



ANTI-CORRUPTION BUREAU

REPORT ON 2022/23 AFFORDABLE INPUTS PROGRAM

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ACRONYMS

ACB	Anti-Corruption Bureau
AEDC	Agriculture Extension Development Coordinator
AEDO	Agriculture Extension Development Officer
AIP	Affordable Inputs Program
EPA	Extension Planning Area
MP	Member of Parliament
NID	National Identity Card
SFFRFM	Smallholder Farmers Fertilizer Revolving Fund of Malawi

EXECUTIVE SUMMARY

The Malawi Government launched the 2022/23 AIP on 19th November 2022 at Maonde Primary School ground in Dedza District. The goal of the AIP is to attain food security at household and national levels and increase economic wellbeing through increased access to improved farm inputs by smallholder farming households in Malawi.

The Anti-Corruption Bureau (ACB) conducted beneficiary verification, public awareness and sensitizations, monitoring exercises at various selling points as well as investigation and prosecution of AIP related cases. The objectives of the exercises were to deter corrupt behaviours amongst stakeholders involved in the AIP, increase levels of awareness on corruption and other malpractices, ensure compliance with the program's laid down procedures and guidelines by all stakeholders and lastly to investigate and prosecute AIP corruption related cases.

The ACB conducted beneficiary verification, public awareness and sensitizations in 13 districts in September and October 2022. The monitoring exercise was conducted in 396 selling points covering 219 EPAs across Malawi. Having raised the awareness as well as conducting the spot-checks, the ACB received 191 AIP corruption allegations bordering on bribery, extortion, fraud, and embezzlement which were all handled and necessary actions were taken.

The ACB observed several issues. Among others, the redemption rate was 78.3 percent, Ministry of Agriculture used the advance payment system, some beneficiaries paid for the inputs in advance but never accessed them, SFFRFM provided mobile vending markets which helped in bringing the inputs closer to the farmers, logistical problems choked the program, intermittent network connectivity, intermittent supply of inputs, selling of inputs to vendors by both the beneficiaries and at selling points, late delivery of inputs as well as missing of inputs in some beneficiaries' National Identity Cards (NIDs), late commencement of the program, congestion in most selling points, lack of adherence to procedure, corrupt salesclerks and stakeholders, information gap among beneficiaries regarding the program, existence of ghost clubs and beneficiaries "selling" of NIDs to vendors.

The ACB recommends several actions points to be undertaken by the Ministry of Agriculture as well as other stake holders to improve the effectiveness of the program. Among others, the Ministry of Agriculture should not use the advance payment system and it should always use the "pay and collect" system instead, ensure that AIP procurement process is timely done, ensure that all stakeholders and the public are aware of the ills of corruption and are empowered to detect, reject and report corruption for the successful implementation of the AIP.

1.0 INTRODUCTION

- 1.1 The Anti-Corruption Bureau (ACB) is a government department established by law under Section 4 of the Corrupt Practices Act (CPA) to spearhead the fight against corruption in the country.
- 1.2 The ACB is mandated under Section 10 of the CPA to disseminate information on the evil and dangerous effects of corrupt practices on society; take necessary measures for the prevention of corruption; receive complaints, reports or other information of any alleged or suspected corrupt practice or offence; investigate any alleged complaint, or report; and to prosecute any offence under the CPA.
- 1.3 Pursuant to this mandate, the ACB participated in the implementation of the 2022/23 Affordable Inputs Program (AIP).
- 1.4 This report highlights the various activities that the ACB undertook during the implementation of the AIP, observations, findings and recommendations. This will form a basis for further improvement in the implementation of the program.

2.0 BACKGROUND

- 2.1 The Government of Malawi introduced AIP whose implementation commenced in July 2020. The program concentrates on supplying fertilizer, cereal seed (maize, rice, sorghum) and livestock (Goats) to all smallholder farmers (farming households) registered as beneficiaries in the Ministry of Agriculture database.
- 2.2 The goal of the program is to attain food security at household and national levels and increase economic wellbeing through increased access to improved farm inputs by smallholder farming households in Malawi.

- 2.3 The objective of AIP is to increase smallholder farmers' access to improved agricultural farm inputs which will in turn lead to increased agricultural (i.e. cereal crop and goat) productivity, and increased household income through sales of surplus produce.
- 2.4 For effective implementation of the program, a National Task Force Committee was established. The committee is composed of various stakeholders to monitor implementation of the program at national level. The ACB was one of the members of the Task Force.

