



SAVINGS, SUBSIDIES AND SUSTAINABLE FOOD SECURITY IN MOZAMBIQUE (BASIS PROJECT)

2009/2010 & 2010/2011

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OBJECTIVES OF VOUCHER PROGRAM

- Sustainably promote the use of fertilizer and improved seeds by smallholder farmers;
- Sustainably increasing agricultural production;
- Increased income and well-being of the farmers;



VOUCHER PROGRAM IN MOZAMBIQUE

- Voucher program funded by European Union, implemented by Mozambican government (Agriculture Ministry), FAO, and IFDC;
- The vouchers distributed to selected producers by DPA through the Rural Extension Services;
- 2 year program 2009-2010 and 2010-2011, 25,000 vouchers of maize and rice in 5 provinces (Manica, Tete, Nampula, Zambézia, Sofala);
- Voucher gave 73% subsidy on package of 12.5 kg of improved seeds (either OPV or hybrid) for maize or 40 kg of rice seed, and 100kg of fertilizer (50Kg Urea and 50Kg NPK);



SELECTION CRITERIA OF BENEFICIARIES

- Farming a minimum of 0.5 ha up to 5 ha of land;
- Progressive and working towards becoming commercial;
- Interested in participating in the purchasing power support voucher program and willing/able to pay the farmer portion up front;
- Willingness to follow the recommended crop production technology package (12.5 kg of maize seed or 40 kg of rice seed; and bag of 50 kg Urea and 50 kg NPK 12-24-12);

VOUCHER VALUE IN EACH PROVINCES (MZM)

Province	Crop	Purchasing power support	Farmer support	Total Value
Manica	Maize	1950,00	600.00	2550.00
Tete	Maize	1950.00	1200.00	3150.00
Nampula	Maize	1950.00	1513.00	3463.00
Sofala	Rice	2300.00	930.00	3230.00
Zambézia	Rice	2300.00	930.00	3230.00

Extension agent explaining voucher program



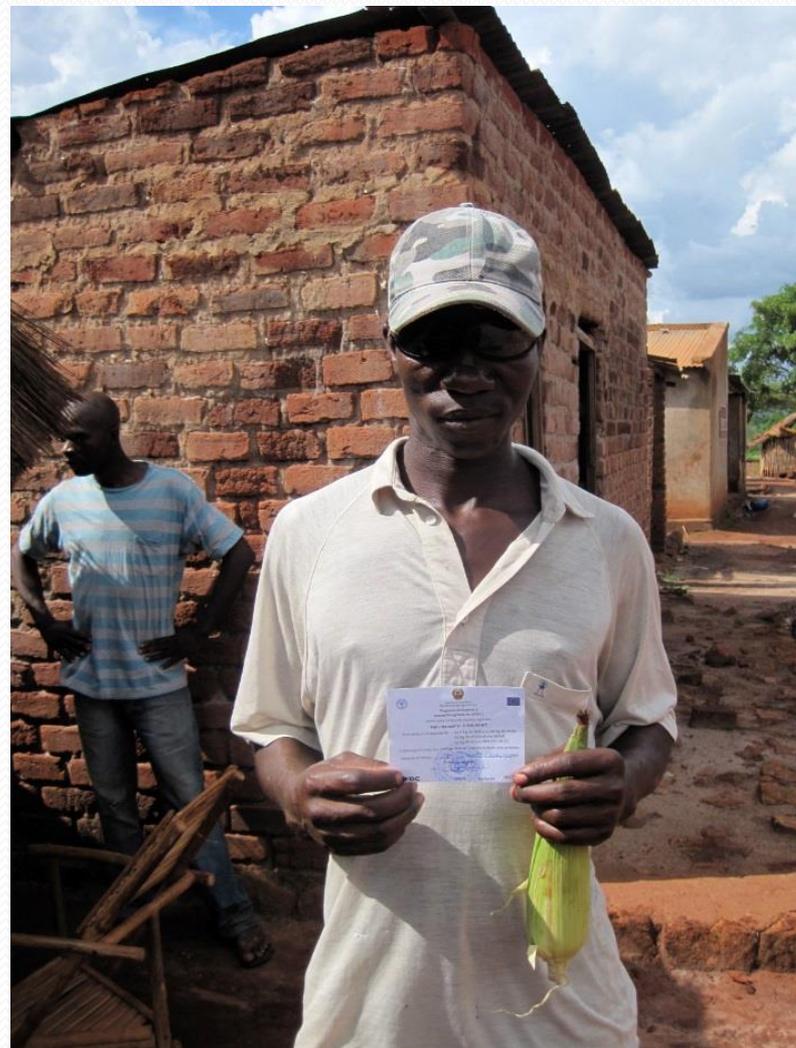
Extension agent explaining the process of redeeming the voucher



Extension agent distributing vouchers



Farmers after receiving vouchers



Study

**Manica province:
Manica;
Barue;
Sussundenga**

**Years: 2010; 2011;
2012; 2013**

**1593 participants
in total**



SELECTION CRITERIA & RANDOMIZATION FOR STUDY

- **Selection of villages based on 2 criteria:**
 - Voucher program in the Manica Province
 - Access to Banco Oportunidade for savings intervention



SELECTION CRITERIA & RANDOMIZATION FOR STUDY

- **Selection of farmers:**
 - Beneficiary of voucher program;
 - Lists and distribution made by government agricultural extension, under the supervision of IFDC;
 - Participants informed that half will be selected;
 - Randomization: within each village, 50% of participants gained the right to receive a voucher;

Main Sample (treatments)

Total: 1593 hhs

	No Savings	Basic Saving	Basic Saving & Matched Saving
No Voucher	32 communities 267 hhs	30 communities 283 hhs	32 communities 245 hhs
Voucher	32 communities 247 hhs	30 communities 311 hhs	31 communities 240 hhs

BASIC SAVINGS

- Accounts offered in “basic savings” treatment are standard savings accounts normal interest rate, with financial training.
- Savings intervention included information sessions, games, distribution of leaflets, etc.
- Meeting with group representatives, twice per season;



Educational material on savings and fertilizer



SAVINGS ACCOUNTS AND MATCH SAVINGS

- Accounts offered in “basic savings” treatment are standard savings accounts Normal interest rate, with financial training.
- Savings intervention included information sessions, games, etc.
- Savings match: 50% of minimum balance over match period
- Matching funds capped at MT1500 (~\$54) Match period:
- August 1 – October 31 Two years of match promised: 2011 and 2012
- Transfers done in first week of November before time to purchase inputs
- Designed with agricultural cycle in mind Match period ends immediately prior to start of next planting season If save full amount (MT3000), savings + match can purchase input package sufficient for 3/4 hectare maize plot;

Survey timeline

	<u>Treatment</u>	<u>Survey</u>
Nov 2010	Fertilizer subsidies randomized	
Apr-May 2011		"Baseline" survey
May 2011	Savings programs announced (post-survey)	
...		
Aug 2011	Savings match period	
Sep 2011	Savings match period	1st follow-up survey
Oct 2011	Savings match period	
...		
Aug 2012	Savings match period	
Sep 2012	Savings match period	2nd follow-up survey
Oct 2012	Savings match period	
...		
Jul-Aug 2013		3rd follow-up survey

Enumerator and guide going to interview one of household



Enumerator conducting survey



Farmer saving his money in Mobile bank of BOM



At the end of study farmers received maize seed as thanks for participating



Thanks!

