

Chair's Summary
Agriculture Policy Dialogue
Lilongwe, Malawi
Wednesday, May 21, 2025

Purpose of the Policy Dialogue:

Making food systems transformation a reality on the ground in Eastern and Southern Africa.

Objectives:

The objective of the in-person Agriculture Policy Dialogue in Lilongwe, Malawi was to learn from country experiences implementing repurposing activities around three key issues:

- Share experiences on recent Affordable Input Program reforms in Malawi, supported by the Repurposing pilot, and initial lessons learned on reform impacts.
- Present experiences on soil health improvement activities through the Repurposing Project in Tanzania and discuss possibilities for further input subsidy reforms in the country.
- Share the lessons learned from the scaling up of e-vouchers with the support of the Program for Results (PforR) in Zambia and discuss the potential for additional input subsidy reforms in the country.

Following discussions on soil health, sustainable fertilizer use, and payment for ecosystem services held over the past two years in Dar es Salaam, Tanzania, and Kigali, Rwanda, this session brought together key representatives from Eastern and Southern African countries. The aim was to review progress made in establishing programs to enhance soil health and repurpose input support programs, particularly fertilizer subsidy programs, to farmers within these regions.

Context for Dialogue on Repurposing Agricultural Support:

The World Bank, in collaboration with the UK's Foreign, Commonwealth and Development Office and the Ministry of Agriculture of Malawi, co-hosted a session at the Regional Dialogue on Food Systems Transformation in Lilongwe, Malawi. Participants included representatives from the Ministries of Agriculture of Malawi, Tanzania, Zambia, Kenya, Mozambique, Rwanda, Zimbabwe, Uganda, South Africa, Comoros, Madagascar, Angola, DRC, Burundi, Botswana, and Lesotho. Development partners also attended, including representatives from Germany and Ireland.

The Africa regional policy dialogues held over the past two years in Dar es Salaam, Tanzania; Nairobi, Kenya; and Kigali, Rwanda emphasized the importance of repurposing agricultural support to improve soil health for agrifood system transformation, including the sustainable use of fertilizers. The Policy Dialogue in Lilongwe provided a platform for participants from countries with active repurposing projects and programs to share their experiences in implementing the repurposing of their agricultural support programs and lessons learned from the policy reforms associated with the repurposing agenda.

Participants in the Lilongwe dialogue demonstrated their commitment to reforming soil health and fertilizer subsidy policies. Countries in the region have started investing more in soil health initiatives, recognizing the need for targeted area-specific recommendations based on thorough soil mapping and testing. This approach addresses the limitations of the business-as-usual method, which often fails to deliver productivity gains.

Governments are conducting trials and testing soil health to gather data for informed decision-making. Although these programs are in the initial experimentation phase and face challenges from stakeholders, the knowledge generated from repurposing pilots is influencing the political economy of reforms. As demonstrated by these pilots, there is a growing dedication to advancing the soil health agenda in Eastern and Southern Africa.

Summary:

Many countries in Eastern and Southern Africa consistently allocate a high share of their budget to agriculture, yet desired sectoral outcomes have not been achieved, highlighting the need for new directions through repurposing. Over the past years, countries in the region have taken actionable steps to develop more sustainable agriculture policies focused on soil health. Malawi is trialing various public support delivery systems, including e-vouchers and flexible systems with different targeting methods. Zambia has recently scaled up its e-voucher program, ensuring all farmers now receive public support through e-vouchers. Tanzania initiated the repurposing pilot for an integrated soil health management system. Countries that have started repurposing their agricultural subsidies recognize e-vouchers, digital farm registries, soil testing, advisory services, and private sector support as critical components of their repurposed fertilizer support programs. There is a growing interest in cross-country learning about these aspects, which is also one of the main goals of the Agriculture Policy Dialogue.

Recognizing the importance of soil health and sustainable fertilizer use, participants agreed that holistic approaches such as crop diversification, intercropping, crop rotations, organic matter additions, liming, and appropriate inorganic fertilizers are essential for regenerating soil and improving agricultural productivity. Effective soil mapping and targeted advisory services are crucial to addressing farmers' needs and implementing sustainable practices.

Policy reform must include integrated advisory services and private sector involvement to reduce the fiscal burden of agricultural subsidies.

Policy Action:

- Investment in soil health, particularly in soil testing, mapping, soil information systems, and customized fertilizer applications, is essential for transforming food systems.
- It is necessary to integrate extension services with soil health initiatives (such as soil health information systems) along with the integration of private sector in the inputs delivery chains to achieve the desired outcomes from repurposing agricultural support.
- Repurposing policies should be tailored to the specific context of each country and aim to address the challenges faced by stakeholders along the value-chains. The table at the end of this note lists the priorities specified by the country delegations.

Challenges to Implementation:

- Limited availability of market information, fragmented data systems, and challenges in targeting agricultural interventions.
- Incentivizes monocropping and absence of complementary services, land degradation.
- Limited information available on soil health and lack of capacity to test quality of soil health.
- Insufficient understanding of the relationship between soil health and fertilizer application, along with generalized fertilizer use guidelines.
- Limited experience in utilizing e-vouchers and designing an effective digital farm registration system in the region.
- Limited data on public policies and support to agriculture in the region.
- Limited fiscal space for introducing new policies/practices without repurposing.

