

## PURCHASE FOR PROGRESS TECHNICAL REVIEW PANEL

### Summary Report

*San Salvador, El Salvador - September 2011*

#### I. The Technical Review Panel

The technical review panel (TRP) meeting, convened under the auspices of the Learning and Sharing pillar of the World Food Programme's Purchase for Progress initiative, brings together a group of 10 experts on agricultural economics, market development and/or M&E. The TRP is unremunerated and meets annually. TRP members can be consulted on an ad-hoc basis throughout the year as need arises. The role of the TRP is to provide P4P with:

- A critical review of the results emerging from the implementation of P4P in the pilot countries;
- Expert insight into the implementation challenges facing P4P as well as concrete suggestions on practical and coherent approaches to responding to these challenges and improving performance;
- Support to identify and validate the key lessons emerging from the global implementation of the pilot.

The third annual TRP meeting took place from 5<sup>th</sup> – 8<sup>th</sup> September 2011 in San Salvador, El Salvador and included 8 of the 10 permanent TRP members (see appendix 1 for full list of members) as well as a selection of WFP field and HQ staff involved in the implementation of P4P. Partners, smallholder farmers and a trader joined the first two days of the TRP meeting in an observer capacity, and shared their experiences of working with P4P.

The meeting was facilitated by Laura Melo of the WFP Panama Regional Bureau, the P4P Programme Advisor for Central America. The expected outcomes of the meeting were:

1. Review of the findings and recommendations of the Mid Term Evaluation report;
2. Suggestions regarding the issues and/or activities to prioritise in the 2<sup>nd</sup> half of the P4P pilot.

TRP participants were provided with extensive documentation in advance of the meeting including:

- The second draft of the Mid Term Evaluation report;
- The P4P Primer which sets out the rationale and expected outcomes of the P4P pilot;
- Country reports prepared through the "writeshop" process, detailing the experiences of Kenya, Tanzania and Nicaragua in building farmers' organisation (FO) capacity.

#### II. Process

**Day one:** The meeting participants visited farmers' organisations (FOs) participating in P4P and held discussions with smallholder farmers and their leadership. The TRP members, partners and WFP staff were divided into two groups and each group visited two FOs during the course of the day. Group 1 visited **ADESCO AGRISAL** and **Las Pozas** associations, both of which are located in Ahuachapan District, while Group 2 visited **Turin A.A.T. de R.L. (Agricultural and Livestock Association of Turin)** and the **Agricultural and Livestock Association IZALCALU DE R.L.**

**Day 2:** The TRP members, smallholder farmers, partners and WFP staff, had the opportunity to share and discuss their impressions of the FOs visited. The participants also reflected on the implementation similarities/differences between Central America and Africa. Thereafter, the P4P Central America staff provided an overview of the P4P strategy in Central America and elaborated on the roles played by partners and governments. Partner representatives and a trader also shared their perspectives on their participation in P4P.

The P4P Coordinator then summarised the key milestones in the mid-term evaluation (MTE) exercise which was carried out by the Overseas Development Institute (ODI) between January and May 2011.

**Days 3 and 4:** The TRP offered their perspectives on the MTE findings and on the recommendations proposed by the evaluators and shared their specific suggestions on how to practically implement the recommendations made by the MTE.

### III. Key Outcomes of the Third TRP Meeting

On the final day of the four day meeting, the TRP reaffirmed their commitment to **“helping P4P maintain its strategic vision”**. The TRP stressed however, that it remains the responsibility of the P4P Coordination Unit and country teams to review and implement this technical guidance as deemed appropriate within the global and country contexts.

