

Summary - Purchase for Progress (P4P) Global Learning Agenda

Rationale

The Purchase for Progress (P4P) initiative advances WFP's strategic commitment to enhance the development impact of its procurement activities, and exemplifies its shift from food aid to food assistance. The five-year pilot programme creates space for WFP to experiment with procurement mechanisms that have the potential to contribute to agricultural and market development, without compromising its core objective of providing food in a timely and cost-effective manner. Since the launch of the pilot in September 2008, a wealth of new approaches have been tried across 20 countries. The pilot phase ends in December 2013, with an independent evaluation scheduled to commence in early 2014.

P4P's learning agenda

Besides its direct impact on beneficiaries, the major goal of P4P is to identify and institutionalize all types of food procurement models and other activities in the field of competence of WFP that sustainably promote smallholder agricultural development. As a pilot, P4P has emphasized learning and an honest and transparent examination both of what works and of what does not. In the context of its learning and sharing, P4P pilot countries are now starting to actively draw the key lessons learned after 4 years of implementation. This exercise will continue through 2014.

To facilitate the documentation of the experiences, lessons and best practices from pilot countries, the P4P Coordination Unit has developed a Global Learning Agenda (GLA) through a wide consultative process. The GLA organizes the emerging learning around 17 thematic areas, which are listed in the Annex of this note.

Why is the P4P GLA important?

Through the GLA, P4P will contribute to the improvement of the design and management of pro-smallholder agriculture and market development programmes based on very practical experiences in 20 countries. The documented learning will have both an internal and an external audience.

Internally, in the context of its Strategic Objective 5 (SO5), WFP will draw lessons from P4P on how to enhance the developmental benefits of its local food procurement activities. Externally, WFP will share lessons and best practices with:

- i) National governments seeking to use their public procurement programmes to enhance the agricultural production and market opportunities for smallholder farmers,
- ii) Other stakeholders as a contribution to the rural and market development efforts of the broader development community.

The GLA aims to provide in-depth insights to two broad-ranging questions:

- 1) What procurement modalities/platforms and practices are most effective for building the capacities of smallholder farmers and farmers' organizations and for creating an enabling environment conducive to the sustainable and profitable engagement of smallholders in markets?
- 2) How can WFP optimize its local food procurement activities to achieve the dual objectives of maximizing benefits for smallholder farmers while providing safe food in a timely and efficient manner?

In order to be able to tackle the two broad questions mentioned above, several more specific issues need to be answered, such as:

- What factors should country assessments explore before introducing pro-smallholder procurement?
- What are the risks involved with pro-smallholder procurement and how can we mitigate them?
- What partnership arrangements are most effective in supporting productivity enhancement?
- What types of pro-smallholder procurement approaches are most effective in empowering rural women?
- Which market development approaches are most effective in ensuring the sustainability of P4P-type approaches?
- How can pro-smallholder procurement and market development activities promote food safety and quality?
- What kind of human resources and internal coordination mechanisms are required to carry out pro-smallholder procurement in WFP?
- How can the design of programmes be amended such as to optimize the potential for smallholder procurement?
- What type of adjustment are needed to WFP's Local and Regional Procurement policy and systems in order to facilitate pro-smallholder procurement?
- How can WFP engage with governments and other stakeholders to support public procurement for smallholders?

Documentation process and role of specialist units within WFP

Achieving the outcomes envisaged in the GLA will involve two stages. P4P pilot countries will take the lead in documenting their experiences as outlined in the GLA. Based on these country documents and other relevant documentation, the P4P Coordination Unit will lead a process of synthesis to draw global lessons and best practices that will feed into the development of guidance for use by internal and external stakeholders.

The reflections of pilot countries on the implementation of P4P will incorporate a broad range of experiences with relevance to programming, procurement, logistics, finance, staffing (human resources), risk management, partnerships, empowerment of women, capacity development and engagement with national governments. The support of specialist WFP units is therefore of critical importance during both stages of the documentation process to ensure greater legitimacy and larger buy-in of the resulting lessons.

Timing

The documentation at country level is currently underway and will continue through 2014. The global synthesis process will run concurrently as documentation produced by the countries becomes available. If relevant, priority may be given to some of the learning themes to develop preliminary results that may be presented at upcoming events.

Annex 1: List of 17 thematic areas of the GLA:

General programming
1. Opportunities for facilitating smallholder farmers' access to finance <ul style="list-style-type: none"> ○ Mechanisms used by WFP and partners to promote farmer/FO access to finance and the results ○ Advantages/disadvantages of these different mechanisms
2. Empowering rural women through pro-smallholder procurement & market development activities <ul style="list-style-type: none"> ○ Addressing production and market-related challenges facing rural women -- access to productive resources, services, infrastructures, and decision making positions
3. Costs and benefits associated with pro-smallholder procurement & WFP processes <ul style="list-style-type: none"> ○ Costs associated with procuring from smallholder farmers ○ Prospects for achieving scale ○ P4P impact assessment and LRP impact assessment (benefits achieved) ○ Minimum M&E requirements to track costs and benefits of the different P4P models ○ Adaptation of WFP business processes
4. Doing pro-smallholder procurement and market development activities in post-conflict countries <ul style="list-style-type: none"> ○ Options and feasibility of introducing pro-smallholder procurement, agricultural market support or smallholder development components in post-conflict environments
WFP specific
5. Assessing feasibility of pro-smallholder procurement & market development activities in WFP Programmes
6. Recommended WFP staffing profile for effective pro-smallholder procurement and market development activities
7. Budgeting for pro-smallholder procurement & market development activities and trust fund management in WFP
Capacity building
8. Farmers' organization selection and progression <ul style="list-style-type: none"> ○ How to select FOs to work with (targeting criteria and classification of FOs) ○ Type of capacities being built
9. Tailoring procurement to support capacity building for aggregation and collective marketing
Productivity
10. Supply side role in promoting agricultural productivity <ul style="list-style-type: none"> ○ Partnership models – minimum partnerships required when working with different FO categories ○ Partnership models/arrangements ○ Coordination with Rome Based Agencies ○ Achievements in agricultural production & productivity
Market development
11. Approaches to marketing infrastructure and equipment
12. Facilitating smallholder farmers' access to markets beyond WFP <ul style="list-style-type: none"> ○ Linking to private sector buyers ○ Linking to private sector inputs/service providers ○ Linking to public procurement opportunities ○ Promoting processing opportunities for smallholders
13. Promoting structured trading platforms <ul style="list-style-type: none"> ○ How has WFP engaged with CEX/WRS and how have WFP processes adapted ○ Experiences in linking FOs and smallholders to Commodity Exchanges and Warehouse Receipt Systems
Procurement
14. Risks associated with pro-smallholder procurement and how to mitigate them <ul style="list-style-type: none"> ○ Risks for WFP (pipeline, reputational risk, food safety) ○ Risks for smallholder farmers (over-indebtedness, women, elite capture etc.)

<ul style="list-style-type: none">○ Risks for local markets (inflationary & volatility effects)○ Risks for Partners (reputational)
15. Role of pro-smallholder procurement & market development activities in promoting food safety and quality <ul style="list-style-type: none">○ Opportunities to promote food safety and quality standards at household, farmers' organization and national levels
16. Updated WFP policy on Local and Regional Food Procurement
Policy
17. Role of WFP in policy and advocacy around public procurement for smallholders <ul style="list-style-type: none">○ Engaging with regional bodies○ Engaging with Governments to support public procurement for smallholders○ Coordination with Rome-Based Agencies