3.0 PROGRAM DESIGN

- 3.1 The 2022/23 AIP targeted 2,500,000 beneficiary households. Out of the 2,500,000 farming households, 2,470,000 were earmarked for fertilizer and cereal seed while the remaining 30,000 farming households from Chikwawa, Nsanje, Balaka and Rumphi were to receive goats.
- 3.2 The program planned to provide 250,000 metric tonnes (MT) of fertilizer (125,000 MT Urea and 125,000 MT of NPK – 23:10:5+6S+1.0Zn) and a maximum of 12,500 MT of cereal seed. The package per farmer was as follows:
- A 50kg bag of UREA
 - A 50kg bag of NPK (23:10:5+6S+1.0Zn)
 - 5kg of cereal seed (either Maize hybrid or Maize OPV or Rice or Sorghum)
- 3.3 The beneficiary contribution for a 50 kg bag of NPK or Urea fertilizer was MK15,000.00. Government was subsidizing with MK40,000 for each bag accessed. On cereal seed, Government was paying MK5,000 for each 5kg cereal seed pack accessed by a beneficiary. Consequently, a beneficiary was expected to top up the difference between the market price of seed pack and Government contribution. On livestock, Government was contributing MK25,000 per goat and farmer contribution was MK15,000 per goat.

The Government of Malawi allocated **MK 109 billion** in the national budget to AIP.

3.4 AIP beneficiaries were selected using a set criterion as highlighted below:

- Only one household member per chosen farming household.
- Farming household that benefited from other programs like Social Cash Transfer, Climate Smart Public Works Program and other Agriculture programs that issue out inputs like AIP were not eligible.
- Should have a field not less than 0.4 hectares.
- Farming households that have not been selling their entitlements (inputs or NIDs).
- Should belong to a farmer organization.

In areas that were selecting livestock beneficiaries, the following criterion was used:

- Household with an interest in goat production.
- A household that does not own livestock except for poultry.
- Willing and able to construct *khola*.
- Willing to work in a group.
- Willing to participate in training sessions.
- Able to have or source cash to purchase the goats.
- 60% of the AIP livestock farmers to be female headed households.

4.0 OBJECTIVES

The ACB had the following objectives:

1. To deter corrupt behaviours amongst stakeholders involved in the AIP by enhancing transparency and accountability.
2. Increase levels of awareness on corruption and other malpractices.
3. Ensure compliance with the program's laid down procedures and guidelines by all stakeholders.
4. Investigate and prosecute AIP corruption related cases.

5.0 SCOPE OF WORK

The ACB carried out various activities with its own funding whereas the Ministry of Agriculture funded beneficiary verification and sensitizations exercises.

5.1 Beneficiary verification

- 5.1.1 The ACB carried out a verification exercise for beneficiaries in September and October 2022.
- 5.1.2 The verification exercise covered Lilongwe, Dowa, Mchinji, Salima, Dedza, Mulanje, Mwanza, Thyolo, Blantyre, Phalombe, Machinga, Balaka, Rumphi, and Mzimba Districts.
- 5.1.3 The aim of the exercise was to ensure that the selected beneficiaries were eligible and that guidelines were complied with in the selection process.



ACB official conducting Focus Group Discussion with one of the clubs during beneficiary verification exercise in Mchinji District



ACB official verifying beneficiaries of club members with communities in Thyolo District



ACB official verifying with beneficiaries in Chikwawa District

5.2 Public awareness and sensitizations

- 5.2.1 The ACB conducted anti-corruption awareness and sensitization sessions in September and October 2022. The ACB took advantage of the AIP registration process, where Agriculture Extension Officers were gathering people in their respective villages for the exercise.
- 5.2.2 The awareness sessions covered Lilongwe, Mulanje, Phalombe, Zomba and Balaka districts.
- 5.2.3 The sessions were aimed at raising awareness on corrupt practices related to the program and ways of reporting corrupt practices to the Bureau during the implementation of the program and beyond.



ACB official sensitizing people during AIP Beneficiary Registration exercise at Chipchwanya Village, T/A Chiseka in Lilongwe.



ACB official sensitizing beneficiaries on corruption issues at Lujeri Primary School in Mulanje during verification of beneficiaries.

