

Purchase for Progress Final Consolidated Partnerships Report (September 2008 – December 2013)





CUMULATIVE P4P PARTNERSHIPS REPORT: Catalysing Cooperation September 2008 – December 2013

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Introduction

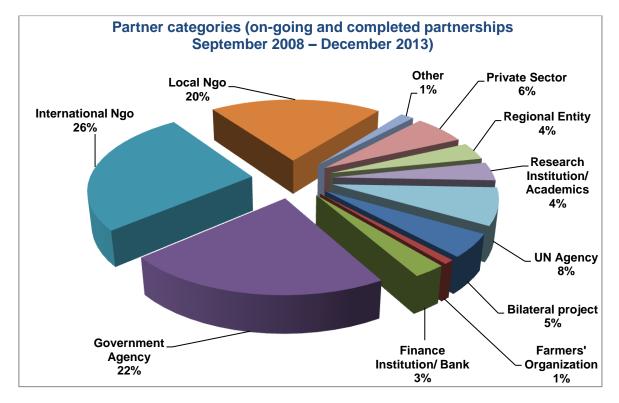
Since the beginning of the P4P pilot treatment period, WFP has engaged in over 500 partnerships, 286 of which were formalized through agreements and 63 of which are under negotiation. The P4P programme was designed with a focus on partnerships at all levels in order to leverage the diverse strengths and specializations of organizations already working in the field. WFP's demand and support are only two pieces of the range of interventions required to connect smallholder farmers to quality markets. Active engagement with partners – on both a formal and informal basis – is necessary to provide the appropriate institutional and technical support to smallholders, farmers' organizations (FOs), small and medium traders, processors and others who participate in the P4P pilot.

This report provides a snapshot of P4P partnerships throughout the pilot, based on data extracted from country quarterly reports and annexes submitted by the 20 pilot Country Offices and complemented by information on regional and global partnerships from the P4P Coordination Unit and WFP Regional Bureaux. In addition to a general overview on the different types of partners in the 20 P4P pilot countries, specific partnership examples will be given. Where possible, the report also includes plans for future partnership or partners' continued involvement in P4P activities. Due to the large number of partnerships, this report cannot provide a comprehensive description of all partnership activities in the 20 pilot countries.

I. GLOBAL OVERVIEW

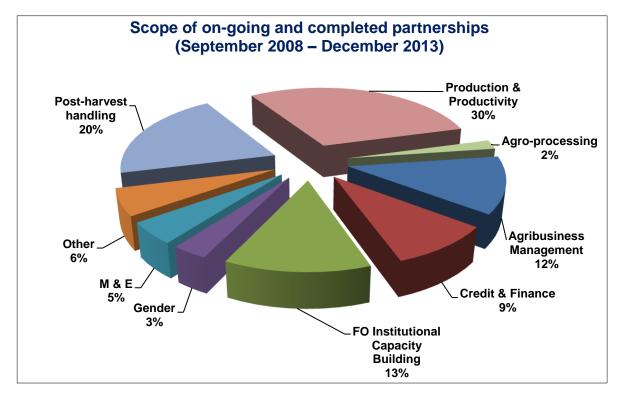
Partnership Categories

WFP has worked with a wide range of different partners, including government counterpart ministries/agencies, international and local NGOs, UN agencies, the private sector, financial service providers, research institutions, bilateral development partners and regional entities. Umbrella FOs are an additional, albeit small, partnership category, such as in Honduras, where they provided technical assistance on production and post-harvest practices through farmer field schools.



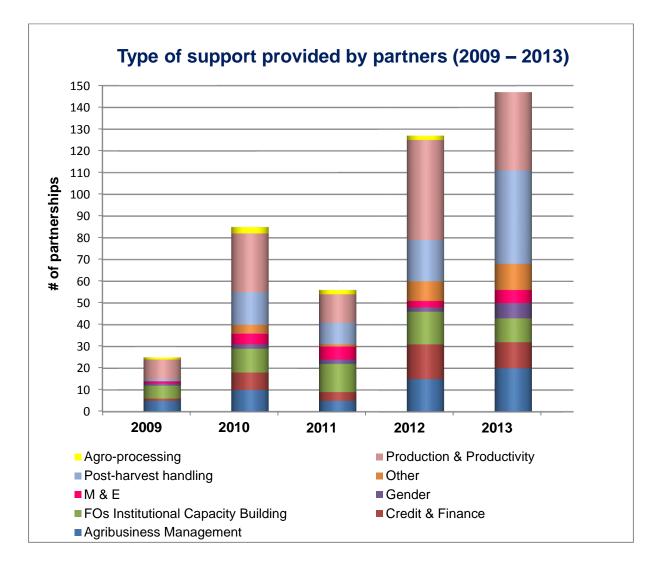
Scope of P4P Partnerships

The largest number of technical partnership agreements concern agricultural production and productivity, followed by post-harvest handling and FO institutional capacity building. Agribusiness management and financial services are the next most common areas.



Evolving Support

Over the five years of the pilot, partners have provided a wide range of support at different stages of the value chain. The chart on the following page shows a breakdown of the types of support provided by partners in each year of the project. The majority of partnerships were initially focused on supporting production and productivity or post-harvest handling, followed by FO institutional capacity building and agribusiness management. These topics were also the focus of the majority of training sessions delivered by partners and WFP, discussed in detail in the <u>Consolidated Farmers'</u> <u>Organizations and Capacity Development Report</u>. The later years of the pilot see an increase in the number of partners providing support with credit and financial literacy, addressing a major barrier to FO participation in P4P and the market in general. There is also an increase in partnerships focused outside of these areas, where partners provided a variety of support to emerging infrastructure needs including warehouse construction and road rehabilitation. Every year, partners have the opportunity to share their perspectives at annual national reviews, as well as some participating in the <u>P4P Annual</u> <u>Consultation</u> that has brought the 20 pilot countries together once a year.



Mainstreaming and moving forward

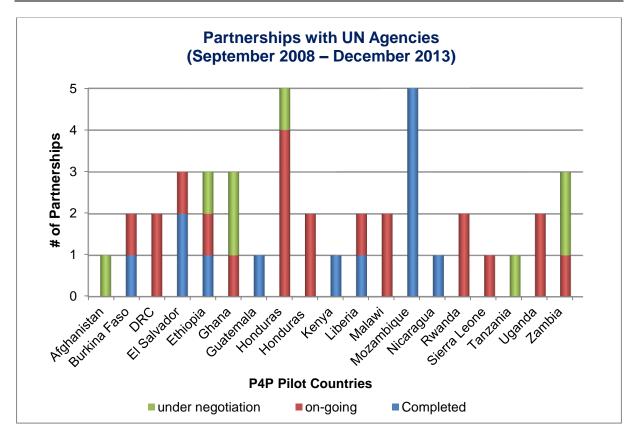
P4P has catalysed partnerships with and between a wide range of government, NGO, UN and private sector stakeholders. Partners' support to smallholder farmers along the value chain was crucial in developing FOs' capacity to sell to WFP and access markets beyond WFP.

