

AGRA Impact Series

Revised Electronic Voucher System Brings Transparency to Agricultural Subsidy Programme

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An electronic voucher (e-voucher) system for subsidized agricultural inputs in Burkina Faso has yielded positive results and is now ready for full adoption. The pilot program, supported by the Alliance for a Green Revolution in Africa (AGRA), was initiated by the Ministry of Agriculture and Hydro-agricultural Development (MAAH) to drive the usage of fertilizer and other modern farm inputs in the West African country.

The trial, which was rolled out for the 2020 - 2021 crop year, was supported by 800 mobile devices supplied by AGRA to input distribution outlets. All financing was provided by the State of Burkina Faso, and the implementation was mainly by officials of the Ministry in Charge of Agriculture.

In the system, farmers received e-vouchers in the form of a telephone message containing a special code that allowed them to access subsidized inputs and equipment at specific outlets. This helped eliminate the incidence of fraud within the distribution system.

Jean Paul Pedame, a farmer in the Municipality of Léo, lauded the e-voucher system, which he describes as transparent.

His sentiments were shared by Joseph Bonkian

from the Municipality of Koumbia, who said, "there is nothing hidden, everything is clear to everyone."

The roll-out of the e-voucher system is envisaged to help Burkina Faso meet the targets of the Abuja Declaration on Fertilizers for an African Green Revolution. The Declaration was made in 2006 as a commitment to increase the level of fertilizer use from an annual average of 8kg of nutrients per hectare to at least 50kg per hectare by 2015.

Burkina Faso farmers currently apply 21.8kg of fertilizer per hectare, according to World Bank data, which is far below the target set by African Heads of State and Government at the Abuja summit. This is despite the Burkinabe government running an inputs subsidy programme since 2008.

Among the challenges limiting the uptake of important farm inputs in the initial subsidy plan were supply chain inefficiencies including delayed delivery of inputs and late payment of suppliers. This was besides the involvement of public bodies in the purchase and distribution of inputs, compromising the efficiency of distribution and marketing.

In addition, inconsistencies in the delivery of the subsidized inputs and a failure to reach remote areas, which resulted in high acquisition costs for farmers were common. Likewise, the targeting system was poorly structured and was constantly disregarded by beneficiary identification committees.

In view of these shortcomings, AGRA set out to support the MAAH through the roll-out of the e-voucher system, which was part of the proposal of major reforms aimed at achieving a streamlined subsidy mechanism.

Together with the German cooperation Gesellschaft für Internationale Zusammenarbeit/ Programme Développement de l'Agriculture (GIZ/PDA), in 2018, AGRA conducted a critical review of the existing subsidy program before recruiting consultancy support for piloting the e-voucher system.

A technical team comprising experts from the Department in Charge of Agriculture was also convened to create a provisional version of the implementation mechanism, targeting approach and electronic workflow of the trial system.

"A global process of reviewing the efficacy of the new subsidy programme was created

involving all actors under the leadership of the government," said Fofana Lamine, an expert involved in the project.

Although a few difficulties were recorded as the system was rolled out, they were corrected in a revised subsidy mechanism that is now accompanied by a roadmap around which a synergy of action can be created.

Subsequently, various strategic partners have trialled the e-voucher system leading the World Bank to initiate targeted budget support, as confirmed by Ernest Ruzindaza, an economist at the World Bank's office in Burkina Faso.

