

3. MINISTRY OF AGRICULTURE AND IRRIGATION

3.1 2001 Committee Recommendations (10, 11, & 12)

Number 10 Extension Services: Substantially increase the budget for Government extension services, and designate the budget as a Priority Poverty Expenditure.

Number 11 Access to Credit: Substantially increase the budget for support for programmes that provide credit and related services to poor farmers, and designate the same as a Priority Poverty Expenditure.

Number 12 TIP: Substantially increase the budget for the Targeted Inputs Programme (TIP), including funds to insure proper distribution and assisted delivery of extension services, and designate the same as a Priority Poverty Expenditure.

3.2 Current Status

3.2.1 To prepare for this report, the Committee consulted with the Ministry of Finance and Economic Planning, the Ministry of Agriculture and Irrigation, and the Civil Society Agriculture Network (CISANET). This civil society grouping, one of three such groups that presented information to the Committee, focuses on improved agricultural production.

3.2.2 Implementation on Access to Credit (Recommendation Number 11) has not yet begun, and, as such, the Committee was not able to analyse this Priority Poverty Expenditure. The Committee will include Access to Credit in its report next year.

3.2.3 In May 2002, CISANET presented its preliminary findings on the implementation of two of the three Priority Poverty Expenditures related to the Ministry of Agriculture and Irrigation, Extension Services and TIP (Recommendations Number 10 and 12). Their research was based on questionnaires administered to 53 Field Assistants in nine Extension Planning Areas from all three regions of the country. While their findings cannot be considered scientific, their effort represents a systematic attempt to determine what happened to the Priority Poverty Expenditures with respect to the Ministry of Agriculture and Irrigation at the grassroots.

Priority Poverty Expenditure	2000/01 Revised	2001/02 GOM	2001/02 HIPC	2001/02 Vote	2001/02 Projected to June	% Change
Extension Services	194.2	140.5	202.0	342.5	150.2	(23%)
Access to Credit	No Allocation					
TIP	180.0 ¹	160.0	0	160	196	8%

Source: Monitoring Unit of the Budget Department in the Ministry of Finance.

¹ The Special Activities Vote included K100 million to pay for arrearages in the 1999/00 StarterPak Program.

3.2.4 The original allocation for Extension Services, as reported by the monitoring unit in the Ministry of Finance, was K342.5 million. However, during the financial year, this allocation was reduced to K217.3 million, a marginal increase over last year's revised budget and projected expenditures through the end of June reduce this amount even further. Expenditures are projected to be K150.2 million. The Budget and Finance Committee considers Extension Services as one of the most important PPEs. It is surprising therefore, that this specific line item only received K150.2 million.

3.2.5 The Ministry's position is that Extension Services encompasses a much wider range of services than are found with this item alone (see discussion below).

3.2.6 The allocation for the TIP Program was projected to be smaller than the revised amount for 2000/02 but was instead increased by K36 million. It is also assumed that additional funding was available from donors.

3.3 Expected Outputs

3.3.1 The extension outputs for this financial year as reported in the Budget Document 4A are as follows:

- Develop and disseminate extension methodologies and systems to targeted groups;
- Develop and disseminate food and nutrition messages to staff and farmers for health nutrition;
- Upgrade agri-business skills for both staff and farmers to promote commercialisation of farming;
- Target extension programmes to include the participation of women; and,
- Develop print and electronic media campaigns to complement efforts by frontline staff members.

3.4 Extension Services

3.4.1 The Committee sought to review funding of extension services as one of the Priority Poverty Expenditure related to the Ministry of Agriculture and Irrigation. This task proved difficult because of the different definitions used for "extension services" by various ministries.

3.4.2 According to the Ministry of Finance and Economic Planning's Budget Document 4A, expenditures for the Ministry of Agriculture and Irrigation are broken down into seven programmatic areas² with a specific area titled "extension services." The Committee learned, however, from staff from the Ministry of Agriculture and Irrigation headquarters that activities that are considered to be extension services fall under a number of other programme areas, such as: Crop Production Support

² The seven programme areas defined in Budget Document 4A for the Ministry of Agriculture and Irrigation are: Administration and Support Services; Crop Production; Animal Production and Veterinary Services; Extension Services; Agricultural Research; Land Resources Conservation; and, Irrigation Services

Services, Land Resources Conservation and Irrigation Services. Further, field workers at the grassroots reported that everything they do outside of their offices is classified as extension services.

	Figures from the Ministry of Budget and Finance - Budget Document 4A (Revised)		Figures from headquarters Staff of the Ministry of Agriculture and Irrigation	
Extension	304.5	12.0%	742.8	70.2%
Non-Extension	2,238.3	88.0%	315.9	29.8%
Total	2,542.8		1,058.7	
<i>Source:</i> Ministry of Finance - Budget Document 4A (pages 115 and 116) and Ministry of Agriculture and Irrigation headquarters staff.				