P4P has also worked with national governments to harmonize P4P activities with national strategies and policies. Ministries of Agriculture have been key partners in coordinating P4P activities with national stakeholders.

One of the most significant impacts of P4P will be lasting partnerships between these actors after the end of the pilot period. These established partnerships will be critical to the sustainability of gains made through P4P. WFP will contribute to sustaining these relationships by mainstreaming pro-smallholder procurement into its regular program of work.

II. OVERVIEW OF COUNTRY LEVEL PARTNERSHIPS

1. Partnerships with UN Agencies



Since the beginning of the pilot, there have been a total of 50 partnerships with various UN Agencies across 19 countries. As of December 2013, there are 21 **on-going partnerships with various UN Agencies across 12 countries** providing a wide range of support activities for P4P-supported FOs.

Engagement with Rome-Based Agencies (RBAs)

Both FAO and IFAD are members of P4P Steering Committees or similar coordination mechanisms at country level in most P4P countries. FAO has provided technical support to FOs working with P4P while IFAD has focused on access to credit and linkages of P4P with on-going IFAD-funded government programmes. Both agencies have supported WFP through exploring synergies with their country-level support to governments. P4P has provided an opportunity for RBA collaboration at country level. One example is Mozambique, where the FAO/IFAD/WFP joint programmes in agricultural markets, nutrition, rural finance and women's empowerment were presented with an award for RBA collaboration in 2013.

- FAO: Technical Assistance

Over the course of the pilot, FAO provided supply side and technical assistance in production in 15 countries, making it the most central P4P partner within the UN system. FAO's support includes support to enhance agricultural production and productivity (including the provision of improved seeds and tools), agribusiness management and institutional capacity building for FOs – including through Farmer Field Schools in Uganda or the value-chain programme in Honduras. FAO has also provided technical assistance in developing FO infrastructure such as storage facilities in El Salvador and Malawi as well as food processing equipment in Liberia. In many countries, WFP also works closely with FAO on price monitoring and crop forecasts. In DRC, P4P is being implemented in full partnership with FAO (initially with Belgian funding to both WFP and FAO).

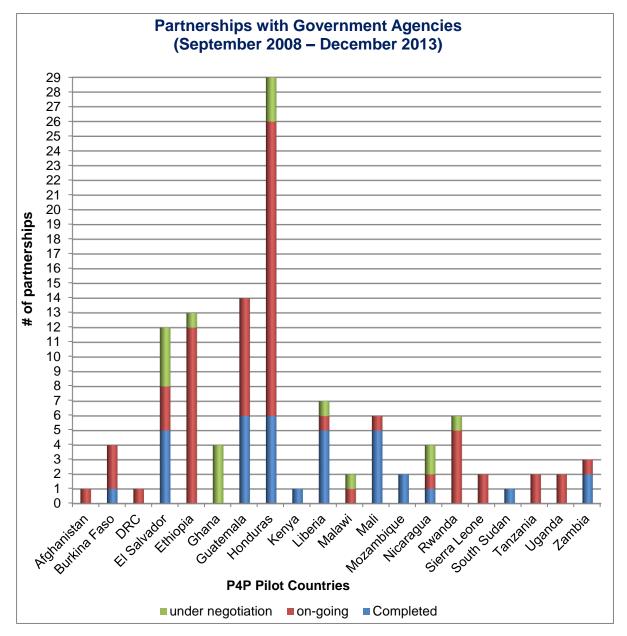
IFAD: Technical Support and Access to Credit

IFAD-funded projects have supported P4P implementation with technical support on production and enhancing access to credit in El Salvador and Mozambique. In El Salvador, the Central Rural Development and Modernization Project for the Central and Paracentral regions (PRODEMOR), an IFAD-funded project implemented by the Ministry of Agriculture, partnered with P4P. Technical and financial efforts are coordinated for the implementation of the business initiative on basic grain production and commercialization, which benefit P4P FOs.

Further instances of RBA collaboration appear in the <u>Overview of Global</u> <u>Partnerships</u> section on p.24 of this report.

Support from Other UN Agencies and International Organizations

- In Malawi, UNDP has provided capacity building support on the warehouse receipt system as well as new technologies, sustainable agriculture and farming as a business through the Millennium Villages Project.
- In Honduras, P4P has collaborated with the IFAD-UNDP Project to Increase Competitiveness of the Rural Economy of the Yoro area (PROMECON), which trained smallholders in production of bean seed.
- UN Women has worked with P4P in Ghana, Honduras and Rwanda to promote gender equality and the active participation of women in the agricultural production chain, as well as enhance women taking on leadership roles in FOs. UN Women and P4P have also partnered in Mozambique to address barriers to women's participation in agriculture, including lack of access to land and improved agricultural technologies. After conducting a gender assessment to better understand context-specific gender issues, P4P and its partners provided an integrated package of activities including labour-saving technologies and gender awareness training.
- Using the P4P initiative as a natural entry point, a five-year joint programme, <u>Accelerating Progress towards the Economic Empowerment of Rural Women</u> (RWEE), has been developed in several countries with UN Women, FAO, IFAD and WFP as partners. P4P, representing WFP, is taking the lead on the RWEE joint programme in Rwanda and Guatemala. The project is also implemented in Ethiopia, Kyrgyzstan, Liberia, Nepal and Niger.
- UNOPS has provided support on rehabilitation of 192km of rural farm to market roads in DRC.
- A partnership with ILO on assisting FOs in their marketing activities is under negotiation in Tanzania.



NB: The figures for government partnerships in Honduras are high relative to other countries. This is due to the number of partnerships implemented at the municipal level which accounts for 31% of all government partnerships in Honduras (9 municipal partnerships out of a total of 29 government partnerships).

From the inception of the pilot, P4P implementation plans have been developed to align with governments' national agricultural development policies and poverty reduction strategies. Government ministries have been key partners throughout the pilot. Over the course of the pilot, there have been a total of **114 partnerships** with government agencies across the **20 countries**. Currently, there are **64 on-going partnerships** with a range of government agencies in **16 countries**. Some of these are being institutionalized as P4P-type programmes further integrated into national rural development strategies and food reserve systems.

These partnerships have enhanced synergies between government programmes and P4P, and have helped governments develop smallholder-friendly procurement and market development strategies. Governments are playing a pivotal role in the design and implementation of P4P programmes and WFP has consequently been included in policy discussions on smallholder agriculture at the national level in some pilot countries. Through P4P, governments have also increasingly recognized the role WFP can potentially play.