5.3 Monitoring exercises at various selling points

- 5.3.1 The ACB conducted monitoring exercises and spot-checks at various designated depots as well as mobile selling points.
- 5.3.2 The purposes of this activity were to ensure that all laid down procedures for the program were followed; enhance transparency and accountability; and ensure that beneficiaries were redeeming affordable inputs at the government recommended prices.
- 5.3.3 During the monitoring exercise, ACB also conducted sensitization sessions to beneficiaries where various anti-corruption Information, education and communication (IEC) materials were distributed.
- 5.3.4 The ACB visited 219 Extension Planning Areas where there were 396 selling points between November 2022 and February 2023.



ACB official addressing beneficiaries at a mobile selling point at Santhe in Kasungu

5.4 Investigation and Prosecution of AIP corruption related cases

5.4.1 The ACB received various AIP related allegations between September 2022 and January 2023. The allegations bordered on:

- a) Bribery: sellers demanding bribes from beneficiaries for them to access the inputs.
- b) Extortion: Sellers demanding more than the gazetted price of inputs.
- c) Fraud: Vendors posing as beneficiaries, people using others' NIDs.

d) Embezzlement: Theft of AIP fertilizer by those entrusted with their safe custody and management.

e) Other malpractices causing chaos at selling points.

5.4.2 The ACB had a rapid response team to respond to AIP allegations contemporaneously. All allegations received were acted on as shown in table 1 below. Investigations were carried out on reported issues and once corruption was ascertained to have taken place these cases were further prosecuted. The ACB partnered with Malawi Police Service in a number of these cases both in investigations and prosecution.

5.4.3 In instances where it was established that the allegations could be sorted administratively, the ACB restored order and allowed the beneficiaries to continue accessing the inputs without disruption.

ITEM	NUMBER	REMARKS
Complaints received	191	
Complaints investigated	25	Out of these, some complaints were recommended for prosecution and others for closure.
Complaints referred to other institutions	11	The issues reported could be best handled by other institutions.
Complaints where no action was taken due to lack of merit	49	The ACB reviewed the complaints and established that there was no element of corruption.
Complaints where a system review was done by the Bureau	99	Systems were reviewed and order was restored in selling points across the country.
Complaints where administrative action was taken by relevant authorities	6	Ministry of Agriculture and SFFRFM provided administrative redress on their officials.
Complaints Recommended for closure	7	This was upon investigations, where it was established that there were no issues.
Cases Recommended for prosecution	6	
Arrests	10	The ACB arrested people in Mchinji, Dowa, Zomba, Mangochi and Dedza. The people arrested range from Traditional Chiefs, villagers, agriculture officials and officials from SFFRFM
Cases in court	3	In progress. Out of these, one case has been completed and the court convicted the suspect.

Table 1: Statistics on complaints received and cases investigated by the ACB.

6.0 METHODOLOGY

The ACB used the following techniques in acquiring data from the beneficiaries and key informants during the beneficiary verification exercise and monitoring of AIP redemption:

6.1 Focus Group Discussions

6.1.1 Focus Group Discussion (FGD) is a qualitative research method that involves a group of people discussing a particular topic or issue under the guidance of a facilitator. The ACB used this approach to gain an in-depth understanding of people's opinions and experiences.

6.1.2 Using the FGDs, the ACB conducted an open beneficiary verification exercise where beneficiaries were identified by fellow club members. During the discussions, members highlighted the process used to identify the beneficiaries.

6.2 Key Informant Interviews

6.2.1 Key Informant Interviews (KIIs) involve one-on-one interviews with individuals who have specialized knowledge or experience in a particular field or topic.

6.2.2 The ACB interviewed several stakeholders involved in the process such as Agriculture Extension Officers, SFFRFM officers, Traditional Leaders, and Members of Parliament.

6.3 Interviews with beneficiaries

6.3.1 The ACB conducted interviews with beneficiaries to gather information regarding the program.

6.3.2 The interviews involved asking the beneficiaries the modalities of redemption, accessibility of inputs, challenges, market-place orderliness, and any corruption or unethical practices.

6.4 Observations

The ACB used both overt and covert observations during the AIP redemption monitoring exercise.

6.4.1 Overt observation was used where ACB officers were openly observing the activities at a selling point.

6.4.2 Covert observation was used where ACB officers went undercover to observe the activities at a selling point. This helped ACB to uncover the truth in centers where there were reports of malpractices.

