

# STRATEGIC EVALUATION

## WFP 2008-2013 Purchase for Progress Pilot Initiative: Evaluation Report - Volume I

December, 2014

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Commissioned by the  
**WFP Office of Evaluation**

Report number: OEV/2013/024



**World Food Programme**



Oxford Policy Management

## **Acknowledgements**

The Evaluation Team (ET) would like to acknowledge the time taken by the Purchase for Progress (P4P) Coordination Unit (CU) and wider World Food Programme (WFP) staff and senior management in participating in interviews. The ET also acknowledges time given by various stakeholders beyond WFP for instance national governments, donors to the P4P pilot initiative, the Rome Based Agencies (RBAs), Non-Governmental Organisations (NGOs), and members of the Technical Review Panel.

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# Executive Summary

## Introduction

### Evaluation Features

1. The summative final evaluation of the WFP Purchase for Progress (P4P) pilot initiative (2008–2013) is intended to assess the quality of the initiative and the results it achieved by December 2013, and the extent to which those results can be used to inform implementation of the WFP Strategic Plan.

2. The evaluation questions were framed on the basis of the Development Assistance Committee's evaluation criteria, as follows:

- Relevance. How relevant is P4P to the needs of stakeholders and the contexts within which it has been implemented? How well is P4P designed to achieve its objectives?
- Effectiveness. Has P4P achieved its objectives?
- Efficiency. Has P4P provided value for money in using the resources provided? Could the same or more have been achieved by using the money in other ways? Are the procurement approaches and best practices developed cost-efficient?
- Impact. Has P4P facilitated increased agricultural production and sustained market engagement and thus increased incomes and livelihoods for participating smallholder/low-income farmers?
- Sustainability. Has P4P developed sustainable best practices? Will results that have been achieved through the pilot initiative be sustained?

3. The evaluation was conducted between November 2013 and November 2014. The approach involved an inception phase followed by a data and document review, visits to six of the twenty P4P pilot countries, surveys and interviews. Data were triangulated, analysed and validated through country- and global-level debriefs and a two-day consultative workshop. The evaluation also drew on data captured by the P4P monitoring and evaluation (M&E) system including baseline and follow-up reports, impact assessments, procurement data and farmer-organization (FO) records to assess changes over the period of the initiative, along with more qualitative evidence collected during country visits.

4. The evaluation was limited by the fact that M&E outputs were not uniformly available for all 20 countries and that the financial reporting and M&E systems were not designed to assess issues of cost-efficiency and viability. These limitations put constraints on the evaluability of some evaluation questions.

### Context

5. The role of small-scale, sustainable farming activities as a driver for wider socio-economic goals is a central theme in the development agenda. Many development agencies, donors and governments are explicitly focusing on linking smallholder farmers (SHFs) to markets – including WFP.

6. WFP's 2008–2013 Strategic Plan provided a favourable context for P4P through its corporate shift from food aid to food assistance. The Strategic Plan (2014–2017) retained and built on this shift by focusing on the broader development outcomes of

WFP's operations with an explicit reference to leveraging WFP's purchasing power to connect SHFs to markets (Strategic Objective 3, Goal 2<sup>1</sup>).

### Key Elements of the P4P Pilot Initiative

7. P4P is the largest trust fund and pilot initiative managed by WFP to date, with contributions totalling US\$166 million. As indicated in Table 1, this amount was spread over 20 pilot countries and the Headquarter-based coordination unit between 2008 and 2013, with a recent extension of one year.

**Table 1: An Overview Of P4P**

P4P pilot countries	20: Afghanistan, Burkina Faso, Democratic Republic of the Congo, El Salvador, Ethiopia, Ghana, Guatemala, Honduras, Kenya, Liberia, Malawi, Mali, Mozambique, Nicaragua, Rwanda, Sierra Leone, South Sudan, Uganda, the United Republic of Tanzania and Zambia.
Number of donors; the main ones are the Bill & Melinda Gates Foundation (BMGF), the Howard G. Buffett Foundation (HGBF) and Canada	15: Belgium, BMGF, Brazil, Canada, Comitato Italiano, European Union, France, HGBF, Ireland, Luxembourg, Netherlands, Saudi Arabia, United States Agency for International Development, United Parcel Service Foundation, Zynga United States.
Approaches tested	<ol style="list-style-type: none"> <li>1. FO and capacity-building partnerships</li> <li>2. Support to emerging structured demand platforms</li> <li>3. Purchase from emerging traders through modified tendering</li> <li>4. Development of local food processing capacity</li> </ol>
Procurement modalities	3: Direct, soft tender* and forward-delivery contracts.
Hypothesis tested	Increased income = increased productivity + capacity for aggregation and quality assurance + market development + enabling environment
Objectives	<ol style="list-style-type: none"> <li>1. To identify and share best practices for increasing profitable smallholder/low-income farmer engagement in markets.</li> <li>2. To increase the capacity of SHFs to produce for, and engage in, markets in order to increase income levels.</li> <li>3. To identify and implement best practices for increasing sales.</li> <li>4. To transform WFP food-purchase programmes so that they better support sustainable small-scale production and address the root causes of hunger.</li> </ol>
P4P Trust Fund confirmed contributions**	US\$166 131 514
Grant expenditure**	US\$110 243 771

\* Soft tendering retains all the transparency and cost-efficiency characteristics of the competitive tendering process while simplifying certain aspects for smaller vendors.

\*\* Source: Data as at 31 December 2013 provided by the P4P finance team.

<sup>1</sup> Strategic Objective 3, Goal 2 — Leverage purchasing power to connect smallholder farmers to markets, reduce post-harvest losses, support economic empowerment of women and men and transform food assistance into a productive investment in local communities.

8. Because the initiative was a pilot, the evaluation needed to make a distinction between the pilot theory of change and the development theory of change. The pilot theory of change relates to how the initiative is intended to achieve the objectives and make use of the outputs related to learning and identification of best practice. The development theory of change (hypothesis tested – see Table 1) relates to how specific activities undertaken are expected to generate development impact. The 2011 mid-term evaluation provided a critical review of P4P’s intervention logic and identified core assumptions underlying P4P which at the time had not been fully articulated or tested against evidence. The assumptions and intervention logic were further explored and tested during the course of this evaluation.

## **Findings**

9. The full evaluation report and annexes document the findings, conclusions and recommendations in greater depth. Note that in several places footnotes are provided with updated data relating to the same evaluation period as that in the main text. This data was not available until very late in the evaluation process, and while it could not be analysed the evaluation agreed to refer to it.

## **Relevance**

10. P4P has been highly relevant to the wider international agenda on agriculture-led food security and poverty reduction strategies, and P4P activities have been coherent with pilot-country national policy objectives for SHF agricultural development. P4P is well aligned with WFP’s mandate, with the Strategic Plan’s focus on leveraging purchasing power to connect SHFs to markets, and with relevant policies; and with the Rome-based agency strategic themes and complementary areas of expertise. In practice, the Food and Agriculture Organization of the United Nations (FAO) has proved to be a more suitable partner than the International Fund for Agricultural Development (IFAD), but a lack of definition of roles has caused friction in some instances.

11. At country level, the design phase was underpinned by contextual analysis, but design quality varied. There was insufficient attention paid to the implications of differentiation among SHFs in their market engagement, and the characteristics and performance of national private-sector trading systems. The decentralized process of design and implementation led to variations in the operationalization of P4P, with significant constraining implications for its pilot nature. Gender issues were not addressed well at first, but became better addressed during implementation.

12. The P4P design did not incorporate a systematic approach to articulating and testing the validity of the design assumptions. The evaluation team identified seven particularly significant assumptions and examined their validity in 13 countries, 6 of which it visited. The assumptions most frequently verified related to the effective participation of women and the availability of effective partners. Some key assumptions proved problematic in a number of countries – specifically, that FOs with sufficient capacities could be identified, or that capacity could be built within the planned timeline in the pilot; that sufficient supplies could be sourced at viable prices; and that WFP was able to provide sufficient predictable demand. The overall design of P4P was undermined by: its rapid scaling up from a proposed 10 to 20 countries in less than a year; a lack of full articulation of the theory of change at the start of the pilot; and a lack of systematic identification and testing of key assumptions.

## Effectiveness

13. A range of learning processes at country and global levels took place throughout the P4P pilot period. From the mid-term evaluation onwards more emphasis was placed on ensuring a good balance between learning and doing. To provide more focus on learning, the ambitious Global Learning Agenda of 17 themes was agreed in 2012 and was being completed during 2014, which was a transition year added to the pilot period at the beginning of the evaluation. The P4P pilot used an effective communication strategy that allowed lessons to be shared through a range of media.

14. P4P publications mostly identify lessons on the demand side relating to how WFP's procurement demand and pricing could be modified to facilitate purchases from non-traditional sellers. There has been limited progress in consolidating and communicating best-practice models for increasing sales, and the use of lessons to produce a replicable programme, and guidance for mainstreaming have yet to be drawn up.

15. Building the capacity of SHFs and FOs is at the core of P4P activities. This was mainly done by providing training and facilitating the acquisition of assets such as storage facilities and agricultural equipment, and through the procurement process itself. Capacity has been built for some FOs in terms of increasing agricultural production and market engagement of SHFs in order to raise their income levels, but this was not as rapid or as far-reaching as anticipated.

16. An important premise for P4P to build capacity was that there be development partners. The most effective partnerships were those in place from the design phase where both WFP and the partner(s) contributed resources. However, partnerships were not always suitable or readily identifiable, and there have been challenges in coordinating capacity-building activities conducted by multiple partners.

17. The P4P pilot initiative adopted four approaches (see Figure 1). Establishing FO and capacity-building partnerships were the most widely used approach, but the effectiveness of training provided by partners varied and was considered to be most effective when second- and third-tier FOs were targeted.<sup>2</sup> Purchasing from emerging traders through modified tendering was used to a limited extent and made up 6 percent of the total contracted volume over the pilot period. Only 2 percent of the total contracted volume focused on the development of local food processing capacity.<sup>3</sup> Emerging structured demand platforms have been supported by work with commodity exchanges and warehouse receipt systems. This approach has had some success in Malawi, but has failed elsewhere.

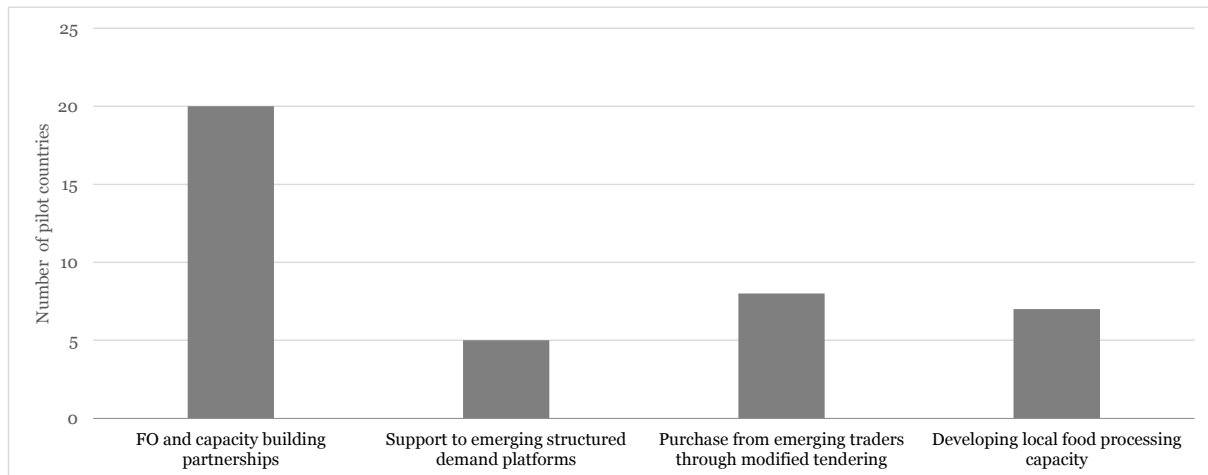
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<sup>2</sup> Those FOs most involved in P4P are first-tier FOs ranging in size from ten to several hundred SHFs. Second-tier FOs are umbrella groups representing individual FOs. Third-tier FOs have second-tier FOs as members and are super-umbrella bodies – most often with nationwide representation.

<sup>3</sup> P4P Procurement Snapshot, September 2008–December 2013 (March 2014).



**Figure 1: Approaches taken in P4P pilot countries between 2008 and 2013**



18. P4P has contributed to a major change in WFP’s corporate commitment to support FOs and SHF development. At the time of the evaluation 319,324 mt of food was delivered to WFP through P4P with a value of US\$131.5 million.<sup>4</sup> Procurement through P4P approaches in the 20 pilot countries shows positive trends, growing from 8 percent of local and regional procurement in 2009 to 11 percent in 2013.<sup>5</sup> WFP purchasing from FOs continues to be constrained by limited FO capacity, limited access by FOs to finance and adequate storage, and inside selling and defaults, which cannot be addressed solely through internal adjustments to WFP’s procurement system.

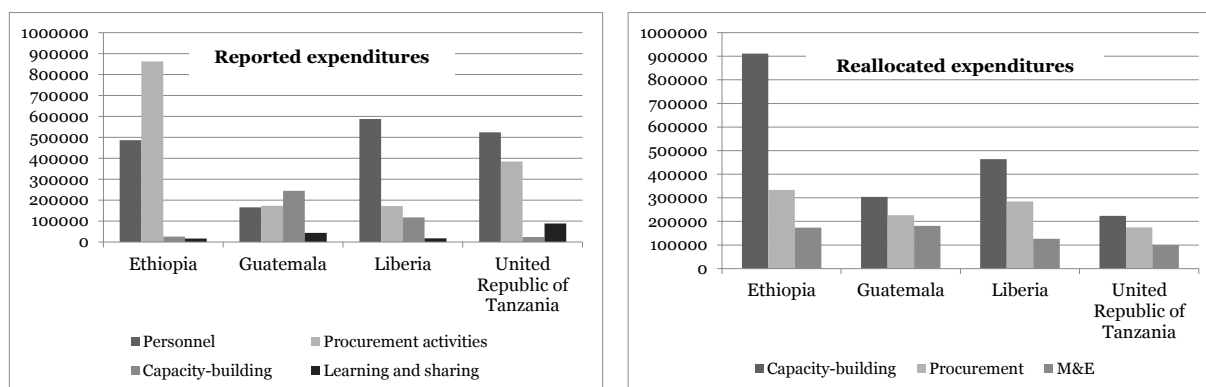
### **Efficiency**

19. P4P was not set up so that models being tested were clearly identified and their cost-efficiency measured as part of the M&E framework. The need for such data was not identified during the design phase. The evaluation team was not able to conduct a cost-efficiency assessment, but did conduct an expense re-allocation exercise in four countries that provided useful information on relative expenditure on procurement activities, capacity-building and M&E. As indicated in Figure 2, reallocated expenditures show a strong emphasis on capacity-building expenditures, reflecting P4P activities in countries more adequately.

<sup>4</sup> May 2014 Procurement Snapshot. The evaluation was provided with updated figures towards the end of the evaluation. Dated October 2014, the figures were from the same period and indicate that 366,658 mt were delivered, with a value of US\$148 million.

<sup>5</sup> P4P Procurement Snapshot, September 2008–December 2013 (March 2014). Updated figures from mid-2014, for the same period, indicate that the proportion of P4P procurement in local and regional procurement amounted to 22 percent by the end of 2013.

**Figure 2: Comparison of reported expenditures and reallocated expenses, 2013 (US\$)**



Source: WFP Information Network and Global System, P4P and evaluation calculations

20. As indicated in Table 2, patterns of P4P spending over the evaluation period show that average cost per FO member and average non-food cost per mt delivered are highest in post-conflict countries.

**Table 2: P4P Expenditure, Quantity Contracted, Average Cost Per Person Trained And MT Delivered, By Country Classification<sup>6</sup>**

	<b>Post-conflict countries<sup>7</sup></b>	<b>Low-income countries</b>	<b>Lower-middle income countries</b>
P4P total expenditure in country (USD)	29 681 871	43 943 940	36 617 961
Quantity delivered (mt)	14 089	212 118	93 117
Average cost per FO member (USD)	1 254	29	793
Average non-food cost per mt delivered (USD)	2 107	207	393

Source: P4P financial and procurement data 2008–2013 (May 2014)<sup>8</sup> and evaluation calculations.

21. On the positive side, activity completion milestones have been achieved; oversight and management of the pilot initiative has been effective and implemented in line with how roles and responsibilities were designed; and the support and guidance to the country offices from the Headquarters coordination unit has been effective. A number of advisory and working committees have played critical roles at various stages of decision-making and implementation of P4P, enabling P4P to access expertise in areas that were not core to WFP. Even so, P4P was only partially able to meet its human resource (HR) needs: notable gaps were identified in market development and gender expertise.

22. The initial M&E design was very ambitious with a full impact assessment planned for each pilot country. The challenges related to the scale of data to be generated in a

<sup>6</sup> Post-conflict countries are: Afghanistan, Democratic Republic of the Congo, Liberia, Sierra Leone and South Sudan. Low-income countries are: Burkina Faso, Ethiopia, Kenya, Malawi, Mali, Mozambique, Rwanda, Uganda and the United Republic of Tanzania. Low middle-income countries are: El Salvador, Ghana, Guatemala, Honduras, Nicaragua and Zambia.

<sup>7</sup> It should be noted that post-conflict settings include a very large investment in capital equipment, for example, in Afghanistan.

<sup>8</sup> Updated figures from mid-2014, for the same period, indicate that 450,102 mt have been contracted at a value exceeding US\$177 million with over 81 percent of this amount delivered.

diversity of contexts, led the mid-term evaluation to recommend refocusing M&E activities. In 2011, external support was also brought in to ensure a more consistent approach to data collection and analysis. Overall, the survey-based M&E outputs became available towards the end of the pilot and, therefore, could not inform management decisions. Furthermore, output-level databases were partial; for instance, FO records were initiated half-way through the programme for a subset of countries.

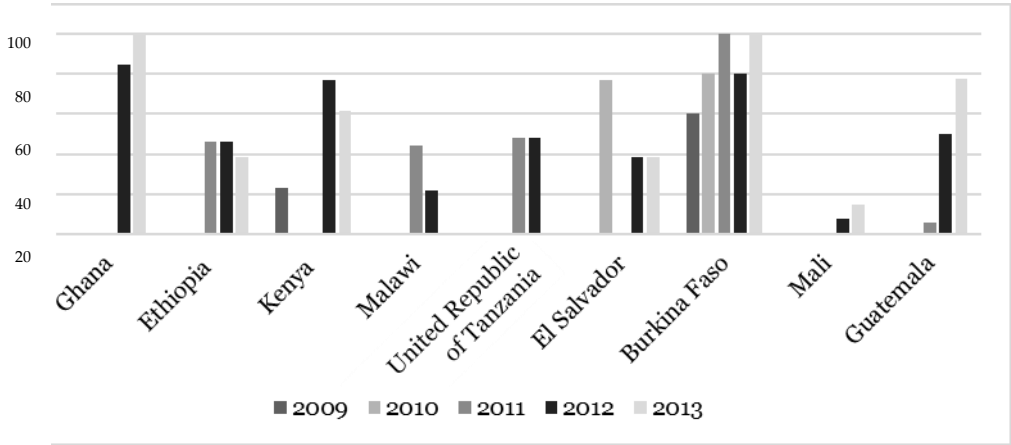
**Impact**

23. The limitations of the evidence with regards to level of data disaggregation available in baselines, follow-up reports and impact assessments restrict the depth of findings. Impact assessments were available for El Salvador, Ethiopia and the United Republic of Tanzania, and, in these cases, it is possible to attribute effects observed at the FO and SHF level to P4P.

24. There is some evidence of capacity built and improvement in services offered by FOs. FOs that did not previously sell as a group are now aggregating and selling to WFP and others. Follow-up reports available for 9 of the 20 pilot countries found that between 2009 and 2013, 78 percent of these FOs increased their marketing services and sold over 200,000 mt to non-WFP buyers.<sup>9</sup>

25. Increased sales to WFP were reported in nearly all countries where data is available (see Figure 3), although sales through FOs were concentrated among a relatively small proportion of farmers. At the same time, over the duration of the pilot defaults fell from 59 percent in 2008 to 10 percent in 2013 (averaging 20 percent of the pilot period).<sup>10</sup> Apart from government markets, there is limited evidence of markets willing to procure sustainably from SHFs or to pay a price premium for quality products.

**Figure 3: Sales to WFP (Percent of FOs surveyed at baseline)**



Source: Evaluation compilation from available P4P follow-up reports.

26. At SHF level, there is evidence of production increase attributable to P4P in El Salvador, but not in Ethiopia or the United Republic of Tanzania (the three countries where an impact assessment was conducted). The exclusion of farmers with more than 2 hectares in the survey samples might account, in part, for this finding.<sup>11</sup> There was no

<sup>9</sup> These data correspond to face value of at least US\$50 million. See Summary P4P Procurement Report: September 2008–December 2013 (March 2014). Note that FOs were making some sales to others before P4P, but data were not available regarding the extent of these sales.

<sup>10</sup> Calculated on closed contracts only. Summary P4P Procurement Report: September 2008–December 2013 (March 2014).

<sup>11</sup> There are indications that those that were excluded from the impact assessments might have benefitted most from the initiative.

evidence from the three available impact assessments that the target of increasing household incomes by US\$50 had been met. While incomes had increased in households that were members of FOs participating in P4P, these increases were not significantly more than those in the control group.

27. P4P made a concerted effort to have gender impacts. While country visits and interviews suggested increased confidence among women FO members, the survey-based monitoring data were not disaggregated by sex, preventing the drawing of firm findings about the impact of P4P on women.

28. There is evidence of important changes in the way WFP is viewed as an organization by host governments and, consequently, there is improved policy-level engagement. There have also been positive internal changes within WFP including more effective approaches to gender considerations, and cooperation among different units such as programme, logistics and procurement for common objectives, leading to better internal alignment and coherence.

### **Sustainability**

29. Building capacities of FOs requires significant investment and long-term commitment. At this stage, and in the absence of the market incentives noted above, it is not clear that FOs will continue to seek to supply premium quality products if they do not receive continuing capacity-building support. This is particularly true for first-tier and low-to-medium capacity FOs. In these cases, finding suitable supply-side partners is particularly important. There is scope for collaboration with the Rome-based agencies whose longer-term programmes may provide a more sustainable approach to capacity-building.

30. Outside of WFP, markets for premium-quality FO/SHF products are limited except where there is a policy of public institutional procurement, which enhances potential sustainability. Increasing the predictability of WFP's demand is, therefore, a critical element of P4P sustainability.

31. Showing that procurement from SHFs and FOs can be undertaken at viable cost would demonstrate the sustainability of P4P approaches for WFP. In the meantime, there is strong partner government and donor support for continued P4P initiatives, and progress has been made in minimizing defaults.

### **Conclusions**

#### **Overall Assessment**

32. P4P was relevant to the needs of national governments and development partners, and aligned with WFP's mandate, Strategic Plan and policies. Insufficient attention was paid to the differentiation in SHF beneficiary groups. P4P's objectives were undermined by rapid scale-up, and by incomplete articulation of the theory of change with identification and testing of key assumptions. In relation to design appropriateness for achieving development impact, some key assumptions proved problematic in a number of countries. Specifically, it was challenging to identify FOs with sufficient capacity or with capacity that could be rapidly built; to source sufficient supplies of product at viable prices; and for WFP to provide sufficient predictable demand.

33. Clear models and guidance on best practice, both for WFP to mainstream P4P approaches and for other stakeholders to use, have yet to be identified and promulgated.

Some additional time and resources will be required to complete this essential first step to mainstreaming.

34. There has been some measurable improvement in the capacity of FOs supported through partnership arrangements. However, improvement has been slower and less than was envisaged. Compared to FOs, there is little evidence to assess the extent to which SHF capacities have been built, though anecdotal information collected through country visits suggested P4P-supported farmers are adopting improved production and post-harvest technologies.

35. Working with commodity exchanges has produced some results in Malawi, but not elsewhere. Purchasing from emerging traders has only been tested on a very limited scale and further testing would be beneficial. There is insufficient evidence to evaluate the effectiveness of developing local food-processing capacity.

36. Some best practices for increasing SHF sales to WFP have been identified, but progress in consolidating and communicating best practice models has been slow.

37. P4P has contributed to increased WFP corporate commitment to support FOs and small-scale production, and P4P has led to the use of P4P approaches to procurement from FOs. However, important constraints remain that have not been fully addressed.

38. P4P was not designed in a way that facilitated the assessment of value for money, as the pilot design did not clearly incorporate the measurement in a comparable way of outputs produced – for instance the capacity built – and the costs of producing those outputs. Financial reporting focused on meeting the requirements of donors rather than the testing of the financial viability and cost-efficiency of different approaches. As a result it has not been possible to make an overall assessment of the cost-efficiency of P4P, especially as regards the four approaches tested, which is an important consideration in relation to mainstreaming.

39. Many of the management and oversight aspects of the P4P pilot have been efficient. Challenges related to availability of appropriate expertise, and the extent to which M&E informed management decisions.

40. The limitations of the evidence base restrict the depth of the conclusions that can be drawn in relation to impact. In none of the three countries for which impact assessments are available was there evidence of attainment of the target of increasing SHF incomes by US\$50. However, at the SHF level, there was evidence of an increase in production attributable to P4P in one of the three countries surveyed – El Salvador. There is evidence of increased sales to WFP in most countries where data were available.

41. P4P has had important benefits for WFP as a development partner to host governments, contributing to improved policy-level engagement. The pilot initiative has had an impact on WFP as an organization and has led to an increased focus on supporting SHFs for example through increasing or initiating government procurement from FOs.

