

P4P Purchase for Progress

Connecting farmers to markets

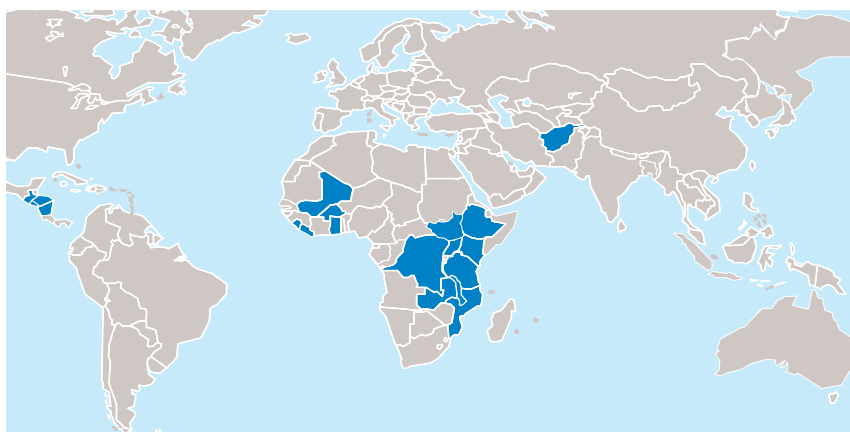
An Overview

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Purchase for Progress (P4P), a five-year pilot project of the World Food Programme (WFP), has changed the lives and livelihoods of smallholder farmers in 20 diverse countries. With the launch of P4P in 2008, WFP started exploring ways of using its food purchases more effectively to help develop staple crop markets and spur improvements in smallholder agriculture. P4P links WFP's demand for staple food commodities, such as cereals and pulses, with the technical expertise of a wide range of partners. This collaboration provides smallholders with the skills and knowledge to improve their agricultural production, and an incentive to do so, as they have an assured market in which to sell their surplus crops. A variety of approaches have been used to respond to the unique opportunities and challenges in each P4P pilot country.¹

Map of pilot countries



Afghanistan
Burkina Faso
Democratic Republic
of the Congo
El Salvador
Ethiopia

Ghana
Guatemala
Honduras
Kenya
Liberia
Malawi

Mali
Mozambique
Nicaragua
Rwanda
Sierra Leone

South Sudan
Uganda
United Republic
of Tanzania
Zambia

Karla Trujillo is a smallholder farmer from El Salvador. Karla struggled to profit from agriculture, and had to take on an office job far from home. Feeling cut off from her family and her roots in agriculture, Karla decided to return to farming. In 2009, she began working with P4P through her farmers' organization. Today she is no longer a subsistence farmer, but a businessperson and entrepreneur. She is also the president of El Garucho cooperative, a group of farmers who produce and sell staple crops to WFP through P4P.

Under P4P Karla and her fellow farmers learned crucial agricultural and business skills, and were able to access an assured market through WFP. They are now able to produce greater quantities of staple crops because of their increased access to farming equipment and improved seeds and fertilizers. By producing high-quality crops, El Garucho has become competitive in markets beyond WFP, winning credibility and recognition from buyers. *"We stopped being subsistence farmers, we stopped farming just to eat. What we have been doing is to produce excess surplus, high quality products so that we can start penetrating into those markets in our country which will give us profits,"* says Karla. With these profits Karla has improved her standard of living dramatically and is better able to provide for her family.

1. For a more comprehensive technical reflection please see the report *Purchase for Progress: Reflections on the pilot*: <http://www.wfp.org/content/purchase-progress-p4p-reflections-pilot>





1981 – 1983

WFP purchases more than 250,000 metric tons (mt) of maize in Zimbabwe for distribution in 15 countries in sub-Saharan Africa.

Early 1990s

WFP begins a private sector approach to increase the production of fortified blended foods in developing countries.

Early 2000s

WFP sharply increases local and regional procurement as many donor countries begin to provide cash rather than in-kind donations.

2006

The “Food Procurement in Developing Countries” policy paper calls for greater emphasis on market development in WFP’s food procurement.