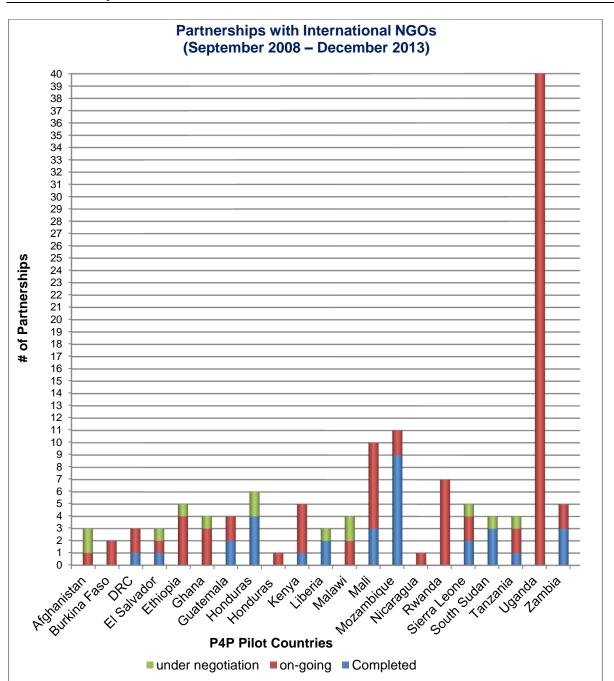
Government support of P4P has included a wide range of activities, from participation in (and often chairing) P4P coordination mechanisms and development of smallholderfriendly policies as well as direct support to FOs through extension services and the provision of technical equipment. Ministries of Agriculture have been key partners in coordinating P4P activities with national stakeholders, particularly in association with government technical entities that provide technical support, access to agricultural inputs and extension services. Other ministries such as Ministries of Education, Trade and Commerce, Cooperatives, Social Services and Finance are also involved depending on the country context.

Close collaboration with national governments has been vital for the sustainability of P4P. Public procurement (structured demand) provides an important market beyond WFP for smallholder farmers. Over the pilot duration, successful links have been established between smallholder farmers and national food reserves (Rwanda and Tanzania), as well as government-run school feeding programmes (Ethiopia and Kenya). In some instances, P4P has also worked with governments to link farmers' organizations to other institutional markets such as public hospitals and prisons.

Government ownership

- Common P4P (Government of Rwanda): The most sweeping embrace of P4P has been by the Government of Rwanda. After observing how P4P Rwanda was able to procure over 3,000 mt of high quality commodities from participating farmers' organizations within the first year of implementation, the Government of Rwanda expressed interest in building on the range of tools, partnerships and lessons emanating from P4P and requested WFP's support to effect a nationwide scale-up of the P4P approach in a joint initiative entitled **Common P4P**. The Government adopted a comprehensive set of new policies, strategies, institutions and interventions under Common P4P which are coherent and interrelated with clearly defined mandates, tasks and reporting structures incorporating policy and institutional adaptation based on reiterative learning. Between 2011 and 2012, the Government of Rwanda issued forward contracts to a selected number of farmers' organizations and succeeded in procuring just over 3,000 mt for its strategic grain reserve under Common P4P. This substantially increased during 2013, with the National Strategic Grain Reserve (NSGR) providing an attractive alternative to WFP for the 61 cooperatives supported under the "Common P4P".
- South-South Learning: The bold step taken by the Government of Rwanda has attracted the attention of governments in other P4P pilot countries. As a result, Rwanda has hosted study visits by teams of government officials and supply-side partners from Burkina Faso, Ghana and Kenya seeking to familiarize themselves with the implementation of "Common P4P". In Burkina Faso, this resulted in highlevel policy action by the government, where the Ministry of Agriculture and Food Security (MASA) established a committee of experts in access to agricultural inputs (improved seeds, fertilizers), credit, agricultural and agro-food processing equipment and access to commercialization of agro-food commodities. P4P principles have been integrated into MASA's newly developed Warehouse Receipt System (WRS) project, which aims to facilitate storage of commodities and increase access to credit and marketing options for smallholder farmers. SONAGESS, the national food reserve agency, has committed to procuring 30% of its total purchases from smallholder FOs. WFP's Burkina Faso country office is also moving forward with plans for a post-pilot programme that aims to see P4P progressively owned by the government and mainstreamed into national programs.

- Satellite Collection Points: In Uganda, P4P collaborates closely with government agencies at the local level. Virtually all satellite collection points were constructed on public land owned by local governments. Local government officials including Production and Marketing Officers were instrumental in mobilizing and training farmers.
- A Multi-Pronged Approach: In Guatemala, the Ministry of Agriculture, Livestock and Food, ICTA and INDECA (national technical agriculture institutions) work closely with P4P on appropriate seed varieties, grain handling, processing and storage. Cooperation with the Triangle of Dignity initiative of the Ministry of Agriculture has made credit available to farmers, while sharing experience and lessons learnt during the creation and implementation of this programme.



3. Partnerships with International NGOs

NB: The figures for INGO partnerships in Uganda are high relative to other countries. This is due to the number of partnerships implemented at district level.

There are **85 on-going partnerships with international NGOs in 18 P4P pilot countries**. Since 2008, P4P has engaged in 130 partnerships with international NGOs in the 20 P4P pilot countries. These partners provide a variety of support, including production & productivity, post-harvest handling and marketing support, capacity building and organizational strengthening.

P4P has deepened WFP's engagement with agriculturally-engaged NGOs, developing partnerships on a strategic as well as technical level and combining WFP's work with partners' projects and expertise, rather than relating primarily as WFP project implementers. Partnerships with NGOs have been particularly successful if partners' and P4P's objectives complemented each other and both parties were able to contribute their own technical and financial resources.

Linking Technical Support and Business Skills

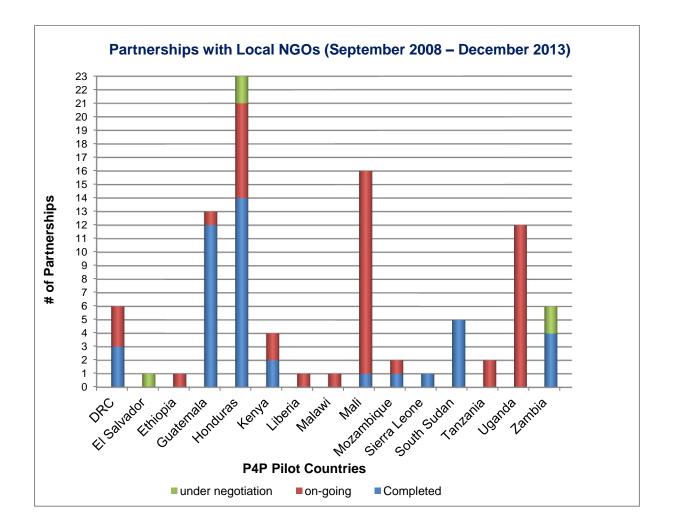
<u>TechnoServe</u> has partnered with P4P in Ethiopia, Honduras, Tanzania and Uganda. TechnoServe has worked in Ethiopia since 2009, integrating smallholder coffee farmers into commercial markets. Their in-country experience in capacity development allowed the organization to successfully provide P4P-supported Cooperative Unions with training to strengthen their business and financial management skills. TechnoServe also participated in the Ethiopia Maize Alliance, a group of key stakeholders convened by the Ethiopian Government's Agricultural Transformation Agency (ATA) which reinforced its close collaboration with the government, P4P, the Commercial Bank of Ethiopia and other strong NGO partners with such as ACDI/VOCA. This collaboration facilitated Cooperative Unions' access to finance and enabled them to successfully deliver 19,000 mt of maize under Forward Delivery Contracts with WFP in 2013. Most importantly, Cooperative Union staff members have been trained as primary cooperative trainers which allowed for sustainable peer-based training and facilitated the trickle down of skills. TechnoServe continues to support broader smallholder market access by working with institutional buyers to show them the benefits of developing the capacity of farmers' organizations.