42. Some level of sustainable capacity in FOs may have been developed, but continuing support will be required to enable lower-capacity FOs to continue to supply to WFP. It is not clear that FOs will continue to supply premium-quality products if there is not a consistent demand from WFP and if they do not receive continuing capacity-building support. While there have been some promising results, further analytical work is required to demonstrate that procurement is viable within normal cost parameters.

### **Conclusions Regarding What to Mainstream, Test Further or Discontinue**

43. Some aspects of P4P are ready to be mainstreamed – notably on the demand/procurement side where WFP is most easily able to effect change. This includes the procurement adaptations and provision of procurement-related supply-side support to FOs.

44. The core area where further testing is required concerns whether supply-side capacity-building can, indeed, lead to FOs being able to supply to WFP and others in the longer term through competitive tendering. Any further testing should be dependent on the completion of the pilot in 2015, as along with further cost-benefit analysis and the development of models and practical guidance for future P4P-like work. If these activities demonstrate viability, then investment in mainstreaming is justifiable.

### **Conclusions Regarding P4P Being a Pilot Initiative**

45. P4P benefited from very strong support from WFP management at the highest level, including authorization to set up dedicated temporary systems and processes to facilitate implementation. Challenges stemmed from the lack of early assessments of questions to be addressed by the end of the pilot, particularly concerning which approaches were viable in which contexts and clear models for their replication.

46. Tension between P4P's twin aims of learning and achieving results could also have been reduced had greater consideration been given at the design phase to evidence requirements. The M&E framework led to the most important data collection exercise undertaken by WFP, but its effectiveness was limited by the partial articulation of the theory of change at an early stage. In addition, the design of P4P did not include measures to track and measure cost-efficiency. These limitations, combined with the rapid increase in the number of participating countries, with varying implementation, funded by a range of donors, constrained comparability of cases tested by the pilot.

### **Conclusions Related to Partnerships**

47. Partnerships have ranged from strategic high-level collaboration with Rome-based and other agencies as well as donors, to various types of partnership related particularly to supply-side capacity-building. There is no data on the relative effectiveness of each type of partnership. There was no one definition of “partnership”. A more systematic approach that differentiated types of partnership would have provided a starting point for their comparative analysis.

48. There is potential for WFP to involve FAO in particular, along with potential donors, in the design of future mainstreaming or further testing of P4P activities. Options for joint funding and programming are worth pursuing. The P4P pilot initiative contributed significantly to an evolution of WFP's partnerships with host governments, strengthening sustainability of achievements, particularly where governments have sought to buy directly from SHF/FOs for national food reserves and other public programmes.

## Recommendations

<b>Recommendation 1: WFP should complete the Global Learning Agenda activities, analysis of existing data and assessment against outstanding questions.</b>	<b>Proposed Responsibility</b>
<p>1.1 Future programming should be informed by clear, practical and viable models; guidance and practical “how-to” notes should be based on:</p> <ul style="list-style-type: none"> <li>a) further testing of assumptions and further analysis of costs and benefits in selected countries in which P4P still has funding and which have sufficient data; and</li> <li>b) synthesis and analysis of the Global Learning Agenda outputs at global level, followed by their communication and dissemination tailored to various audiences within and outside of WFP.</li> </ul>	<p>Action to be decided at corporate level by the P4P Steering Committee – early 2015</p>
<b>Recommendation 2: Focus future programming activity where favourable conditions exist or can reasonably be expanded, strengthened or promoted.</b>	<b>Proposed Responsibility</b>
<p>2.1 Prior to the implementation of P4P a feasibility assessment should be undertaken in each country to assess:</p> <ul style="list-style-type: none"> <li>a) the capacity of FOs and the associated challenges building capacity poses – a predominance of second- or third-tier FOs, or medium- to high-capacity first-tier FOs, engaged in producing and potentially marketing staple food crops is favourable;</li> <li>b) WFP’s ability to provide secure long-term demand at viable prices;</li> <li>c) the viability of a long-term premium market that these FOs can supply;</li> <li>d) the medium- to long-term existence of relevant supply-side partner projects that are building capacities of FOs; and</li> <li>e) the policy and market environment. P4P-like activities should not be attempted in contexts where: emergency food is needed; there is insufficient food; there is post-conflict – unless WFP chooses to bear the higher costs of purchasing from SHFs in these areas; there is a declining country or regional demand for food; there are no suitable partners; government policy is not broadly enabling; or FOs are mainly first-tier and of low capacity.</li> </ul> <p>In collaboration with government and partners WFP should then decide whether to implement P4P and, if so, the most appropriate ways to do it, so as to best ensure positive impact on SHF productivity and livelihoods.</p>	<p>Country offices with the support of the Policy, Programme and Innovation Division (OSZ) and regional bureaux</p>
<p>2.2 Following the feasibility assessment, a contextualized theory of change, a logframe, impact pathways and assumptions should be developed and clearly communicated to partners so that there is a common</p>	<p>The country office that is initiating or mainstreaming aspects of P4P</p>

understanding of the underlying development pathway and expected impact.	
2.3 Integrate P4P activities with broader country plans, and link them with other WFP initiatives such as the Home Grown School Feeding and cash and voucher-based activities.	Country offices/OSZ
<b>Recommendation 3: WFP should concentrate on its areas of comparative advantage by mainstreaming the demand side of P4P-like programmes, placing less emphasis on developing its supply-side capability where there are already many players.</b>	<b>Proposed Responsibility</b>
3.1 WFP should continue to test other approaches – notably working with small and medium traders. The WFP procurement policy and manual could be updated to ensure adequate guidance for those countries taking up P4P-like procurement.	Procurement Division (OSP)
3.2 WFP should continue to collaborate closely with partners. Wherever there are appropriate and funded supply-side partners, WFP should give them the lead and focus on the demand side.	Country offices/ regional bureaux/OSZ
3.3 Where WFP continues to undertake capacity-building related to supply-side activities through partners, it should establish clear measures of costs and capacity-building outcomes. This will enable comparative results assessment by types of training, equipment and infrastructure support.	Country offices/ regional bureaux/OSZ
<b>Recommendation 4: WFP should consider how systems may need to be adapted at global, regional and country levels to support mainstreaming of P4P-like activities where viable.</b>	<b>Proposed Responsibility</b>
4.1 WFP procurement, financing and human resources (HR) systems should be adapted to support mainstreaming, keeping in mind the comparative advantages of WFP and partners.	Operations Management Department (OM)/Resource Management and Accountability Department (RM)/Human Resources Division (HRM)
4.2 WFP should develop a cost model that can be applied to future programming. a) The model is intended to ensure that appropriate financial analysis be carried out during the design phase of P4P mainstreaming and further testing; and that appropriate baseline and interim costs are recorded for value-for-money and/or cost-efficiency assessment. b) Finance and reporting aspects of trust funds should be reviewed to ensure that measurements of activities, outputs, outcomes and associated financial costs are available and comparable across donors.	RM
4.3 P4P activities should be resourced to enable staffing considerations, assessments at the design phase and	Country offices/regional bureaux, with support



ongoing M&E to take place. Ideally, resources would come from multi-year funding given the long-term implications of linking SHFs to markets.	from HRM and the Government Partnerships Division (PGG)
<p>4.4 Sufficient resources should be allocated to M&amp;E to ensure robust and comprehensive reporting.</p> <p>a) Baseline and interim surveys are important for any further testing; impact assessments with counterfactuals should continue to be used to help identify the most effective approaches.</p> <p>b) Where P4P is being mainstreamed a light standardized M&amp;E system should be developed to test that assumptions remain plausible and continue to hold.</p>	Performance Management and Monitoring Division (RMP), in consultation with OSZ
4.5 Regional capacity should be built to support mainstreaming. Regional capacity can be supported by continuing regional partnerships established during the pilot.	Regional bureaux
4.6 WFP should develop new P4P-based competencies in existing staff and/or recruit new staff to match modified job descriptions. Secondment from other United Nations agencies, in particular FAO, could be worth considering.	HRM/OSZ
<b>Recommendation 5: WFP to develop guidelines for future pilots.</b>	<b>Proposed Responsibility</b>
<p>5.1 Corporate-level WFP guidance not available to P4P at the pilot stage should be available for future pilots. Such guidance should include the following:</p> <p>a) a clear definition of what WFP means by “pilot”, including definition of pilot objectives, expected outcomes and impact, how these are to be communicated, and at what levels the pilot is intended to bring about change;</p> <p>b) instructions to keep pilots at an appropriate size to enable systematic learning and inform replication based on context;</p> <p>c) advice on main elements and time required for pilot design – including theory of change and design assumptions – and pilot management – including allocation of adequate resources for appropriate staff and M&amp;E, given that M&amp;E is critical to pilots and requires more attention than for mainstreamed activities;</p> <p>d) the benefits of establishing a Steering Group and external technical review panel, their composition and terms of reference.</p>	OM



# 1. Introduction

## 1.1 Evaluation features

1. The evaluation of the World Food Programmes (WFP's) 2008– 2013 Purchase for Progress (P4P) pilot initiative is intended to support the dual objectives of accountability and learning, particularly in the light of WFP's strategic direction and associated policy on Smallholder Farmer (SHF) engagement. The evaluation's objectives were to: i) Assess and report on the quality and results achieved by the P4P pilot initiative globally, in twenty countries, from 2008 - end 2013; and, ii) Assess the extent to which the results and learning can be used to inform the implementation of the Strategic Plan (SP), the development of relevant policies, strategies, guidance and tools to mainstream the relevant, effective, efficient and sustainable approaches (with highest potential impact) identified within the course of the pilot initiative.

2. The evaluation questions were framed on the basis of the Development Assistance Committee's evaluation criteria, as follows:

- Relevance. How relevant is P4P to the needs of stakeholders and the contexts within which it has been implemented? How well is P4P designed to achieve its objectives?
- Effectiveness. Has P4P achieved its objectives?
- Efficiency. Has P4P provided value for money in using the resources provided? Could the same or more have been achieved by using the money in other ways? Are the procurement approaches and best practices developed cost-efficient?
- Impact. Has P4P facilitated increased agricultural production and sustained market engagement and thus increased incomes and livelihoods for participating smallholder/low-income farmers?
- Sustainability. Has P4P developed sustainable best practices? Will results that have been achieved through the pilot initiative be sustained?

3. The evaluation was conducted between November 2013 and November 2014. A three-month inception phase resulted in completion of an inception report in March 2014 which set out the methodology to be followed. This included the development and finalisation of an Evaluation Matrix (EM) which presented for each Evaluation Question (EQ) and sub-question, details of data sources, data collection methods, performance indicators, methods for data analysis and evaluability issues (Annex 4). Then followed a comprehensive Data and Document Review (DDR)<sup>12</sup> which allowed for review of documents available to the ET before the end of March 2014<sup>13</sup>. After the DDR visits were made to six of the twenty P4P countries from May – July 2014. Annex 1 contains the full Terms of Reference (TORs) for the evaluation (including timeline, overview of main evaluation phases and activities), and Annex 2 an overview of the methodology. The DDR and Country Visits (CVs) were supplemented by three questionnaires (see Annex 3) sent to WFP Country Offices (COs) and recipients/users

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<sup>12</sup> The DDR included the review of a large number of documents produced at P4P country levels such as the P4P stories, the Country Implementation Plans (CIPs), the baselines, follow reports, Impact Assessments (IAs) etc. as well as global documents such as the analyses produced under the Global Learning Agenda (GLA).

<sup>13</sup> In some exceptional cases, data and documents produced later than March 2014 were reviewed (e.g. the IAs) or reported in footnotes.

of the P4P newsletter/website, and interviews with WFP staff at different levels and locations and with external stakeholders at global and P4P country levels.

4. The Evaluation Team (ET) drew on data captured by the P4P Monitoring and Evaluation (M&E) system including baseline and follow-up surveys, Impact Assessments (IAs), and procurement and farmer organisation (FO) records to assess changes over the period of the P4P pilot initiative.

5. The evaluation drew on documents produced by the P4P pilot initiative and the wider literature. The initiative's Theory of Change (ToC) and internal and external factors influencing success of the Initiative were examined. The evaluation reviewed the initiative's structural and organisational processes and systems for collaboration with partners and with the rest of WFP, capturing findings on the lesson learning, innovation and replicable models.

6. Limitations to the evaluation are discussed in Annex 2 on methodology. One limitation was that the M&E outputs, including baseline surveys, follow-up reports and IAs were not uniformly available for all twenty countries. However the ET was able to draw on the material that was available including the recently completed IAs for three of the twenty countries. Secondly, the financial reporting and M&E systems were not designed in a way that made it possible to assess issues of cost-efficiency and viability. Third, the evaluability of some of the EQs was limited.

7. The evaluation made use of a combination of methods which together allowed for the triangulation and corroboration of findings. Secondary data was the predominant form used but limited primary data collection was undertaken through the Key Informant Interviews (KIIs), Focus Group Discussions (FGDs) and the on-line questionnaires.

8. There are three primary groups of stakeholders who comprise the audiences for the final evaluation. They are (i) WFP management; (ii) the donors and development partners who supported the P4P pilot initiative; and, (iii) the Executive Board (EB). An additional audience are the partners, Governments and Non-Governmental Organisations (NGOs) involved in similar initiatives.

9. The ET consisted of a core team of six consultants. Additional expertise was brought into the team for the CVs. The WFP Evaluation Quality Assurance System (EQAS) has been systematically applied during the course of this evaluation by all team members.

## **1.2 Context**

### **International**

“Small farms are estimated to produce four fifths of the developing world's food. They are home to approximately two-thirds of the world's 3 billion rural residents, the majority of people living in absolute poverty, and half of the world's undernourished people” (International Food Policy Research Institute (IFPRI) 2013:2<sup>14</sup>).

10. The global food price hike of 2008 underscored the difficulties of meeting basic food security, nutrition and health goals for the world's growing population. As a result,

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<sup>14</sup> IFPRI 2013, “From subsistence to profit: Transforming smallholder farms”.

the role of small-scale, sustainable farming activities as a driver for wider socio-economic goals has re-emerged as a central theme on the development agenda with governments and donors alike making substantial political and financial commitments to advancing agriculture-led growth.

11. These ongoing global debates and the work of the international community in relation to SHF productivity and access to markets have provided the context within which P4P has been developed. Governments and donors are seeking to “modernise” smallholder agriculture, help SHFs to see farming as a business and link farmers into the full value chain. To this end development agencies have been seeking to identify different types of SHFs, distinguishing between, for example, subsistence farmers with and without profit potential and commercial SHFs. Recent papers by IFPRI<sup>15</sup> and the Food and Agriculture Organisation (FAO)<sup>16</sup> both explore the extent to which, and the ways in which, different types of SHFs can be integrated into food markets and move from farming for subsistence to farming for profit.

12. Many government and donor strategies are also explicitly focusing on linking SHFs to markets, and in the case of some donors there is a particular focus on staple food markets. Donors are also looking at the role of the private sector in inclusive and sustainable market development, and public-private partnerships, each of which are reflected in the goals of the P4P pilot initiative. Annex 5 provides a selective literature review on FOs and market access.

### **Within WFP**

13. In this context, WFP has recognised that responding to a new set of hunger challenges required “multi-faceted food assistance policies that can address food availability, food access and food utilization problems”.<sup>17</sup> WFP’s 2008-2013 SP placed significantly more emphasis on partnerships and enhanced analysis to improve the understanding of hunger contexts than in earlier plans. The 2008-2013 SP allowed for a shift from “food aid” to “food assistance”, meaning that WFP programme responses were to be focused on actions that contribute to strengthening the food security of the beneficiaries, even when “food” is not the primary or only tool that WFP uses.

14. Of its five objectives, the 2008-2013 SP’s objective five: “Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase”, provided the context for the start of the P4P pilot initiative in 2008. Linked to this objective, the primary goal of relevance to P4P was to use WFP purchasing power to support the sustainable development of food and nutrition security systems, and transform food and nutrition assistance into a productive investment in local communities. The primary tool to achieve this was WFP’s purchasing activities which were to prioritise local purchases when this does not conflict with other requirements of WFP operations.

15. The SP for 2014-17 retains the focus on broader development outcomes, with only one of the four strategic objectives focusing solely on emergencies, while the others include broader objectives of supporting people, communities and countries in reducing under nutrition and vulnerability to risks. It maintains the emphasis on food assistance, setting out what WFP will do to contribute to the broader global goals of

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<sup>15</sup> IFPRI 2013 “From subsistence to profit: Transforming smallholder farms”  
<http://www.ifpri.org/sites/default/files/publications/pr26.pdf>

<sup>16</sup> FAO 2013 “Smallholder integration in changing food markets” <http://www.fao.org/docrep/018/i3292e/i3292e.pdf>

<sup>17</sup> WFP (2008). SP 2008-2013. p 4.

reducing risk and vulnerability to shocks, breaking the cycle of hunger, and achieving sustainable food security and nutrition through food assistance while protecting vulnerable people, building lasting resilience and promoting gender equality and women's empowerment. Goal 2 of Objective 3 is to "Leverage purchasing power to connect SHFs to markets, reduce post-harvest losses, support economic empowerment of women and men and transform food assistance into a productive investment in local communities".

### **1.3 WFP's strategic directions in the area under evaluation**

16. The 2012 Compendium of WFP Policies related to the SP includes reference to several policies of particular relevance to the P4P pilot initiative. WFP's 3<sup>rd</sup> Gender Policy, drafted in 2009, broadened the organisation's focus from commitments to women, to gender, including issues, challenges and responsibilities of men and women. On procurement the policy document states that WFP aims to "achieve a balance between its procurement objective of timely, cost-efficient and appropriate food and its programmatic objective of promoting developing country food markets and the food security of food aid recipient countries". Market development is an implicit objective and this policy endorses the encouragement of small traders and farmers' groups that can trade competitively in the formal sector.

17. The Capacity Development policy states that continuing enhancement of WFP's role and impact in capacity development will depend on the extent to which capacity development is prioritized during its transition to a food assistance agency, while also supporting that process of change. This document emphasizes that implementation is critical and that WFP's continued focus on capacity development must address implementation gaps. Strategic pressure points requiring attention included: national capacity assessments, partnerships, learning, monitoring, evaluation and reporting, awareness-raising and incentives, and funding. The policy has since been supplemented with an action plan rooted in strategic partnerships with national governments, United Nations (UN) agencies, civil society and NGOs. The action plan calls for dedicating existing and new financial and Human Resources (HR) to engaging with countries for capacity development.

18. The expected results of the P4P pilot initiative will inform the operationalisation of the 2014-2017 SP.

#### **Key elements of the P4P pilot initiative**

19. Facts and figures regarding the P4P pilot initiative can be found in the TORs (Annex 1). Other relevant annexes for this section are Annex 6 which includes elements of the logframe, and Annex 7 which provides information regarding donor funding and expenditure of this funding by the end of 2013. P4P gave WFP the ability to focus on a new area of work, by using its purchasing power to leverage development outcomes. While WFP had undertaken local purchase of food previously as well as worked with farmer groups in specific contexts, this was the first systematic corporate effort undertaken by WFP to work more closely with SHFs directly in food recipient countries.

20. The objectives of the pilot initiative (see the P4P pilot logframe in Annex 6) are:

- To identify and share best practices for WFP, NGOs, governments and agricultural markets stakeholders to increase profitable smallholder/ low income farmer engagement in markets;
- To increase smallholder/low income farmers' capacities for agricultural production and market engagement in order to raise their income from agricultural markets;
- To identify and implement best practices for increasing sales to WFP and others with a particular focus on smallholder/low income farmers;
- To transform WFP food purchase programmes so that they better support sustainable small-scale production and address the root causes of hunger.

21. The intended impact of the initiative as stated in the logframe is "To facilitate increased agricultural production and sustained market engagement and thus increase incomes and livelihoods for participating smallholder/low income farmers, the majority of whom are women." The hypothesis, as stated in the P4P Primer is: "Increased income = Increased productivity + Capacity for aggregation and Quality Assurance (QA) + Market development + Enabling environment".

22. P4P has been the largest trust fund to date managed by WFP, with contributions totalling United States (US) \$166 million and expenditures of just over US\$110 million (up until December 2013). This amount was spread over twenty pilot countries in Africa, Central America and Asia, and the HQ based coordination unit (CU) for a period of five years. This funding was provided by fifteen donors. The Bill and Melinda Gates Foundation (BMGF) was the largest donor (41 percent) followed by Canada and the Howard G. Buffett Foundation (HGBF) with 17 percent each. Other significant donors include the United States Agency for International Development (USAID), the European Commission (EC), Belgium and Saudi Arabia. Additional details are available in Annex 7.

23. COs have been provided with a high degree of autonomy reflecting WFP's decentralised organisation. Thus COs are expected, and have the freedom, to tailor the implementation of the P4P pilot initiative according to the country context. The HQ-based CU was responsible for providing guidance on the pilot, overseeing implementation and aggregating results from across the twenty pilot countries. The pilot commenced with the support of both HGBF (for start-up funding at WFP HQs and P4P funding in Guatemala and Nicaragua) and BMGF funding (for ten Sub-Saharan Africa (SSA) countries). The concept of a ten CO pilot had been discussed/planned with BMGF with a focus on SSA. The subsequent expansion to a twenty country pilot continued to make use of the BMGF objectives. The P4P pilot initiative countries are classed variously as low-income, lower-middle income, or post-conflict<sup>18</sup> and operate within different political, market and agro-ecological environments and CO sizes and profiles.

24. Pilots should involve systematically applying new approaches, tools, or hypotheses, and assessing what works and what does not. They are typically implemented on a small scale with the intention to mainstream or scale-up successful elements. To be able to identify these successful elements, a well-designed pilot should be very explicit about what it is seeking to find out and pay attention to M&E, documentation and knowledge sharing. The pilot nature of the P4P pilot initiative meant a unique emphasis was put on M&E, compared to WFPs normal work. In

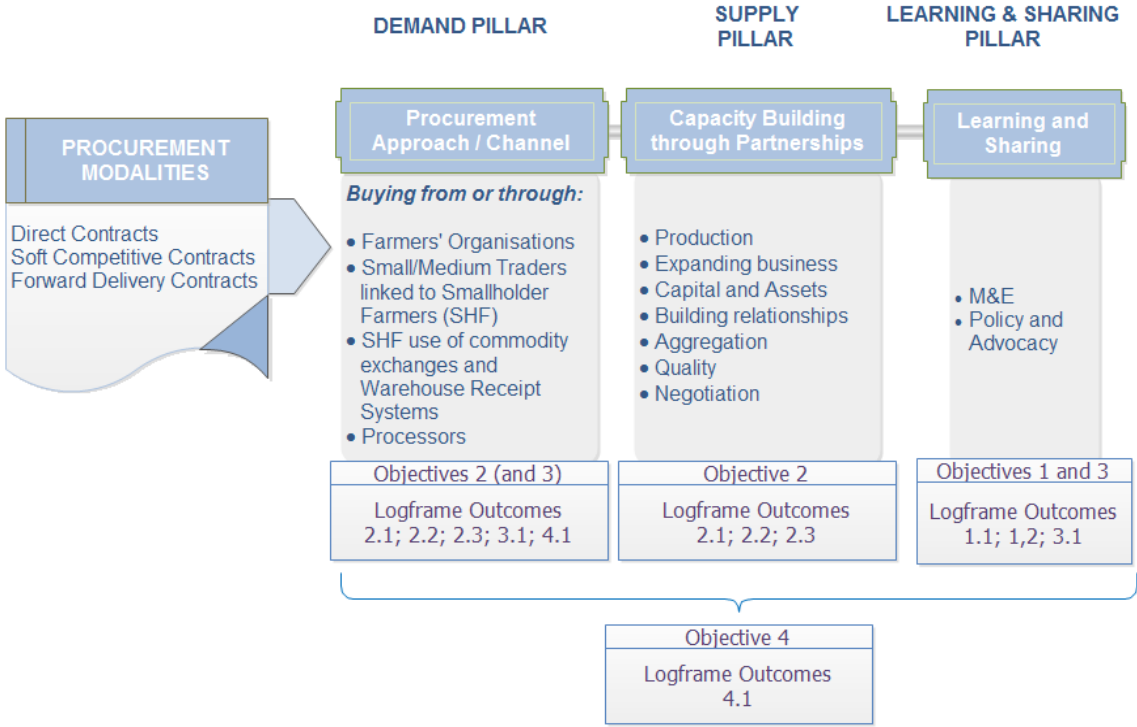
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<sup>18</sup> See section 2.3, table 3 for the classification of each P4P country as per low income, low-middle income or post-conflict.

addition, the pilot benefitted from both a Steering Committee (SC) from senior management within WFP and a Technical Review Panel (TRP), consisting of a number of external experts. This panel met annually and helped guide P4P’s strategic direction and implementation. Membership of the SC and TRP is listed in Annex 1 (TORs).

25. The pilot nature of the programme with funding for a five year period gave WFP the ability to make longer term commitments, and operate with a higher appetite for risk than in regular operations. The initiative had three pillars: demand and supply “pillars” and “Learning and sharing” (see Figure 1). Compared to WFP programme activities, the P4P pilot initiative invested relatively highly in M&E.<sup>19</sup> Two of its four objectives concern learning and sharing. The figure below, drawn from inception briefings and the P4P Primer, seeks to provide a visual representation of the P4P pilot initiative indicating how pillars, approaches, procurement modalities, objectives and log-frame outcomes (see Annex 6) relate to each other.