6.5 Data Collection Methods

The ACB used the following data collection methods:

- i. Questionnaires: A semi structured questionnaire was used in collecting data using mobile gadgets (CAPI) during the exercise.
- ii. Interview guide: Used during FGDs and KIIs.

7.0 COVERAGE

7.1 From October 2022 to February 2023, the ACB conducted beneficiary verification, monitoring and sensitization in 25 districts. Using 'Kobo Collect Data Collection Application', the ACB recorded the location every point visited as shown in the map below:

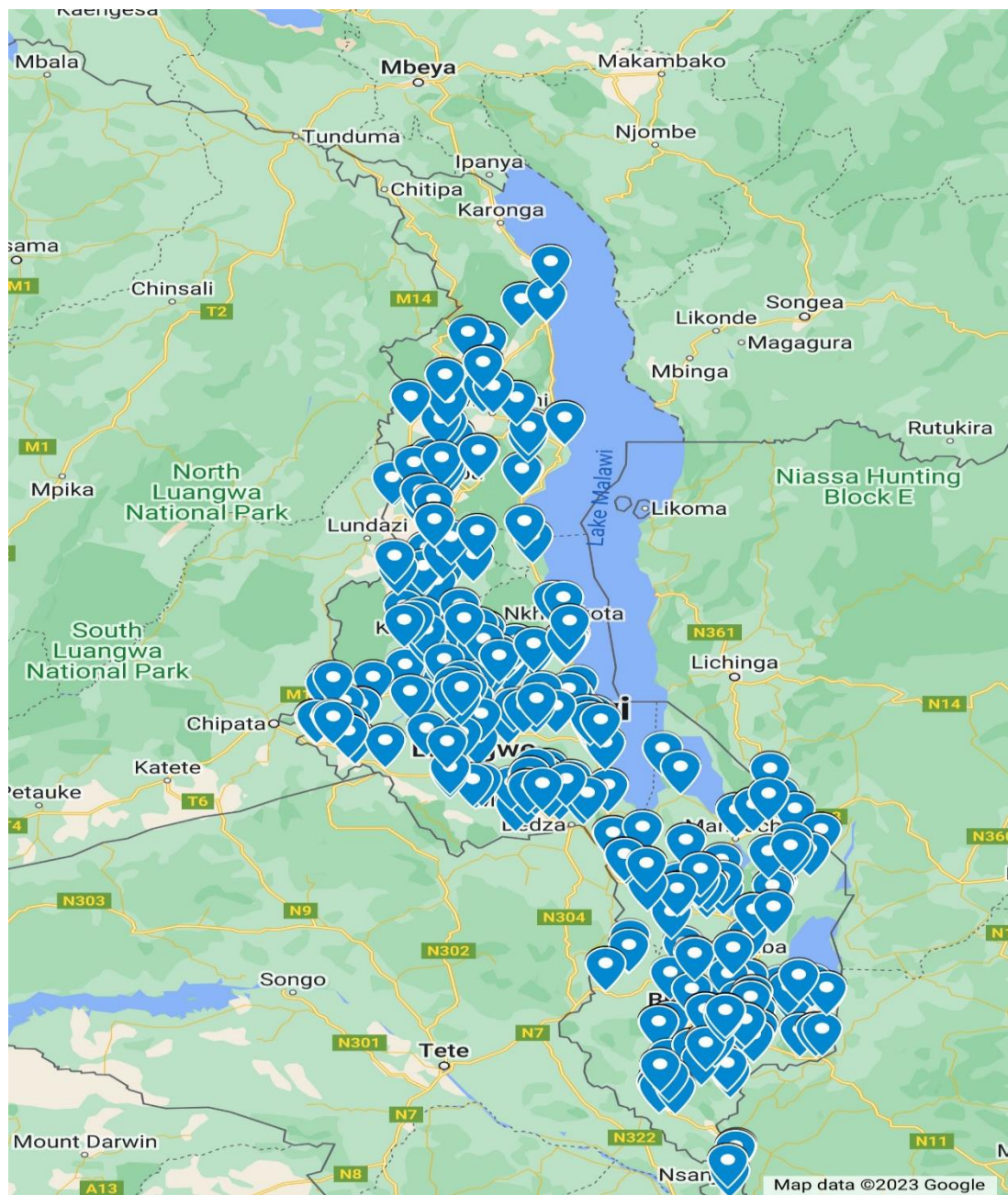


Figure 1: Map showing pinned locations of centers visited by ACB.