Connecting Health and Smallholder Livelihoods

Under P4P Kenya, <u>Academic Model Providing Access to Healthcare (AMPATH)</u> enhanced its traditional assistance to HIV/AIDS-affected smallholders by supporting their integration into farmers' organizations and providing them with training in agricultural production and organizational support. The trust built by AMPATH through years of working in the targeted communities has been crucial to reaching these HIV/AIDSaffected smallholders. Today, 40% of AMPATH's patients are members of FOs supported under P4P and have increased their food security, income and resilience to shocks by producing surplus and selling to WFP. As lessons from the five-year pilot project are compiled, P4P's collaboration with AMPATH is emerging as a successful model for providing viable livelihood opportunities and addressing the food needs of HIV/AIDSaffected people.

Extension Services through Radio

In Ghana, P4P will continue to partner with Farm Radio International (FRI) through September 2014. FRI provides agricultural extension services through farmer-led participatory radio broadcasting, with a focus on promoting good agricultural practices and access to market information in order to help local farmers meet P4P's quality requirements. It has given P4P-supported FOs as well as other FOs in the same areas a very useful and accessible tool to increase their agricultural knowledge and share experiences with other farmers.



As of December 2013, P4P has **46 on-going partnerships with local NGOs in 11 countries,** while an additional 5 are currently under negotiation. Over the pilot period, P4P engaged in a total of 89 partnerships with local NGOs, which have supported P4P-targeted FOs with capacity building in production support, post-harvest handling, commercialization, organizational strengthening and sensitization of men and women farmers. Indigenous NGOs also played an important role as they complemented the P4P approach with critical local expertise.

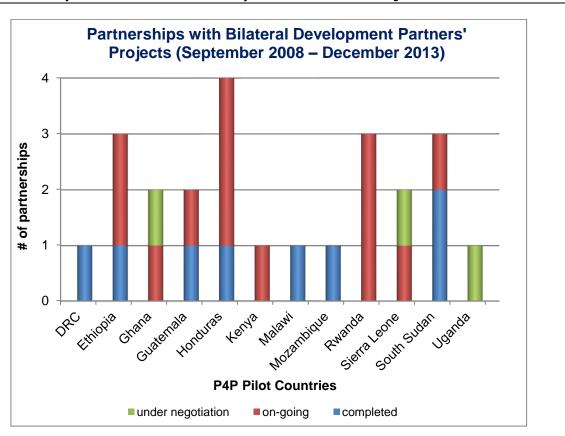
Stability in Conflict Situations

Following the coup d'état and the ensuing conflict in Mali in 2012, many organizations involved in development and humanitarian work were forced to suspend their projects in the country. P4P works with three national and two international NGOs who have a well-established field presence in P4P areas of operations. The level of mutual trust and understanding between FOs and NGOs in these established partnerships was strong by the time of the coup. Following the coup, movement of WFP staff was limited due to security restrictions. However, local partners continued to monitor and supervise the progress of the project, while continuing to provide critical support services to the farmers' organizations, including marketing their commodities to buyers beyond WFP. As a result, P4P purchases in 2012 exceeded expectations. Local NGOs can provide stability in times of insecurity as well as sustainability in the longer term.

Institutional Capacity Building

In Tanzania, WFP/AGRA/Rural and Urban Development Initiative (RUDI) signed a tripartite agreement for the implementation of the project "Enhancing Market Competitiveness of Farmers Groups in Central Tanzania". RUDI, an indigenous Tanzanian NGO, implements the capacity building activities for six FOs supported under P4P. The

project aims to strengthen farmer-to-farmer training, facilitate the linkage with agrodealers as well as enhance marketing associations and the management of collective marketing and inventory credit systems such as the Warehouse Receipt System. The project is funded by Alliance for a Green Revolution in Africa (AGRA). Monitoring and Evaluation of activities are to be conducted in partnership with WFP and AGRA. In Northern Tanzania, local NGO Faida Mali collaborates with P4P on the Maize Farmers Empowerment Project. The aim is to strengthen marketing structures and link smallholder farmers with the private sector.



5. Partnerships with Bilateral Development Partners' Projects

NB: This table refers to locally-negotiated support between P4P and local bilateral development partners. Bilateral development partners are defined as the agency or ministry of a donor government whose main focus is funding and/or implementing development projects.

Since the beginning of the pilot, there have been 24 partnerships with bilateral development partners' projects, of which 13 are on-going.

Technical Support and Market Access

- Germany: In South Sudan, WFP has worked closely with the <u>German International</u> <u>Cooperation (GIZ)</u>, which trained smallholder farmers in production and postharvest handling. GIZ also supported the construction of 10 warehouses, funded by The Howard G. Buffett Foundation, which will help FOs reduce post-harvest losses, improve food quality and enable them to take advantage of seasonal price variations. GIZ also provided technical training and equipment for post-harvest handling to FOs in Sierra Leone.
- Japan: JICA is providing technical expertise on production to P4P-supported FOs in Rwanda. JICA has also partnered with P4P in Ethiopia and Ghana where the agency provided marketing training, technical expertise and agricultural inputs.
- United Kingdom: A partnership with DFID for agro-processing support was under negotiation in Afghanistan, but discussions were dropped due to security concerns.
- Netherlands: SNV partnerships in Kenya and South Sudan have focused on market linkages and FO capacity building.