**Figure 1: The P4P pilot initiative – a visual representation**



**Previous Evaluation of P4P**

26. A comprehensive Mid-Term Evaluation (MTE) of the P4P pilot initiative was completed in May 2011. The MTE recommended giving more attention to both market development and learning dimensions, and to seek to adapt the M&E system to encourage Research and Development. The findings of the MTE were considered both internally and by the TRP, and as a result more focus was to be devoted to market aspects and learning – the latter through the 2012 Global Learning Agenda (GLA).

<sup>19</sup> See Annexes 26 and 27 for details of expenditure. Annex 27 indicates the allocation of expenses per country for each of the three pillars.



27. The ET reviewed the full MTE in depth during the inception phase. The conclusions and recommendations were considered by the ET whilst carrying out the final evaluation. Key elements that were kept in mind by the ET were the MTE's conclusions and recommendations regarding the killer and meta assumptions behind P4P, and those related to the balance between learning/piloting and doing/development impact. The ET also noted those areas in which the P4P pilot made changes based on their consideration of the MTE. Evaluation Findings. Please refer to Annex 8 for a further discussion of the recommendations made by the MTE and this ET's assessment as to how those recommendations were acted upon by WFP.

## 2. Evaluation findings

28. This section provides findings to EQs 1.1 to 1.6 in turn. See Annex 4 for the EM which contains the EQs. Under each of the sub-headings, key findings (numbered Finding 1 onwards) are presented in grey boxes. The evidence supporting the respective findings are presented in the paragraphs which immediately follow. Note that in several places footnotes are provided with updated data relating to the evaluation period. This data was not available until very late in the evaluation process, and while it could not be analysed the evaluation agreed to refer to it.

### 2.1 Findings regarding Relevance

**Finding 1:** P4P is strongly aligned with the objectives and policies of national governments and partners, including Rome Based Agencies (RBAs) (EQ1.1).

29. P4P activities were strongly aligned with pilot country national policy objectives for SHF agricultural development<sup>20</sup> (see Annex 9), including the promotion of cooperative marketing arrangements, and the boosting of production of staple foods. The strong attraction of the P4P approach to partner governments was one factor which drove the expansion of the number of pilot countries beyond the original ten.

30. Common interests with host Governments have enabled some influence to be exerted towards a more enabling environment for SHF development as seen in visits to Liberia and Guatemala, and creating increased transparency in prices through mechanisms such as Commodity Exchanges (CEX) and Warehouse Receipt Systems (WRS) in Malawi. In Tanzania, P4P has been strongly aligned with the government objective of increasing direct purchases from farmers for the National Food Reserve Agency.

31. However, and particularly in East Africa, while there has been rhetorical support for SHFs and market development, government interventions in staple food markets have periodically undermined production incentives, and constrained the development of private market systems. This has reflected the continuing political imperative to maintain control over staple food prices. Examples include the imposition of export bans on cereals which depressed producer prices in Ethiopia, Malawi and Tanzania,

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<sup>20</sup> Evidence from P4P Country Profiles 2010 (see Annex 9 Policy Environment and Alignment with Government Policies), CVs and Country Coordinator Survey results in which 100 percent of the respondents stated that there is good alignment of P4P activities with national policies.

and interventions in maize markets to influence prices through government procurement and release policies (Malawi and Ethiopia).<sup>21</sup>

32. P4P has been highly relevant to the international focus on agriculture-led food security and poverty reduction strategies, particularly as reflected in the strategies of the RBAs<sup>22</sup> (see Annex 10). P4P's alignment was good, in terms of (i) Common strategic themes of market development, improved food quality and safety, and increased investment in productivity; (ii) Common commitments to addressing the causes of food insecurity through agricultural initiatives and supporting SHF development; (iii) Complementarity in areas of expertise, with each of the agencies working in their area of comparative advantage; and (iv) A framework of collaboration and partnership strongly encouraged by the United Nations Delivering as One approach.<sup>23</sup>

33. References to FAO are ubiquitous in original CIPs e.g. Mozambique, Guatemala, Burkina Faso with both FAO and the International Fund for Agricultural Development (IFAD) referred to as P4P "partners". Alignment with FAO remains strong – as validated during the ET's CVs in 2014 and through the findings of the P4P Country Questionnaire (100 percent rated alignment with FAO good or fair). However alignment with IFAD is weaker – reflecting a different business model. There is also some evidence that despite alignment there is friction when the roles of the respective agencies are not clearly identified, and due to the longer term SHF development and market engagement than that taken by P4P.

**Finding 2:** P4P is strongly aligned with WFP's mandate, SPs and related policies (EQ1.2).

34. The P4P initiative is strongly aligned with WFP's mandate to promote world food security and the self-reliance of poor people and communities.<sup>24</sup>

35. There have been two SPs over the period of the P4P pilot as discussed in Section 1.2. A review of a range of WFP policies indicates that there is good alignment between the objectives of P4P with not only WFPs mandate and SPs but also its policies overall. Annex 11 provides an outline of the extent of alignment of P4P with a number of relevant WFP policies. Interviews with WFP senior management also indicate that the P4P pilot has been aligned with WFPs wider policies and has indeed led to a stronger focus, in the 2014-2017 SP, on leveraging purchasing power to connect SHF farmers to markets.

**Finding 3:** Gender issues were not initially well addressed in P4P design but this has improved during implementation (EQ1.3).

36. WFP's Gender Policy of 2009 has recently been evaluated<sup>25</sup> as lacking in guidance for implementation and not generating a clear and shared understanding of either what gender meant for WFP or why gender issues mattered for the realisation of WFP's mandate. The P4P pilot was consequently set up (in 2009) within an organisation that did not have a systematic approach, common framework, or awareness of the corporate gender policy. This was reflected in an uneven level of attention to gender issues in the

<sup>21</sup> Evidence from Country profiles 2010 (Annex 9) and CVs.

<sup>22</sup> WFP, 2013, "Update on Collaboration between RBAs".

<sup>23</sup> P4P Country Profiles 2010 (see Annex 9) CVs, Aides Memoires, and RBA respondents.

<sup>24</sup> WFPs mission statement. Available at: <http://www.wfp.org/about/mission-statement>.

<sup>25</sup> WFP (2013). Evaluation of WFP's 2009 Gender Policy. This Time Around? Evaluation Report. Report number: OEV/2013/008. IOD PARC pp 45.

Country Assessment Reports and CIPs although the intended impact of P4P has a clear gender dimension (noting that the majority of participating SHFs are women) and elements of the logframe are also gender disaggregated. Only five of the twenty Country Assessment Reports (prepared between 2007 and 2010) had a specific section dedicated to gender issues, while two assessments included a gender expert on the assessment team.<sup>26</sup> Similarly, the CIPs varied with regards to the focus on gender.

37. However, significant efforts were made, later on in the implementation phase, to carry out analytical work on gender and P4P and to develop approaches for addressing gender issues within the pilot initiative. From 2009 to 2011 P4P produced two Occasional Papers, both on practical actions to enhance the participation of women<sup>27</sup>, reflecting an understanding by the P4P CU that strategies were needed to integrate women in P4P in an ‘efficient, culturally-relevant, and locally empowering way.’<sup>28,29</sup> This new focus on gender was further developed in 2011 when the Agriculture Learning and Impacts Network (ALINe) conducted a literature review and empirical research<sup>30</sup> which contributed to the development of the P4P organisational policy on gender which guided the ongoing implementation of the P4P pilot initiative.<sup>31</sup> This policy is known throughout the P4P COs visited by the ET and resulted in a set of tools and recommended steps for gender assessment and action.<sup>32</sup> Fifteen of the pilot COs carried out at least one formal gender assessment. These are shown in Annex 12.

38. At the country level a range of activities to support gender equity within P4P has correspondingly taken place. Examples include: Co-funding a technical adviser in one region of Burkina Faso to provide consistent support and motivation to female FOs; Community conversation manuals to guide community dialogue for taking contextual actions on societal norms and taboos that are hindering women’s involvement in FOs in Ethiopia;<sup>33</sup> labour saving<sup>34</sup> and processing equipment provision in Liberia, Ethiopia, Ghana Tanzania, Kenya and Mozambique;<sup>35</sup> and incorporating gender into the reporting and monitoring framework, for example in Guatemala, through record keeping on women’s participation in terms of production and sales. This underscored and signalled to FOs and communities the value of what women were doing pre, and as part of, P4P.

39. While the GLA Paper “P4P’s Women’s Empowerment Pathways: Roadblocks to Success” produced in 2014 found that P4P did not have the tools to facilitate contextually relevant assessments to help the COs develop an actionable gender mainstreaming plan<sup>36</sup>, this was neither unique to P4P nor true for all of the P4P COs. After extensive efforts by P4P CU there is now a set of procedures to support the undertaking of gender analysis and incorporation into implementation plans and

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<sup>26</sup> Rwanda and Ghana.

<sup>27</sup> WFP (July 2009 and September 2010). WFP Occasional Paper. Issues 1 and 2 I - P4P and Gender. Practical Actions to Enhance the Participation of Women in the P4P Programme. WFP P4P and Gender Units. .

<sup>28</sup> WFP (July 2009). WFP Occasional Paper I - P4P and Gender. Practical Actions to Enhance the Participation of Women in the P4P Pilot Programme. WFP P4P and Gender Units. pp 2

<sup>29</sup> WFP (2013). Female SHFs Empowerment: Understanding Gender Subtleties and Preserving Household Harmony, Learnings from WFP. By Batamaka Soméi & Leigh Hildyard. pp 4

<sup>30</sup> ALINe and WFP. August 2011. P4P and Gender: Literature Review and Fieldwork Report. Version 1=.

<sup>31</sup> WFP (August 2011). P4P Global Gender Strategy. Agricultural Learning and Impacts Network (ALINe). Version 1.

<sup>32</sup> P4P’s Women’s Empowerment Pathways: Roadblocks to Success. pp 17 – 18.

<sup>33</sup> WFP (2014). WFP’s experience in empowering rural women in Ethiopia: Addressing market-related challenges facing rural women - access to financial service, productive resources and decision making positions pp 3.

<sup>34</sup> WFP (2013). P4P. Experiences in Promoting Time and Labor Saving Technology for Women. pp 1.

<sup>35</sup> Including rice par boilers, maize sellers, and tarpaulins.

<sup>36</sup> WFP (2014), P4P’s Women’s Empowerment Pathways: Roadblocks to Success. pp 12.

activities.<sup>37</sup> Utilising these procedures however requires gender expertise and resources. Results from the WFP COs questionnaire found that 40 percent of the respondents said they would have a need for gender expertise if mandated to implement P4P. This is reflective of broader need to dedicate gender expertise to P4P at HQs and in-country.<sup>38</sup> Despite gaps in gender technical capability in some COs the progress made in this area has exceeded that of WFP at the corporate level. P4P was singled out by the Gender Policy Evaluation as having country-level gender strategies (which do not exist at country level for other programmes or pilots), a “global gender strategy with a clear vision, objectives and intended results” and gender-sensitive design and reporting.<sup>39</sup>

**Finding 4:** The decentralised process of design led to significant variations in how P4P was implemented in response to the assessment of the country context. The analytical work informing country-level design and implementation paid insufficient attention to the implications of differentiation between SHFs in their market engagement, and of the characteristics and performance of the private trading system. The P4P approach was relevant to the needs of SHF but was best placed to reach SHFs who were semi-commercialised. There was still adaptation to some pertinent aspects of the market context and consideration of needs of SHFs at country level (EQ.1.4a).

40. Each of the CIPs, Country Programme Profiles and Country Assessment Reports contains some review of evidence on the constraints to small-scale production. Country Programme Profiles also contain an annex summarising the main features of the context. Annex 13 presents information on the constraints to SHFs identified and the first part of Annex 14 provides an in-depth analysis of the main design features of the CIPs. The CIPs were fairly comprehensive in this regard, identifying constraints/enabling factors in terms of SHF productivity, FO marketing, market development and the policy environment. They also, in some cases, provided a fairly comprehensive and accurate analysis of risks, though for some high probability risks (drought, price fluctuations) it was not clear that any effective mitigation strategies were in place.

41. There are several areas, however, in which the CIPs could have been stronger as elaborated in Annex 14. For instance, more attention could have been paid to the articulation and critical analysis of key design assumptions. Whilst most CIPs included logframes these tended to be superficial. P4P was designed to test working with FOs through different approaches so as to identify what approaches work best in which contexts. Systematic empirical comparison of the case for working through FOs, as compared to other marketing channels in each country, at the assessment stage could have helped tailor the design at country level (see Annex 14).

42. Reviews undertaken during CVs corroborated the above findings. For example, pilot design in the African countries visited paid little attention to the diversity among SHFs in terms of their level of market engagement, in particular the evidence that a high proportion of rural households are reliant on purchasing staple food for at least

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<sup>37</sup>This is complementary to the wider change in WFP’s institutional structures and systems for addressing gender issues following the appointment of the current Executive Director in 2012 as noted by the WFP (2013). Evaluation of WFP’s 2009 Gender Policy. This Time Around? Evaluation Report. Report number: OEV/2013/008. IOD PARC pp i-vi

<sup>38</sup> The P4P Global CU recruited a full-time gender consultant in March 2012. This position is now vacant.

<sup>39</sup> WFP (2013). Evaluation of WFP’s 2009 Gender Policy. This Time Around? Evaluation Report. Report number: OEV/2013/008. IOD PARC pp iv and pp 19.

part of the year, and that sales are heavily concentrated among a small proportion of SHFs.<sup>40</sup> These characteristics potentially have important implications for the distribution of benefits of P4P – particularly given the different SHF typologies in existence and the better ability of semi-commercialised SHFs to engage with P4P. Similarly, little detailed analysis has been done on specific features of staple food markets that underlie the rationale for some of the approaches promoted by P4P, in particular the extent to which markets operated competitively or involved some elements of monopoly power.

43. Despite these limitations, the evaluation found that there was a high level of responsiveness in adapting the design of P4P implementation plans and activities to the contexts in each of the pilot countries.<sup>41</sup> As a result, there are significant and appropriate differences between the approaches and entry points taken across the pilot countries, while implementation of the pilots was also reported (in the Pilot Country Questionnaire) as adapting to both changes in the market context and emerging learning.

**Finding 5:** All the P4P design assumptions held true in two of the countries examined, in other country cases examined at least one key design assumption did not hold. Across the countries there was variation in the extent to which each of the assumptions held. The most common problem was an overestimation of existing FO capacity and an underestimation of the time required to strengthen capacity (EQ1.4b).

44. Testing the validity of the design assumptions should have been a key element of the P4P pilot, in order to learn the conditions under which different approaches might be effective. However, a systematic approach to articulating and testing assumptions was not incorporated into P4P's design.

45. The second section of Annex 14 includes an analysis of the P4P stories<sup>42</sup> available to the ET at the time of the DDR as they focused on identifying cases where key explicit or implicit assumptions did not hold and where that caused problems. The analysis identifies seven assumptions made across the P4P stories that are of particular significance. This is supplemented by an analysis, in the next section, of the validity of each of these seven assumptions in each of the countries visited. The final section of Annex 14 provides a combined analysis of the findings from the P4P stories reviewed and the CVs, covering 13 countries in all.<sup>43</sup> This combined analysis indicates that the design assumptions were valid to the following extents across the 13 countries as indicated in Figure 2 below.

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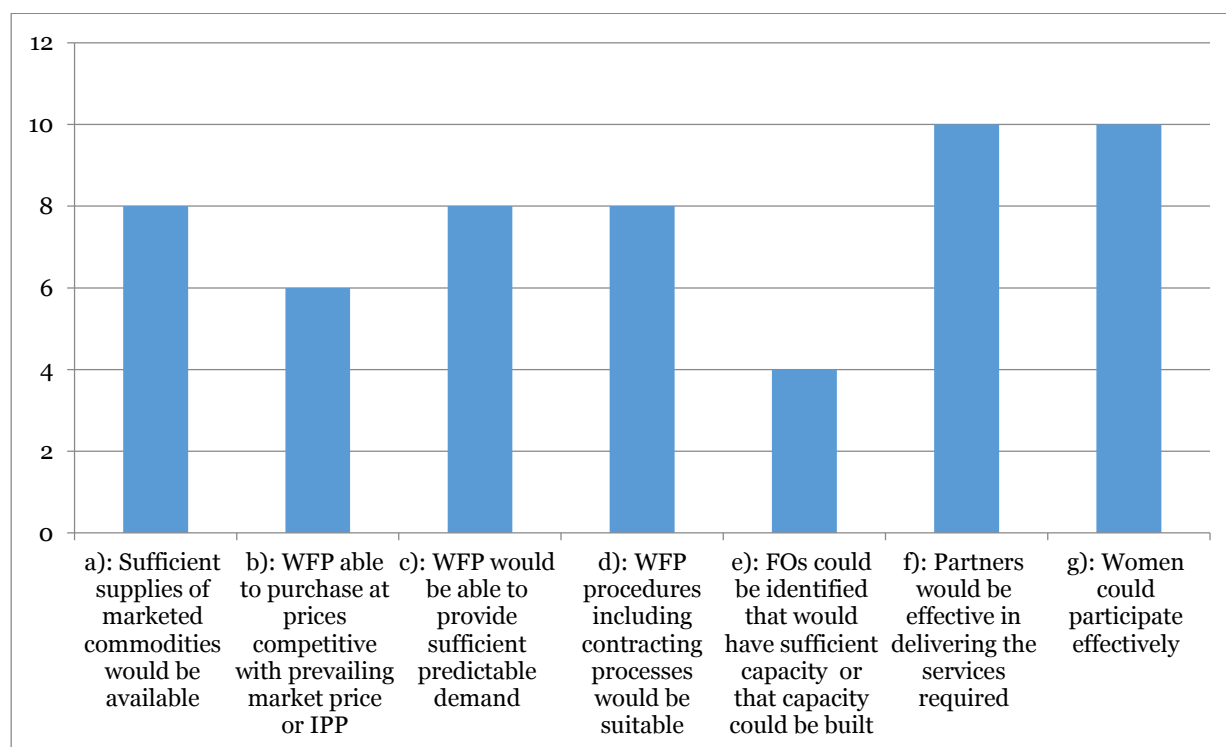
<sup>40</sup> These often being the slightly better-off with more diversified income streams, better access to labour, larger plots and better quality land, better access to inputs, a more prominent role in the FO and relative closeness to markets.

<sup>41</sup> The evidence sources for this judgment are the pilot country questionnaire, CV findings, and Annex 13.

<sup>42</sup> The P4P stories provide an overview of the implementation of P4P in a particular country. Common chapters include the national and regional context, WFP programming context, P4P strategy and rationale, implementation and reflections. As such they give the reader a reflective overview of P4P's implementation in a particular context.

<sup>43</sup> It should be noted that this analysis was done at a macro level and therefore does not take into account intra-country variations or variations over time.

**Figure 2: Number of countries where assumptions held true**



Note: the full wording for design assumption e) is as follows: FOs could be identified that would have sufficient capacity, or that capacity could be built in line with what was planned during the pilot, held true in 4 of the 13 countries.

46. Overall from the above and the combined analysis in Annex 14, it can be seen that assumptions concerning the availability of effective partners (f) and effective participation of women (g) were valid to the greatest extent. The assumption that was most problematic was that FOs could be identified that would have sufficient capacity, or that capacity could be built within the planned timeline of the pilot (e) followed by the assumption that WFP is able to purchase at prices competitive with prevailing market price or IPP (b).

47. The finding regarding FO capacity is corroborated by findings from the DDR and KIIs. There was an overestimation of the capacity of FOs to effectively fulfil the role that was envisaged for them which meant that capacity development progress was slower than anticipated. In addition, there was a lack of a consistent approach to needs assessment before training support was provided, and the training provided has not been clearly linked to FO capacity levels and the graduation process. This has been recognised by the P4P CU and is being increasingly focused upon in some pilot COs such as Malawi. That such a critical assumption has not proven valid across nine of the thirteen countries is important to note and will need to be further taken into account when considering the future ToCs for testing/ mainstreaming<sup>44</sup> of elements of P4P.

48. The only other assumption that was not valid in over 50 percent of the countries was design assumption (b): WFP being able to purchase at prices competitive with prevailing market price. According to the analysis of the country profiles, outlined in Annex 14 Table 33, in Kenya and Uganda private traders frequently offered prices and terms more attractive to SHFs than WFP could. In Ghana and Liberia, market prices for maize and rice respectively were, at times and in some locations, above IPP limiting WFP's ability to procure, and in Tanzania procurement by WFP from FOs was at times uncompetitive with purchases from traders. In some cases (Rwanda and Democratic

<sup>44</sup> Mainstreaming involves the up-scaling and integration of P4P like activities in WFPs development programmes.

Republic of Congo - DRC) the prices and terms offered by WFP appeared at times to potentially crowding out private trade. Specifically, in Rwanda, commercial millers reported difficulty competing with the prices offered by WFP and the National Strategic Reserve.<sup>45</sup> In relation to this last point, reviews undertaken during CVs indicated that there had been little detailed analysis of the specific features of staple food markets, including an in-depth understanding of the features of structure, conduct and performance of the staple food markets, including the role of private trade.<sup>46</sup> While some analytical work has been done through the development of the Smallholder Market Access Progression Framework (SMAPF) the ET had reservations about the conceptual and empirical basis of the SMAPF. However the ET recognised that with further work, for example through simplifying indicators, it could potentially be useful in guiding work with FOs.

49. It can also be seen in Annex 14 that in Guatemala and Malawi, all the assumptions held, at the other end of the spectrum, only two of the seven assumptions held in Ghana.

**Finding 6:** The ToC for P4P has not been explicitly and completely formulated although analytical work has been undertaken during the pilot to develop some aspects of it (EQ.1.5).

50. Annex 6 examines the P4P ToC.<sup>47</sup> Because of the explicit pilot aspect of the Initiative, it is important to distinguish between two aspects of the ToC that are relevant for the Evaluation. The first relates to how the initiative is intended to achieve its learning and identification of best practice objectives, specifically how the activities planned (including the design of the country pilots, and lesson learning including from the M&E system) are expected to lead to the generation of new and useful knowledge. This may be termed the “Pilot ToC.”

51. The underlying logic of the Pilot would potentially include the rationale for the number and range of pilot countries selected, a consideration of the specific approaches that it would have been appropriate to test through the pilot, a focus on issues about potential replicability for mainstreaming, and a strategy for testing the validity of key assumptions in the Development ToC, so that the defined objectives of the programme could be achieved within the pilot period. This was partially articulated in the Global Logframe and original BMGF design document. The learning objectives were also expressed in the P4P Primer, drawing on Figure 1 of the P4P 2010 M&E Design Considerations report.

52. The second aspect is the ToC relating to how specific activities undertaken as part of the Initiative are expected to generate development impact. This may be termed the “Development ToC”, and relates to the proposition that sustainable SHF agricultural growth (benefiting both men and women) can be successfully and efficiently promoted through a combination of the use of WFP’s market purchasing power, and capacity development activities, focused in particular on FOs.

<sup>45</sup> S. Kelly and C. Mbizule (2013), Institutional procurement of staples from SHFs: The case of common P4P in Rwanda, Rural Infrastructure and Agro-Industries Division, FAO, pp 43.

<sup>46</sup> See Annex 14, Table 33, for specific reasons for other instances where design assumption did not hold.

<sup>47</sup> At the time of the design of the P4P Initiative, the terminology of “ToC” was less widely used than it is currently in development practice. However, the concept of ensuring that there was a clear articulation of the causal route by which results are expected to follow from the proposed activities, and the need to specify the main design assumptions necessary for results to be achieved was incorporated in WFP practice.

53. P4P's Development ToC has also not been fully articulated. The Global Logframe produced in 2009 and 2010 remains the most complete presentation of the intervention logic. It contains elements of an implicit ToC and identifies some significant assumptions. The Development Hypothesis sets out a summary narrative presentation of the logic model but does not focus on the key assumptions. The MTE highlighted the lack of a clearly articulated ToC and identified some of the key assumptions underlying the Development Hypothesis. Several documents have subsequently been produced to provide fuller statements of aspects of the ToC, and to test key assumptions, and these have been informed by experience and learning during implementation. See Annex 6 for a full discussion of these.

54. P4P's Development ToC was based on the premise that collective marketing solutions for SHFs are both desirable and feasible, and that external support for such solutions particularly for staple food crops in Africa would be available and effective. However, only limited empirical support for these premises existed in many of the types of context where P4P has been piloted. Given the lack of firm evidence about market performance and on effective ways to ensure benefits reached SHFs, it was clearly valid to test models based on collective marketing. However a more systematic approach to specific design decisions and to articulating and testing the key assumptions would have been desirable to achieve the learning and mainstreaming objectives.

**Finding 7:** The overall design of P4P to achieve its objectives was undermined by its rapid scale up, lack of full articulation of the ToC at the start and lack of systematic identification and testing of key assumptions (EQ 1.6).

55. There has been some progress in ToC development at the global level by taking account of emerging learning through the reviews and studies listed above. This has involved reflection on some of the key assumptions. However, this has not resulted in the production of a complete and explicit articulation of either the pilot or the development ToC, or a full statement and firmly empirically based assessment of the validity of the assumptions. This is particularly true with regards to the range of pilot countries selected, replicability of models developed and articulation of a counterfactual.

56. P4P's initial design envisaged piloting taking place from 2008 to 2013 in ten countries, with considerable flexibility at the country level about the specific features of design. At an early stage, the number of pilot countries was doubled, and an additional transitional year added to the programme. The initial design contained an ambitious M&E approach including a full IA in all the countries. However partially as a consequence of the MTE and TRP recommendations, and also because of problems in maintaining control groups due to changes in implementation, the scope of the M&E was adjusted to one that was more manageable and the number of IAs cut to four.