3.4.3 Table 2 seeks to compare budget allocations for extension services from 2001/02 from Budget Document 4A with those provided by the headquarters staff of the Ministry of Agriculture and Irrigation. Using the classification from Budget Document 4A, relatively few financial resources are allocated to extension services, while the figures from the headquarters staff of the Ministry of Agriculture and Irrigation suggest just the opposite – that considerable resources are being allocated to extension services. Such discrepancies make it difficult to properly assess the commitment to this Priority Poverty Expenditure.

3.4.4 The Committee also analysed the change in relative percent funding for extension services versus non-extension services from 2000/01 to 2001/02. From this perspective, data from Budget Document 4A and Ministry of Agriculture headquarters staff is also contradictory. As demonstrated in Table ??, Budget Document 4A shows a slight increase in funding to extension services compared to non-extension services, while data from the Ministry of Agriculture and Irrigation headquarters staff shows the reverse.

	Figures from the Ministry of Budget and Finance - Budget Document 4A (Revised)			Figures from headquarters Staff of the Ministry of Agriculture and Irrigation		
	2000/01	2001/02	Change	2000/01	2001/02	Change
Extension	89.7 7.7%	304.5 12.0%	4.3%	400.3 75.1%	742.8 70.2%	(4.9%)
Non-Extension	1,079.9 92.3%	2,238.2 88.0%	(4.3%)	132.4 24.9%	315.9 29.8%	4.9%
<i>Source:</i> Budget Document 4A (pages 115 and 116) and Ministry of Agriculture and Irrigation headquarters staff.						

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3.4.5 The Committee also looked at change in funding of extension services in isolation. Here, the question became even more complex as different were figures presented to the committee from Budget Document 4A, Ministry of Agriculture and Irrigation headquarters staff and the Ministry of Finance and Economic Planning's HIPC Monitoring Unit. Table ?? provides comparative data on funding for extension services for 2000/01 and 2001/02. All of the data provided to the Committee indicates a increase in funding for extension services whether compared with the 2000/01 budget allocation or revised figure.

3.4.6 Again, concern is noted over the discrepancy between data from Budget Document 4A and that provided by the HIPC Monitoring Unit. The former shows actual expenditures for extension services being reduced from the original allocation to the revised figure. The trend is the reverse, however, when looking at the data from the HIPC Monitoring Unit.

	2000/01 Allocation	2000/01 Revised	2001/02 Allocation	% Change Allocation	% Change Revised
Budget Document 4A	155.9	89.7	304.5	95.3%	239.5%
Min. of Ag and Irrigation Hq Staff	400.3	--	742.8	85.6%	--
HIPC Monitoring Unit	108.4	200.4	342.5	216.0%	70.9%

Source: Budget Document 4A (pages 115 and 116), Ministry of Agriculture and Irrigation headquarters staff, and HIPC Monitoring Unit.

3.4.7 Table 5 provides the same information as Table 4, but with figures for 2001/02 deflated to compensate for inflation. The official deflator for government services is 1.313 and is set by the National Statistical Office (NSO). Using this data, the same trends emerge, but the Committee notes that the increase in funding for extensions services is notably lower when inflation is taken into consideration.

	2000/01 Allocation	2000/01 Revised	2001/02 Allocation Deflated	% Change Allocation	% Change form Revised
Budget Document 4A	155.9	89.7	231.9	48.7%	158.5%
Min. of Ag and Irrigation Hq Staff	400.3	--	565.7	41.3%	--
HIPC Monitoring Unit	108.4	200.4	260.9	140.7%	30.2%

Source: Budget Document 4A (pages 115 and 116), Ministry of Agriculture and Irrigation headquarters staff, and HIPC Monitoring Unit.

3.4.8 The committee also received information on projected year-end expenditures for extension services for 2001/02. These are provided in Table 1. The Committee notes with concern that while the allocation of fund for extension services increased in real terms from 2000/01 to 2001/02, these funds have not in fact been expended.

3.5 Credit Services

3.5.1 As noted, implementation on the Priority Poverty Expenditures has not yet commenced. The Committee will look at credit services with respect to the Committee's recommendations from 2001 during the 2002/03 budget cycle.

3.6 Targeted Input Program (TIP)

The Committee notes that the allocation for TIP decreased between 2000/01 and 2001/02. However, it appears that the final expenditure will increase to K196 million.