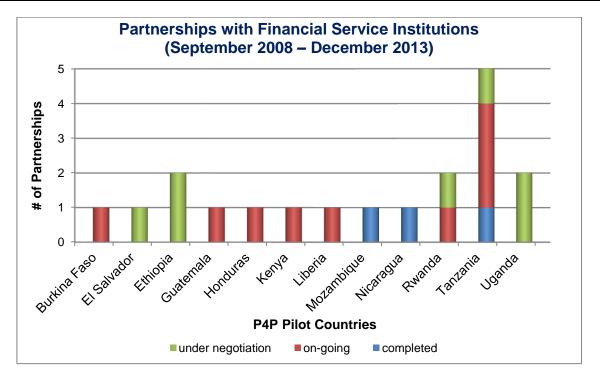
 United States of America: AGRIFUTURO, a USAID-funded project in Mozambique supports FO capacity building on commercialization and agricultural input. In Rwanda, the USAID-funded Post-Harvest Handling and Storage Project rolled out <u>"Sell More for More"</u>, a comprehensive training package for P4P cooperatives in collaboration with ACDI-VOCA, focused on access to finance and technical training on post-harvest handling. In Malawi, USAID funded support for crop conditioning, warehouse management and Market Information Systems. In Honduras, the USAID-funded ACCESO project provided technical assistance, production and post-harvest handling support.

Credit and Finance

- Canada: The Canadian Department of Foreign Affairs, Trade and Development (DFATD) supports credit access programmes for P4P-supported FOs in Ghana.
- United States of America: The Development Credit Authority (DCA) of USAID has provided loan guarantees for banks in Ethiopia, Kenya, Rwanda, South Sudan and Tanzania, in order to facilitate access to financial services for P4P-supported FOs.
- Netherlands: In DRC, SNV provided micro-credit to P4P-supported small traders.

Building on P4P

Canada: In Guatemala, <u>DFATD will continue supporting production and productivity training</u> as well as other capacity building activities through the new initiative, *Maís chapín contra el hambre,* bringing together P4P and the Scaling Up Nutrition (SUN) initiative. This national initiative focuses on producing processed, nutrient-rich foods for distribution to at-risk populations, specifically targeting pregnant and lactating women as well as children. The basic grains for these nutrient-rich foods will be sourced from P4P-supported farmers' organizations with a focus on women's membership and leadership. This initiative provides another market for smallholders while addressing malnutrition in the most high-risk populations within the country.



Lack of access to financial services limits the ability of many smallholder farmers and FOs to produce or market effectively. WFP and partners are exploring affordable financial service options with banks and other financial service providers that may facilitate cash flow for FOs. While WFP cannot act as credit guarantor, WFP tries to facilitate access to credit for smallholder farmers through these partnerships. Currently, P4P has **nine on-going partnerships with financial institutions in seven countries** while in total over the past five years, P4P has engaged in 19 partnerships.

Access to Credit

In Tanzania, good collaboration exists with Cooperative Rural Development Bank (CRDB) and National Microfinance Bank (NMB) to facilitate credit access for FOs. NMB received loan guarantees through the USAID - DCA project, and is now considered a primary source of financial services for farmers by RUDI.

In Sierra Leone, the USAID-funded PAGE project, which was implemented by ACDI/VOCA and World Vision, was instrumental in establishing a partnership with the country's Union Trust Bank. The bank made available a post-harvest credit package to P4P-supported farmers using WFP contracts as collateral. Under close guidance of the partners, FOs were able to successfully repay their loans under this scheme. The successful relationship established between the bank and FOs continued after the end of the project and five FOs have since received further loans which were also fully repaid.

In-Kind Loans

In Kenya, agricultural input loans are made in-kind from agro-dealers' seed and fertilizer stocks, which in turn are financed through a loan agreement with financial institutions. Schemers and Kaptebee, two P4P-supported FOs in Kenya, consistently borrowed and reimbursed progressively larger loans from 2010 to 2012. Both FOs have maintained a good track record and built confidence with the financial institutions, using WFP contracts as collateral. These FOs are profitable due to their improved marketing capacity. Loans have also fostered increased aggregation capacity and collective marketing.

Forward Delivery Contracts (FDCs)

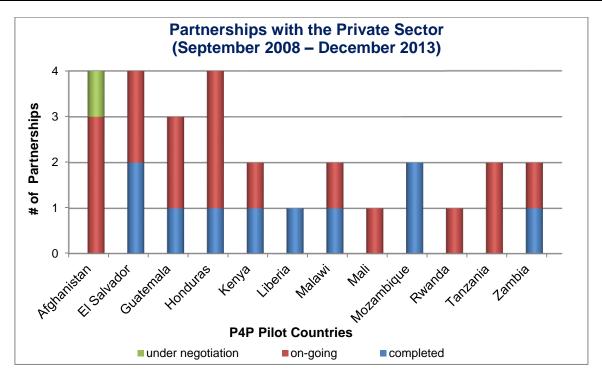
Lack of access to finance makes it difficult for FOs to aggregate large quantities from smallholder farmers. In Ethiopia, <u>WFP signed Forward Delivery Contracts (FDCs) with 16</u> <u>Cooperative Unions</u> for a total of 28, 000 mt for 2012/2013 marketing season; and with 29 Cooperative Unions for 37, 000 mt for the 2013/2014 season. FDCs represent an innovative procurement modality, by which WFP agrees at planting season to purchase a pre-established quantity of quality grain to be delivered at harvest time, while agreeing on a floor price. FDCs offer several benefits:

- i) can be used as collateral to obtain credit;
- ii) encourage farmers to increase production; and
- iii) allow for some degree of price adjustment based on market fluctuation, while guaranteeing a minimum price.

The Maize Alliance working group consisting of various partners and coordinated by the Agricultural Transformation Agency (ATA) has been advocating for the importance of the FDC and output financing. Partners have worked towards strengthening the ties between unions and banks by helping the selected Cooperative Unions with writing and submitting business plans. For example, TechnoServe and ACDI-VOCA assisted the Cooperative Unions in meeting Commercial Bank of Ethiopia's (CBE) loan requirements and making them "bankable".

Revolving Funds

In three of the four Central American countries (El Salvador, Honduras and Nicaragua), revolving funds were established, by providing FOs with agricultural input packages (seeds, herbicides and/or pesticides). This mechanism allowed FOs to establish a revolving fund by requiring members to repay the organization the cost of these inputs at harvest. This experience has enabled FOs to build a credit history which makes them more attractive and reliable borrowers for financial institutions. This fund then allowed the FOs to buy agricultural input packages in bulk in the following production cycles, which showed farmers the benefits of buying in greater quantities. In some cases, farmers were able to save up to 20% of the costs for inputs due to the higher volumes of seeds and fertilizers that they bought from agricultural input providers such as FERTICA and DISAGRO, and they were also able to obtain technical training from these companies.



There are currently 17 private sector partnerships reported as on-going as of December 2013 in 10 P4P pilot countries, with a reported total over five years of 27 partnerships. One additional partnership is currently under negotiation in Afghanistan. The private sector plays a key role in agricultural input provision, food processing, technical support, market information support and capacity development for P4P-supported FOs. Broadly, the private sector is supporting P4P in agricultural input provision (mainly in Central America), processing (Afghanistan, Central America and several African pilot countries) and building capacity through business skills development, quality assurance and market information systems.