57. The length of the pilot period has, during interviews, been variously described as too long (and thus appearing more like a first phase of a project that it is assumed is going to be mainstreamed) and too short (in terms of being able to bring about sustainable capacity development). At the same time it must be noted that the pilot has in practice been phased as more donors have come on board for different countries at different times.

58. It is clear in retrospect that a more effective and efficient approach would have involved a clearer initial articulation of the key design assumptions, a series of



systematic reviews of existing evidence on the key assumptions undertaken as part of the design process, and the implementation of a smaller number of pilots designed more explicitly to test key assumptions (implying less country discretion in implementation), before wider roll out of the approach, with particular attention being paid to factors affecting replicability (for instance, the appropriate target level of costs per beneficiary).

59. The experience suggests that the attractiveness of proceeding with expanded P4P implementation to WFP, its donors, and partner governments tended to militate against what would have been the most appropriate approach for effective learning and testing of procurement models.

## **2.2 Findings regarding Effectiveness**

60. The four EQs regarding effectiveness relate to each of P4Ps objectives. Below, findings are presented for Objective 1 first, followed by Objective 3. Thereafter findings for Objective 2 and 4 are presented together.

### **Objective 1: To identify and share best practices for WFP, NGOs, governments and agricultural markets stakeholders to increase profitable smallholder/ low income farmer engagement in markets**

61. EQs related to this section concern first, lesson learning processes (EQ2.1c), second, lesson sharing processes (EQ2.1b), and third an assessment of the effectiveness of lesson learning and sharing (EQ2.1a). Annexes 15 16, 17, 18 and 19 relate to this section.

**Finding 8:** Appropriate learning processes have been followed but tension between learning and doing has, overall, meant that less attention was paid to the synthesis and sharing of lesson and best practices than might be expected of a pilot (EQ2.1c).

62. Findings are that a range of learning processes at country and global levels took place throughout the P4P pilot period (see Annex 15). Country, regional and global workshops, write-shops and the GLA have all provided opportunities for learning. From the MTE onwards much emphasis was placed by donors and the TRP on ensuring a good balance between learning and doing, considering the objectives and the pilot nature of the initiative. To provide more focus on learning, the ambitious GLA was agreed upon in 2012 with priority topics to be completed that year. Capacity constraints have led to outputs from the GLA being completed in 2014 rather than earlier as planned. However, with 2014 now a transition year for P4P, the delay has allowed for the full five years of the pilot experience to be drawn upon. The GLA outputs will potentially be useful for the wider development community and are critically important for WFPs future plans regarding mainstreaming aspects of P4P.

63. The extent to which the balance between learning and doing was achieved varied according to inclination, skill level and overall capacity at country level. Review of documents including proceedings of the TRP, and interview findings indicate that there was a tension between learning and doing throughout the pilot. The GLA study of risks associated with P4P programming (2014) notes that P4P has a very broad learning agenda, that pressure for meeting targets conflicted with the prioritisation of documenting learning, and that the P4P was a fast moving project, being implemented on the whole by “doers”, all in all meaning that it has been hard to find time to reflect.

**Finding 9:** P4Ps communication strategy has been effective, allowing lessons to be shared through a range of media (EQ 2.1b).

64. The P4P pilot used a variety of communication channels including the external website, an internal website, a monthly newsletter, meetings/conferences/ workshops, reports i.e. to donors, participation in international fora, news releases and, from 2014, twitter. The use of these channels is informed by “Guidance note 7: Communications guidance on P4P”, June 2011. Whilst the communication media listed therein remain, the messages are updated through regular media messages provided to the P4P COs.

65. Annex 16 provides a discussion of the effectiveness of these various media based on the DDR, interviews and questionnaire responses. The key finding is that there has been an effective communications strategy. Close to 100 percent of newsletter readers<sup>48</sup> felt the newsletter was effective or somewhat effective in communicating lessons learned. 75 percent of website readers thought the website was effective in communicating lessons learned. The majority of respondents stated that both the newsletter and website provided new insights and that the quality of presentation of each was good. The number and length of visits to the internal and external websites are increasing over time and there is a good rate of return visitors. The distribution of visits between the “home” P4P page and other WFP pages is improving year by year. Finally, lessons and best practices are regularly incorporated in fact sheets, case studies, profiles and videos.

**Finding 10:** There has been an active process of lesson learning and sharing from P4P experience which has provided useful insights for stakeholders, reflecting the unique features of the P4P initiative. This has the potential to generate new knowledge though as yet no significant peer-reviewed publications have resulted, and general lessons identified in P4P publications often reflect conclusions that are already familiar in the market development literature. (EQ2.1a).

66. Between 2008-2013 thirteen key areas around which learning took place were identified through the DDR process (Annex 17). Of these, nine were repeatedly revisited. These were procurement modalities; price discovery/pricing issues; FO capacity building; FO capacity and progression; FO access to finance; FO access to markets beyond WFP; food quality and safety and processing; women’s empowerment/gender, and; partnerships. Others that were referred to, to a slightly lesser extent, were infrastructure and equipment, structured trading platforms; Small or Medium Trader (SMT) engagement; and the enabling environment.

67. Lesson learning and sharing informed planning and decision making at country level, with adjustments to implementation being made based on lessons learned. All the respondents to the P4P pilot CO questionnaire<sup>49</sup> stated that P4P identified lessons that went beyond those in existing literature and 84 percent of the same set of respondents who read the newsletter said it provided information or news not found in other sources<sup>50</sup>. P4P planning meetings, workshops at national and sub-national level, and coordination meetings all provided opportunities for making adjustments

<sup>48</sup> Of the 165 respondents nearly half were from WFP. 7 percent of the respondents were from Donors, 7 percent from IFAD and FAO, and 18 percent from NGOs.

<sup>49</sup> The instructions stated that the questionnaire could be filled in jointly by members of the CO team or by one individual, with the most suitable person being the P4P country coordinator.

<sup>50</sup> The ET notes that these are findings based on self-assessment and there is no knowledge of the extent to which the respondents are aware of or read the wider literature.

based on lessons learned and for informing Governments of P4P lessons learned and achievements.

68. A literature review of the existing evidence and the CVs suggest that whilst lessons were new to the individuals concerned as indicated above, and to WFP more broadly (both of which are important), these often reinforced points that were already well-known in the market development literature. For example, capacity issues of FOs and constraints to women’s engagement and empowerment have been well documented in the international arena for decades. Annex 18, which summarises key learning from the GLA studies, indicates that the extent to which the GLA studies (nine of the 17 thematic areas in total were made available to the ET in 2014) draw on, and add to, already existing lessons is limited.<sup>51</sup> Where there was new learning this was mostly on the demand side – namely relating to how WFP’s procurement demand and pricing could be modified to better able purchases from untraditional sellers.

69. Whilst lessons can be positive or negative, the P4P learning and sharing team see lesson learning as being an on-going process from the start of the pilot. Whilst many of the same lessons may have been learned elsewhere, they have not been learned within the context of a global level buyer linking up with supply in the way that P4P does. So whilst there is no claim that lessons learned are fresh contributions to knowledge backed by evidence that would pass peer review, they are perceived as having been learned in a unique context.

70. However, the evaluation process (and EQ2.1a) requires assessment of the extent to which lessons learned and/or best practices identified further the existing empirical evidence base within the wider development community. According to the P4P Primer (2012) the goal of P4P is to identify “pro-smallholder models” in structured trade and public procurement that can be adopted and brought to scale by national governments (page viii). Further, the Primer notes that P4P emphasises learning. For a pilot initiative with specific learning objectives it would be expected that lessons and findings are reviewed and evidenced through a process of assessment against existing research and analysis. In this way it would be clear whether the “pro-smallholder models” identified by P4P do in fact advance the existing evidence base and are of practical use to different stakeholders. This process has not been completed.

**Finding 11:** Whilst lessons related the development hypothesis, and some design assumptions and learning objectives have been learned, clear models and guidance for mainstreaming have yet to be identified and drawn up (EQ2.1a).

71. This finding is primarily concerned with whether P4P achieved its objective as a pilot i.e. whether it has developed replicable and usable models for WFP and other stakeholders to use. Annexes 17 and 18 present evidence that there has been learning around the development hypothesis, the design assumptions and the learning objectives. For example, for the first of the two P4P learning objectives: “What procurement modalities/platforms best support capacity building activities and create an enabling environment for procurement for SHFs?” the following areas in which P4P has most consistently learned lessons over the pilot period (see Annex 17) are relevant: Procurement modalities; Procurement price discovery/pricing issues; FO capacity and progression; FO capacity building; Infrastructure and equipment; and Enabling

<sup>51</sup> Six of these studies are covered in Annex 18: public procurement; women’s empowerment; SMTs; FO capacity building; SHF marketing choices and; markets for quality beyond WFP. The studies constitute a part of the total GLA which identifies seventeen thematic areas in total.

environment. Several GLA studies are also relevant (Annex 18) including those on SHF marketing choices, experience buying from SMTs, supporting public procurement from SHFs and, markets for quality beyond the WFP.

72. Whilst some of the learning areas listed above relate to the design assumptions, this has not led, during the evaluation period, to the development of clear guidance and models regarding linking SHFs to the market that are firmly evidenced based. Lesson learning has been scattered rather than focused on providing clear, evidenced-based, answers to key questions.<sup>52</sup> As noted in the GLA Risks paper “Rather than focusing on the core “value added” that could be gleaned from the P4P experience P4P tried to be “all things to all people” with a very broad learning agenda”.<sup>53</sup> One TRP member noted that “A huge amount of data has been collected but perhaps without clarity of the questions that needed to be answered and the learning objectives.” Two of the three TRP members and one of the four donors interviewed independently noted that whilst P4P has collected a great deal of information, “the analysis is not done” with information being more “anecdotal rather than crystallising enormous insights”.

73. The areas outlined above were identified by the ET independently through extensive DDR across the pilot initiative period and the early part of the transition year. It was not possible, during the DDR, to identify clear sets of lessons learned identified by the P4P pilot that were organised around consistent thematic areas, or according to their relevance, or their regional or global significance. Similarly, the P4P teams in the countries visited were unable to provide a consolidated synthesis of key lessons learned at country level within the period covered by this evaluation. However as has already been noted in relation to Finding 8, the GLA has produced, and is continuing to produce, consolidated syntheses of lessons learned around seventeen different thematic areas.

### **Objective 3: To identify and implement best practices for increasing sales to WFP and others with a particular focus on smallholder/low income farmers**

**Finding 12:** Whilst the ET was able to identify areas of best practice for increasing smallholder sales to WFP, progress in consolidating and communicating best practice models has been limited (EQ2.3).

74. The P4P CU notes that whilst “lessons learned” and “best practices” are often conflated, the latter come out of repeated action over time that seems to yield a consistent positive result and that becomes something that can be confidently put forward as a best practice within WFP and/or to the wider development community.<sup>54</sup> P4P has learned lessons but best practices - based on the sum of this lesson learning - are fewer and far more recent. During the period under evaluation best practice had not been compiled and consolidated beyond two 2014 publications (the BMGF Annual Report and a presentation to the TRP). As a result there is not yet a definitive statement of best practices for increasing sales.

<sup>52</sup> As informed by DDR and interviews with TRP members and donors.

<sup>53</sup> GLA Synthesis Study of Risks associated with P4P programming, March 2014, pp 62.

<sup>54</sup> The DDR and CVs confirmed that “lessons learned” and “best practices” have been frequently conflated.

75. Prior to 2014 there were scattered references to best practice within P4P project documentation, in particular at the country rather than global level.<sup>55</sup> 84 percent of respondents to the P4P Pilot CO questionnaire felt the CU and other P4P COs had been effective at sharing best practice with their CO and 63 percent felt the evidence base was often presented.

76. The GLA, presently underway as part of the transition year, is designed to consolidate and document best practices from pilot countries and to enable WFP to share its best practices with national governments and other stakeholders. The ET identified best practices as referenced in the GLA<sup>56</sup> (shown in Annex 19 - but not as yet compiled or consolidated by the P4P CU) covering the following areas:

- **Quality and food safety:** Use a pre-inspection 'blue box' to decrease the likelihood of commodity rejection and food quality standards to reduce aflatoxin. A notable output of this focus was the P4P Training Manual for Improving Grain Postharvest Handling and Storage.
- **Gender:** Development of a country specific gender strategy and action plan and the presence of a gender focal point in COs and at HQ to address the challenges to women's participation in the market.
- **Access to storage:** Assessment of the value added of storage provision in order to assist with post-harvest handling and logistics.
- **Communication and advocacy:** Use of exchange visits with other P4P countries to learn from other contexts. Engagement in advocacy to encourage public procurement to take place in a SHF friendly manner and for the policy environment to be enabling.
- **FOs Capacity Assessment and Development:** Conducting in-depth analysis of FO capacity, subsequently classifying FOs, designing and tailoring interventions according to FOs' capacity, sequencing interventions effectively and including business planning and management training as part of supply-side support.
- **HRs:** Building teams at the country and global level which combine expertise in traditional WFP focus areas, such as Vulnerability Analysis and Mapping (VAM), procurement and logistics and with P4P necessitated skills in markets, gender and M&E.
- **Public Procurement:** Setting up Memorandum of Understanding (MOUs) between WFP and public institutions, transferring SHF friendly procurement expertise to public institutions, facilitating exchange visits to locations where Government has successfully taken on SHF procurement.

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<sup>55</sup> The review included donor reports (BMGF and HGBF), P4P stories and lessons learnt, case studies and after action reviews, guidelines and guidance notes, annual review/consultation reports, TRP summaries of proceedings, selected writeshop and validation reports, the market access framework and GLA synthesis reports. One piece of work where best practice is deemed, by P4P, to have been summarised (from 2013 onwards) is the SHF market access progression framework (MAPF). The MAPF is reviewed in Annex 6.

<sup>56</sup> See Annex 19 Table 38 for a presentation of the best practices identified in the P4P documentation. See Annex 19 Table 39 for a presentation of the best practices identified in the GLA documents.

77. The 2014 GLA Synthesis Study of Risks Associated with P4P Programming identified a lack of documentation on best practices as being partially related to delays in design and implementation of the learning and sharing framework, and partly due to the tension, at P4P CO level, between disseminating learning and best practice and the need for action (as referred to above in relation to Finding 8 on learning processes). The ET assesses that the limited articulation of the key assumptions at design phase curtailed the associated learning objectives.

78. However, there is evidence of best practice already being implemented to varying extents. The blue box was first put into use in Guatemala, all of the CVs were to countries with a gender assessment or action plan, access to storage has been facilitated in Malawi, Ethiopia and Liberia (amongst others), exchange visits have been used in Burkina Faso and Ghana (to Rwanda), processing equipment has been provided in Ethiopia, Tanzania and Liberia, FO capacity assessment has been undertaken in all countries (although the appropriate tailoring and sequencing of interventions is yet to be fully established), expertise in market development and gender has been established in some of the countries (most notably in Ethiopia and Guatemala) and public procurement is being facilitated in Burkina Faso and Rwanda.

79. All of the respondents to the P4P Pilot CO questionnaire said they had implemented best practices identified by P4P for increasing smallholder sales. Examples given included the use of Forward Delivery Contracts (FDCs) and mainstreaming market linkage activities in the Country Programme. The caveat to this 100 percent figure is that the absence of a consolidated list and conflation of lessons learned and best practices means that the best practices self-assessed as being implemented may a) be lessons or b) not be the best practices beyond the country level (i.e. would not be identified as such as the result of a future consolidation by the P4P team).

80. Non P4P WFP COs stated that the CU had been effective at sharing best practices – both in terms of increasing profitable SHF engagement in markets and on increasing sales to WFP and others by smallholder/low income farmers. Conversely interviews with donor respondents found less evidence that best practices had been identified and implemented but there was still reference to government ownership/ advocacy for public procurement and the need to include business planning and management training as part of supply-side support.

**Objective 2: To increase smallholder/low income farmers’ capacities for agricultural production and market engagement in order to raise their income from agricultural markets**

**Finding 13:** Capacity has been built for some FOs, as defined by the progression from one capacity level to another, as evidenced in the IAs. These findings do not, however, apply to all countries and are not consistent across all the indicators. Findings are stronger at the FO than the SHF level (EQ 2.2a).

81. Building the capacity of SHFs and FOs has been at the core of P4P activities. This was mainly done by providing training (on various topics), and facilitating the acquisition of assets (i.e. storage facilities and agricultural equipment) for SHFs and FOs and from the procurement process itself.<sup>57</sup> SHFs’ limited access to equipment and infrastructure for post-harvest handling was seen (in the Country Assessment reports)

<sup>57</sup> Details of P4P training activities are provided under Annex 20 and 24.

as a major obstacle to the productive and marketing capacity of targeted FOs. Thus, the capacity development approach adopted under P4P included the provision of various basic equipment and infrastructure.<sup>58</sup>

82. An important premise for how P4P provided capacity building interventions is that there would be other development partners that would, or are, already providing support (e.g. on production), and that P4P should therefore focus on post-harvest, aggregation and market linkages. In some cases, where it was assumed that partners would already be working with FOs, this was not the case, and COs needed to work hard to identify, and in some cases support, partner organisations to carry out this capacity development.

83. Establishing what a capacitated SHF or FO is, and measuring how much capacity was built, needs to take into account a number of factors.<sup>59</sup> These include differences between targeted participants, differences in the kinds of training and capacity building interventions that are employed in a given country, and how long (time) it can take to actually build the desired capacity among the targeted individuals and FOs. Measuring these can be problematic, as is noted in scoping studies carried out by FAO (in some cases in conjunction with WFP) in seven P4P pilot countries (see Annex 20). While there is (output) data on how many SHFs have been trained, there is little data on the outcome of the training. P4P studies reviewed in Annex 20 show that P4P-targeted farmers and FOs still require continued support, and suggest that it may take a long time (or longer than expected) for capacity to be adequately built. This is also consistent with the findings from the CVs.

84. It should be noted that the ET's understanding of the extent to which SHF capacity for agricultural production and market engagement has been built is limited – given that the M&E activities undertaken thus far under P4P (e.g. IAs and various surveys commissioned) do not capture changes in SHF capacity that can be attributed to P4P interventions.<sup>60</sup> The available data does not provide conclusive evidence on whether capacity has indeed been built through P4P in that it tracks the number of people trained rather than the impact this had. The IAs do however capture some changes in FO capacity.

85. The household and FO surveys conducted at the country level provide information on the outputs of capacity building and P4P engagement.<sup>61</sup> There appears to be a consistent trend across countries showing that FOs engaged with P4P increase the number of services provided to their members - specifically in marketing and production - with FOs providing at least one service to members in almost every case. The trends at the household level, in yields, marketable surplus and the use of improved inputs are more difficult to interpret since they are not always statistically significant, and in the cases where IAs are available, do not always show an attributable

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<sup>58</sup> This was accompanied by training in the use of these agricultural equipment and management of these facilities. These assets were generally provided on a cost-sharing basis (between WFP/P4P and the FO). See Summary P4P Data Analysis Report: Targeted FOs and Capacity Development (January 2009 – December 2013).

<sup>59</sup> Note that a capacitated SHF will involve behavioural change as it inherently implies a willingness to engage in formal markets and to take up training.

<sup>60</sup> This is also a key finding in the IAs undertaken for Tanzania, Ethiopia and El Salvador. For a more in-depth of discussion of the impact findings, please see the section on Impact and Annex 21.

<sup>61</sup> The follow up reports provide information on indicators like services provided by the FO, the yields and outputs of farmers, the use of fertiliser and certified seeds, and the percentage of households reporting a marketable surplus. A detailed table with the key findings and aggregate tables from each of the country reports is available in Annex 21.

causation, when compared to a counterfactual (see Annex 21 and the Impact section of this report).<sup>62</sup>

86. The information on FO non-WFP sales also presents a number of limitations. It is derived from FO records maintained by FOs, and is often incomplete. The majority of FOs only began recording their sales beyond WFP in mid-2011, and this has not been implemented comprehensively across all pilot countries. The available data indicates that FOs have sold over 200,000 Metric Tonnes (mt),<sup>63</sup> to a range of other buyers, but whether or not this reflects an increase or decrease in engagement with other commercial buyers cannot be established from this data, although it should be noted that evidence from the CVs was that, in many cases, FOs self-reported that they were selling higher volumes than prior to engagement with P4P.

87. The number of participating FOs has been fluctuating since the start of the P4P pilot with some of the reasons for dropping FOs relating to capacity constraints. This suggests that capacity could not always be adequately built (within the period) among some of those who received P4P support, for various reasons. Several GLA studies<sup>64</sup> commissioned by P4P also point out that some FOs still have inadequate access to marketing and storage infrastructure that would allow them to aggregate commodities at commercially viable levels. It should be emphasised, however, that this does not presuppose that those FOs that remained have indeed realised improvements in capacity (on account of P4P interventions). It may be the case that these remaining FOs may have been of a higher level of capacity to begin with, compared to those that have been dropped and that those who remain have a different attitude towards market engagement.<sup>65</sup>

88. The training data shows that since the beginning of training activities in January 2009, more than 769,000 trainees have participated – it should be noted that this is not the same as the total number of individuals which were trained.<sup>66</sup>

89. The assessment of whether capacity was built would also need to consider that part of the capacity building support was in the form of facilitating access to agricultural equipment. It is understood that data on the amount and type of equipment provided to FOs has been collected but not yet analysed. Completing this analysis will be essential to the sustainability of providing such assets and whether training on FO management will result in the ability of the FO to maintain and use the equipment.

90. Turning to findings from the CVs, it should first be noted that there are limitations in making judgements based on the findings reported. For example, there is no evidence that the SHFs interviewed were representative - although attempts were made to ensure that the FOs selected (as shown in Annex 2) were representative of different capacity levels. Discussions carried out with a limited number of FOs and

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<sup>62</sup> While some countries showed positive changes, almost no change was reported in others. In Kenya, for example, the yield for maize went up from 2.26 mt/ha in 2009 to 3.49 in 2011. In Mali, on the other hand, no noticeable change was recorded with regard to yields.

<sup>63</sup> This corresponds to a face value of at least US\$50 million. See Summary P4P Procurement Report: September 2008-2013 (March 2014). Note that FOs were making some sales to others before P4P but data was not available regarding the extent of these sales.

<sup>64</sup> These include the following GLA studies: SHF marketing choices (2014 draft); Synthesis study of risks associated with P4P programming (2014), and; Markets for quality beyond the WFP (2014).

<sup>65</sup> The latter mind-set is currently being explored further by the Malawi P4P team.

<sup>66</sup> The reported numbers (on training attendance) captures trainees that have been trained and does not show the many other individuals who may have been trained by the trainers. There are also some discrepancies in terms of double/multiple reporting of individuals trained, as some targeted participants may have received different forms of training at various points during the pilot period. This is further discussed in Annex 20.



SHF-members during the CVs suggest that P4P-supported SHFs are adopting the production and post-production practices they were taught during training they received from P4P supply-side partners. Those interviewed also expressed an understanding of the likely consequences of not adopting such practices (e.g. lower yields and post-harvest losses). Some of the SHFs interviewed have also demonstrated that they are now able to select and classify commodities (according to quality), which allows them to price goods accordingly when engaging with buyers. SHFs have also organised themselves in order to undertake collective sales to WFP. The FOs visited during the CVs are now set up with the relevant committees, with clear articulation of roles and responsibilities. Some FOs that previously did not have access to storage facilities are now provided with warehouses, where commodities from SHF-members are aggregated and stored. These changes in the behaviour and knowledge of P4P-supported SHFs and FOs are captured in feedback received from field staff and FOs (during the visits), although some countries like Guatemala have also now commissioned ‘adoption studies’ to document changes in SHF and FO capacity.

91. Some FOs are known to have progressed from one capacity level to another (e.g. from low to medium capacity) but this does not clearly distinguish the extent to which changes in capacity may be attributed to P4P interventions.<sup>67</sup> This is an important caveat, considering that in many, if not all, of the pilot countries, P4P capacity development is delivered alongside other interventions by donors and supply-side partners. Moreover, the progression in most cases was not as rapid or far reaching as was anticipated when global and country level targets were set e.g. in the CIP. None of the FOs, across the twenty countries at the time of the DDR, had participated in a LRP tender<sup>68</sup>.

**Finding 14:** FO capacity building partnerships have been widely tested and have had some success (EQ2.2c).

92. The P4P pilot initiative adopted four approaches – the use of FO and capacity building partnerships, support to emerging structured demand platforms, purchase from emerging traders through modified tendering, and developing local food processing capacity. While these four approaches were not (or could not be) tested in all of the P4P countries,<sup>69</sup> the experience during the pilot points to a number of important lessons regarding the implementation of these four approaches, and what were needed in order for them to be effective. These are discussed in Annex 22 and summarised<sup>70</sup> in the table and Findings 14-17.

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<sup>67</sup> The typologies of low, mid and high capacity FOs were done mid-way through the initiative and data on their graduation from one level to another has been collected only since then.

<sup>68</sup> However later figures provided to the ET in October 2014 did indicate the following percentages of graduation in six of the twenty pilot countries: El Salvador 90 percent, Honduras 71 percent, Tanzania 66 percent, Guatemala 37 percent, Nicaragua 31 percent and Burkina Faso 11 percent.

<sup>69</sup> These four approaches have not been adopted in all countries, given the differences in the local market characteristics. In Annex 23, the four approaches are mapped out against the P4P pilot countries.

<sup>70</sup> Source: P4P Procurement Snapshot, September 2008-December 2013 (May 2014).