#### **General comments/observations:**

Prior to the TRP meeting, the P4P Unit shared the “P4P Primer” with the members of the panel. The “P4P Primer” sets out the various parameters of the P4P programme including the history and context, structure and activities and the underlying principles which inform the programme rationale. The primer reviews:

- i. the historical context and the objectives of P4P
- ii. the difference between P4P and standard Local and Regional Procurement (LRP) and what this implies in terms of contracting within P4P
- iii. how P4P is trying to stimulate productivity, reduce post-harvest losses and promote aggregation;
- iv. the enabling environment for market development and the different market entry points;
- v. the programme principles and assumptions underlying the implementation of P4P;
- vi. the role of P4P as a catalyst for the critical partnerships supporting smallholders;
- vii. the progression strategy;
- viii. M&E and the risks; and
- ix. “The end game” – i.e. the learning experiences that P4P aims to deliver through this pilot

**The TRP hailed the primer as an extremely useful document for the way in which it sets out WFP’s current understanding of how P4P works. They further proposed that the primer be shared with partners and translated into French and Spanish to enable all pilot countries to have access to the content.**

The TRP also urged that the P4P implementation teams keep the principles outlined in the primer at the forefront of implementation.

#### **TRP suggestions for action post MTE**

The TRP challenged WFP to reflect on the goals of the P4P pilot project and what it aims to deliver by 2013. In the view of the TRP, the definitive measure of the success or otherwise of the pilot phase should be the extent to which P4P is able to understand the factors underlying the ability (or inability) to reach the initial targets and not the targets in and of themselves. The TRP’s advice to de-emphasise the focus on targets at this stage reflects their concern that “chasing” targets may detract from the focus on learning. Moreover, the high value placed on learning should be clearly communicated to P4P pilot countries. The TRP suggestions to P4P that follow below should therefore be seen against this background. Each of the 8 specific suggestions provided by the TRP is accompanied by a brief explanation.

....“ We need to sit down and ask ourselves what we want to achieve and deliver at the end of the project. The goal is not to deliver “x million” farmers, but rather learning experiences. Sometimes we focus so much on targets that we forget to reflect on how we actually reach (or not) those targets” ..... TRP 2011

#### **Specific suggestion #1: STRENGTHEN PARTICIPATING FOS THROUGH TAILOR MADE CAPACITY SUPPORT**

This reflects the TRPs caution to P4P to carefully consider the exit strategy of P4P. As one TRP member remarked, “....it was a challenge to start and now that you have started, it is very hard to stop.....there is need for a clear exit strategy.....there will never be a time to get out otherwise”.

##### **1a. Strengthen existing FOs.**

Each pilot country is advised to define what the priorities should be for each FO over the next two years to move them towards a broader market orientation and lessen dependence on WFP. They remarked on the high visibility of P4P and the accompanying pressure for WFP to include more FOs and rapidly expand P4P, but cautioned that with only two years (or three in some countries) remaining for the pilot, this enthusiasm by partners and governments risks the learning objective of P4P being lost in favour of achieving set targets/expansion. While acknowledging the dilemma that P4P faces in terms of targets versus achieving

learning objectives, the TRP reiterated that it is time now to go “deeper rather than broader” to enhance learning and in this regard **protect the pilot nature of P4P**.

There are clearly some exceptions to this general recommendation, such as South Sudan which is still in early stages of implementation or El Salvador which already has plans in place to expand the number of participating FOs to 20 from the current 14, within the lifetime of the pilot.

**1b. Clearly define the capacities of low/medium/high capacity FOs, categorize them and work out the process of moving the FOs from one to another.**

Given that there are already over 1,100 targeted FOs participating in P4P, the TRP’s advice is to focus on providing tailor-made support to those already engaged. WFP acknowledged the tension between going deeper into understanding how to build capacity of FOs which recognises the learning objective of the pilot, or focusing on achieving the targets, which necessitates going broader (expansion) and thus possibly sacrificing the learning”. The question of targets versus objectives however will need to be discussed with the donors and reach agreement on the way forward.

...”The final vision is not for WFP to buy from FOs, but to learn the lessons on how to do it, how to build the FO capacities and then share these lessons with others” ....TRP 2011

**Specific suggestion #2: CONTRIBUTE P4P “VOICE” TO POLICY ADVOCACY EFFORTS  
DECIDE WHICH 1-2 POLICY ISSUES IN EACH COUNTRY SHOULD BE TACKLED AND MAKE YOUR VOICE HEARD ON THEM**

In the view of the TRP, P4P’s **focus should be on the lessons coming out of the implementation of the pilot and how this learning can inform policy formulation and advocacy** for Governments and for other partners who would like to implement pro-smallholder public procurement. This recommendation encourages each pilot country to select and then prioritise, two key policy areas for advocacy with government in agreement with all stakeholders (FOs, P4P, country-level P4P Steering Committee members). These should clearly be policy areas that have particular relevance for smallholder farmers and for public procurement. WFP’s contribution to this should be to provide relevant learning/information. Above all, WFP should advocate together with partners not independently.