From the outset of the P4P pilot, there has been a steady stream of interest from the international private sector in partnering, resulting in resources being secured from companies such as John Deere (Ghana, Kenya), Dreyfus Foundation (awaiting final confirmation for partnerships in Mali and South Sudan), Zynga (Sierra Leone) and UPS. In Guatemala, FOs sold about 900 mt of beans to Wal-Mart. Private sector partnerships presented new opportunities for engagement, but also new challenges, as a careful balance had to be maintained between securing much needed support for FOs, while maintaining separation between financial support and promotion of one private company's products.

The link between P4P and the private sector presents interesting opportunities for committed private sector actors to engage with smallholders, either through corporate social responsibility (CSR) strategies or by developing a potential smallholder supplier base. WFP has endeavoured to connect such companies (e.g. Unilever) with P4P-supported FOs, but such partnerships remain in the early stages of development as the private sector recognizes that it takes time, patience and a different relationship than is the norm with their usual suppliers.

Agribusiness Management

In Malawi, the Agricultural Commodity Exchange for Africa (ACE) has partnered with P4P to establish a network of rural trade facilitators to extend the outreach of the ACE to rural areas, <u>training smallholder farmers in accessing the ACE and Warehouse Receipt</u> <u>System.</u> WFP can place bids under the Bid Volume Only (BVO) system free of charge. Extension in time and inclusion of construction of warehouse facilities for WRS in rural areas are under discussion. A new partnership is being developed with ACE and the

USAID-funded Market Linkages Initiative incorporating market price collection and marketing support for FOs.

Agro-Processing

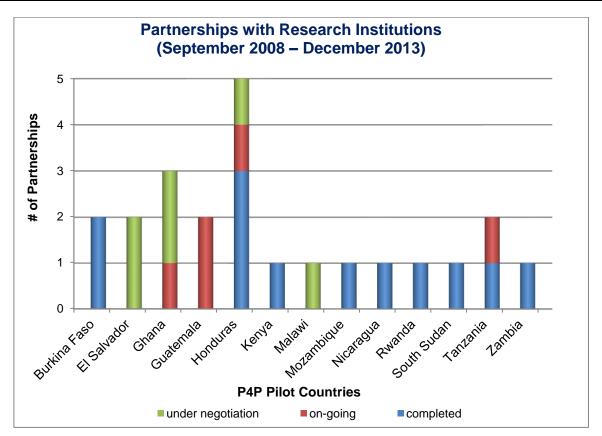
Private sector partnerships with private millers have played a key role in P4P activities in Afghanistan, focusing on local wheat procurement and local processing in order to provide a market for wheat farmers and build the capacity of local agro-processors. WFP's demand for fortified processed flour and supplementary blended foods, and donor investments in food processing has been envisaged to provide a stable market for these commodities, which is beneficial both to smallholders who provide the basic grains and the local companies producing these products. P4P's first purchases in Afghanistan were high-energy biscuits for WFP's school meals programme, which were produced by these local processing companies.

Direct Marketing

In El Salvador, P4P-supported FOs were able to improve the quantity and quality of their product and sell to quality-conscious buyers after receiving training in agricultural techniques through P4P. In early 2013, <u>three clusters of FOs began a legal process to establish their own brands and patents</u> in order to enable them to sell to supermarkets. A partnership was formed with the Intellectual Property Unit from the National Registration Center (CNR) and farmers' organizations received training on how to proceed with the official trademark registration for their products. Partnerships with CNR and capacity building partners allowed FOs to then negotiate directly with private sector buyers using the skills learned through participation in P4P.

Negotiation Skills

In Latin America, Disagro and Formunica have arranged training sessions throughout the pilot, addressing the use and importance of agricultural inputs such as fertilizers, insecticides and improved seeds. P4P has also assisted FOs to form sustainable commercial partnerships with agricultural inputs suppliers. In Nicaragua, during a series of P4P-sponsored negotiation rounds with suppliers, <u>representatives from 15 FOs learned how to meet suppliers' demands</u> and successfully negotiate inputs purchases. Since 2009, over 9,000 smallholder farmers have benefited from these negotiations.



Research institutions provide support to both P4P project activities and to FOs in areas such as baseline and follow-up survey data collection and analysis, market surveys and analysis, specific commodity quality enhancement, production training and institutional strengthening. As of December 2013, partnerships with **five research institutions in four countries** were reported. Over the pilot phase, WFP engaged in 23 partnerships with research institutions.

Pilot-Wide Quantitative Data Analysis

A network of 37 collaborating universities with its headquarter in Nairobi, <u>the African</u> <u>Economic Research Consortium (AERC)</u> began a partnership with P4P in 2011 to support the independent analysis and reporting of P4P quantitative survey data. A dedicated data analysis hub with eight full time staff was established to manage the large amount of quantitative data generated by the P4P M&E system. In late August 2011, AERC hosted a three-day workshop in Lusaka to validate the emerging results of P4P implementation in Ethiopia, Mali, and Tanzania. The workshop led to constructive recommendations on improving the quantitative impact assessment approach. A second validation workshop took place in El Salvador in April 2013, focusing on the data and results from the Latin American countries. AERC is currently supporting the final data collection in pilot countries and will process this data to reflect the Year 5 achievements. A web-portal to be hosted by AERC will provide public access to P4P data sets, as well as various reports realized through the P4P experience.

Supporting capacity development

Partnerships between P4P and different research institutions in Honduras have existed since 2009 and support was provided in production and productivity and post-harvest handling, focusing on storage facilities, primary production, institutional strengthening and Farmer Field School methodologies for field school staff.

Production & Productivity

Local universities and agricultural research bodies in Guatemala are involved in training farmers on improved varieties of maize. The International Maize & Wheat Improvement Center (CIMMYT), a CGIAR Center, is introducing quality protein maize through demonstration plots and is also supporting farmers to improve yields and agricultural

practices. ICTA, the research branch of the Ministry of Agriculture, provides technical assistance in agricultural production and seeds.

Monitoring & Evaluation

In Ghana, WFP collaborates closely with the Kwame Nkrumah University of Science & Technology. The department of Agricultural Economics, Agribusiness & Extension provides technical support to P4P on M&E related issues. University professors and students supported P4P in conducting the Baseline Survey as well as follow-up surveys and case studies. They also trained FOs on efficient record keeping in both P4P operational regions with the goal of improving transparency and management of FO activities.

9. Overview of Country-Level Coordination Mechanisms

Most countries have established P4P Steering Committees (SC) or similar coordination mechanisms, bringing together the government and the main agricultural development partners, including donors and, in some cases, the private sector. These coordination forums discuss policy and implementation issues, and provide overall guidance. In some countries P4P and partners jointly agree on farmers' organization selection criteria.