**Table 1: Approaches taken in each of the P4P pilot countries (between 2008 and 2013)**

<b>P4P Pilot Countries</b>	<b>FO and capacity building partnerships</b>	<b>Support to emerging structured demand platforms</b>	<b>Purchase from emerging traders through modified tendering</b>	<b>Developing local food processing capacity</b>
Note: Shaded cells indicate a case where a sale was made using the approach regardless as to the size of the sale				
Afghanistan				
Burkina Faso				
DRC				
El Salvador				
Ethiopia				
Ghana				
Guatemala				
Honduras				
Kenya				
Liberia				
Malawi				
Mali				
Mozambique				
Nicaragua				
Rwanda				
Sierra Leone				
South Sudan				
Tanzania				
Uganda				
Zambia				

93. Establishing FO and capacity building partnerships was by far the most widely used approach. Effectiveness is contingent on the availability, resources to contract, and suitability of services, of supply-side partners. CVs indicated that whilst Tanzania and Ethiopia were able to access the required supply-side expertise, this was more challenging in Liberia and in Malawi. The effectiveness of training provided by partners was variable and was indicated to have greater effectiveness when second and third tier FOs were focused on.<sup>71,72</sup> A more comprehensive strategy to building SHF/FO capacity, including identifying actions to ensure that the quality of service (technical assistance) provision is more consistent (especially for COs that deal with multiple supply-side partners), would heighten effectiveness of the supply-side interventions. Effectiveness is also impacted on by the FO selection process and criteria and the types of FOs

<sup>71</sup> First tier FOs have been in the majority of the FOs participating in the pilot and range in size from 10 to several hundred SHFs. Second tier FOs are an umbrella group representing individuals FOs. Third tier FOs have second tier FOs as members and are super umbrella bodies – most commonly being nationally representative.

<sup>72</sup> See GLA draft study on FO capacity building (2014).

existing in each country. The pilot found that some of the initial criteria used were less relevant, and subsequently carried out work on typologies of FOs mid-way through the initiative leading to more useful criteria for FO selection. Finally for the approach to be effective longer term engagement seems to be needed, particular with first tier (primary) FOs of low and medium capacity.

**Finding 15:** Purchasing from emerging traders through modified tendering has only been used to a limited extent. Further testing would be beneficial. [EQ2.2c]

94. Purchasing from emerging traders through modified tendering is contingent on identifying those willing to invest in SHF procurement practices in order to satisfy WFP's requirements.<sup>73</sup> Local markets that provided traders with robust demand, without needing to adhere to the same quality standards as WFP, or the requirements to dedicate a certain percentage of procurement to P4P FO's/SHFs, did not give traders any incentive to improve the quality of the commodities they traded or pay a premium to SHFs for quality. This is an approach that has been tested on a very limited scale in seven of the twenty P4P countries but has produced little evidence that it is effective.<sup>74</sup> The approach makes up 6 percent of the total contracted volume over the pilot period.<sup>75</sup> The approach would benefit from understanding whether working with traders benefits P4P-targeted SHFs – e.g. whether there have been improvements in the terms that are passed on to SHFs. WFP is presently exploring the “patient procurement model”<sup>76</sup> which will specifically engage with traders. Consequently this approach will remain important.

**Finding 16:** Support to emerging structured demand platforms has involved working with CEXs and WRSs. This has had some success in Malawi but failed elsewhere. [EQ2.2c]

95. WRS created an opportunity for WFP to facilitate SHFs access to credit, which financial institutions could grant against the stocks of commodities in Tanzania, Malawi and Uganda. The WRSs can be effective in that they professionalise post-harvest storage which can be a challenge for lower tier FOs lacking access to, and professional expertise, in this area. For this approach to work, there must be not only a viable WRS in place, but also a financial regulatory framework that supports WRS, and financial institutions that are willing to engage. Moreover, FOs need to be closely supported in order to enable them to cope with the organisational aspects of selling through a WRS, as well as the uncertainty over final prices and swings in profitability. In some countries that adopted the WRS approach, there were issues associated with the poor management and regulation of warehouse networks. P4P piloting of linking SHFs to WRS could be assessed as partially effective because of the variables discussed above.

96. CEX systems have been shown to be effective in linking SHFs to WFP and other staple food crop buyers in the case of Malawi, but not in the case of Ethiopia, Uganda

<sup>73</sup> Some small traders may face constraints themselves – both in terms of technical knowledge and access to post-harvest equipment – which would keep them from effectively engaging with P4P.

<sup>74</sup> See GLA study on Experience buying from small and medium traders (2014).

<sup>75</sup> P4P Procurement snapshot, September 200-8-December 2013 (March 2014).

<sup>76</sup> The PP platform is designed to establish purchasing agreements for longer periods (hence “patient”) to leverage three key parts of the value chain through an appropriate aggregation mechanism; loans/inputs, extension, and crop insurance. The platform will address market bottlenecks and common issues encountered by SHFs such as access to finance. For buyers to participate profitably in this venture risk reduction/mitigating tools will cover issues such as side selling, delivery delays, and quality (WFP, OSP, Procurement, Patient Procurement Platform May 2014).

or Tanzania. In Zambia there were mixed results.<sup>77</sup> Effectiveness depends on the ability to give SHF access to it, the ability of the exchange to sustain itself and a sufficiency of suppliers to ensure price fixing does not occur. The experience in countries where CEX systems were used suggests that for the approach to work, investments are also necessary to build linkages between the platform and the SHFs/FOs. These may cover supporting the deployment of HRs (of either interested parties<sup>78</sup> or CEX staff) into areas where FOs operate, providing training to FOs to enable their participation in bidding opportunities, and facilitating access to warehouse facilities by FOs. A supportive policy framework is also essential, which was not always the case.<sup>79</sup> Moreover, the early experience with the use of this approach suggests that it favours the participation of FOs with higher capacity. Thus, if P4P seeks to engage low and medium capacity FOs as well, other approaches need to be considered. The general record of limited success and sustainability of attempts to encourage access by SHFs to CEXs and WRSs in Africa suggests caution about the prospects for using this approach.

**Finding 17:** There was insufficient evidence to evaluate the effectiveness of developing local food processing capacity [EQ2.2c]

97. The approach of developing local food processing capacity has also been tested on a limited scale with only 2 percent of the total contracted volume over the pilot period, being sold to food processors. In countries where this approach was adopted (Afghanistan, Kenya, Mali, Mozambique, Rwanda, Sierra Leone, Zambia<sup>80</sup>) processors are agreeing to source commodities from P4P FOs (as opposed to their other traditional suppliers – be it local traders, SHFs directly (which is less common) or international suppliers). WFP is therefore helping to bridge a relationship between local processing companies and FOs. More information is, however, needed to assess the effectiveness of this approach (and, as with the approach to working with traders, the benefits to the FOs and SHFs). At present it not clear whether the companies will continue to engage with FOs outside their contracts with WFP.<sup>81</sup> Processors tend to buy from traders thereby linking it directly to the working with trader approach.

98. However, the ET understanding of the effectiveness of both approaches (purchase from emerging traders through modified tendering, and developing local food processing capacity), is limited by a lack of clarity in terms of the desired outcomes (e.g. changes in the terms that are passed on to SHFs by P4P-engaged traders, or changes in the behaviour of processors towards SHFs outside of WFP contracts).

**Finding 18:** The process of working through partners is assessed as partially effective. Yet, at the same time, corporate guidance on what constitutes an effective partnership was lacking and the sheer range of partnerships and partnerships models inhibits comparative judgement (EQ 2.2c).

<sup>77</sup> See tables on procurement in Annex 24.

<sup>78</sup> In Malawi WFP funded the salaries of outreach officers in order to provide information to SHFs on the CEX system.

<sup>79</sup> In Tanzania for instance where WRS was seen as a priority area, there was limited success, given the policy constraints that restricted smaller agencies, and lower value crops like cereals to engage with the WRS.

<sup>80</sup> See procurement tables in Annex 24.

<sup>81</sup> In other words, have the barriers that keep processing companies and FOs from engaging been effectively overcome? Some of the local processing companies interviewed during the CVs noted, for example, that while they now have greater confidence in the ability of P4P FOs to deliver according to specified quality standards, they are still concerned about whether FOs have the capacity to meet the requirements of formal transactions (without the assistance of WFP/P4P). There are also concerns about transaction costs on the part of processing companies: from a processing company's point of view, it costs less to deal with a singular (or a few), large (and sometimes, international) suppliers than to engage with a several FOs – this was explicitly referenced in Liberia.

99. P4P has developed over 500 formal and informal partnerships with other entities, although this total number conveys little, as almost all relationships – however small, informal and short-term – can still be categorised as “partnerships” in P4P reporting. Despite potential partners existing these have not always been proved to be suitable and there have been issues in coordinating capacity building activities conducted by multiple partners. Partnerships have been at the centre of the supply side work undertaken in order to increase smallholder/low income SHFs capacity for agricultural production and market engagement in order to raise their income from agricultural markets (objective 2).

100. The centrality of “partnerships” was not explicit in the original logframe (Output 2.3.1 and an activity in 2.4), nor in the BMGF objectives, where partnerships are described only as “providers of training” (under Objective 2).<sup>82</sup> As a result, the targets and measurement of the effectiveness as an implementation mechanism, and as a desirable outcome in itself, have evolved to match activity.<sup>83</sup> There was no evidence of a partnership master plan or road map to guide activity, or a mid-stage systematic review<sup>84</sup> and the processes by which partners are selected have not been systematically documented.

101. This evolution of “partnerships” – as a term for very different relationships ranging from a strategic agreement with a regional organisation like Common Market for Eastern and Southern Africa, to agreements at a grassroots level such as with an FO in Guatemala – causes problems of definition and measurement from an evaluation standpoint that will also have impacted the P4P’s M&E.<sup>85</sup> Moreover, given that COs may have needed to develop customised versions of partnerships to meet local conditions means that many models exist, and outcomes will be difficult to compare and are not measured.

102. In practice WFP engaged in several distinct types of partnerships in relation to P4P. There was collaboration at a more strategic level with RBAs, other international agencies and donors at global, regional and national levels. Examples of regional level partnerships established by WFP in relation to P4P include those with the African Economic Research Consortium (AERC), Alliance for a Green Revolution in Africa (AGRA) and regional economic communities in Africa. Then there were partnerships with Governments which could include collaboration in implementation as well as advocacy. Then there were more operational partnerships e.g. through joint funding/programming at a national level (as in Mozambique and Liberia for example). In both these cases the advantages of such arrangements included good coordination, communication and clarity of roles and responsibilities. However the main form of operational partnerships was between WFP and supply-side partners in country. The latter could be sub-divided into two types, with different types of partnership arrangements between WFP and those supply-side partners with existing funds, than those which were sub-contracted by P4P to provide supply-side capacity building. Purposes of partnerships therefore ranged from design to coordination, operationalization and advocacy.

103. According to the most recent BMGF Annual Report and meetings with RBA partners, the most effective partnerships have been where the partnership has been in place from the design phase, where both parties contribute distinct technical and

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<sup>82</sup> See: Revised Objectives of the WFP-BMGF Milestone Chart (May 2009).

<sup>83</sup> Interview with P4P team member.

<sup>84</sup> This was proposed in the GLA NGI Synthesis Report on Risk.

<sup>85</sup> See: 2005 How to Work with WFP. Who are WFP’s partners? pp 25.

financial resources, where a small number of expert technical partners provide supply-side support, and where there are longer-term partnerships in place. This is discussed further in Annex 25.

104. The ET found that CO teams have entered into partnerships of their own design, based on their understanding of the prevailing opportunities available in their respective countries but that there are not associated performance indicators to assess the effectiveness of partnership as an implementation mechanism. However, without partnerships with implementing agencies P4P's operational model would not have been functional. An analysis is currently underway at the time of this evaluation in order to work towards a systematic training plan for identifying and sharing the skills required to manage partnerships and outsourcing.

**Objective 4: To transform WFP food purchase programmes so that they better support sustainable small-scale production and address the root causes of hunger.**

**Finding 19:** P4P has contributed to a greatly increased corporate commitment by WFP to support FOs and SHF development. Significant levels of procurement are now taking place through P4P approaches. However, purchasing from FOs by WFP continues to face a number of constraints which cannot be solely addressed by internal adjustments to WFP's procurement system. (EQ2.4a).

105. P4P has contributed to an irreversible change in WFP's corporate commitment to support FOs and SHF development. This commitment is evident at senior management level and in various divisions including procurement, logistics, finance and quality at both HQs and country levels. At the time of the evaluation 319,324 mt of commodities were delivered to WFP through P4P with a value of US\$131.476 million.<sup>86</sup> The fact that purchases have been made by WFP through P4P demonstrates that the adjustments made to WFP procurement have been effective in enabling P4P FOs to engage with WFP as an institutional buyer.<sup>87</sup> Under P4P, new modalities of procurement, soft tenders, direct contracts and FDCs, were introduced and tested. This was grounded on the expectation that these modalities would provide P4P FOs an entry point for selling commodities to WFP and that these targeted vendors would eventually be able to participate in standard WFP procurements, as well as in procurements by other institutional commodity buyers. Annex 24 shows that P4P has become an important sub-set of LRP. In El Salvador, for example, P4P purchases as a proportion of LRP has grown from 11 percent in 2009 to 71 percent in 2013. These figures also show that suppliers under P4P have contributed to sales across all twenty countries, thereby initiating a transformation of the WFP food purchase model to purchase directly from FOs. Across the initiative, procurement through P4P approaches grew from 8 percent

<sup>86</sup> May 2014 Procurement snapshot. The evaluation was provided with updated figures towards the end of the evaluation. Dated October 2014 the figures for the same period indicate that 366,658 mt were delivered, with a value of US\$148,021,105.

<sup>87</sup> At the date of ET review, contracts for P4P purchases covering more than 400,000 mt of commodities have been issued during the P4P pilot period (September 2008 to December 2013), at a value exceeding US\$167 million (P4P Consolidated Procurement Report as of Dec 2013). These contracts involve P4P vendors, which include FOs, small and medium-scale traders, food processors, CEX and WRS in 20 pilot countries. About 66 percent of this total contracted amount has been delivered to WFP, and 21 percent of all completed contracts were estimated to be in default. However, updated figures for the same period indicate that 450,102 mt had been contracted at a value exceeding US\$177 million; over 81 percent of this total contracted amount has been delivered to WFP and 19 percent of all contracted amounts were defaulted (P4P Procurement snapshot, 21.10.14)

of LRP in 2009 to 11 percent in 2013.<sup>88</sup> However, the viability of models for achieving and sustaining this procurement remains to be demonstrated.

106. Over and above these broader adjustments (i.e. incorporating new modalities for making purchases), other modifications were also introduced at various stages of the procurement cycle in order to accommodate P4P vendors such as FO’s. These include the requirement for COs to prepare a P4P procurement plan, delegation of procurement authority to the CD, facilitating third party payment mechanisms, and allowing advance payments to be issued in certain cases.<sup>89</sup> These adjustments go beyond the “special provisions for small vendors” outlined in WFP’s (2013) Food Procurement Manual.

107. The pilot experience also points to a number of important findings on what may have been required in order to address various constraints on purchases made through P4P FOs. A number of problems emerged despite the adjustments already introduced in WFP’s procurement system, which called for even further adjustments. The challenges faced centred around side-selling and the difficulties FOs faced in aggregating.<sup>90</sup> The table below outlines the main challenges faced and how WFP have responded to these problems.<sup>91</sup> In some cases (e.g. when problems were rooted in FO and SHF capacity), the response required more than just making adjustments to WFP’s procurement processes. In many cases, these constraints and the approach to overcoming them are still in the process of being analysed and have therefore not yet been fully addressed.

**Table 2: Challenges faced and responses to these challenges**

	Challenges	Responses
<b>Demand-side</b>	Lengthy WFP procurement processes (e.g. for getting approval, for undertaking quality checks, or for issuing payments), which increased the risk of side-selling by FOs <sup>92</sup>	Fast-tracking the payment process was facilitated by allowing the use of scanned copies of the way bill and the invoice (in the process of loading). This resulted in a dramatic reduction in the number of days required to process payments.  WFP have also mapped out procurement process flows vis-à-vis the peculiarities of P4P purchases. Guidance notes have been issued (to CO procurement staff), which explain the various steps during the procurement process involving P4P vendors, the timing of these steps, and the parties involved in the process (e.g. any coordination required between functions).  Delegation of Authority to CDs for procurement up to US \$500,000.
	Logistical challenges	Guidance notes have been issued, which included one directed at Logistics staff in the COs to assist them in identifying “innovative and unique

<sup>88</sup> P4P Procurement snapshot, September 2008-December 2013 (March 2014). Updated figures from mid-2014, for the same period, indicate that the proportion of P4P procurement in LRP amounted to 22 percent by the end of 2013.

<sup>89</sup> See Consolidated P4P Procurement Guidance Note. This brings together a series of Guidance Notes issued during the pilot phase covering forward contracts, advance payments, sampling and testing, advance financing procedures, third party payment mechanisms and classification of P4P purchases.

<sup>90</sup> This is discussed in FO Capacity Building: WFP GLA Series.

<sup>91</sup> Many of these issues are documented in the P4P contracted MSU/FSG (2014): Study of the Impact of WFP Local and Regional Food Aid Procurement on Markets, Households, and Food Value Chains: Draft Final Report.

<sup>92</sup> This has been an issue cited by several P4P pilot countries especially during the early stages of P4P’s implementation and documented in P4P’s Field Lessons (2009).

	Challenges	Responses
		<p>transport contracting modalities” to accommodate P4P purchases. This included organising secondary transport contracts and smaller trucks to allow quick deliveries; making compromises in terms of collection points (especially in light of some difficult terrains).</p> <p>In some countries (e.g. in Malawi), the Logistics team have also incorporated ‘unit costs’ associated with purchasing from P4P FOs in their standard estimates.</p> <p>In some countries logistics staff are working to assist FOs with contracting of private transport. Purchases from P4P FOs were also considered against the specific requirements of where WFP food assistance is planned for distribution. As the pilot progressed, the number of FOs engaged by P4P increased – which, in some cases, gave COs broader coverage in terms of the distribution of FOs that may potentially supply the commodities required. This presented opportunities in terms of tapping supply sources that are closer to distribution points.</p>
	Funding advances to some FOs	P4P COs have been provided the option to access the Working Capital Facility to support P4P advance financing for some FOs.
<b>Supply-side</b>	Capacity-related issues on the part of SHFs/FOs – e.g. non-availability of on-farm storage, which complicated the process of aggregation for some COs	<p>Many COs have facilitated storage of commodities in WFP mobile warehouses (or WFP-managed storage facilities), although this appears to have been carried out only in the earlier phases of the pilot.</p> <p>The interventions under “capacity development” also included funding or co-funding of warehouses for some FOs.</p> <p>The focus of capacity building efforts is also continuously being reviewed, especially in light of the findings from in-depth studies commissioned under P4P (e.g. on FO capacity, or specific market studies carried out in some of the countries by the FAO).</p>
	SHF cash flow problems: many SHFs needed funds to pay for other consumption needs, and were often compelled to sell their commodities immediately at harvest (even when prices are at their lowest).	This is a problem that still confronts P4P operations in many (if not all) COs, and is very difficult to address. WFP is, however, reviewing the timing of its purchases: purchases made early during the harvest season could make it more possible for SHFs to commit to bulking (and maintain their commitment to WFP as buyer) but this needs to be balanced against the need to ensure the commodity is not wet.



## 2.3 Findings regarding Efficiency

108. This section discusses the findings and analysis of how resources were used under P4P, given the planned outputs. It discusses efficiency in terms of (a) achieving capacity development for P4P-supported SHFs and FOs (EQ's 3.1 and 3.5), and (b) modifying procurement modalities at WFP in order to accommodate FOs as new types of sellers (EQ 3.4), in terms of (c) learning and sharing best practices and lessons (EQ 3.6). The second area covered considers whether the pilot initiative was implemented in a timely fashion (EQ 3.2). The latter part of the section then explores the way P4P has been managed - specifically the oversight functions, the role of the M&E system in informing management decisions, and the management of HRs (EQ 3.3).

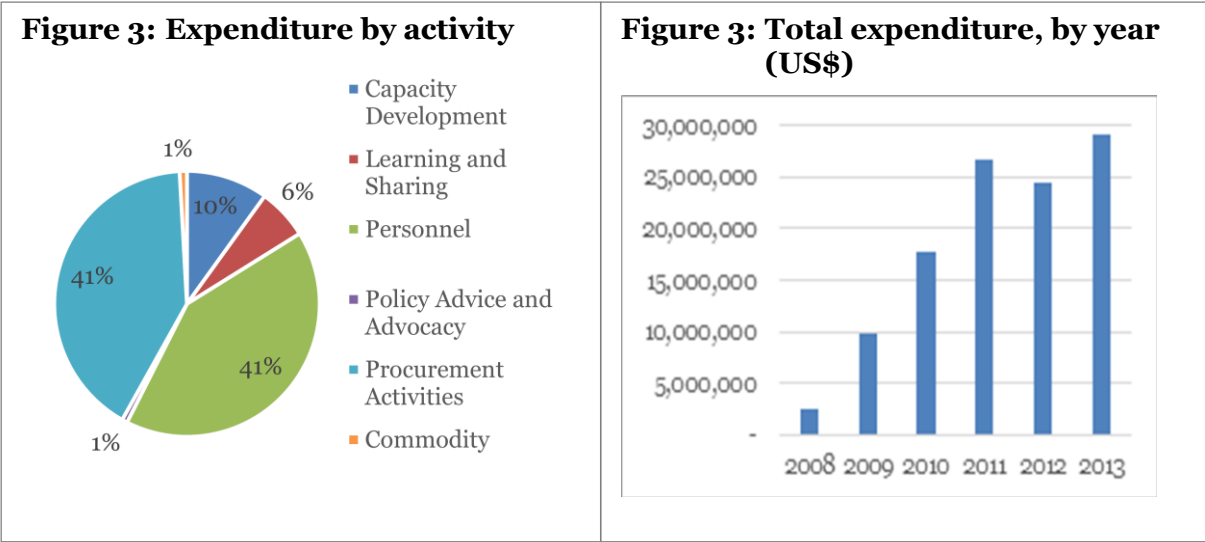
**Finding 20:** P4P has not been set up in a way that models being tested are clearly identified and are measured as part of its monitoring activities. Given the amount of resources made available to implement the P4P initiative and the fact that the pilot covered a period of five years, it is difficult to justify this lack of clarity and the inability to assess performance against key outcomes – and on this basis, it cannot be assessed whether the initiative (as a whole) has been efficient [EQ3 overall].

109. To measure the cost-efficiency of P4P and specific approaches tested, data is required on both costs incurred (e.g. costs of providing training) and outputs produced (e.g. the amount of capacity produced as a result of the training) in a form that enables comparisons to be made.<sup>93</sup> It would also be desirable to be able to separate one-off costs related to the piloting process from the core costs of producing outputs. However, the need, for such data was not identified during the design of the pilot. The way the Trust Fund, as a budget and accounting mechanism, is designed in the WFP's corporate financial management system (WINGS), is not flexible enough to respond to the criteria applied by the ET for the assessment of cost-efficiency for pilot projects such as P4P. In order to answer the initial financial reporting requirements, a budget structure and a financial reporting tool were put in place to record inputs and to allow maximization of resources based on different criteria. In this respect, the criteria adopted by the M&E system to account for the various approaches tested under P4P at CO level, were different than those applied by the ET. The M&E criteria were not primarily focused on providing exhaustive information for an assessment of the cost efficiency.

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<sup>93</sup> Annex 26 presents an overview of the findings from the FAO investment analyses. The ET assess that the broad modelling approach taken in this work is valid but, the reviewed example (Tanzania) led the ET to conclude that the positive findings of the analysis derived from assumptions about increases in farmer productivity for which there was not yet evidence.

110. The “funded programmes” on the WINGS system include key activities of P4P – such as procurement, capacity development, learning and sharing, and policy and advocacy. At the same time, however, a separate non-activity based category for personnel (which captures salary and all HR related expenses) has been set up, and constitutes a large share of P4P expenses (as is shown in Figure 4 below). As such, the expenses reported for the activity-based funded programmes are exclusive of personnel expenses, which make it difficult to accurately capture how resources were spent in relation to planned outputs.



Source: P4P Financial Data covering the period, 2008-13, provided by CU.

Notes: P4P expenditures totalled US\$110.24 million over the pilot period (as of 31 December 2013) for all 20 countries. Expenditures have steadily increased over the pilot period (see Figure 2), with the highest expenditure recorded in 2013, and a marginal dip in 2012. This is consistent with a programme implementation period, where the initial phase is used to plan activities, identify partners and put systems and procedures in place. The expenditure data shows that 41 percent of expenditure is on personnel, and another 41 percent was spent on procurement activities<sup>94</sup> (see Figure 3). Capacity development and learning and sharing take up a smaller share of resources at 10 percent and 6 percent, respectively.

Some categories of expenditure – e.g. policy advice and advocacy - are limited for use only at the HQ level. Thus, the recorded expenditures on policy advice and advocacy do not really reflect actual expenditures made under this category, given the assumption that many COs will have participated in, or themselves implemented, policy advice and advocacy activities.

It should be noted that in a number of countries, specific grants were also additionally provided by donors to WFP to make food purchases through P4P FOs. Other food purchases are funded from regular project budgets. These amounts were important in ensuring that P4P was able to meet its objectives of purchasing from supported FOs. Commodity related expenditures, however, make up a very small proportion of total expenditure.