...”the real value of P4P’s contribution is lessons and learning for policy designs, for governments and partners wanting to implement pro-smallholder public procurement... it’s not whether we reach 500,000 or 300,000 farmers” ....TRP 2011

The appropriate channels to use for advocacy will vary from country to country, but should take advantage of existing policy forums such as the donor coordination group. The importance of including academic institutions in learning and advocacy was highlighted. In this regard, one example is the new P4P partnership with African Economic Research Consortium (AERC) which provides an opportunity to use the AERC network of universities to disseminate lessons and for policy advocacy. AERC has an established annual forum where they communicate relevant research directly to various levels of government leaders in Africa.

**Specific recommendation #3: FACILITATE RATHER THAN PROVIDE ACCESS TO FINANCE OPEN ACCESS TO FINANCE IN A MORE COORDINATED, SUSTAINABLE WAY THROUGH FINANCIAL SERVICE PROVIDERS**

Specific suggestions from the TRP were for WFP to:

- Produce general guidance on financial services to guide COs: what to do and what to avoid; what’s worked and what not in the past (**note that precisely this type of initial guidance was infact sent to pilot COs by HQ in August 2011:** [http://documents.wfp.org/stellent/groups/procuweb\\_content/documents/meetings/wfp241140.pdf](http://documents.wfp.org/stellent/groups/procuweb_content/documents/meetings/wfp241140.pdf))
- Take the necessary steps to fully understand the value chain, and look at all possible solutions beyond just borrowing solutions (look at factoring, savings led groups, WRS, input credit and other ideas that may already be happening in the market);
- Based on the findings, identify and engage appropriate partners (Financial Service Providers - FSPs) in the provision of financial services;
- Work through Financial Service Providers (FSPs) rather than attempt to manage credit lines directly. While accepting that in Central America, P4P established revolving funds in an attempt to build credit-

worthiness of FOs, the TRP felt that this should be the exception and P4P should play a facilitation role rather than take on the task directly. Given the learning to date, WFP should actively facilitate the transition of FOs away from the self-management of the revolving funds into direct relationships with FSPs.

- Consider bringing experts in expertise in financial services onto the TRP. This would allow WFP to hear the concerns of FSPs and their perception of the risks first hand. **(Note: IFAD is a permanent member of the TRP. In addition, P4P has established an “Access to Finance Working Group” that includes FAO, IFAD and WFP staff.**

The question as to whether P4P should seek to identify a partner to work with P4P at country/regional level needs to be explored. This would ideally be a FSP that is already working with P4P FOs in the COs. This would enable the FSPs to share their experiences to date in terms of what is working and what not with FOs. The service provider would support the process of relationship building and “matchmaking” between existing FSPs and the FOs to ensure that FOs can access credit in timely manner and on reasonable terms.

**Specific recommendation #4: RESEARCH THE EXTENT OF THE MARKET FOR QUALITY DEFINE THE MARKET FOR QUALITY AND BUILD CAPACITY IN FOS TO ACCESS IT IN A SUSTAINABLE WAY**

WFP has invested significantly in building the capacity of FOs to supply commodities that meet the stringent quality standards of WFP. FOs are realising the economic value of investing in quality improvement. The TRP reiterated that in each pilot country, a concerted effort should be made to better understand the potential market for quality from other potential buyers including millers, traders, supermarket chains such as Wal-Mart and government demand. It is likely that the standards will vary (sometimes significantly) from buyer to buyer. For P4P to help farmers achieve a sustainable linkage to markets there is need to understand the different quality demands that may exist within each pilot country. Based on this, P4P can help farmers to connect to these other potential quality markets beyond WFP.