Coordination Mechanism Structure

In some countries, P4P issues are being discussed in pre-existing donor or agricultural development partners working groups (Afghanistan, Ethiopia, Kenya, Uganda and Zambia). In other countries, distinct P4P SCs have been established. Some countries with highly decentralized structures have established coordination mechanisms at both central and district/regional level (e.g. Ethiopia).

These committees are usually chaired by the Ministry of Agriculture (MoA) or co-chaired by the MoA and WFP, except in Ethiopia where the steering committee is co-chaired by the World Bank and USAID; and in Mali, where the P4P Coordination Committee is co-chaired by the Ministry of Foreign Affairs and International Cooperation and WFP.

Adapting to Change

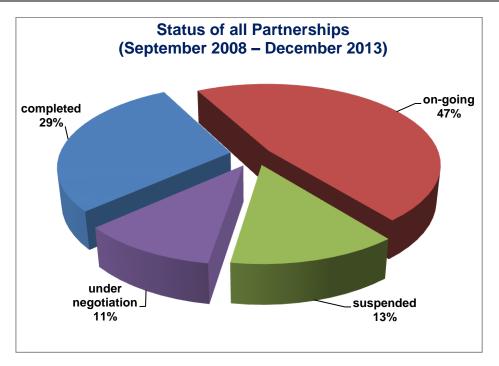
Some countries established a steering committee early in the pilot and later moved away from this structure in favour of incorporating P4P into existing working group and coordination meetings. This was the case in Guatemala, where a P4P steering committee mechanism was originally established and chaired by the Government. When the government changed, the government's priorities also shifted to different areas of support for smallholder farmers and the original P4P steering committee ceased to meet. In order to sustain cooperation and coordination amongst partners, P4P thus decided to organise coordination meetings with key implementing partners outside of a formal steering committee. Discussions are currently underway to establish a steering committee for the P4P-SUN project launched in January 2014, which links P4P and nutrition activities.

Challenges

In South Sudan, discussions with partners concluded that a steering committee would not be attended regularly due to the high level of competing coordination mechanisms in the post-conflict/emergency environment. Instead, P4P issues are discussed in existing working groups.

In Zambia, the coordination mechanism was disbanded due to the restructuring of major partners, particularly the Zambian Commodity Exchange (ZAMACE).

Moving forward, P4P will maintain close collaboration with governments in order to support existing coordination mechanisms and provide on-going support for government programmes where possible.



Of all potential partnerships explored by P4P, dialogue was suspended on 13 percent, representing **77 potential partnerships**. The majority of these potential partnerships did not continue beyond the negotiation phase. Only a few partnerships were discontinued during the implementation phase of the project.

Some reasons cited for ending a partnership were:

- Partners who did not fit the P4P model, for example in cases where partners supported production of crops not purchased by WFP or where the partner indicated difficulty in being a supply-side partner (Afghanistan, Mali, Sierra Leone, Zambia)
- Security concerns (Afghanistan)
- Partner restructuring (Guatemala, Zambia)
- Lack of direction in partner activities (Kenya)
- Insufficient return on investment due to poor outcomes/deliverables (South Sudan)
- Geographic focus was not aligned with P4P (Malawi, Zambia)
- Lack of communication from the partner and poor partner performance (Malawi, Sierra Leone)
- Partnership not beneficial to targeted FOs (Mozambique)
- Limited financial resources or unrealistic funding expectations (Rwanda, South Sudan)
- Partner failed to mobilize farmers (South Sudan)

III. OVERVIEW OF REGIONAL PARTNERSHIPS

Consultations with regional entities have focused on regional market integration, crossborder trade, regional quality standards or exploration of synergies with regional programmes. Some regional partners have committed to continuing their support to P4P farmers after the end of the pilot period.

Eastern and Southern Africa

WFP and the Common Market for Eastern and Southern Africa (COMESA) signed an MoU in December 2010 which outlines the collaboration between the Alliance for Trade in Eastern and Southern Africa (ACTESA) and WFP. ACTESA is the primary agency through which COMESA pursues its objective of improving competitiveness of staple foods, improving market facilities and services and increasing integration of staple food producers in the commercial market. WFP participated in ACTESA stakeholders' meetings and was a member of the ACTESA Advisory Committee during its period of activity from 2009-2012. WFP seconded a senior policy advisor to ACTESA for a two year period, ending in late 2012. In 2013, ACTESA was generally dormant while undergoing a period of internal restructuring.

West Africa

In 2011, P4P provided support to the WFP Regional Bureau in Dakar to boost their capacity to engage with the Economic Community of West African States (ECOWAS). While some discussions took place on providing support to enhance the technical capacity of ECOWAS directly, this did not develop further and opportunities for engagement have remained limited.

Alliance for a Green Revolution in Africa

P4P has partnered with the Alliance for a Green Revolution in Africa (AGRA) in eight countries. AGRA is a public-private partnership working to improve smallholder agriculture in 17 African countries. The partnership with P4P is focused around FO capacity building and strengthening:

- **Burkina Faso**: A partnership to support the National Federation of Agricultural Professionals (FEPAB) and its provincial unions is on-going. The partnership is fully financed by AGRA and delivers training on trade enhancement, credit management and collective sales through a specialised consultancy company.
- **Ghana**: While a partnership with AGRA on capacity building and facilitating access to credit was under discussion in Ghana, P4P Ghana currently engages with the annual AGRA-organised Africa farmer organization award competition, in which 26 P4P-supported FOs participate.
- **Kenya:** AGRA continues to support the Cereal Growers' Association (CGA), P4P's main partner on market access and capacity building. CGA recently received a new grant from AGRA that will focus on traditional cereal crops in Kenya (sorghum, millet and pulses, including cowpeas and pigeon peas).
- **Malawi**: A partnership with AGRA grantees Grain Traders and Producers Association (GTPA) to provide capacity support to women farmers' groups is under discussion.
- Mali: P4P collaborated with the AGRA-funded Sasakawa Africa Association on post-harvest handling and capacity building of FOs in Sikasso region. Collaboration with Sasakawa ceased in 2012 following changes in their management priorities. The largest farmers union, Faso Jigi, continued to receive support from AGRA's Farmer Organization Support Centre in Africa (FOSCA) and Market Access in post-harvest equipment. This farmers union's sales to WFP have served as a catalyst to mobilize support and investments from AGRA and other partners such as FARM and FCD (Canadian common fund for development).