111. It is important to also consider that P4P had fifteen individual donors contributing to the pilot globally, often contributing in different tranches, and with specific requirements regarding the country of operation and the activities supported.<sup>95</sup> These donors have also had different implementation timelines and requirements on financial reporting and budgeting. In some cases, donors can have direct bilateral relationships with specific COs. As such, financial data – and in particular, drawn up

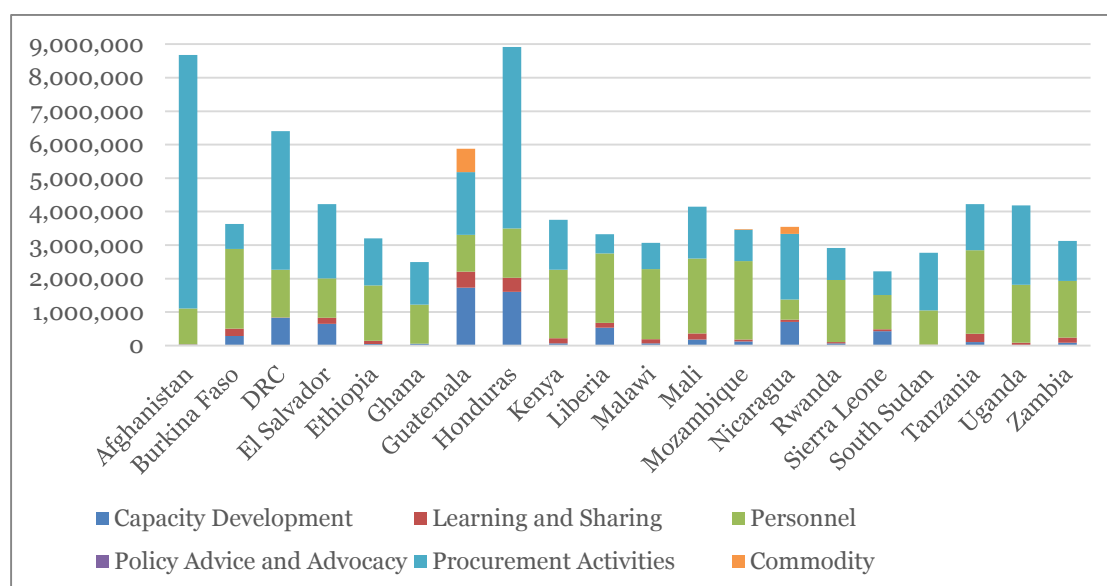
<sup>94</sup> This is made up of (a) The cost of any (additional) equipment purchased by the CO in order to support procurement activities - e.g. (additional) bagging and other post-production equipment (that is owned and maintained by the CO); (b) The cost of any (additional) assets purchased by the CO in order to support procurement activities - e.g. vehicles (leased), computer equipment for WFP staff, etc.; (c) The cost of other supplies purchased by the CO to support procurement activities; (d) The cost of hiring any additional facilities to support procurement - e.g. additional storage (warehouse) facilities, etc.; and (e) The cost of fuel and other charges related to picking up and transporting goods from participating FOs. It is not money that is being spent on food.

<sup>95</sup> Additional details on P4P finances are available in Annex 7.

budgets – are not always available, which makes it difficult, if not impossible, to compare budgets and expenditures across P4P pilot countries.<sup>96</sup>

112. As shown in Figure 5, the P4P financial resources were spread over twenty pilot countries and the HQ-based CU (WFP HQ).<sup>97</sup> It is interesting to note that there is far less variation between the countries funded by BMGF<sup>98</sup> compared to the other ten countries that were funded by various donors (and often for specific country level P4P programmes). These donors place different levels of emphasis on different aspects of the programme, which helps to explain to some extent the variations in country level P4P implementation. This is also apparent when looking at the level of expenditure by activity, when comparing across countries. At the time of the evaluation the total non-food expenditure on P4P up to 2013 totalled over US\$110m whilst the amount spent on associated food purchases was US\$177m for all contracts.

**Figure 4: Expenditure, by country and activity**



Source: P4P Financial Data covering the period, 2008-13, provided by CU.

Note: This figure captures the utilisation of resources in the 20 P4P pilot countries (up to 31.12.2013) and does not include WFP HQ expenditures and other regional expenses.

113. In order to derive a better estimate of these expenses, the ET re-allocated personnel expenses across the activity-based categories (for all the pilot countries), as well as re-allocated the WFP HQ costs (see Annex 27).<sup>99</sup> This allows some broad estimations of the non-food procurement costs per mt delivered and capacity building

<sup>96</sup> The Finance Team at P4P CU have described the term “budgets” in the context of P4P as “dynamic, living documents” – i.e. they change over time to accommodate changes in the allocations across cost categories, when needed. The budgets, in this sense, appear to be more like accounting limits, from which COs are able to draw when implementing P4P activities. For example, some COs may request for changes in the total budgeted allocation for some cost categories in order to respond to actual requirements in the course of implementing activities. In some cases, these changes can be effected, which would then change the “budget” (on the system) and make it reflect actual expenditure. As the Finance Team at P4P CU explain, this is characteristic of the way trust funds are financially managed at WFP and not specific to P4P alone.

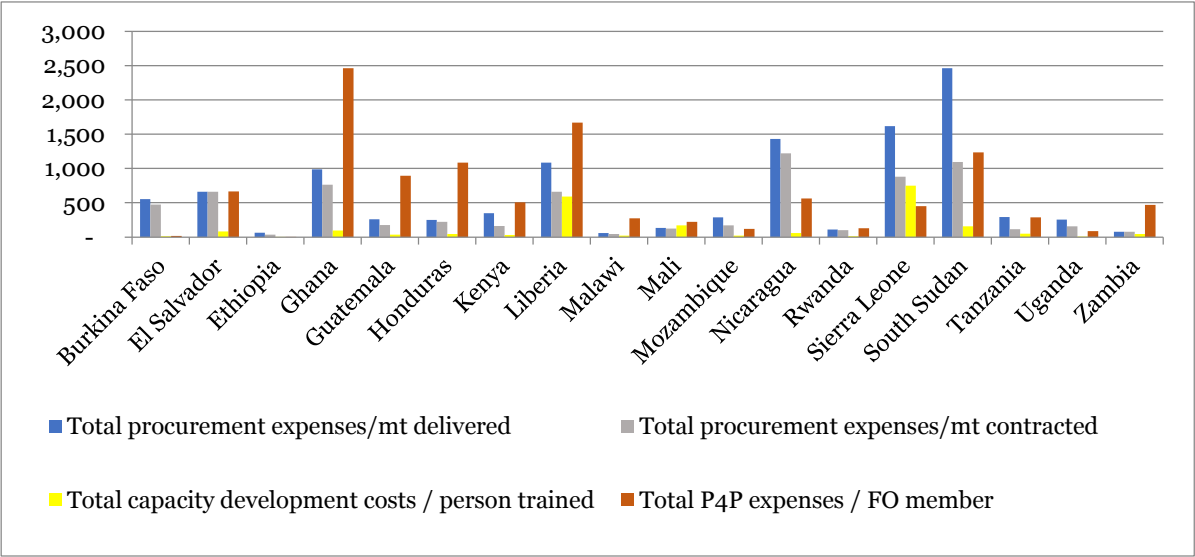
<sup>97</sup> The largest total expenditure is at the WFP HQ, which spent a total of US\$24.96 million (including global costs such as the annual consultations, global M&E and training and studies). Among the COs, Afghanistan and Honduras have had the largest expenditure at US\$8.68 million and US\$8.91 million, respectively. The full breakdown of expenses per country, according to funded programmes, is provided in Annex 7.

<sup>98</sup> These include Burkina Faso, Ethiopia, Kenya, Malawi, Mali, Mozambique, Rwanda, Tanzania, Uganda and Zambia.

<sup>99</sup> Further details of how these calculations were made (e.g. the rules used) are provided in Annex 27.

costs per person trained, and to look at patterns across countries.<sup>100</sup> Figure 6 uses these “re-calculated costs” (of capacity development and procurement activities) and provides the average costs per member and per mt delivered. The re-calculated results for expenditures show that there is quite significant variation in the average cost per FO member and mt delivered between countries. See Table 86 in Annex 29 for the numerical data informing the figure below.

**Figure 5: P4P average unit cost (in US\$) per member trained and per mt delivered, by country<sup>101</sup>**



114. In Table 3, patterns in P4P spending according to three country classifications (i.e. post-conflict, low-income and lower-middle income) are shown. P4P spending was broadly similar across country classifications but, as would be expected from a context with high cost drivers e.g. limited infrastructure and the cost of essential services (electricity and water) the average cost per FO member and the average non-food cost per mt delivered were the highest in post-conflict countries.<sup>102</sup> Whilst, the disparity in costs, taken at face value, indicates cost inefficiency this needs to be understood within the context of the delivering of results within a volatile environment. The rationalisation of such costs is that P4P can lead to developmental impact.

115. Lower middle income countries show higher unit costs compared to low income countries. These results reflect differences in the way P4P activities have been carried out across countries. For example, lower middle income countries like Guatemala and Honduras are offering relatively more comprehensive capacity building packages to P4P SHFs and FOs, which are more costly to deliver (on a per unit basis) but which may represent better overall value in terms of the results achieved. In Honduras US\$6million was invested in capacity building (including investments in infrastructure). These differences are also driven by countries’ access to funding – i.e.

<sup>100</sup> It is important to note that these are very rough estimates, given that the cost categorisation is not very precise. Moreover, while some countries like Ethiopia looked to purchase large quantities, in others like DRC and Afghanistan, the primary purpose of the purchases was to offer a buyer of last resort. These figures do however allow for a degree of comparison across countries and benchmarking.

<sup>101</sup> The re-calculated values presented in this figure are provided in Annex 29. Source: P4P (2014) Summary P4P Procurement Report: September 2008 – December 2013, P4P CU, and ET calculations.

<sup>102</sup> The average cost per FO member, for example, is estimated to be about 15 times the average in low-income countries.

some countries have access to more funds than others due to donors directly supporting P4P activities in particular countries.

**Table 3: P4P expenditure, quantity contracted, average cost per person trained and mt delivered, by country classification<sup>103</sup>**

	Post Conflict Countries <sup>104</sup>	Low Income Countries	Lower Middle Income Countries
P4P total expenditure in country (\$)	29,681,871	43,943,940	36,617,961
Quantity delivered (mt)	14,089	212,118	93,117
Average cost per FO member (\$)	1,254	29	793
Average non-food cost per mt delivered (\$)	2,107	207	393

Source: P4P financial data 2008-2013 (May 2014) and ET calculations

116. The analysis in this section has so far explored how P4P resources have been spent, including looking at patterns across the pilot countries. The re-allocation of non-activity based expenses allows us estimation of how much money was spent on key activities. However, in order to assess efficiency, the costs need to be assessed in terms of the outputs produced and outcomes achieved. There are, however, a number of issues, as identified by the ET, that prevent us from making such an assessment, which are outlined below:<sup>105</sup>

**Table 4: Activities, Outcome Results and Key Issues**

Key activities	Headline outcome results required	Key limitations
Capacity development	A capacitated SHF or FO	While indicators to measure “a capacitated SHF or FO” have been set out in P4P’s M&E framework, these are, however, not tracked in the M&E activities (e.g. surveys) in a way that allows P4P to attribute observed changes to P4P interventions.
Procurement	Modified procurement modalities in place  FOs able to sell to WFP and other buyers	It is not possible to attribute costs according to specific procurement modalities.  Measurement of FO sales to buyers beyond WFP is limited and was only begun later in the pilot.

<sup>103</sup> Post conflict countries are: Afghanistan, DRC, Liberia, Sierra Leone, South Sudan. Low income countries: Burkina Faso, Ethiopia, Kenya, Malawi, Mali, Mozambique, Rwanda, Tanzania, Uganda and low-middle income countries El Salvador, Ghana, Guatemala, Honduras, Nicaragua, Zambia.

<sup>104</sup> It should be noted that post-conflict settings include a very large investment in capital equipment for example, in Afghanistan.

<sup>105</sup> The limitations in measuring outcomes are further elaborated in Annex 30.

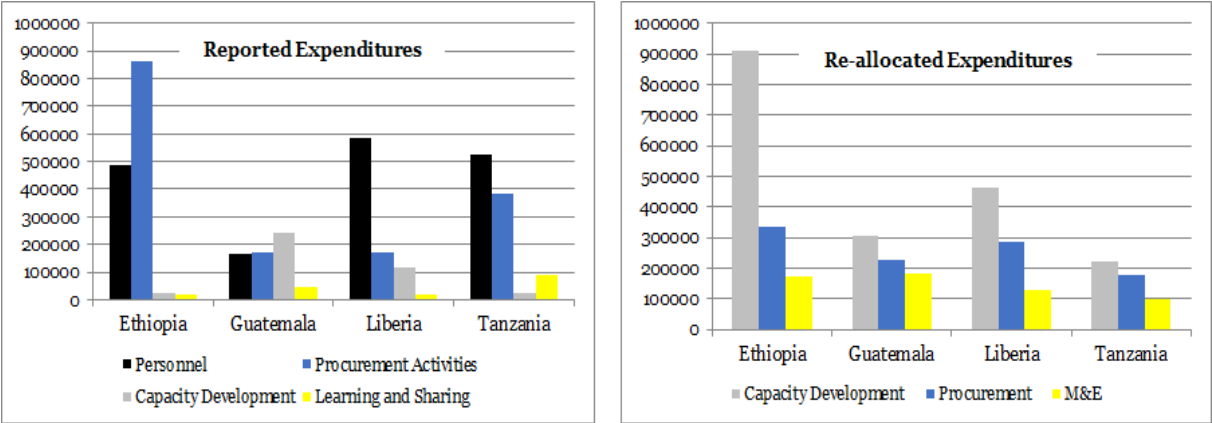
Key activities	Headline outcome results required	Key limitations
Learning and sharing	Uptake of findings from key lessons and best practice documents  Policy influence with governments and development agencies  WFP adoption of best practice and sharing of lessons	These indicators are by definition quite difficult to define quantitatively.  Many of the best practice/lesson learning documents are in the process of being compiled in 2014.  Available indicators are primarily at the activity/output level – e.g. number of workshops held, or reports published, rather than outcome which would look to measure uptake and change due to the workshop.

117. In view of the limitations with the available data (both in terms of the financial data, as well as the outcomes), the ET carried out an expense re-allocation exercise to look at the expenses on an activity basis covering the last two years (2012 and 2013) for four of the countries visited. This process also involved allocating personnel expenses, based on time use. These re-allocated expenses were then linked with key outputs (that were reported by the respective COs). The key findings from the CO expense re-allocation exercise are discussed below and the detailed analysis of the results is provided in Annex 27.

118. The re-allocation of expenses dramatically changes the picture as can be seen in the figure below, not only in terms of the total values corresponding to each set of activities,<sup>106</sup> but also in terms of the relative share between the costs of the different activities. It is important to appreciate these discrepancies between reported and re-allocated expenses against the range of activities that have indeed been undertaken in the four COs. For example, the low values recorded under capacity development (reported expenditures) for Ethiopia may lead to the assumption that (a) there was little capacity development activity carried out in the country (and most of the work may have centred around procurement-related activities), or that (b) P4P in Ethiopia is able to carry out its capacity development activities at a significantly lower cost (especially when compared to other P4P countries). However, re-allocated expenditure show a different, more realistic indicative pattern of expenditure. Prior to the reallocation of personnel costs and prior to country-level reclassification, Figure 3 indicated that just 10 percent expenditure was on capacity development and 6 percent on learning and sharing, whilst 41 percent was on procurement. This was unexpected given the focus on each of capacity development and sharing in the P4P pilot plus the fact that funds were hardly spent on food purchase itself. The reallocation in Figure 7 below (please see Annex 27 for the 2012 figures) provides a much more realistic indication of expenditure. Across the four countries the average percentage expenditure on capacity development is now 51 percent, that on procurement 31 percent and that on M&E 18 percent.

<sup>106</sup> This is to be expected, given that these sums now also include shares in personnel expenses.

**Figure 6: Comparison of reported expenditures (WINGS) and re-allocated expenses, 2013 (in US\$)**



119. Despite the efforts made to determine how resources may have been spent according to key sets of activities, an efficiency assessment (in line with the questions posed in the EM) is not possible, given that there is currently a limited ability to measure “changes in SHF/FO capacity” due to the fact that the outcomes of training and capacity building are not consistently monitored; procurement expenses cannot be broken down into the costs that could then be associated with the use of specific P4P procurement modalities<sup>107</sup> and, critically, P4P has not been set up in a way that models being tested (especially to assess expenditures against key activities, the achievement of capacity development results, and efficiency of procurement modalities) are clearly identified and are measured as part of its monitoring activities. A better designed pilot (i.e. one with a clear articulation of the models being tested), where the M&E planned was in fact implemented, could have answered the efficiency question. Given the amount of resources made available to implement the P4P initiative and the fact that the pilot covered a period of five years, it is difficult to justify this lack of clarity and the inability to assess performance against key outcomes – and on this basis, it cannot be assessed whether the initiative (as a whole) has been efficient.

**Finding 21:** Planned milestones have been achieved in terms of activities completed. 2014 has been added as a transition year allowing for more focus on lesson learning. [EQ3.2]

120. The milestones agreed with donors at the launch of P4P have been largely retained and have provided a consistent framework for annual reporting to the donor.<sup>108</sup> As a measure of on-time delivery, the Project Milestones and Status for BMGF Countries (by year) indicate a remarkably high level of achievement of milestones. Whether this is a useful measure must be tempered by a view of the “soft” phrasing of many of these milestones, which, as with the P4P Annual Workplan, makes the carrying out of an activity (rather than the production of an output) the highest possible rating of achievement.

**Finding 22:** The oversight and management of the pilot initiative has been effective and implemented in line with how roles and responsibilities were designed. [EQ3.3A]

<sup>107</sup> There is an additional gap due to the inputs provided by other partners and the wider benefits triggered by P4P not being captured.  
<sup>108</sup> BMGF-WFP Milestone Chart May/June 2009 and Annex 28 (Project milestones and status for BMGF countries, by year).



121. The direction and management of P4P needs to be assessed on the levels of the central CU, and P4P activities in the COs. This assessment is based upon evidence of compliance with P4P's designated processes and operational practices – many of which reflect a wider WFP way of working.

122. The oversight and management of the pilot initiative has complied with the allocation of roles and responsibilities at design. This oversight has been effectively provided by a direct reporting line into the Policy, Programme and Innovation Division, and by a framework of committees, including the Programme Review Committee, the SC, and the TRP. These committees have played a critical role at various stages of decision-making and implementation of P4P.<sup>109</sup> The constitution of the SC helped to ensure a high level of understanding and buy-in among various parts of WFP during P4P's implementation.<sup>110</sup> The TRP, on the other hand, ensured P4P's access to expertise in areas that were not core to WFP – providing an important level of reassurance to other development partners. The TRP members viewed their role as providing a valuable advisory vehicle, even though this advice could not always be followed, and the TRP noted that some weaknesses in the pilot appeared intractable. Reports were submitted by the CU to the SC and the TRP as required and committee meetings were held regularly, with the full attendance of WFP senior management, P4P management and Panel members.<sup>111</sup>

**Finding 23:** The M&E system has only partially informed management decisions with much decision-making power retained at the country level. Ambitious M&E targets were scaled back at mid-term in response to the MTE and TRP inputs. [EQ3.3B]

123. While a lot of thought and effort was put into the design of the M&E system, outputs have been more limited than envisaged at the start, partially in response to recommendations of the MTE and TRP during the course of the pilot. Further, the BMGF requirement for comprehensive IA to measure performance against the income increase target meant that a lot of effort was directed to a data collection effort that has not been very informative. One of the key shortcomings in terms of the M&E system's ability to inform management decisions was the timely availability of information. Many of the M&E outputs that were survey-based were only available towards the end of the pilot period. In addition, a number of the databases (with the exception of the procurement database) are partial in terms of the information they cover.<sup>112</sup> AERC<sup>113</sup> was brought on board to support a more consistent approach to data collection and analysis across the countries.

124. Instead, management decision-making has been based upon extended personal networks within the COs and WFP, a series of periodic reports and the quarterly

<sup>109</sup> WFP senior management and TRP member interviews.

<sup>110</sup> "Throughout the period of the pilot, the consistent and active engagement of SC members has provided P4P champions, without which, wider support may have wavered". (Interview communication, WFP senior management.)

<sup>111</sup> WFP senior management interviews. TRP Reports 2009, 2010, 2011, and 2012.

<sup>112</sup> The training database, for example, only tracks the number of attendees, but cannot differentiate between people who may have attended multiple training programmes, nor is it able to track outputs of the training, and is largely based on data provided by partners with potential data quality issues. Some of the important data sources like the FO records are only available for a subset of the countries and was started half way through the implementation of the programme, and therefore cannot provide a complete picture of the P4P programme. The M&E system's design, implementation and challenges, are explored in detail in the M&E note provided in Annex 31.

<sup>113</sup> Given the scale of data collection envisaged, the quantity of data being generated, and the complexity of conducting surveys in different contexts, P4P contracted AERC, based in Nairobi, Kenya to support data collection and the data analysis process. AERC came on board in the role of data manager in March 2011, 2 years after the programme had started and the baseline data collection had already been undertaken. AERC was brought on board since it became clear that the data the P4P pilot initiative was generating needed to be managed centrally and professionally, and could be useful beyond the immediate uses of WFP and the P4P pilot initiative. In addition this decision increased the ownership of the learning within an African institution.



oversight of the SC. The assessment of the Workplan Results against the Annual Workplan for the CU, as well as complete and timely monthly and quarterly reporting has provided managers with their information to monitor progress and account for funds.

125. The constraints on acting on this information lie less with the reporting and more with WFP's decentralised structure. CO-level P4P staff (typically a Country Coordinator, P4P officer, and latterly an M&E officer), although funded by P4P, are selected by and report only to the Country Director (CD). This reliance on the authority of the CD to recruit and manage the performance of P4P staff was identified as a risk as far back as 2009, and was further highlighted in the Synthesis Report on Risks in 2014. While control and accountability remains firmly with the CDs, there has been some scope for the GC (as Staffing Coordinator) to influence staffing and resource allocation through consultation, advice, and engagement with the Regional Bureau (RB) as well as CDs. Beyond this, however, there remains no mechanism by which poorly designed or implemented P4P activities can be controlled by the CU.

**Finding 24:** Support and guidance to the COs from the central CU has been effective. [EQ3.3F]

126. The CU has provided support and guidance to the COs through regular communication feeds (such as manuals, guidance notes, the newsletters and website updates), providing information related to changes in processes or procedures, or by responding to feedback and requests from COs. The CU also facilitated lesson sharing events and opportunities, which many of the COs consider helpful and informative. There have been cases, however, where COs had experienced difficulty in understanding and interpreting the information provided, as was pointed out in the Process Review in 2012, which led to COs developing their own simplified operating procedures. Information has, however, become more accessible over the life of the pilot.<sup>114</sup>

**Finding 25:** P4P was only partially able to meet its HR needs. [EQ3.3H]

127. Although P4P has had the financial resources to create posts and then fill them the ET noted: (a) the inability to adequately fill critical functions, given a more or less reactive identification of staffing needs, especially in the areas of M&E and data analysis;<sup>115</sup> (b) generalist staff appointments were made to specialist positions, such as M&E Officers in COs;<sup>116</sup> (c) some P4P staff in the COs were spread very thinly across many non-P4P responsibilities;<sup>117</sup> and (d) there may be non-accountable time given to P4P tasks by other CO staff members. These resource issues are highly relevant to any plans to mainstream P4P within WFP operations.

128. Resource needs were assessed at the launch of the pilot, but no systematic staffing review has taken place since. The start-up resources of P4P at CU and CO level were described as “patchy”,<sup>118</sup> although the staffing and skill requirement for the initiative were designed with the support of an HR adviser embedded within the CU for the first

<sup>114</sup> This was pointed out during the CVs and in the CO surveys.

<sup>115</sup> This is also compounded by the long lead-time to fill posts, which leads to “skill lags”.

<sup>116</sup> Interviews with WFP HR.

<sup>117</sup> In one country, the P4P Coordinator was “in charge of a major multi-stakeholder programme, heading the VAM Unit, and overseeing both M&E and procurement, in addition to other ad hoc tasks” (see New Growth International 2014).

<sup>118</sup> Interview with the P4P CU.

six months. This support produced two important outputs: (a) a P4P staffing plan, and (b) a skills needs assessment that indicated topics of priority for new P4P staff.<sup>119</sup>

129. The selection of staff to P4P posts followed the standard WFP rotation and reassignment process, although this clearly did not affect contracted staff. This process is lengthy for a time-bound initiative like P4P, and selection compromises were made on the grounds of individual availability. But important concessions were also made to P4P, such as special approval for some external appointments, and the use of consultants to meet urgent needs. Positively, a second generation of P4P CCs are now in place with a much closer fit to the job profile; the role of the GC as Staffing Coordinator can influence staff selection; and the profile of other WFP roles relevant to P4P activities has changed (e.g. the Procurement Officer now requires added skills geared more towards local purchase, dealing with smaller traders, product aggregation, etc.).

130. The major risks to the pilot associated with this staffing process were in ensuring that the right set of skills are always maintained in key P4P posts (especially in countries that face more constraints in terms of sourcing skills), and in terms of knowledge management.<sup>120</sup> In some P4P countries maintaining a steady pool of P4P staff was considered essential to the way P4P was implemented in the country. This was made possible by ensuring a high proportion of national staff in P4P CO's as they are not subject to rotations.

131. The assessment of comparative performance among P4P CO staff was not effective. A random set of Job Descriptions for P4P Country Coordinator and M&E Officer roles show wide variations, which might be necessary to reflect different country contexts, but cause confusion for performance management. The formal measure of individual competencies among P4P staff is the WFP Performance and Competencies Enhancement system. This system was deemed to be unable to generate competency or performance data for this evaluation.