Some challenges noted by the TRP and WFP with regard to quality:

- Part of understanding the market for quality requires an assessment of price data to determine the premiums actually paid for quality improvement. However, time series price data may not be readily available in some countries.
- Traders are often more efficient at quality improvement and prefer to retain the margins for themselves.
- There is normally a single price paid by traders regardless of quality as they mix the grain with that coming from other farmers with no quality concerns.

**Specific recommendation #5: TAILOR INPUT PACKAGES TO THE SPECIFIC NEEDS OF SMALLHOLDER FARMERS REVIEW THE APPROPRIATENESS OF STANDARDIZED INPUT PACKAGES FOR FOS AND SEEK WAYS TO MAKE IT MORE FLEXIBLE**

This recommendation is specific to the Central America countries. In Central America, a central feature of the P4P strategy has been the provision of a package of agricultural inputs which are provided to a set number of FO members on credit. A “revolving fund” is managed by the FOs that receive training on financial management and administration of these funds. The contents of these packages are already under review and the recommendation of the TRP that a variety of different input packages be available for FOs and farmers (rather than a standard prescription) was agreed by the Central America countries.

**Specific recommendation #6: FOCUS IMPACT ASSESSMENT ON 5 – 7 COUNTRIES**

**6a. Select 5-7 countries for impact evaluation and focus income survey data collection only on these**

The TRP recognises the heavy burden of data collection experienced by the COs in respect of the quantitative data collection. Based on the data cleaning currently being undertaken by the African Economic Research Consortium (AERC), WFP should identify the countries with data sets (and control groups) that can support impact evaluation. It is believed that 5-7 countries would be sufficient particularly if they reflect the diversity of the intervention models and are

While the \$50 target is ambitious; but it makes sense. P4P needs to try to achieve this and be able to demonstrate this while also being able to explain why the target is not reached (where relevant). This will validate some of the modalities and not others....TRP 2011

reflective of the regional variation across the global pilot.

Much of the challenge associated with the household surveys is the “heavy” income section. The TRP recommended dropping this in all but the impact evaluation countries. This should substantially reduce the burden of data collection and free COs up to focus more on analysis and synthesis of available quantitative and qualitative data. It is also important to strengthen the qualitative data collection aspects of the M&E system.

**6b. Drop the next round of household data collection and do just one final round**

The TRP concurred with the recommendation of the MTE to first assess the quality of the baseline data before undertaking any follow on surveys. There was consensus that AERC brings the required capacity and expertise on board to clean and analyse data. However, the emphasis of P4P should now be on how to manage the data already collected rather than the generation of new data.

Overall, the TRP expressed support for the learning efforts of P4P and encouraged WFP to maintain the willingness to be challenged and to continue to reinforce the “learning culture” within the pilot. P4P was not encouraged to change the M&E system at this stage of the pilot, but rather to review and streamline the current set of indicators.

**Specific recommendation #7: MAINTAIN EFFORTS DIRECTED AT GENDER MAINSTREAMING CONTINUE TO MAKE GENDER A PRIORITY, WITH AN EFFORT TO IDENTIFY APPROPRIATE ENTRY POINTS ALONG THE VALUE CHAIN.**

The importance of creating sustainable opportunities to socially and economically empower women was emphasised. The TRP acknowledged the work already being undertaken by P4P to meaningfully mainstream gender into the pilot as well as the associated challenges. However, within a programme such as P4P where the design did not adequately assess the gender constraints, this does set up a tension that P4P has to carefully balance i.e. whether to place most emphasis and, as a consequence focus human and financial resources on enabling farmers in general to increase production, versus promoting the gender development aspect.

The most important target we have is that the programme has to try and incorporate 50% women. It is not time to analyze if this is good or bad. P4P should rather provide answers why we could (or could not) reach the 50% target.

While gender mainstreaming will be continued in all pilot countries during 2012 and 2013, the P4P unit briefed the TRP on plans to deepen learning and engagement on gender issues in five countries (likely to be Ethiopia, Mozambique, Ghana, Mali and Guatemala). The country selection is intended to ensure regional representation of the 21 P4P countries and to take advantage of emerging partnerships with UN Women on the ground.