7.2 The ACB visited 396 selling points and some of these centers were visited several times within the monitoring period. Southern Region centers were visited many times by the ACB because of unavailability of inputs. In this regard, the ACB officers had to return to monitor the redemption of the inputs as shown below:

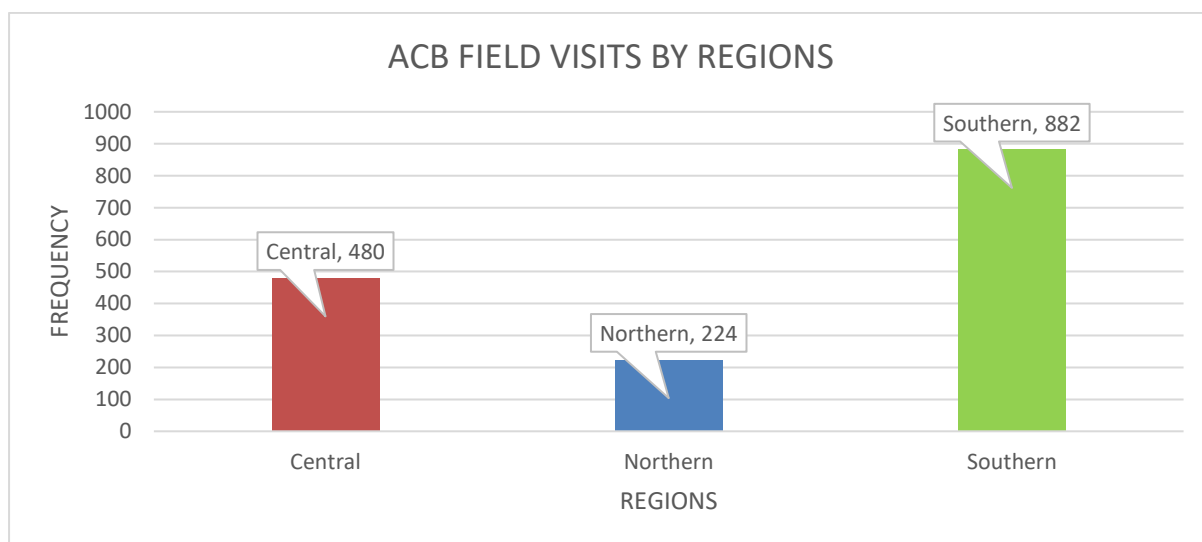


Figure 2: The graph showing the frequency of the visits by the ACB.

8.0 KEY OBSERVATIONS AND FINDINGS

8.1 Observations during beneficiary verification

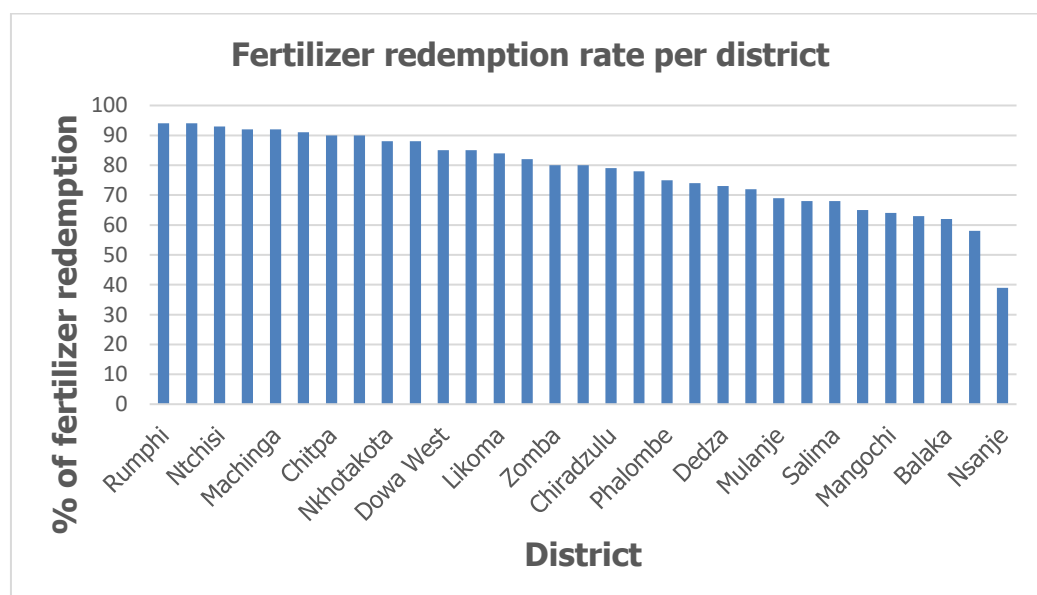
- 8.1.1 Most communities had knowledge gap in the way the program would be carried out.
- 8.1.2 Some government employees' spouses were being registered as beneficiaries.
- 8.1.3 Identification and registration of beneficiaries followed the set guidelines for AIP in most places with the exception of few areas.
- 8.1.4 Most clubs had over 20 people but not all were selected as beneficiaries. This caused chaos in some areas as people thought they had been left out on purpose. This also led to some corrupt practices by some chiefs as well as AEDOs/AEDCs by demanding money and other things from people for them to be considered as beneficiaries.