132. The provision of suitably qualified staff for P4P has been only partially achieved for a number of other reasons. There has been no internal Training Needs Analysis, despite the Joint Inspection Unit Review findings in 2009 that WFP's strategic shift from aid to assistance entailed a number of consequences for HR issues, notably in terms of "competencies and profile of the workforce...a shift from effective operation and logistical skills to more developed analysis, outreach and managerial capacities". Staff in COs received structured training focused on LRP/P4P awareness and skills, designed in conjunction with the Procurement division and Vulnerability Analysis Mapping Unit. Further on-line procurement training modules also available for procurement and other WFP staff, developed with P4P funding in conjunction with the United Nations Development Programme (UNDP).<sup>121</sup> Despite this, of those P4P CU staff interviewed, no one had received this or any other formal training during their rotation with P4P.<sup>122</sup> Furthermore, CO survey results indicate that skill gaps remain, especially related to market development.

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<sup>119</sup> See Draft Training Strategy document (Oct 2008).

<sup>120</sup> This is especially critical considering that there is no strong knowledge management system in place within WFP to counter the loss of institutional memory inherent in regular rotations (Interview communication WFP Management).

<sup>121</sup> Fundamentals training in Procurement Processes and Market Training (PROC/MARC) in support of LRP/P4P food procurement.

<sup>122</sup> Formal training is defined as a time-bound course or programme with clear learning objectives, and excluding work-based learning.

**Finding 26:** The recording and sharing of best management practice, as distinct from technical operations, was partially achieved, but a systematic mechanism for identifying best management practices was not developed.[EQ3.3D]

133. The recording and sharing of best management practice, as distinct from technical operations, was partially achieved, but a systematic mechanism for identifying best management practices was not developed. On-going reporting and information sharing across countries and with HQ has been an important part of P4P implementation. The annual reviews and monthly updates are good examples of cycles of reporting and management responses. The changes undertaken by P4P in response to the MTE, including a shift towards focusing more on learning and sharing and emphasising more on the gender component of the programme are also tangible examples of management decisions taken using M&E inputs.

134. The source for consolidated and accessible management practices was identified by the CU as The Primer – a summary review of P4P issued in 2012 midway through the pilot. While undoubtedly useful, the Primer in format and content is not effective as a “go to” practice guide, nor does it explore management approaches. Up until 2011 and the Process Review, there was no means of systematically identifying divergence between pilot instructions and field practice. Sharing best management practice may be something that is carried out more at the corporate level.

**Finding 27:** Risk management was not carried out in a systematic way as a management best practice. [EQ3.3G]

135. Risks from and to P4P were extensive, and while most were anticipated and mitigated, risk management was not carried out in a systematic way as a management best practice. Risk management mechanisms were noted as important in the responses to the MTE,<sup>123</sup> but there has been no regular and documented review of risks until the GLA study on this topic in 2014. This is despite risk factors having featured frequently in the proceedings of the SC. The establishment of a Risk Register of 2010 was an isolated event and not continued.<sup>124</sup>

## 2.4 Findings regarding Impact

136. This section first discusses issues concerning the measurement of impact. It then discusses impact on FOs. Following this it discusses impact on SHFs production, marketing and livelihoods (EQs 4.1-4.3). Gender impacts are discussed next. The section finished with a discussion of unintended impacts (EQ4.4).

**Finding 28:** The limitations of the evidence base with regards to available IAs and survey findings restrict the depth of conclusions that can be drawn in this section since they reduce the ability to attribute impact to the P4P pilot initiative.<sup>125</sup> [EQ4]

137. The P4P Pilot was designed to include an ambitious and comprehensive programme of data collection and analysis, through studies covering all 20 countries which would collect baseline, follow up and final evaluation data from both P4P beneficiaries and control groups. (See Annex 31 for an overview of the M&E system).

<sup>123</sup> See Management Responses to the MTE Recommendation 3.

<sup>124</sup> P4P Procurements Risk Register Dec 2010.

<sup>125</sup> All figures in this section are compiled from available follow up reports. Additional tables are available in Annex 21 which compile key indicators from the 9 reports.

This would in principle have enabled firmly evidence-based assessments of impact to have been made for all countries. However, as has been documented, in practice the programme of data collection proved to be over-ambitious and was subsequently scaled back. The ET had access to three of the four planned IAs as well as baseline and follow up surveys.

138. It is important to have a clear articulation of the intervention ‘treatment’ whose impact is being measured. However this is not always clear given the complex nature of the initiative. “The P4P development hypothesis implies that the size and consistency of procurement matters. The P4P treatment is merely WFP’s procurement and the capacity building activities of partners are outcomes of the treatment. However, many P4P programs purposely selected FOs based in part on the presence of development partners working to build the capacities of the FOs. Furthermore, country programs often directly supported capacity building activities, e.g., conducted training, provided infrastructure and equipment. In this context, participating in P4P implies a multi-faceted treatment that may vary across participating FOs.”<sup>126</sup> This makes the task of assessing the impact far more challenging as there was limited central control over design or intensity of treatment. The decentralised nature of the initiative means that each country effectively implemented different activities, making it difficult to present a global impact statement for P4P, though analysis of trends at country levels are of course possible.

139. The lack of rigorous empirical information limits the extent to which firm conclusions can be drawn about the impact of P4P. Annex 21 includes tables and graphs outlining the changes in key indicators from the nine countries where follow up reports with quantitative indicators were available. The findings from the follow up reports however must be seen as indicative since they only track the P4P FOs and SHFs and do not include a counterfactual. Therefore the changes cannot be understood as deriving from P4P alone, but a variety of factors at the country level. To isolate the impact of P4P, the methodology adopted in the impact analysis reports (available for Tanzania, Ethiopia and El-Salvador) is more appropriate as they make use of a control group of FOs and households who do not get access to P4P, and use econometric methods to determine the scale of impact.

**Finding 29:** There is some evidence of capacity development and improvement in services offered by FOs, with most evidence pointing to changes at the FO level (rather than household level). This includes findings that FOs that did not previously sell as a group are now aggregating and selling to buyers like WFP and beyond.  
[EQ4.1]

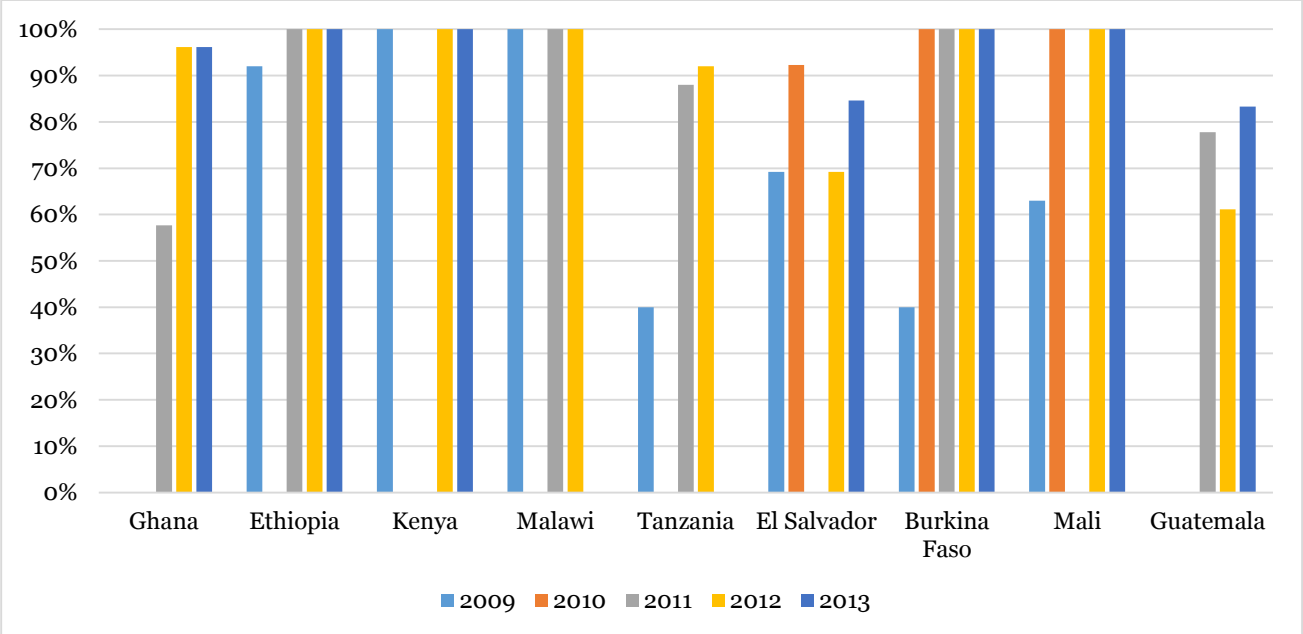
140. P4P is based on the hypothesis that given the incentive of a stable market offered by WFP, FOs will engage their members, providing them with technical and financial services to support production and marketing, thereby promoting a business-oriented approach to farming which will enable these members to identify and sustainably access markets. The FO therefore is the first level at which impact of P4P would be expected since the FO is the primary level of intervention for most of the pilot countries.

141. In the case of all the countries where information is available, P4P FOs have increased the services offered to their members. As seen in the figure below, in a majority of the countries, 100 percent of the supported FOs provide at least one service to their members. In addition to more FOs providing a service, the FOs are also

<sup>126</sup> Krieger, Douglas (2014). The Impact of P4P on FOs and SHF in Ethiopia. pp 10.

diversifying the services they offer, with many expanding into areas like weighing and bagging, transportation, and other essential aggregation and marketing related services. The follow up reports (available for nine of the twenty pilot countries), found that, between 2009 and 2013, 78 percent of the FOs increased their marketing services.

**Figure 7: Offering at least one service (percent of FOs)**



Source: ET compilation from available follow up reports. Additional tables are available in Annex 21

142. In the IAs from Tanzania, El-Salvador and Ethiopia, the results show substantial positive improvements on indicators of FO capacity. However, the changes are not statistically significant in most of the indicators, possibly due to the small sample sizes in the number of FOs.<sup>127</sup> In the case of El-Salvador and Ethiopia, there appears to be a significant increase in the number of FOs providing quality and production services.

143. The CVs and the follow up reports suggest there is improvement in the area of access to credit. Besides observing an increasing number of P4P FOs applying and receiving credit, another common trend observed across various countries is a “formalization” of credit sources. P4P supported FOs increasingly access credit from formal credit sources such as banks or government funds (often using the WFP contract as collateral), relative to less formal sources such as money lenders. At the same time however it was observed during the CV that in Tanzania there was actually a steep reduction in use of credit.

144. There is evidence (e.g. from Tanzania and Guatemala) that investments in warehouse infrastructure and equipment and in human capacity have substantially improved the capacity of P4P-supported Savings and Credit Cooperatives (SACCOs) and FOs. This has been evidenced from the CVs, FO records and mapping exercises that have been carried out by the P4P CU in conjunction with the COs.

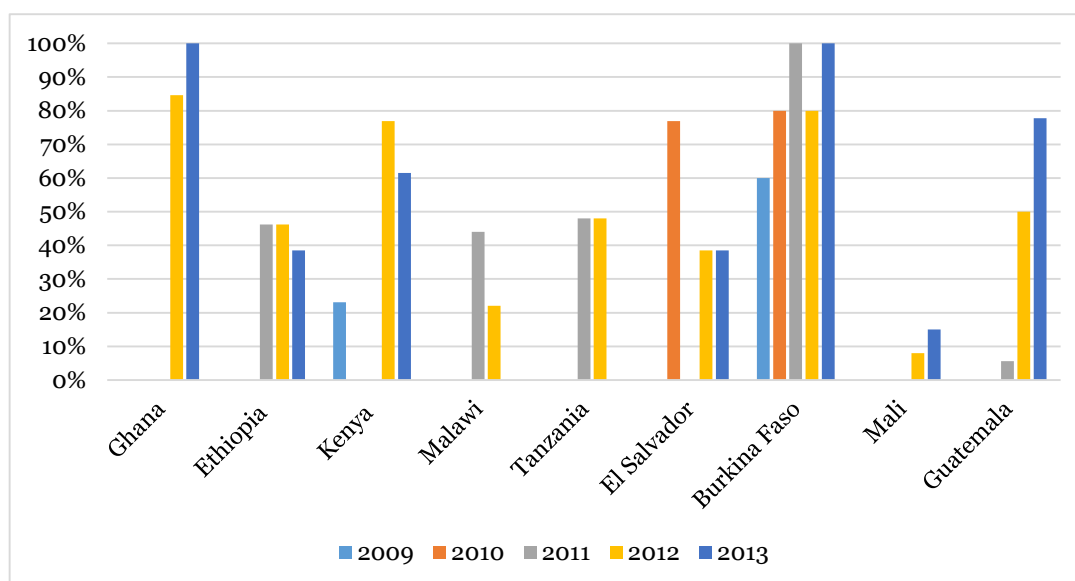
145. All participating FOs in theory had increased access to the WFP market for staples. Increased sales to WFP were reported for nearly all countries. At the same time there were defaults at times for various reasons including price differences, lack of capacity to aggregate and erratic rainfall. Defaults fell over the duration of the pilot

<sup>127</sup> Confidence intervals are available in the IA reports.

from 59 percent in 2008 to 10 percent in 2013 (averaging 20 percent across the pilot period).<sup>128</sup>

**Figure 8: Sales to WFP (percent of FOs surveyed at baseline)<sup>129</sup>**

Source: ET compilation from available follow up reports. Additional tables are available in Annex 21



146. The improved capacity of FOs to organise and aggregate should allow the FOs to better engage with external markets as well. The only strong conclusion emerging from the IA analysis in Tanzania is that SACCOS that sold to WFP were more likely than non-P4P SACCOS to have engaged with other buyers. By 2013 the percentage of P4P SACCOS that had sold to other buyers grew steadily from 12 percent to 36 percent while it stagnated at 12 percent for non-P4P SACCOS. Similar statistically significant findings do not seem to have taken place in Ethiopia and El-Salvador.

**Finding 30:** There was evidence of an increase in production in El Salvador, but not in Ethiopia or Tanzania for which IAs are available. However, the exclusion of larger farmers from the IA sample may account in part for this finding<sup>130</sup>. In general there is evidence that participation in sales to WFP was confined to a relatively small sub-set of farmers. [EQ4.2]

147. The available evidence is insufficient to make a strong judgement on household impact which is rigorously attributable to P4P. However on the basis of the available IAs and on the understanding that during implementation many assumptions around capacity were found to be partial, there is a strong suggestion that the intended impact on livelihoods and production did not take place, and if any it is on a few, potentially larger, farmers. This is discussed in greater detail below, along with the findings from the GLA report on marketing choices. The evidence from Tanzania and Ethiopia suggests that the impacts have not yet trickled down to the household level to an extent large enough to be identified through the IAs.<sup>131</sup> An additional factor that could

<sup>128</sup> Calculated on closed contracts only. P4P (May 2014) Summary P4P Procurement Report: September 2008 – December 2013. See also the WFP (2014). BMGF 2013 Annual Report.

<sup>129</sup> Annex 1 shows figures on sales beyond WFP.

<sup>130</sup> There are indications that those that were excluded from the IAs (due to their having farm sizes of more than 2 ha) might have benefited most from the initiative.

<sup>131</sup> In the case of Ethiopia, the IA found that the yield increased when looking at one specific time period, but not when viewed over the entire five year time period. This may need to be investigated further.

potentially be contributing to the reduced impact in the IAs is that the survey tools were designed to include only SHFs farming less than 2 hectares<sup>132</sup> and so may have excluded the farmers who were most likely to benefit.<sup>133</sup>

148. The IA for El-Salvador found that there was evidence of maize production and yields increasing for households who participated in the P4P pilot. It would be interesting to investigate if there is a systematic difference in the models pursued in Central America that drove a greater impact there, compared to Sub Saharan Africa. The P4P CU notes that the overall model was indeed different in Latin American Countries than SSA, with WFP directly intervening, funding and coordinating supply side support and supply side partners, and a larger share of agriculturalists in the P4P teams. Three out of the four Latin American Countries specifically designed a "P4P inputs package" for P4P targeted FOs which involved the establishment of revolving funds.

149. There is evidence as seen in the figure below that most households (except in Ethiopia and Burkina Faso which have much larger farmer co-operative structures) make some form of sales (usually directly rather than through FOs), and have been doing so since the baseline (see Figure 10 below). However, sales through FOs appear confined to a relatively small subset of farmers as seen in the chart below. Research is currently being undertaken to examine more carefully the characteristics of households that are contributing to sales through FOs and to determine whether they have experienced greater benefits which are attributable to P4P.

150. As stated in the 2013 annual report submitted to BMGF, the expectation was that SHFs would increase their sales of staples through the FO marketing channel. While preliminary results from WFP household surveys suggest that farmers are slowly shifting from individual farm-gate sales to collective sales through their FOs, the extent of the shift over four to five years may be less significant than was originally anticipated. The report<sup>134</sup> goes on to state that "changing the farmers marketing behaviour is not a small task. It should therefore neither be a surprise nor viewed as a negative outcome that a core of lead farmers that can afford to take risks will be the first responders to the P4P opportunity." The report also highlights it is not easy to track how many SHFs are contributing to the contracts since FO records are only partial and were started after the implementation of P4P was underway.

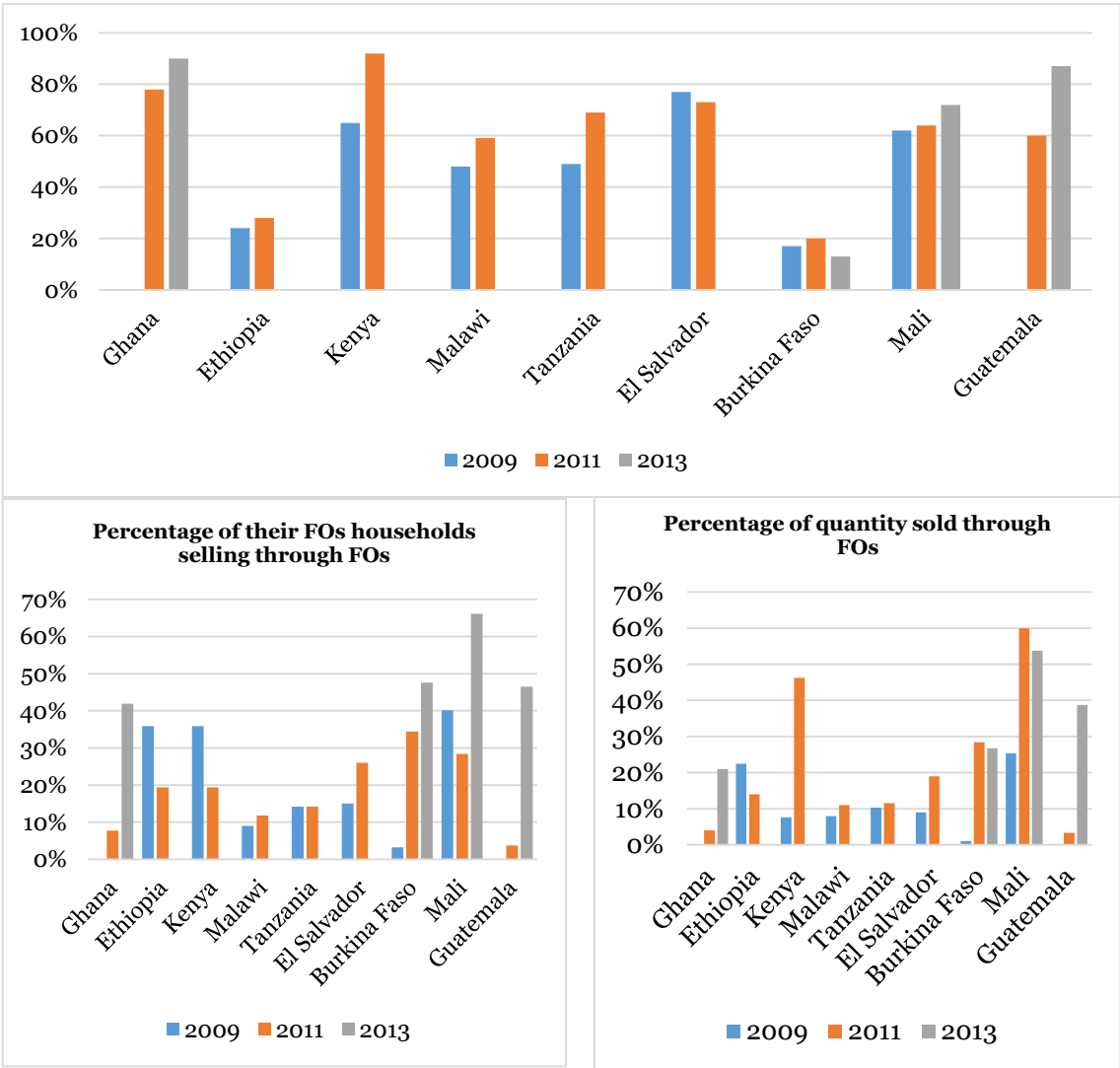
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<sup>132</sup> A screening question was used, where by on the basis of a national definition of a SHF, larger farmers were excluded. This means that even if larger farmers are members of P4P supported FOs and have had positive impacts due to P4P, this would not be captured in the survey reports or IAs.

<sup>133</sup> This was observed in a number of the CVs where farmer interviews suggested larger land holdings than the SHF definition and a limited number of farmers contributing the bulk of FO sales.

<sup>134</sup> P4P (2014) BMGF Annual Report 2013. pp 42.

**Figure 9: Crop Sales (percent of producing households)<sup>135</sup>**



Source: ET compilation from available follow up reports. Additional tables are available in Annex 21

151. Similar to the findings from the survey reports, which found that sales to FOs were only undertaken by a minority of households, the GLA report on SHF’s Marketing Choices (2014) which looked at the cases of Rwanda and Burkina Faso in detail, found that there were a number of factors constraining sales through this marketing channel. The report states that while sales through FOs<sup>136</sup> “has the potential to be lucrative, the interconnections between credit, length of contract process, and price premium became problematic against the backdrop of volatile farm-gate prices. Limited price premium, additional investment and effort required to achieve quality standards, and the wait for payment amid price volatility rendered P4P contracts only marginally attractive to members. Payment delays of uncertain lengths limited sales through this channel to those who can afford to wait.”

<sup>135</sup> For those COs where only 2009 and 2011 bars are reflected, the final follow up survey data for 2013 was not yet available as of April 2014 during the DDR.

<sup>136</sup> MSI (2014) GLA report on SHFs Marketing Choices pp 51.



**Finding 31:** There is no evidence from the three available country IAs to suggest that the target of increasing income by US \$50 per household was met. Whilst follow up reports and procurement figures indicate that SHF incomes have increased over time, the IAs show that this increase cannot be attributed to P4P in El Salvador, Ethiopia and Tanzania. [EQ4.3]

152. The information from the follow up reports suggests that there are improvements in SHFs incomes over time. For example between 2011 and 2013, P4P households in Ghana reported an average 46 percent increase in real income.<sup>137</sup> The value of crops produced rose by 57 percent with income from sales of staples increasing by 54 percent. In Ethiopia P4P households reported an average 75 percent increase in real income between 2009 and 2011.<sup>138</sup> However, in the three cases for which data comparing P4P beneficiaries with a control group is available (El Salvador, Tanzania and Ethiopia) the IA reports suggest there is no evidence in any of the countries of significant increases in income over non P4P households. This was because the control group households were also experiencing increased incomes at similar rates, which suggests that P4P was not necessarily the intervention driving the change at the household level.

153. Looking at the comprehensive procurement data, US\$117 million of procurement amounting to 287,041 mt of delivered food, has been undertaken through P4P at the time of the DDR.<sup>139</sup> Of this, US\$76.7 million has been paid to FOs, with the remaining amount being procured through traders, processors, CEX, etc. However, there is insufficient evidence to conclude that this translates into a net improvement in incomes that can be attributed to P4P. In addition, analytical work on the impact of WFP LRP undertaken by Michigan State University<sup>140</sup> showed that in Africa the positive local income increase due to increased prices from WFP procurement is largely offset by a negative effect on households who purchase food in local markets (who are likely to be among the relatively poor) – a significant net increase in welfare depends on WFP procurement leading to increases in productivity or the efficiency of market performance, a point that applies to P4P as much as other forms of LRP.

**Finding 32:** Evidence from the CVs suggested that there is increased confidence and participation of women resulting from the concerted effort made by the P4P pilot to focus on gender impacts. The survey data however does not capture intra-household allocation information so no firm empirical conclusions can be drawn about the impact on women. [EQ4.3]

154. The P4P pilot initiative made a concerted effort to target gender impacts through the implementation of its activities. It did this through encouraging the inclusion of women in FOs, empowering women leaders, supporting gender training and consciously procuring ‘women-friendly’ crops like beans. It also attempted to closely monitor the number of women members and leaders, and later through the FO records, the number of women contributing to sales through FOs. By 2013 it was found that 23

<sup>137</sup> P4P (2014) 2012 Follow Up Report for Ghana.

<sup>138</sup> P4P (2014) 2012 Follow Up Report for Ethiopia.

<sup>139</sup> This uses figures from the P4P Procurement Report in March 2014. There is a more updated procurement report from May 2014 but this does not report the amount paid to different vendors. See footnote 75 for later figures provided to the ET.