Some immediate actions suggested by the TRP to advance the gender mainstreaming in P4P include:

- Conduct a diagnostic study of the value chains in which P4P is involved to identify more appropriate entry points that will allow the participation of women in an economically and socially sustainable way.
- Promote the provision of extension services tailored to the needs of women.
- Where possible to work with women only groups.
- Incorporate both men and women in seeking solutions.
- Seek relevant partnerships which are critical on this issue and specifically on building the capacity of women

**Specific recommendation #8: PRIORITIZE CAPACITY DEVELOPMENT FOR TRADERS**

The need for P4P to contribute to strengthening relationships between traders and smallholder farmers is clear. However, the most effective mechanisms by which to achieve this remain elusive. The TRP noted that traders, as much as smallholder farmers, may lack capacity for effective market engagement and should be a target of P4P capacity building. There are various efforts being made across P4P pilot countries to engage with traders and build their capacity and there should be carefully reviewed in order to learn from these experiences.

Some practical steps suggested by the TRP to facilitate this include to:

- Bring FOs and traders together in forums/meetings, to learn more about each other and better understand the needs of each party e.g. traders can explain the type of product they look for in terms of quality and quantity. FOs in turn would share information on the quantities and qualities they can offer to traders.
- Explore ways in which traders and smallholder farmers could collaborate e.g. can they find ways to share some costs for aggregation/bulking?
- Identify the needs of traders in the different markets in terms of quantity, quality and be informed about when supplies are needed.

#### **IV. Other issues discussed by the TRP**

**Market development:** The TRP agreed with the MTE finding that market development is an important issue for P4P and made the following observations.

- Smallholder farmers participating in P4P have developed the capacity to deliver commodities meeting the stringent quality specifications of WFP. However the market for quality in most P4P pilot countries is limited.
- As a market for quality grain is created there is need to also create the demand for higher quality grain.
- P4P should research and understand the quality markets more in depth especially on the demand side. Repeating the recommendation from the 2<sup>nd</sup> annual meeting, the TRP urged WFP to work with other stakeholders to promote coherence in food quality standards and adherence to their use.
- P4P should endeavour to work with market platforms and institutions e.g. Commodity Exchanges and Warehouse Receipt Systems where these exist.
- There is need to do a careful assessment to see where other value chain actors such as input suppliers can be strengthened e.g. providing input vouchers to farmers in Central America rather than actual inputs directly on credit.

Some pertinent questions for P4P to answer include:

- What do we understand by market development?
- What do we understand about the enabling environment and its impact on market development and/or access to markets for smallholder farmers?

#### **Assessment of the market and development impacts of Local and Regional Procurement (LRP)**

WFP has contracted MSU to undertake a year long study on LRP in order to:

- Determine the positive and negative effects that WFP LRP purchases have had on agricultural markets in the developing countries where it operates.
- Identify quantitative and qualitative impacts of WFP's LRP on agricultural markets, throughout the value chain.
- Identify impacts on markets from the regional perspective, considering formal and informal cross-border trade and market catchment areas.
- Leverage the experience of the private sector, governments, and private voluntary organizations (PVOs) in identifying important trends and effects.
- Consider impacts upon sector-wide approaches, development compacts, and collaboration between governments and humanitarian organizations/PVOs in addressing systemic poverty issues.

While the study is analytically demanding and complex, it will answer important questions for WFP regarding how LRP works and to what extent the effects trickle down to the smallholder level.

#### **Capacity Development**

Partnerships have been established with more than 250 supply side organizations that in turn support FOs engaged with P4P. FOs are the heart of the P4P's market development strategy. The goal is to progress relatively low-capacity FOs to the status of mature FO's that regularly participate in competitive tendering, through the provision of training and other capacity building.