- 8.1.5 Creation of “ghost” clubs by some Traditional Leaders in conjunction with AEDOs.
- 8.1.6 Community leaders attempted to use both their names and those of their spouses as beneficiaries.

8.2 Observations and findings on input redemption

8.2.1 Redeemed Inputs

From the data that the ACB collected from the Ministry of Agriculture, overall, 78.3 percent of beneficiaries redeemed their inputs. This was basically due to unavailability of fertilizer in many selling points across the country. The detailed fertilizer redemption rate was as follows: NPK- 83.9 percent and Urea 72.7 percent. The ACB observed that Northern Region had a high redemption rate of 89.4 percent, followed by Central Region with a redemption rate of 80.7 percent while Southern and Eastern Regions had a combined percentage of 69.3. The highest redemption rate per district was in Rumphi and Dowa East with 94 percent while the lowest was Nsanje with 39 percent.



Fertilizer redemption rate (source: Ministry of Agriculture)

8.2.2 Use of clubs

During the 2022/23 farming season, government introduced the use of clubs in accessing farm inputs. Clubs were formed prior to the identification of beneficiaries. In most areas inputs were being accessed using clubs or villages. The figure below shows the frequency of the beneficiaries' response on the mode of redemption.

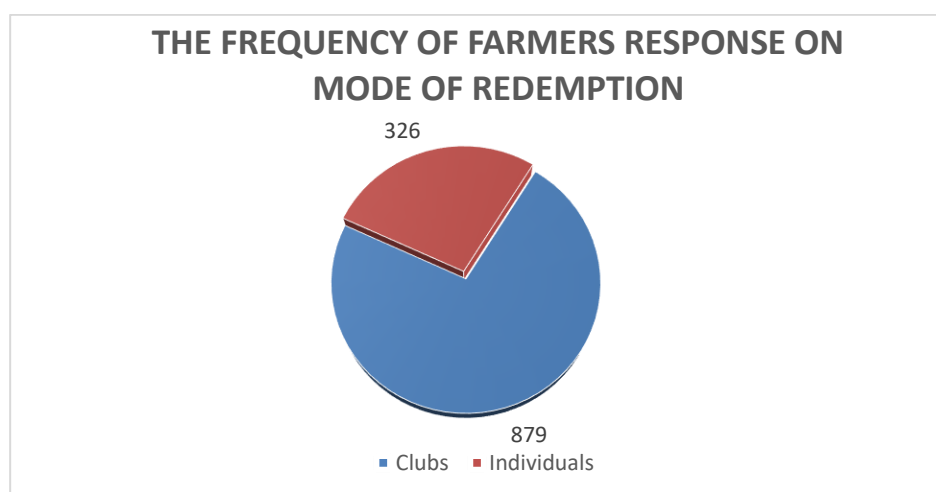


Figure 3: The Frequency of farmers response on mode of redemption

8.2.3 Presence of key stakeholders vis-à-vis orderliness

In almost all the selling points monitored by the ACB, there was presence of key stakeholders such as Anti-Corruption Clubs, chiefs, community policing members, members of Village Development Committees (VDCs) and Malawi Police Service officers. These ensured order and sanity during the purchase of the inputs. However, in some instances some of these stakeholders were perpetrators of some of the malpractices like aiding vendors to access the inputs.