2007

WFP develops the concept for the P4P pilot with the Bill and Melinda Gates Foundation and the Howard G. Buffett Foundation.

September 2008

P4P is officially launched at the United Nations General Assembly.

2011

P4P undergoes a mid-term evaluation.

November 2013

Support to smallholder farmers is included in WFP’s 2014–2017 Strategic Plan. WFP makes a commitment to continuing P4P-like programmes beyond the pilot period.

December 2013

The P4P pilot period comes to a close.

2014

An independent external evaluation of P4P is carried out. Learning and sharing from the pilot period are accelerated.

2015

Based on learning from the P4P experience, WFP continues to assist national governments and initiatives supporting smallholder farmers and market development in countries including, but not limited to, the 20 pilot countries.

Transformative partnerships

P4P has facilitated powerful and novel partnerships in staple food supply chains, providing the impetus for public, private, academic and civil society actors to work together and leverage their investments to address the needs and realize the potential of smallholder farmers more effectively.

WFP’s demand for staple food is only half the P4P equation. Purchasing food from smallholder farmers would not be possible without the technical expertise, field presence and resources of WFP’s partners, which support farmers and their organizations in improving agricultural productivity and engaging in markets.

For **William Sparks**, Vice President of Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA): “*P4P can be described in one word: believe. P4P was the first step forward, the first push toward the finish line, the first to illustrate the possibilities for linking smallholders to markets. P4P makes people believe, whether they are farmers, financial institutions, other buyers, NGOs, or national governments. The possibilities are endless once people believe. More importantly, P4P empowers. Through collaboration with implementing partners, P4P enables farmers to access markets. Today, we’ve got the first million people across the finish line, but now we are faced with the challenge of getting every farmer there. The first five years has demonstrated that P4P works.*”

Key donors

Bill and Melinda Gates Foundation, Howard G. Buffett Foundation, European Union, governments of Belgium, Brazil, Canada, France, Ireland, Luxembourg, South Korea, United States of America and the Kingdom of Saudi Arabia. All food purchases are financed by donations to WFP’s regular operations.

Throughout the P4P pilot, in addition to its partnerships with smallholder farmers, WFP recorded **500 partnerships** with governments, civil society, commercial entities, regional bodies and United Nations agencies. Each partnership presented diverse opportunities and challenges, leading to a wide variety of experiences and outcomes.

Government engagement

P4P presented governments with an innovative tool for supporting smallholder farmers and achieving inclusive growth. P4P also showed that linking smallholder farmers to formal markets is a viable investment in countries with enabling environments. Governments have embraced P4P, each engaging in different ways throughout the pilot period.

P4P is in line with governments' efforts to professionalize and commercialize smallholder farming, and the P4P approach is increasingly being used in the implementation of national agendas for poverty reduction and agricultural growth. Aspects of P4P are being incorporated into existing programmes, while lessons learned under the pilot enable governments to improve their support of smallholder farmers through public procurement. Several governments are already developing or implementing initiatives based on or similar to P4P, including Burkina Faso, Ethiopia, Guatemala and Rwanda.

Gender equity

Because women farmers face even more challenges than their male counterparts, P4P adopted a gender transformative approach, directly focusing on women to ensure that they benefit from the project. As a result, P4P has seen women gain greater control over their lives and an enhanced voice in their communities and households. By adopting multifaceted interventions to address major constraints faced by women farmers, P4P has helped to promote gender equity and the economic empowerment of women in agriculture.

Activities to support gender mainstreaming in P4P addressed the three interrelated spheres of social empowerment, economic empowerment and empowerment through capacity building. Gender sensitization involving both men and women was the centrepiece of P4P's gender efforts and approach to promoting the empowerment of women.

The **Government of Rwanda** was one of the first to fully embrace the P4P concept. The pilot was launched in Rwanda in 2010, alongside government initiatives for increasing agricultural productivity, reducing post-harvest losses and strengthening farmers' cooperatives. In the first year, WFP bought US\$ 1.2 million-worth of maize and beans from farmers' organizations in the eastern and northern provinces of the country.