Capacity development is a key strategy for implementing P4P across the 21 pilot countries and encompasses the capacity development of both target beneficiaries (farmers' organisations/small and medium scale traders) and implementers (WFP and partners). The efforts of WFP and partners in P4P have focused on building the capacity of farmers in the following areas to enable them to participate in structured markets:

- |                           |   |
|---------------------------|---|
| 1. Quality                | Farmers can provide safe food at standards the market expects   |
| 2. Production             | Farmers can minimise post-harvest food losses and produce sufficient crops to sell without compromising his/her own food security   |
| 3. Aggregation            | Farmers are able to bulk sufficient quantities of staple commodities to benefit from economies of scale, and reduce their transaction costs   |
| 4. Negotiation            | Farmers learn how to understand and talk to the market  |
| 5. Building relationships | Farmers' organisations have the capacity to govern themselves and are accountable to their members, and at the same time are able to build and maintain mutually beneficial relationships with other chain actors |
| 6. Capital and assets     | Farmers and their organisations have the financial and physical assets to operate effectively as a business   |
| 7. Expanding business     | Farmers are able to strategically plan their production to achieve the best return.   |

The TRP endorsed the relevance of the 7 capacities identified and recommended possible indicators to measure progress against the development of these capacities.

#### Indicators

Required capacity	Indicators
Access to capital and assets	<ul style="list-style-type: none"> <li>- Value of capital and assets (static and growth)</li> <li>- Trained bookkeeper/accountant/manager</li> <li>- Acceptable books/accounts - observable</li> </ul>
Meet quality standards	<ul style="list-style-type: none"> <li>- Quantity held in improved conditions</li> <li>- Sales that meet quality standards</li> <li>- Proportion of members able to attain required standards</li> </ul>
Production and delivery (i.e., manage transportation to market)	<ul style="list-style-type: none"> <li>- Per capita production</li> <li>- Productivity/yields</li> <li>- Marketable surplus</li> </ul>
Bulking/aggregation capacity	<ul style="list-style-type: none"> <li>- Size of sale</li> <li>- Number (%) of farmers contributing to sales</li> <li>- Size of membership – or capture area</li> <li>- Proportion of members able to attain required standards – relevant for quality conscious buyers</li> <li>- Per capita transactions cost?</li> <li>- Able to arrange acceptable transportation</li> </ul>
Negotiating power of FOs	<ul style="list-style-type: none"> <li>- Price received relative to local market price</li> <li>- Margins</li> </ul>
Building relations	<p><b>Internal</b></p> <ul style="list-style-type: none"> <li>- Transparent governance</li> <li>- Accountability, trust, cohesion, gender equality</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>- Number/percentage of needed capacity areas covered</li> </ul>
Expanding business	<ul style="list-style-type: none"> <li>- Documented business plan for growth</li> <li>- Capacity to sign contracts especially with more sophisticated buyers</li> <li>- Increasing income for farmers/organizations</li> <li>- Governance: Readiness to undergo an audit and systems that make it possible</li> </ul>

### ***Towards the future:***

- It is too early to pick winners and drop losers within the timeframe of pilot. Capacity building is a long-term process and in some areas more time is needed than in others. P4P should rather seek to understand why some FOs fail to grow.
- The present capacity of each FO should be assessed and subsequent engagement tailored according the level of capacity of the FO. The first three capacities identified are particularly relevant for low and medium capacity organisations, while the last four would be more relevant for higher capacity organisations.
- Remember that P4P is a “project of discovery not implementation” and the procurement and other targets may be a distraction.
- Work to sustainably transition organisations out of direct P4P support.
- Extract specific learning from the FOs including:
  - How do FOs mature?
  - How can they improve their market orientation?
  - How can we improve on the empowerment of farmers?
  - Can we create instruments to move farmers to a certain threshold of capacity, income, market engagement?
  - Are there differences between FOs that were already in existence versus those that are newly formed to take advantage of P4P?
  - What do we recommend with respect to improving smallholders capacity to aggregate and market their commodities?

### **Writesshops**

P4P has initiated a series of writeshops with the support of the **Royal Tropical Institute of the Netherlands (KIT)** in an attempt to document the learning emerging from P4P. The TRP was briefed on the first “writeshop” exercise which documented critical factors that have enabled or limited the “progression” and capacity development of the FOs. However, the process is costly and the TRP advised P4P to ensure that the qualitative outputs of the writeshops are backed up by quantitative data.

A writeshop is an intensive, participatory workshop that aims to produce practical, written output. The writeshop approach is specifically designed to assist key people, who may not usually write, to get the information out of their head onto paper.