8.2.4 Market Set-up System

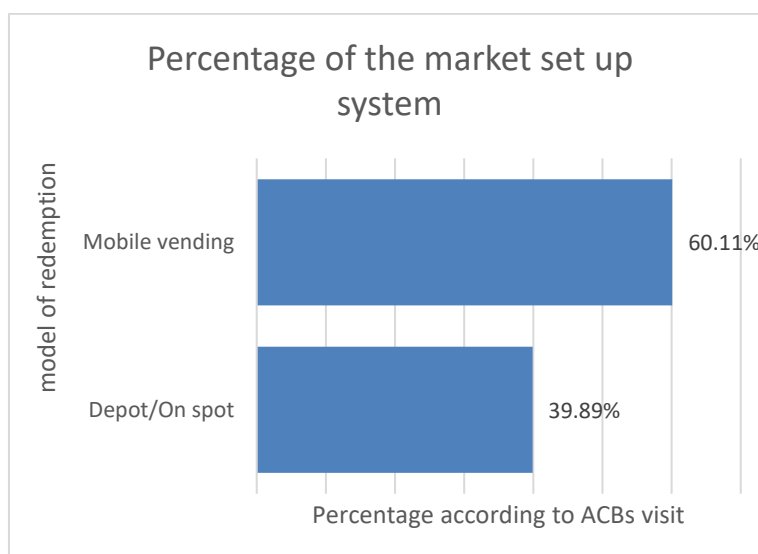
In the 2022/23 farming season, market (selling points) set up system was done in two-fold:

8.2.4.1 Mobile vending: The Ministry of Agriculture introduced mobile vending system, where SFFRFM would take inputs to the beneficiaries' villages, for easy access. This helped to bring the commodities closer to the people.



Beneficiaries accessing inputs through mobile vending.

8.2.4.2 Designated Selling Depots: The Designated Selling Depots were far apart.



8.2.5 Availability of inputs

Most centers visited by the ACB were only stocked with NPK. In addition, there was erratic supply of fertilizer in most centers. Consequently, in areas like Chikwawa District they resorted to access the same NPK twice as they had no hope of receiving UREA due to season time lapse.

8.2.6 Late commencement of AIP

The ACB noted that the launch of the program was delayed. In addition to that, the markets took time to be opened which caused panic among beneficiaries.

8.2.7 Use of National Identity cards

Beneficiaries were accessing inputs using NIDs. In some cases, some Identity Cards were not found with the rightful owners which was a red flag.

8.2.8 Logistics

The ACB noted that there were no proper arrangements by SFFRFM on how the inputs were to be delivered to the selling points. This brought challenges to bring the commodity to the beneficiaries and in some cases, where the inputs had been delivered, beneficiaries were asked to contribute money for offloading and security for the inputs. This also created an opportunity for corrupt tendencies.

8.2.9 Involvement of Members of Parliament

ACB noted that there was active involvement of MPs in this year's AIP. Most MPs provided transport for the inputs to their respective constituencies. This helped to promote accessibility of the inputs in some hard-to-reach areas.

8.2.10 Condition of fertilizer

The inputs that were observed in selling points were mostly in good condition. The bags were of the required quantity and good quality. Not many farmers complained of being sold fake or tampered-with fertilizer.

8.3 Observation and findings on goats' redemption

The ACB during the monitoring exercise, the ACB found that no goat had been redeemed.

9.0 CHALLENGES OBSERVED IN THE PROGRAM

The following are the challenges that were observed:

9.1 **Intermittent supply of fertilizer**

There was intermittent supply of fertilizer in most selling points. In most cases, there was only one type of fertilizer commonly NPK. The scarcity of Urea greatly affected beneficiaries since they failed to apply the commodity because maize had already started tasselling.

9.2 **Late delivery of inputs**

There was late delivery of inputs in some areas due to logistical challenges which made beneficiaries not to access inputs in good time for them to use in the field. The late delivery made some beneficiaries 'sell' their NIDs to vendors because they had no hope of buying the inputs.

9.3 **Selling of fertilizer to vendors**

Some salesclerks were prioritising selling the fertilizer to vendors. In these cases, the vendors paid the beneficiaries an agreed amount of money to access their NIDs. Thereafter they were conniving with salesclerks to redeem fertilizer using the NIDs.