3.7 Preliminary Findings of CISANET on Extension Services and TIP

3.7.1 The Civil Society Agriculture Network (CISANET) began monitoring Government expenditures on Priority Poverty Expenditures from the Ministry of Agriculture and Irrigation using a system of on the ground surveys. Their first report, presented to the Budget and Finance Committee during public hearing organised at the Lilongwe Hotel on 6 and 7 May 2002, covered the first six months of the 2001/02 financial year. It analysed data captured from a sample of 53 field assistants, distributed among 9 Extension Planning Areas (EPAs). The survey used questionnaires scientifically prepared and tested to capture information on extension services and TIP. Data collection was conducted between January and March 2002.

3.7.2 The objective of the survey was to evaluate whether increased budget allocations to the Priority Poverty Expenditures of extension services and TIP would translate into more extension work and improved delivery of goods and services to farmers. With TIP, they were also interested in whether Government would deliver on its commitment to improve the targeting mechanism of the programme.

3.7.3 CISANET is also interested in the construction and maintenance of feeder roads but did not include questions on that Priority Poverty Expenditure (Number 19) in the questionnaire due to the fact there is very little activity in this Priority Poverty Expenditure during the rainy season. Future surveys are going to evaluate activities related to feeder roads.

3.7.4 The findings of CISANET with respect to extension services can be summarised as follows:

- ❑ When Government released the 2001/02 Budget, the intention was to fill 3,900 extension posts this financial year. The Ministry of Agriculture and Irrigation admits that this has not happened and that there are only approximately 1,400 extension posts currently filled. Based on CISANET's sample, it appears that the Ministry would need over 1,628 additional Field Assistants to provide the

most basic services to all villages. Government has indicated that it will train 1,000 more extension workers in 2002/03 – still short of the required number.

- ❑ The number of Field Assistant visits to villages in a given period of time did not increase this year as compared with last year. Given shortages of staff, 6 Field Assistants in an EPA must visit an average of 79 villages outside their assigned sections in order to cover all villages in the EPA. This is practically impossible given that the Field Assistants are unable even to fulfil their planned visits of all the villages in their section.
- ❑ 75% of Field Assistants state that they are unable to reach villages. Lack of transport is the main obstacle to service delivery. Failure to provide Travel & Transport allowances (T&T) was the principal constraint. 22% of the respondents had not received T&T in 6 months and 11% had never received T&T. At the EPA level, District Officers (D.O.) face the same problem causing them to achieve about half of their planned follow-up visits to their Field Assistants.
- ❑ Almost 50% of the Field Assistants interviewed said that, after the distribution of TIP packs, participation to all agricultural programmes dropped among farmers who did not receive TIP packs.
- ❑ There is lack of motivation for the farmers to attend training sessions when the program neither provides snacks nor a stipend allowance. Understandably, some of them travel very long distances and do not have any cash to pay for their meals.
- ❑ All the EPAs visited have land for demonstration purposes (average of 3.53 hectares). However, most of this land is not utilised because of lack of labour and inputs.
- ❑ There are a lot of vacancies for all Subject Matter Specialist positions. Of concern is the fact that there was no Irrigation Officer at the EPA level in any of the sampled EPAs.
- ❑ Most Field Assistants had work plans. However, the quality is mediocre and there is a shift from "bottom-up" planning approach to a more 'top-down' approach. Both Field Assistants and Development Officers are implementing plans drawn up at RDP level, without reference to the detailed extension needs of the EPAs and sections. This development is worrisome because it goes against the spirit of decentralisation and participatory development approaches being advocated.

3.7.5 CISANET also collected data on TIP and made the following observations:

- ❑ Nepotism seriously impedes targeting of TIP. Targeting within communities using local leaders does not work because it lacks transparency. CISANET recommends that local leaders be relieved of the responsibility for deciding which individuals receive starter packs. An alternative method should be devised in a participatory manner that includes representatives of the recipients.

- ❑ Farmers who do not receive packs get angry and overreact by not participating in extension programmes from which they could benefit. There is reduced respect among villagers for village headmen and Field Assistants resulting in social tensions and subsequent reduction in food production.
- ❑ A significant portion of the TIP packs that were distributed were incomplete.
- ❑ Political interference and reselling of inputs by the ultra-poor are some of the problems encountered.
- ❑ Field Assistants were supposed to receive a TIP bicycle and motorcycle allowances for their participation. In some cases the Field Assistants were not even aware of the existence of such an allowance. There is lack of transparency and possibility of fraud among the officers responsible for paying out this allowance.

3.8 2002 Committee Recommendations

2002 Committee Recommendation: : Substantially increase the budget for Government extension services, simplify and unify budgeting practices for extension services and assure all budget funds for extension services are expended for this purpose.

2002 Committee Recommendation: : Substantially increase the budget for support for programmes that provide credit and related services to poor farmers, and designate the same as a Priority Poverty Expenditure.

2002 Committee Recommendation: : Substantially increase the budget for the Targeted Inputs Programme (TIP), including funds to insure proper distribution and assisted delivery of extension services, and improve transparency and accountability of TIP.