The P4P writeshop brought together diverse views from different stakeholders, including WFP P4P country staff, representatives from WFP headquarters, farmer organization leaders and farmers, P4P partners, government officials, traders and financial institutes. This ensured the input of a wide range of P4P stakeholders and validation across a broad range of P4P issues.

This exercise was particularly critical at this juncture, mid-way in the implementation of the five year pilot, when P4P needs to take stock in order to inform the last two years of the pilot programme and start considering the potential for replication and scaling up. Writeshop participants were assisted by a team, involving facilitators from The Royal Tropical Institute of the Netherlands (known as KIT), editors and logistics staff.

Summary of field visit impressions:

### **Field visit – Group 1**

#### **Impressions on Las Pozas**

Las Pozas is a 60-member cooperative with aspirations to become an enterprise with greater warehouse capacity and its own input store. Since joining P4P WFP has provided the cooperative with a revolving fund, US \$10,000, in addition to technical assistance support, warehouse construction materials and lab equipment.

The Cooperative provides credit and input packages for its members coupled with technical assistance to enhance productivity. The integrated input packages together with strong leadership have proven to be the success factors for Las Pozas.

#### **The main achievements realized by the cooperative with the support of WFP and partners are:**

- Enhanced Productivity – maize yields of up to 5 tons/hectare
- Gradual increase in membership (5 % base) via credit & packages – test runs;
- Ability to receive commercial credit
- Increase in market awareness and effect on competition in the area
- 'Access' to several markets/buyers
- On gender, about 30 % of members are women. Women are valued members and have important role in committees
- The cooperative has succeeded to create a pool of clients and other livelihood sources

#### **Challenges**

- 50% gender target likely to be too high - women not necessarily engaged in agriculture in El Salvador
- Need to consider other livelihood activities with link to WFP
- Mixed vs women only groups

#### **Sustainability:**

- Low (to none) profit margin and difficulty increasing membership and raising funds for future aspirations
- Somewhat risky to rely on input packages

#### **Impressions on ADESCO AGRISAL**

Adesco Agrisal is a new 77-member community association with an ambitious "agenda" to become a 2000 member association selling quality products. Through P4P, WFP has provided the association with credit, warehouse construction support and assorted equipment in addition to technical assistance.

The association's main strategy is to buy quality maize and beans from members and non-members and sell at a profit to WFP and others. Adesco Agrisal serves as a service provider and market outlet to members and as an intermediary for many non-members. However, for its sales the association is highly dependent on WFP.

#### **The main achievements realized by the association with the support of WFP and partners are:**

- Both productivity and price have increased
- The association's capacity has improved significantly – from direct contracting to tendering
- Non-agricultural jobs created (cleaning etc)
- Impressive participation of women in board and committees; vocal women leaders
- Female membership on the rise (currently 30 out of 77) attributed to "easy access" and improved awareness

#### **Challenges**

- Sustainability: price expectations are high
- Reliance on credit and input packages
- Dependent on WFP as the principal buyer and little or no plans to diversify
- Membership – criteria to enroll members is not clear and lack of strategy to increase membership
- Credit tied to the input packages

## Field visit – Group 2

### **Impressions on the Agricultural and Livestock Association of Turin, A.A.T. de R.L.**

Turin has a total of 30 members but only 28 members are active. It has adopted a partnership approach, in this case is with PREMODER (IFAD-supported programme), and also PNUD (UNDP) and MAG (Government). Through P4P, WFP has provided the association with a revolving fund, lab and warehouse infrastructure, capacity building support especially on institutional building. WFP is also purchasing from the association.

### **The main achievements realized by the association with the support of WFP and partners are:**

- Good partnership approach especially for complementarities with investment of PREMODER
- Quality of produce and post-harvest care of crops has improved
- The quality of food for their home consumption had improved and there was better access to infrastructure.
- The association has opened other markets

### **Challenges**

- The association is small in size
- Incentives for the members to bring more members into the association may not be there
- Credit re-payment rates are somewhat low as are membership numbers (Average is 78%)
- Sustainability of the fund is of major concern. Why is it not directly linked to a financial institution rather than the association playing the role of a financial institution?
- There should be an effort to link the association to input provider and to bigger markets to sell their produce as it is important for sustainability
- On the impact evaluation design, how to be able to identify attribution?