- **Mozambique:** AGRA funds training for P4P-supported FOs through Kixiquila, a local capacity building organization whose agreement with AGRA ran from 1 Feb 2012 31 Jan 2014.
- **Tanzania:** P4P's collaboration with implementing partner RUDI is funded by AGRA. Following the successful tri-partite partnership enabling the roll out of a comprehensive training of 28 P4P participant SACCOs in 2010 and 2011, RUDI developed a second proposal to strengthen marketing structures and establish RUDI's WRS model in central regions. The new project focuses on maize and beans.
- Zambia: A local NGO, Frontier Development Associates, which partners with P4P on the project "Enhancing Market Access for Smallholders in Zambia (EMAS)", receives funding from AGRA. P4P Zambia is exploring opportunities to engage with Frontier Development Associates and AGRA again under Strengthening Agricultural Input and Output Markets in Africa (SAIOMA). Potential future AGRA investment would fall under core activities under SAIOMA, including farmer capacity building, group governance, access to inputs through rural agro-dealers and post-harvest management.

Central America

The Inter-American Institute for Cooperation on Agriculture/Instituto Interamericano de Cooperación para la Agricultura (IICA) and WFP renewed their cooperation agreement in 2012 to work together in areas of common interest including agricultural and rural development, food security and climate change in the Central America region. IICA is a key strategic partner for P4P. IICA experts participated in the preparatory assessments leading to the design and implementation of the initiative in the region. In addition, IICA has provided technical expertise in three of the four Central American pilot countries including capacity building and technical assistance to the maize value chain. IICA is also a member of the P4P Technical Review Panel. In Nicaragua and Guatemala, P4P is part of the IICA-managed RED-SICTA network which promotes technological innovation among smallholders producing maize and beans. It is expected to contribute to decreasing postharvest losses through the introduction of appropriate technologies. Moving into the post-pilot phase, IICA will continue to play an important role in the Central American countries, scaling up the lessons learned and best practices developed by P4P.

IV. OVERVIEW OF GLOBAL PARTNERSHIPS

A Memorandum of Understanding was signed in June 2008 to develop a strategic alliance between the **Rome-based UN agencies** and **AGRA** to support African countries in their efforts to eradicate hunger and poverty. Specific collaboration with **FAO** and **IFAD** HQs includes:

- Experts from FAO and IFAD are providing advice to P4P pilots on agribusiness and finance issues through the <u>P4P Access to Finance Working Group</u>.
- FAO and IFAD are members of P4P's Technical Review Panel, a group of external experts providing independent guidance and advice on issues related to the implementation and impact analysis of P4P (see below for more details).
- Field work related to FAO studies on institutional buyers has been completed, using P4P as a key entry point. Countries include Tanzania, Ethiopia, Guatemala, Kenya, Ghana and El Salvador, while a similar study was undertaken jointly in Rwanda. Draft reports are being finalized and a synthesis paper is expected to be available in due course.
- Field-based partnership is combined with South–South collaboration in the Purchase from Africans for Africa initiative (PAA Africa), with FAO and P4P connecting smallholder farmers to school feeding programmes in Ethiopia, Malawi, Mozambique, the Niger and Senegal. This small-scale pilot initiative provides a platform for FAO and P4P engagement at the operational level, with South-South experience exchange through the support of Brazilian experts. A learning component is funded by DFID and a second phase of the initiative was launched in December 2013.
- WFP has joined forces with FAO and IFAD in a three-year inter-agency project "Mainstreaming Food Loss Reduction Initiatives for Smallholders in Food Deficit Areas" which will combine the individual strengths of each UN organization. Support is provided by the Swiss Agency for Development Co-operation (SDC). After extensive research was undertaken by WFP in Burkina Faso and Uganda with funding from P4P, the three RBAs will now work together to provide support on Post-Harvest Management in DRC, Burkina Faso and Uganda. This project also complements a recently approved special operation whereby WFP, working with government and other partners, will focus to reduce post-harvest losses in Uganda and Burkina Faso.
- FAO conducted an investment analysis, co-funded by WFP, to quantify the tangible and intangible costs and benefits of the P4P pilot. The investment analysis conducted case studies in El Salvador, Malawi, Mali, and Tanzania. Several benefits to smallholders that were noted by the analysis were: predictable market access under P4P; increased production and productivity; reduction in post-harvest losses; increased income; and increased FO cohesion and capacity. The studies are currently being finalized.
- Food safety and quality experts in FAO's Nutrition and Consumer Protection Division assisted WFP develop the food safety and quality management policy paper and other assistance related to aflatoxin sampling and standard operating procedures.
- The **P4P Technical Review Panel (TRP)** provides a forum for expert engagement on the implementation of P4P and a mechanism for external review of the results of P4P monitoring activities and offers specific recommendations on how:

(i) WFP can improve upon and strengthen the implementation of the project and its M&E system; and

(ii) WFP and other stakeholders can better support the sustainable engagement of smallholder/low income farmers in agricultural markets.

Members of the Technical Review Panel include technical experts from the African Union, FAO, IFAD, IFPRI, IICA, Michigan State University, Oxfam Intermon, CRS and the World Bank. Members thus represent a range of expertise including agricultural

economics, institutional strengthening, monitoring and evaluation, food security and markets.

- Following a December 2010 MoU with the **Millennium Challenge Corporation** (MCC), a one year extension was signed in December 2012. The extension called for a focus on Ghana and Mozambique, drawing on experiences from the previous two years. However, opportunities for engagement have thus far been limited.
- An agreement was signed on 24 October 2011 between WFP and USAID (USAID Development Credit Authority - DCA) to support smallholder access to financial services. In September 2012, DCA signed an agreement to extend its support to Ethiopia, Kenya, South Sudan and Uganda. Through selected private banks, the scheme provides guarantee facilities of up to 50 percent for loans to small agricultural businesses, including farmers' organizations. This should increase P4P-supported FOs' access to credit through lending institutions.
- A Framework for Collaboration between the Partnership for Child Development (PCD) and WFP has been developed and focuses on Ghana, Kenya and Mali. The framework highlights common goals and main areas of collaboration agreed between the PCD and WFP around Home Grown School Feeding (HGSF) and P4P. Areas of collaboration are specifically: (i) sharing the emerging lessons and practices around institutional procurement from smallholder farmers' organizations, and (ii) M&E and the development of market analysis tools.
- WFP and MVP (Millennium Villages Project) signed a partnership agreement in 2009 with a component on P4P. One of the goals of the partnership is to strengthen and develop commodity value chains to promote food-security and empower smallholder farmers with an initial focus on Malawi and Uganda. While a concept note and country-level Action Plans were prepared, there has been limited direct engagement with P4P at the field level.



Contact information Email us: wfp.p4p@wfp.org Visit the P4P website: wfp.org/purchase-progress P4P on Twitter: @WFP_P4P 20 P4P pilot countries Asia: Afghanistan Africa: Burkina Faso, Democratic Republic of the Congo, Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Rwanda, Sierra Leone, South Sudan, Tanzania, Uganda, Zambia Latin America: El Salvador, Guatemala, Honduras, Nicaragua