9.4 **Intermittent network connectivity**

This was a problem in some selling points more especially the first four weeks of implementation. In some cases, the beneficiaries spent nights at the selling places waiting for the network to be restored. This created pressure on the part of the beneficiaries and some salesclerks took advantage of the situation to demand money from beneficiaries to be prioritized when the network is restored.

9.5 **Missing of inputs in NIDs**

Some beneficiaries could not find inputs in their NIDs. There were cases where some beneficiaries who had redeemed one type of fertilizer could not access the remaining type of fertilizer after being told that they had already redeemed the inputs.

9.6 **Corrupt salesclerks**

Some salesclerks were demanding extra money from farmers to sell them inputs. This malpractice was forcing some farmers to pay more than the recommended government set price. In some cases, some farmers who had no extra money to pay were failing to redeem the inputs. In such cases the ACB was going to such reported places to monitor the whole selling process to ensure that beneficiaries were buying the inputs at the recommended price. In instances where it was substantiated that a corrupt practice indeed took place, arrests were made as shown in table 1.

9.7 **Congestion in selling points.**

There was congestion in some selling points which mostly affected women and the elderly. The following are some of the factors that made some selling points congested:

- i. Use of one fertilizer supplier
- ii. Shortage of selling staff
- iii. Intermittent network connectivity
- iv. Distant selling points



Picture of beneficiaries congested at Mvera in Dowa District



ACB officials addressing beneficiaries after a commotion due to congestion in Salima District

9.8 Involvement of Members of Parliament

In some areas the involvement of Members of Parliament (MPs) created problems especially following the new demarcation of constituencies. Some MPs concentrated in their constituencies only and ignored the new constituencies that will be under another MP in the next election.

9.9 Advance payment

The Ministry of Agriculture introduced an advance payment system where beneficiaries paid the money for fertilizer in advance and collected the fertilizer later. The system worked to a certain extent. However, there are some beneficiaries who paid but did not get the fertilizer.

9.10 Inadequate receipts

The salesclerks had no adequate receipts to issue to each beneficiary and as such one receipt was issued for many people. This created problems when collecting fertilizer because in some instances the receipt would have gotten lost.

9.11 **Use of mobile vending**

The mobile vending system in some areas was not properly done. The ACB found that there was no proper arrangement in terms of when the vehicle would come to sell the fertilizer. This led to failure of some beneficiaries to access the fertilizer.

10.0 RECOMMENDATIONS

The ACB recommends the following:

- 10.1 Ministry of Agriculture should ensure that selling points are properly stocked.
- 10.2 The Ministry of Agriculture should not use the advance payment system instead it should always use the “pay and collect” system.
- 10.3 Ministry of Agriculture should make sure that AIP markets are not very far apart to reduce congestion and ease access of the inputs.
- 10.4 The Ministry of Agriculture should ensure that AIP procurement process is timely done and that the program commences in good time.
- 10.5 The Ministry of Agriculture should ensure proper and timely logistical arrangements.
- 10.6 The Ministry of Agriculture should ensure adequate sensitization of the AIP implementation modalities to all stakeholders is done.
- 10.7 The Ministry of Agriculture should increase the capacity of its network i.e., the bandwidth.
- 10.8 The Ministry of Agriculture and ACB should ensure that all stakeholders and salesclerks are trained in corruption issues.
- 10.9 The Ministry of Agriculture should ensure that the AIP guidelines are clear on the eligibility of beneficiaries especially for households which have a government employee.
- 10.10 The suppliers should ensure that they allocate adequate staff at selling points and should have adequate receipts.
- 10.11 Members of Parliament should not politicise the program when assisting people in their respective areas.

11.0 CONCLUSION

The 2022/2023 AIP was marred with a plethora of challenges. Despite these challenges, over half of the beneficiaries have managed to access affordable inputs, though late. Failure of beneficiaries to redeem the inputs in good time, as well as the complete failure for some beneficiaries to access the inputs, has frustrated the achievement of AIP's goal. The ACB strongly believes that should the above recommendations be taken on board; Malawi will have a successful AIP in the next farming season. The ACB will continue to engage with the Ministry of Agriculture to ensure that the program is free of corruption. The ACB is also committed to offering all the necessary technical support for the success of the program.