Key Takeaways:

- When properly implemented, e-voucher systems for fertilizer subsidies have reduced leakage and enhanced transparency in the subsidy system.
- Digital farm registries can address the mentioned challenges by centralizing and standardizing farmer and farm data. This can assist in making informed decisions,

implement targeted interventions, allocating resources efficiently, and accessing services, markets, and credit.

- A unified repository of farmer data, including land ownership, farm households, land use, and soil health information, can improve targeting for input support and service delivery. It can serve as a public good for both public and private sectors, motivating the private sector to document demand for fertilizer and sustainable soil practices through soil mapping.
- The digitization of farmer and farm data in Kenya, Malawi, Tanzania and Zambia demonstrate the maturity of Africa's digital agricultural ecosystem, fostering innovations and services for farmers and stakeholders.
- Malawi is trialing various public support delivery systems, including e-vouchers and flexible systems with different targeting methods. Early results suggest that more than 90% of beneficiaries of semi-flexible and fully flexible systems applied soil and water conservation practices, whereas only about 40% of Affordable Inputs Program (AIP) beneficiaries did so.
- In Zambia, the expansion of e-voucher programs for agricultural support has increased private sector involvement, improved targeting and crop diversification, and enhanced efficiency. Scaling up the e-voucher program in Zambia led to timely input deliveries, increased competition in the market, and gave farmers more choices. Early signs suggest a potential bumper harvest.
- Successful implementation of repurposing programs hinges on collaboration across sectors, diverse stakeholder engagement, public-private partnerships, and sustainability.

Follow-up and Next Steps:

- How can repurposing universal support programs into more targeted subsidies through digital farm registration enhance the effectiveness of public support for agriculture?
- How important are complementary services (e.g., soil health, research, and digital extension) for maximizing fertilizer returns and adoption in SSA countries?
- How can scaling up E-Vouchers engage the private sector and offer farmers more technology options?

Top Three Priorities for Repurposing Public Expenditures

Country	Three Priorities Actions	Potential Partners
Burundi	<ul style="list-style-type: none"> • Making high-performance inputs available to farmers • Promotion of irrigation (hillsides and marshlands) • Storage and processing infrastructure 	<ul style="list-style-type: none"> • World Bank • FIDA • AfDB
Comoros	<ul style="list-style-type: none"> • Conduct an in-depth analysis of public agricultural expenditures to evaluate their effectiveness and better guide budget allocations. • Increase public investments in the agricultural sector, particularly in opening up areas with high agricultural potential (infrastructure, rural roads, access to markets) 	<ul style="list-style-type: none"> • WB • Ireland • AGRA • EU
Kenya	<ul style="list-style-type: none"> • Strengthen e-subsidy voucher system by operationalizing onboarding of private sector actors • Review of legal/regulatory frameworks impacting food systems such as traceability laws and their attendant costs of implementation • Bundle services as a package to reduce food systems operational costs e.g. animal identification & vaccination programs. • Operationalize Land Commercialization Initiative (LCI) to enhance private sector access to underutilized but high potential public land 	<ul style="list-style-type: none"> • Government • DPs • Private Sector (Govt provides land and basic infrastructure while private actors bring in capital and innovation)
Malawi	<ul style="list-style-type: none"> • Reforms AIP Program for improved productivity and commercialization. • Streamline the service delivery lines with integration of private sectors. • Structured output markets for improved market access 	<ul style="list-style-type: none"> • All development partners active in Malawi
Mozambique	<ul style="list-style-type: none"> • Prioritize Research and Development • Extend Credit lines (subsidized / low interest rates) to farmers instead of subsidy • Technology transfer to farmers 	<ul style="list-style-type: none"> • WB • Ireland
Rwanda	<ul style="list-style-type: none"> • Complete the fertilizer subsidy program reform (site-specific recommendations) 	<ul style="list-style-type: none"> • WB • FAO • MINECOFIN

	<ul style="list-style-type: none"> • Research funding, Research & Capacity Building 	<ul style="list-style-type: none"> • CGIAR
South Africa	<ul style="list-style-type: none"> • Use savings on education and innovation 	<ul style="list-style-type: none"> • WB
Tanzania	<ul style="list-style-type: none"> • Strengthening the governance structure of the Agricultural Master Plan 2050: spending plan and investment plan. • Mainstream the Kampala Declaration into AMP. • Develop a comprehensive framework for investments in soil health. 	<ul style="list-style-type: none"> • World Bank (DPs) • MOA • MLF • MoF • Private Sector • AU NEPAD
Uganda	<ul style="list-style-type: none"> • Research on climate-smart inputs • Irrigation and mechanization • Value addition and catalyzing 	<ul style="list-style-type: none"> • WB • UN • AfDB • IFPRI • CGIAR Centers
Zambia	<ul style="list-style-type: none"> • Increase irrigation budget • Improve efficiency of FISP (Farmer Input Support Programme) targeting. • Roll out soil mapping and advisory. 	<ul style="list-style-type: none"> • WB
Zimbabwe	<ul style="list-style-type: none"> • Irrigation development and rehabilitation • Subsidy reform and grain marketing restructuring • Capacitation of extension officers 	<ul style="list-style-type: none"> • Private Sector • Government • Development partners