nzo District | 1.00 | 1,976.00 | 1,976.00 | 100 |
| Eastern Cape | Joe Gqabi District | 97.00 | 194,000.00 | 175,919.98 | 90.68 |
| KwaZulu-Natal | Mkhambathini | 3.00 | 6,000.00 | 3,999.99 | 66.67 |
| Eastern Cape | OR Tambo District | 1.00 | 1,984.50 | 1,984.50 | 100 |
| KwaZulu-Natal | uThukela District | 1.00 | 1,994.00 | 1,994.00 | 100 |
| KwaZulu-Natal | uMgungundlovu District | 376.00 | 752,000.00 | 716,883.18 | 95.33 |
| KwaZulu-Natal | Ray Nkonyeni | 2.00 | 4,000.00 | 3,999.99 | 99.98 |
| KwaZulu-Natal | Sisonke District | 21.00 | 42,000.00 | 21,999.93 | 52.38 |
| KwaZulu-Natal | Chris Hani District | 280.00 | 560,000.00 | 536,533.77 | 95.81 |
| KwaZulu-Natal | uMzinyathi District | 188.00 | 376,000.00 | 355,391.93 | 94.52 |
| Eastern Cape | OR Tambo District | 300.00 | 600,000.00 | 548,810.75 | 91.47 |
| KwaZulu-Natal | iLembe District | 158.00 | 316,000.00 | 299,662.83 | 94.83 |
| KwaZulu-Natal | Umlalazi | 3.00 | 6,000.00 | 5,746.51 | 95.78 |
| KwaZulu-Natal | uMkhanyakude District | 102.00 | 204,000.00 | 195,875.35 | 96.02 |
| Eastern Cape | Amathole District | 728.00 | 1,456,000.00 | 1,370,312.24 | 94.11 |
| KwaZulu-Natal | eThekweni Metropolitan | 46.00 | 92,000.00 | 91,780.84 | 99.76 |
| Free State | Mangaung Metropolitan | 66.00 | 132,000.00 | 119,044.48 | 90.19 |
| Limpopo | Mopani District | 299.00 | 598,000.00 | 585,895.11 | 97.98 |
| KwaZulu-Natal | Nkhosazana Dlamini Zuma | 1.00 | 2,000.00 | 1,999.99 | 100 |
| KwaZulu-Natal | Zululand district | 249.00 | 498,000.00 | 472,852.06 | 94.95 |
| Limpopo | Vhembe District | 435.00 | 870,000.00 | 836,993.49 | 96.21 |
| Limpopo | Sekhukhune District | 414.00 | 828,000.00 | 795,158.50 | 96.03 |
| KwaZulu-Natal | Ugu District | 383.00 | 766,000.00 | 717,737.59 | 93.7 |
| Eastern Cape | Buffalo City Metropolitan | 72.00 | 144,000.00 | 126,637.75 | 87.94 |
| KwaZulu-Natal | uThukela District | 176.00 | 352,000.00 | 337,670.35 | 95.93 |
| KwaZulu-Natal | uThungulu District | 1.00 | 2,000.00 | 1,977.80 | 98.89 |
| Eastern Cape | Alfred Nzo District | 464.00 | 928,000.00 | 848,925.27 | 91.48 |
| KwaZulu-Natal | Harry Gwala District | 353.00 | 706,000.00 | 681,265.46 | 96.49 |
| KwaZulu-Natal | King Cetshawyo District | 362.00 | 724,000.00 | 694,247.96 | 95.89 |
| KwaZulu-Natal | Amajuba District | 46.00 | 92,000.00 | 75,660.78 | 82.24 |
| KwaZulu-Natal | Eshowe | 1.00 | 2,000.00 | | 0 |
| KwaZulu-Natal | uMsinga | 1.00 | 2,000.00 | 2,000.00 | 100 |
| Limpopo | Capricorn District | 248.00 | 496,000.00 | 471,900.23 | 95.14 |
| Limpopo | Waterberg District | 215.00 | 430,000.00 | 405,176.56 | 94.23 |
| KwaZulu-Natal | Umdoni | 1.00 | 2,000.00 | 1,993.15 | 99.66 |
| Free State | Thabo Mofutsanyana District | 13.00 | 26,000.00 | 25,881.96 | 99.55 |
| | | 6,107.00 | 12,213,954.50 | 11,535,859.59 | 94.45% |

REDEMPTION AMOUNT PER SUPPLIER

| ACCOUNT NAME | AMOUNT REDEEMED |
|--|----------------------|
| TWK AGRI (PTY) LTD | 2,945,942.17 |
| Umtiza Farmers Corp Ltd | 1,861,949.81 |
| VKB Landbou (Pty) Ltd | 1,749,155.08 |
| Coastal Farmers Co operative | 1,331,046.05 |
| BOXER SUPERSTORES (PTY) LTD | 1,202,193.67 |
| Alzu Depots (Pty) Ltd | 468,858.54 |
| THOHOYANDOU FARM CITY (PTY) LTD | 379,716.03 |
| OVK Pty Ltd | 243,063.53 |
| ZAMA ZAMA FEEDS (PTY) LTD | 233,746.49 |
| BKB LIMITED | 218,146.75 |
| COWDENS MEDICINE CENTRE (PTY) LTD | 209,059.37 |
| Bahlakwana Animal Feeds & Farms (Pty) Ltd | 195,640.85 |
| Maplic Investments (PTY) LTD T/A Sivuyile | 81,243.01 |
| Junior Khan (Pty) Ltd | 71,974.00 |
| Bhekiswa Trading Enterprise CC | 66,489.08 |
| MAZIBUYE EMASISWENI AGRICULTURAL SUPPLIES (PTY) LTD | 36,000.00 |
| Ribo Enterprise PTY LTD | 35,961.00 |
| SHASI AGRIC CC | 32,000.00 |
| BHADANISI TRADING | 18,000.00 |
| T/A BUILD IT BOTHAS HILL & BUILD IT HILLCREST | 15,970.00 |
| DIE HUMANSDORPE LANDBOU KOOPERASIE | 15,967.06 |
| AFRICAN SEEDS GROUP (PTY) LTD | 15,888.50 |
| Dawnbreak 3 Investments CC | 12,000.00 |
| FABCO PRIMARY CO-OPERATIVE LIMITED | 11,989.00 |
| A F DU TOIT T/A BAOBAB FOODS | 10,000.00 |
| ASTOM PHARMACEUTICALS | 10,000.00 |
| THE FEED DEPOT (PTY) LTD | 10,000.00 |
| TEN THOUSAND WEIGHTS (PTY) LTD | 9,980.00 |
| CONQUA GROUP PTY LTD | 9,980.00 |
| TSS HUSSAIN PTY (LTD) | 8,000.00 |
| BUCO GIYANI AN OPERATION OF ILIAD AFRICA TRADING P/L | 7,999.10 |
| AMOS SAVE AND BUILD CC | 6,000.00 |
| BORDER AGRI (PTY) LTD | 4,000.00 |
| BB FEEDS (SOLE PROP BARNEY BRONKHORST) | 2,000.00 |
| CSP POULTRY (PTY) LTD | 2,000.00 |
| LUSA AGRIC SUPPLIES (PTY) LTD | 2,000.00 |
| Magodiri Farmers (Pty) Ltd | 2,000.00 |
| GRAND TOTAL | 11,535,859.59 |