Impressed by this achievement, the Government of Rwanda requested WFP's support in scaling up the P4P approach across the nation in an initiative called Common P4P (CP4P). Under CP4P, the government uses its institutional buying power to support smallholders. Legislation commits the National Strategic Reserve and other public institutions, such as schools, hospitals and prisons, to procure up to 40 percent of their staple grain requirements directly from smallholder farmers' cooperatives. Between 2011 and 2014, the Government of Rwanda purchased commodities worth an estimated US\$ 4 million (10,000 mt) for the National Strategic Reserve from CP4P cooperative unions.

Under CP4P, the Government advocates for increased private sector involvement in agricultural development. Agrodealers and large trading companies have distributed fertilizer, credit and training to smallholder farmers, and coordinated the country-wide collection of smallholders' maize for delivery to the National Strategic Reserve.



Smallholders seize change

P4P has been a game-changing investment that strengthened the livelihoods and formal market opportunities of smallholder farmers. Beyond effects on the farmers themselves, the programme has also generated a wide range of both anticipated and unanticipated impacts that have benefited a range of actors in farming communities and along the supply chain. Survey data shows that P4P-supported organizations have gained significantly more capacity to function as businesses than groups that did not participate in the pilot.

Farmers are generating greater profits from their efforts, thanks to coordinated support provided by P4P and partners from the moment the seed goes into the ground until cash is paid into the farmer's hand. Income and expenditure data collected throughout the pilot confirm that households are better off now than at the start of the P4P programme. However, it has not yet been scientifically proven that P4P is the cause of this improved welfare. Impacts are not limited to farmers and their organizations. In some countries, P4P has also generated systematic changes in markets. Actors including buyers, extension workers and input providers increasingly recognize the potential of working with smallholder farmers. In areas where P4P was implemented, these developments are benefiting all smallholders, not only those who participated in the programme.



The way forward

The P4P story is only the start of a long journey. Learning from the P4P pilot has provided insight into new ways of using stable demand to catalyse market development when coupled with training, advocacy and market investment activities. Building on the pilot experience, WFP will continue bringing together a wide variety of actors to transform the lives of smallholder farmers. WFP's continued commitment to support smallholder farmers' access to quality markets has been incorporated in WFP's Strategic Plan (2014-2017)², which is the framework on which WFP's role and operations are guided. The organization's role as a leader in smallholder-friendly market development was further highlighted in the Strategic Final Evaluation³ of P4P.

Support to smallholder farmers is a crucial element of working towards a world with Zero Hunger. Continued efforts are needed to generate changes in the livelihoods of family farmers across the globe. P4P has demonstrated that the goal of promoting long-term market engagement by smallholders is achievable. To reach this goal, patient purchasers – such as WFP under P4P – are needed to accompany smallholders along the learning curve. WFP and its partners must continue supporting small-scale producers in growing enough food to meet the world's needs, and – more crucially – ensuring that this food enters markets and reaches the people in need. As the world strives to respond to the challenge of feeding its population, P4P provides an innovative tool for generating change – linking farmers to markets to feed the world.

2. WFP Strategic Plan 2014-2017: <http://documents.wfp.org/stellent/groups/public/documents/eb/wfpdoc062522.pdf>
3. The Strategic Final Evaluation was conducted by Oxford Policy Management during 2014. The summary evaluation report can be found here: <http://www.wfp.org/content/wfp-2008-2013-%E2%80%98purchase-progress%E2%80%99-pilot-initiative-strategic-final-evaluation-terms-reference>

Sales to WFP and other markets

During the pilot period, WFP bought **US\$148 million worth of food** more directly from smallholder farmers, mainly through farmers' organizations, but also through small and medium-sized traders, or marketing platforms such as commodity exchanges and warehouse receipt systems, all of which foster the participation of smallholder farmers. Although challenges with defaults and quality persist, these sales represent a massive achievement for smallholder farmers and their organizations, many of which had never sold to formal markets previously. Farmers' organizations have also engaged with other formal buyers, selling at least **US\$60 million worth of staple crops** to markets such as millers, seed companies, agrobusinesses, government-run school feeding programmes, national food reserves and hospitals.



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