### **Agricultural and Livestock Association IZALCALU DE R.L.**

IZALCALU also has a total of 30 members and they expect to grow to 350 members. It has established partnership with CARITAS, CESAL and DISAGRO. Through P4P, WFP has supported the association with the construction of storage facility, and provided a cleaning and sorting machine. P4P support also includes a rotating credit fund for agricultural inputs (150 beneficiaries), lab infrastructure and other infrastructure, and capacity building.

### **The main achievements realized by the association with the support of WFP and partners are:**

- Loan for inputs to members (\$191 at a 6% interest rate for 8 months)
- WFP is purchasing from them and indirectly creating a market for standards

### **Challenges**

- The association is small in size
- The association membership is not yet growing despite the fact that they buy from 70 other farmers
- Sustainability of the fund is of major concern. Why is it not directly linked to a financial institution rather than the association playing the role of a financial institution?
- Fixing the interest rate
- Who will be funding the subsidy in interest rate and in price of inputs?
- There should be an effort to link the association to input provider and to bigger markets to sell their produce as it is important for sustainability

## **Appendix 1 - List of meeting participants**

### **Permanent TRP members**

- 1 Christopher Dowswell – *Sassakawa Africa Association (SAA)*
- 2 Marta Valdez Garcia – *Intermon Oxfam, Madrid*
- 3 Dave Tschirley – *Michigan State University*
- 4 Jamie Anderson – *International Fund for Agricultural Development (IFAD)*
- 5 Maximo Torero – *International Food Policy Research institute (IFPRI)*
- 6 Miguel Garcia – *Inter-American Institute for Cooperation on Agriculture (IICA)*
- 7 Shukri Ahmed- *Food and Agricultural Organisation (FAO)*
- 8 Riika Rajalahti – *The World Bank*

### **Observers**

- 9 Douglas Kreiger – *Consultant involved in design of P4P M&E system*
- 10 Antonio Ayala - *Maize Trader*
- 11 Fidel Cruz – *Maize Trader*
- 12 Ezequiel Urias Aguilar - *Walmart Coordinator for Grain Purchase in El Salvador*
- 13 Innocent Matshe - *AERC*
- 14 Julio Calderon Artieda – *Central American Agriculture Council*
- 15 Julio Lopez Cintron – *University of Illinois*
- 16 Roxana Delgado – *UN Women*
- 17 Dorte Elhammer – *Country Director – WFP El Salvador*
- 18 Hebert Lopez – *P4P Country Coordinator – El Salvador*
- 19 Carloz Martinez – *WFP El Salvador*
- 20 Margareta Sanchez – *WFP El Salvador*
- 21 Francisco Alvarado – *P4P Country Coordinator - Nicaragua*
- 22 Marc Sauveur – *P4P Country Coordinator – South Sudan*
- 23 Veronique Sainte-Luce – *P4P Country Coordinator – Burkina Faso*
- 24 Enrico Pausilli - *P4P Country Coordinator - Ethiopia*
- 25 Sheryl Schneider - *P4P Country Coordinator - Guatemala*
- 26 Ana Touza - *P4P Country Coordinator- Honduras*
- 27 *Jean-Martin Bauer – Regional Programme Officer (Markets) – Regional Bureau Dakar*

### **WFP Headquarters participants**

- 28 Ken Davies – *P4P Coordinator*
- 29 Finbarr Curran – *Director, Procurement Division*
- 30 David Wakiaga – *Logistics Field Support Unit*
- 31 Mary Ellen McGroarty – *Senior Programme Advisor (P4P Unit)*
- 32 Jorge Fanlo - *Senior Programme Advisor (P4P Unit)*
- 33 Laura Melo – *P4P Programme Advisor, Central America Region*
- 34 Clare Mbizule - *Programme Advisor (P4P Unit)*
- 35 Mark Agoya – *Reports Officer (P4P Unit)*