<sup>140</sup> See MSU/FSG: Study of the Impact of WFP Local and Regional Food Aid Procurement on Markets, Households, and Food Value Chains: Draft Final report.

percent of FOs members were women and 36 percent of leadership posts held by women.<sup>141</sup>

155. The household surveys are able to identify the number of women in a household, or whether it is female headed, but are not gender disaggregated in the sense that sales, production, income and other variable are calculated for the household as a whole. It therefore does not try to capture intra-household allocation information. In most countries when FO members were interviewed, both male and female FO members said that decisions about sales and production were made jointly at the household level – there was no strong gendering at this level, though specific tasks like post-harvest shelling still seem almost entirely women’s tasks.

156. Interviews conducted during the CVs suggested that there was increased confidence amongst women members of FO’s as well as increased participation of women in FO committees. Women saw themselves as having more space to engage in economic activities, with a greater realisation of their contribution to household incomes.

**Finding 33:** With regard to unintended impacts there is evidence of important changes in the way WFP is viewed as an organisation by host governments and consequently improved policy level engagement. The pilot initiative has also impacted on WFP as an organisation. There is evidence regarding the impact of P4P on developing wider markets for quality staples beyond WFP where public procurement has been encouraged by P4P but not in other cases. [EQ4.4]

157. The introduction of the P4P pilot has allowed WFP to interact with host country governments in a very different way. Governments now see WFP as a development partner that is keen to invest in the country rather than simply an agency which distributes imported food.

158. The alignment of WFP with existing government priorities in the agricultural sector is also essential for P4P to have any sustainable and scalable impact. Public procurement provides an important market beyond WFP for SHFs. Over the pilot duration, successful links have been established between SHFs and national food reserves as well as initial links with the Home Grown School Feeding (HGSF) programmes. P4P has also worked with governments to link FOs other institutional markets such as public hospitals and prisons. The examples of Rwanda, Tanzania and Burkina Faso demonstrate how different governments have taken up the idea of P4P.<sup>142</sup>

159. The question of whether P4P has led to a broader market change for quality staples is one that still needs addressing. The pilot has shifted the debate on quality within WFP and to some extent with pilot country governments; brought issues like aflatoxin to the forefront and; contributed to increasing the market for quality staples through encouraging public procurement (e.g. in Rwanda, Tanzania). But there remains limited evidence that there exists a market (beyond Government markets) that is willing to pay a price premium for quality, as well as sustainably procure from SHFs and the pilot has had no effect on increasing the market more generally.

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<sup>141</sup> P4P (2014) Summary P4p Data Analysis Report: Targeted FOs and Capacity Development (January 2009 –December 2013). This number increases significantly if we exclude Ethiopia which makes up nearly 2/3 of the total membership but only has 11 percent women.

<sup>142</sup> Detailed examples included in WFP (2013). BMGF 2013. Annual report.

160. P4P also introduced a new way of functioning which has had a marked impact within WFP. For example, as noted above, P4P has pioneered a more effective approach to gender in WFP. Similarly its attention to M&E, in an organisation which traditionally has not focused on this extensively, has led to a wider impact on WFP as a whole. In addition, it encouraged co-operation between different units like programme, logistics and procurement for common objectives, leading to better alignment and cohesion.

## 2.5 Findings regarding Sustainability

**Finding 34:** It is not clear that FOs will continue to sell to WFP if they do not receive continuing capacity building support. This is particularly true for first tier and low-medium capacity FOs. [EQ5.2]

161. Whilst P4P has succeeded in building FO capacity, the low rates of graduation of FOs, as well as findings from interviews during CVs, indicate that many SHFs and their FOs who have benefited from P4P may not continue to sell to WFP without on-going support. The vast majority (75 percent) of FOs currently targeted are “first level, usually grassroots and community-based FOs’ or rural producer organisations”, often classified as FOs with “low capacity”, with little prior experience with collective marketing, and with limited or no access to infrastructure.<sup>143</sup> Building the capacity among these FOs requires significant investment and a long-term commitment, as opposed to engaging with higher capacity FOs who may already have some interactions with formal markets. WFP/P4P (and its donors) will need to clarify whether it is prepared to make this kind of commitment in order to provide effective levels of technical support, given that it has not yet been demonstrated that the development benefits will exceed the costs.

162. Finding suitable supply-side partners to deliver cost-effective capacity building support is a problem common to many market development programmes. The ability to find such partners will determine how well and whether P4P can create lasting change in the behaviour and practices of producers and their FOs.<sup>144</sup> Other development programmes in similar situations have supported the development of a training environment (training material adapted to local contexts plus investing in local trainers or training institutions).

163. Capacity building requires the participation of various actors/stakeholders and significant donor funding. Some of the studies commissioned by P4P indicate the benefits of a consortium of technical assistance providers, supported by a standardised training programme.<sup>145</sup> The experience in some of the P4P countries, particularly in LAC, suggests that taking a comprehensive view of capacity building helps to ensure that desired changes in SHFs’ capacities can be achieved in a sustainable way.<sup>146</sup> There is scope for collaboration with FAO and IFAD whose longer-term programmes may provide a more sustainable approach to capacity building in FOs.

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<sup>143</sup> See Summary P4P Data Analysis Report: Targeted FO and Capacity Development (January 2009 – December 2013).

<sup>144</sup> This point has, for example, been emphasized in the analysis of the reasons why there has been limited impact on quality practices in Mozambique. See MSU/FSG: Study of the Impact of WFP Local and Regional Food Aid Procurement on Markets, Households, and Food Value Chains: Draft Final report.

<sup>145</sup> This echoes the recommendation made by the FAO in the context of P4P operations in Ethiopia. See: FAO: Institutional procurement of staple food from SHFs: the case of Ethiopia.

<sup>146</sup> It is useful to note that the P4P CU 2013 Workplan includes work in relation to the “Strategy on Capacity Development”, and have identified the need to assess progress and identify gaps at various levels. The Workplan Results indicate that work in this area is still on-going (i.e. only partially achieved in 2013).

**Finding 35:** Uncertainty about future financing for food purchase limits the sustainability of WFP as a market, though some initiatives have been taken to offset this. Graduation to other markets which are potentially sustainable has been possible where there is a policy of public institutional procurement from SHFs but otherwise markets for premium quality products have often proven to be limited. [EQ5.1]

164. Leveraging WFP's demand in order to encourage SHF engagement with markets has been central to the P4P proposition. Sustaining this engagement requires an assured market for SHF commodities either from or beyond WFP. Predictable demand creates incentives for SHFs/FOs to strive to improve on their capacity.<sup>147</sup> The combination of the additional effort required to reach quality standards and the transaction costs associated with formal procurement processes, can render WFP contracts only marginally attractive.<sup>148</sup> If other future buyers do not pay for similar quality, SHFs may no longer have the incentive to maintain the same practices.

165. Pilot COs have tried to improve predictability in two main ways. First, by purchasing from P4P vendors in non-emergency food assistance programmes to allow more time for FOs to aggregate the contracted quantities and support COs to forecast demand well in advance of purchase. Second, by linking purchases to WFP's Forward Purchase Facility (FPF) – a revolving funding mechanism used to buy stock in advance for WFP global needs. This has so far enabled a number of COs to plan and make purchases without having to rely fully on contributions from donors. Linking FOs to other buyers (government, NGO and private sector) ready to pay a premium price for quality is also essential.

166. In countries where there are significant initiatives to increase public institutional procurement from SHFs (such as Rwanda and Tanzania), it has been possible for FOs to graduate from supplying to P4P to supplying to public procurement. This is a sustainable development path, provided that this is not based on unsustainable public subsidies. Elsewhere in Africa, the market for higher quality staple food production has as yet proven to be limited, at least in the short term, which poses challenges for the prospects for sustainable graduation to other markets.

**Finding 36:** The sustainability of P4P approaches for WFP remains to be demonstrated, by showing that procurement from SHFs and FOs can be undertaken at a viable cost, though some progress has been made in minimising defaults and identifying staffing and skills required within WFP. There is strong partner government and donor support for continued P4P initiatives. [EQ5.1B]

167. The sustainability of P4P approaches for purchasing from SHFs for WFP depends on either demonstrating that this form of procurement can be undertaken at acceptable cost and without compromising WFP's other objectives, or that additional donor support can be attracted on the grounds that the development benefits of the approach can be shown to exceed the costs. As shown earlier (in the findings on effectiveness and efficiency), neither of these propositions has yet been demonstrated.

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<sup>147</sup> This is important, given that there are significant transaction costs that farmers/FOs need to bear in order to successfully engage with WFP vis-à-vis other (commercial) buyers – e.g. meeting quality standards that other buyers may not necessarily require. Moreover, the practice of planning production (which is encouraged and is an important element in developing a business mind-set among targeted producers) requires identifying buyers that they can consider reliable. In some cases, the access to guaranteed markets can be used by farmers to access other important services, such as input loans from banks and other financial institutions.

<sup>148</sup> See: SHFs' Marketing Choices: WFP GLA Series.

168. There have also been important lessons in terms of minimising the incidence of defaults, which undermine sustainability for WFP. In many cases, defaults are driven by a combination of demand-side factors e.g. WFP procedures, and supply-side factors of FO and SHF capacity, which may be too difficult to solve.<sup>149</sup> However, P4P Country Strategy documents<sup>150</sup> do not explicitly acknowledge risks associated with pro-smallholder procurement.

169. Working with traders and processors has been tested in only a few P4P countries, and this experience provides insufficient evidence of the sustainability of these approaches. P4P has, for example, linked SHFs/FOs with traders and processors in some of the P4P countries by leveraging WFP's demand for the goods sold by these traders and processors. But it cannot be established whether these traders and processors will continue to engage with FOs, using SHF friendly procurement, beyond their existing contracts with WFP. WFP purchasing through the CEX and WRS system has been successful in Malawi, but experience in Uganda and Zambia suggests the sustainability of SHF engagement in these systems may be limited.

170. WFP is in the process of developing the "Patient Procurement Platform" model, based on an expanded P4P programme model, working to attract new commercial partners into the purchasing system. This is in its early stages but further work on understanding the value chain and the need for SHFs to engage with the market both as sellers and purchasers would provide important insights into the design process.

171. Demand on WFP for the continued scale-up of P4P is reported as strong from national governments, the FAO, SHFs and donors.<sup>151</sup> The coordination of the RBAs on programmes such as P4P is highly strategic and has the political support necessary for long-term programme commitments. Experiences with joint funding between and beyond the RBAs to date indicate the potential such arrangements have for creating synergy between the agencies and the different competencies each have. Of the RBA agencies, FAO in particular can contribute to future scale-up of P4P in design at both the global and national level. At the global level FAO can work with WFP to consider how best to work not only with FOs but also with traders and aggregators. At national level FAO can collaborate in terms of working with Governments to encourage government demand for quality staples and enabling greater coordination at district levels with government extension staff and donor funded initiatives.

172. Working in partnership with government at national and district levels is essential. Firstly, government buy-in is often necessary in order to successfully implement many development programmes like P4P. Secondly, in many countries (especially in Africa), government can be directly involved in food markets at a policy level (e.g. on the pricing and export of commodities), in setting quality standards, operating extension services and as buyers of commodities. P4P can play a critical role in demonstrating the concept of leveraging the institutional purchasing power of a large buyer to stimulate production and encourage collective capacity among SHFs. Beyond this, there is scope for WFP to engage in advocacy activities, and policy

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<sup>149</sup> For example, defaults occur because SHFs end up selling their produce to other buyers, given their need for immediate cash. At certain points during the year, SHFs may be extremely vulnerable and may continue to find themselves in situations where they have no other option but to sell earlier during the harvest season, even when prices are low.

<sup>150</sup> Available for 13 of the 20 pilot COs.

<sup>151</sup> WFP CO Questionnaire.

dialogue, with governments about issues that affect SHFs, market development, and food production.<sup>152</sup>

### **3. Conclusions and Recommendations**

#### **3.1 Overall assessment**

##### **Conclusions by DAC criteria**

173. This section summarises the findings for each of the five DAC criteria. This is followed by three cross-cutting conclusions concerning; what to mainstream, test further, or discontinue; piloting in WFP and; partnerships.

##### **Relevance: How relevant is P4P to the needs of stakeholders and the contexts within which it has been implemented? How well designed is P4P to achieve its objectives?**

174. P4P was strongly aligned with the objectives and policies of national governments and development partners, and with WFP's mandate, SP and policies. A high level of decentralisation to COs allowed adaptation to country contexts, although insufficient attention was paid to the significance of differentiation between SHFs and to understanding the market context (particularly the characteristics and performance of the private sector). While the initial approach to gender reflected weaknesses in WFP's corporate approach this has improved significantly during implementation.

175. The appropriateness of the design of P4P to achieve its learning objectives was undermined by its rapid scale-up, and the lack of either a full articulation of the ToC or identification and testing of key assumptions. This reflected a tension between the lesson-learning objectives of the pilot, and the desire to achieve impact and respond to strong donor and government interest. In relation to design appropriateness for achieving development impact, some key assumptions proved problematic in a number of countries – specifically that FOs with sufficient capacity could be identified or capacity could be rapidly developed, that sufficient supplies of product could be sourced at viable prices, and that WFP was able to provide sufficient predictable demand.

##### **Effectiveness: Has P4P achieved its objectives?**

##### ***Objective 1: To identify and share best practices for WFP, NGOs, governments and agricultural markets stakeholders to increase profitable smallholder/low income farmer engagement in markets***

176. There has been an active process of lesson learning and sharing from P4P experience that has provided useful insights for stakeholders, given the innovative nature of the P4P approach, and P4P has had an effective communication strategy. This has the potential to generate new knowledge, though as yet no significant peer-reviewed publications have been produced. However, clear models and guidance on best practice, both for mainstreaming P4P approaches in WFP and for the use of other

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<sup>152</sup> WFP (both at HQ and CO level) has demonstrated willingness to engage with governments on P4P-related issues, but working in partnership with governments has not always been possible. A working collaboration between WFP and the government was effective in Rwanda and Guatemala, this has proven to be difficult in Zambia. Almost all of the respondents of the P4P CO Questionnaire identified "government policies that do not support farming as a commercial activity" as a key risk, and noted that the risks of unsupportive government policy were underestimated by WFP.

stakeholders, have yet to be identified and promulgated. Some additional time and resources will be required to complete the process of best practice identification and dissemination. This is an essential first step to mainstreaming P4P.

***Objective 2: To increase smallholder/low income farmers' capacities for agricultural production and market engagement in order to raise their income from agricultural markets***

177. There has been some measurable improvement in the capacity of FOs supported through P4P, reflected in increased sales and a wider range of services offered to members. IAs, where these have been carried out, indicate this improvement can be attributed to P4P and partnerships arrangements (particularly for capacity building support) have had some success. However, the amount of capacity development improvement has been much less, and has taken longer to achieve, than was envisaged in P4P CIPs. Compared to FOs, there is little firm evidence on which to base an assessment of the extent to which SHF capacities have been built, though anecdotal information collected through CVs suggested P4P-supported farmers are adopting improved production and post-harvest technologies, though these adopters may not be primarily low income farmers or smallholders (defined by a landholding of less than 2 ha).

178. Of the four approaches, FO capacity building (working through partnership arrangements) has been widely tested and has had some success. Working with CEXs has had some success in Malawi but not elsewhere. Purchasing from SMTs has only been tested on a very limited scale, and further testing would be beneficial. There is insufficient evidence to evaluate the effectiveness of developing local food processing capacity.

***Objective 3: To identify and implement best practices for increasing sales to WFP and others with a particular focus on smallholder/low income farmers***

179. Some best practices for increasing SHF sales to WFP have been identified but in general progress in consolidating and communicating best practice models has been slow. Examples of best practices that have been identified but not yet compiled or consolidated include the use of a pre-inspection “blue box” to decrease the likelihood of commodity rejection, food quality standards to reduce aflatoxin risks, and a training manual on improving grain postharvest handling and storage; developing country specific gender strategies and action plans; exchange visits between P4P countries, and an improved approach to FO capacity assessment.

***Objective 4: To transform WFP food purchase programmes so that they better support sustainable small-scale production and address the root causes of hunger***

180. P4P has contributed to increased corporate commitment by WFP to support FOs and small-scale production, and P4P has led to significant levels of procurement from FOs taking place through P4P approaches. However, important constraints remain which have not yet been fully addressed. Persistent problems include side-selling (resulting in contracts that are not fulfilled) and limitations on the ability of FOs to aggregate. The development impact of P4P approaches in leading to sustainable increases in SHF production and in reducing hunger has yet to be demonstrated.

**Efficiency: Has P4P provided value for money in using the resources provided? Could the same or more have been achieved by using the money in other ways? Are the procurement approaches and best practices developed cost-effective?**

181. P4P was not designed in a way that facilitated the assessment of value for money, as the pilot design did not emphasise the measurement either of outputs produced (for instance the amount of capacity built) in a comparable way, or the costs of producing these outputs. Financial reporting focused on meeting the requirements of donors rather than the testing of the financial viability and cost-efficiency of different approaches. As a result it has not been possible to make an overall assessment of the cost-efficiency of P4P. Additional financial analysis (involving a reclassification of expenditures) could be undertaken to provide a clearer picture of costs.

182. In other respects, the management of P4P has generally been strong. Planned milestones related to the completion of activities have been achieved, and the oversight arrangement of the initiative has been effective and implemented in line with how these were intended to operate. Support and guidance from the CU to COs has been effective, although P4P has only partially been able to meet its need for specific skills. The M&E system has only partially informed management decisions and an over-ambitious M&E plan had to be scaled back. Risk management was not carried out in a systematic way, and while some recording and sharing of best management practices was achieved, a mechanism for identifying best management practices was not developed.

**Impact: Has P4P facilitated increased agricultural production and sustained market engagement and thus increased income and livelihoods for participating smallholder/low income farmers?**

183. The limitations of the evidence base restrict the depth of conclusions that can be drawn. IAs were available for three countries (El Salvador, Ethiopia and Tanzania) and in these cases it is possible to attribute effects observed at the FO and SHF level to P4P. In other countries, baseline and follow up survey data is available which allows changes over time to be measured, but in the absence of a control group it is not possible to make a firm empirical attribution of P4P's impact.

184. There is some evidence of improvement in the services offered by FOs, in particular that FOs that did not previously sell as a group are now aggregating and selling to WFP and other buyers.

185. At the SHF level, there was evidence of an increase in production attributable to P4P in El Salvador, but not in Ethiopia and Tanzania. However, the exclusion of farmers with more than 2 ha of land from the IA sample may account for part of this finding. In general there is evidence that participation in sales to WFP was concentrated among a relatively small proportion of SHFs. There is some evidence to suggest that P4P has contributed to increasing confidence and participation of women, but survey data collected does not capture intra-household allocations and so no firm empirical conclusions can be drawn about the specific impact of P4P on women.

186. There is no evidence from the three available IAs to suggest that the target of increasing household incomes by US\$50 has been met, at least among the SHF target group. While incomes had increased in households that were members of FOs benefiting from P4P, they did not do so significantly differently than in the control groups.



187. P4P has had important benefits for WFP in how it is viewed as a development partner by host governments, and this has contributed to improved policy level engagement. As discussed in relation to Objective 4, the pilot initiative has impacted on WFP as an organisation and led to an increased focus on supporting SHFs. In several countries, P4P has encouraged the expansion of public institutional procurement direct from FOs.

**Sustainability: Has P4P developed sustainable best practices? Will results that have been achieved through the pilot initiative be sustained?**

188. It is important to distinguish four elements of sustainability.

189. First, in relation to FOs and SHFs, whether the capacity built can be maintained and developed in the absence of continuing training and other support (such as equipment provision) so that they can continue to supply WFP. Some level of sustainable capacity in FOs may have been developed, but in general, it appears that continuing support will be required to allow lower capacity FOs to continue to supply to WFP.

190. Second, whether FOs and SHFs are able to supply to other markets beyond WFP, so they are not dependent on WFP continuing to purchase from them. It is not clear that FOs will continue to seek to provide premium quality products if there is not a consistent demand from WFP and if they do not receive continuing capacity building support. This is particularly true for first tier and low-medium capacity FOs, and in countries where there are no major initiatives for public institutional procurement from SHFs, since markets for premium quality products appear often to be remain limited.

191. Third, the sustainability of P4P approaches for WFP, in the sense that viable models have been developed that can be used to enable WFP to purchase directly from FOs, either within the cost parameters of WFP's normal operations (i.e. mainstreaming), or where the development benefits of providing support to FOs and SHCFs to supply to WFP can be shown to exceed the costs required, so that there is a strong case for continued development assistance to cover these costs. While there have been some promising results achieved, further analytical work is required to demonstrate that procurement is viable within normal cost parameters.

192. Fourth, the extent to which P4P approaches are adopted and used by other development actors. The main examples where this has occurred so far is with public institutional procurement, which are potentially sustainable so long as this not undertaken on a heavily subsidised basis that crowds out private trade.

193. Actions to support sustainability at the operational level include drafting comprehensive guidance for COs and governments considering P4P-like initiatives<sup>153</sup> whilst creating more flexibility and agility in WFP's systems to manage different types of transactions. For non-P4P-COs, it would be useful to emphasise how P4P can and ought to be integrated with broader country plans, and linked with other WFP initiatives (e.g. the HGSF and Cash and Voucher Programmes).

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<sup>153</sup> The MAPF helps COs establish an understanding of what they can achieve and how to go about this using WFP's procurement and partner's capacity building inputs. However, the conceptual and empirical basis for key elements of the SHF MAPF (particularly the focus on linear progression) is potentially questionable and merits wider review before being finalised and used. Given the wide selection of countries for testing the P4P pilot, guidance on P4P design and implementation could be tailored according to country typologies.

194. There are also critical actions that need to be taken to deal with issues regarding staffing and building the right level of technical capacity within COs/P4P teams. Almost half of the responses to the P4P Pilot Questionnaire indicated that COs did not have sufficient staff, financed from the P4P budget, to carry out P4P operations effectively<sup>154</sup>. At the global level, internal reorganisation within WFP will need to take place in order to retain and expand the skills and knowledge base created by P4P, whilst reflecting the new demands on other corporate functions. See Annex 32 for ‘Actions for Scale-Up Identified by WFP, Respondents and Surveys’.

## **Conclusions drawn from across the DAC criteria**

### **Conclusions regarding what to mainstream, consider further, or discontinue**

195. The 2014-17 SP reflects the corporate decision to mainstream P4P. Some aspects are ready to be mainstreamed – notably on the demand side where WFP is most easily able to effect change. This includes the procurement modality adaptations and provision of procurement-related supply side support to FOs. Close alignment with government policies and close collaboration with government have been enabling factors for the initiative, and where fostered sufficiently should enhance long-term government ownership.

196. The core area where further testing is required relates to the finding regarding the premise that supply side capacity building would lead to FOs being able to supply to WFP and others in the longer term through competitive tendering. The ET has found that this is not consistently valid across the P4P pilot countries. This assumption needs to be re-considered either by a) looking at alternative models to building capacity, b) taking a different approach to partner selection and arrangements, c) working with a much more tightly defined type of FO or d) placing more focus on the alternative approaches, in addition an adequate risk mitigation strategy should be put in place. Any further testing should be dependent on the completion of the pilot in the coming year (2015), as well as further cost benefit analysis and the development of models and practical guidance for future P4P-like work. Once this has been done, and if viability is demonstrated, then investment in mainstreaming is justifiable.

197. The contexts where P4P has been best able to demonstrate results are those where some of the following criteria are fulfilled to a significant extent: WFP demand for staples is predictable, in non-emergency contexts; where there are complementary WFP programmes (e.g. HGSP and the market development initiative); where staples are procured from food-surplus areas; where third or second tier FOs exist; where high quality partners, that WFP has resources to hire or whom already have funding from other sources; where there are no hindering government policies (such as export bans, import-subsidies and Government price setting) but rather where WFP is able to catalyse partner and government engagement; where the market is more developed (this includes the road network, existence of financial institutions, existence of warehouse and logistics networks and accessibility to inputs such as packaging). These factors do not preclude WFP from pursuing P4P type activities under other circumstances but should be kept in mind.

198. Engagement with SHFs in fragile countries (post-conflict or sensitive to disasters) drives up cost with the volatility of the context leading to unpredictable results. The

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<sup>154</sup> There were also technical gaps regarding market development and gender.

decision as to whether to operate in such environments, knowing that results may be more limited, depends not only on WFP but also on the concerned national authorities and other partners' ability to invest in this area in view of the potentially higher operational costs.

199. WFP will need to consider its present organisational structure; what needs to stay/ be put in place to support further mainstreaming and testing at HQs, regional and country levels, and what the funding implications are of any such change. Any further testing should be dependent on the completion of the pilot in the coming year (2015) including completion of the GLA and, based on this, and wider staff experience, as well as further cost benefit analysis, the development of models and practical guidance for future P4P like work. Once this has been done, and if viability is sufficiently demonstrated, then investment in mainstreaming is justifiable.

### **Conclusions regarding P4P being a pilot initiative**

200. Pilot initiatives provide WFP with the space to take risks and test new approaches. P4P is the most important pilot ever undertaken by WFP and since its inception benefited from very strong support from WFP management at the highest level. P4P had the authorisation to set up specific temporary systems and processes to facilitate implementation. Some proved to be effective, such as: the internal management and oversight mechanisms (the P4P CU, and the SC) supported by a TRP made up of appropriate and relevant members since the inception stage; the flexibility to adapt based on feedback at various levels (SC, TRP, COs, MTE); the communication strategy; the linkages with the various parts of the organisations (Procurement, Logistics; HR; Reporting, etc.); the support from RBAs and COs; donor support; the focus on gender and; the setup of a specific M&E framework to address the data requirements related to a pilot. In particular, the M&E system included, for four of the twenty countries, full IAs with counterfactuals, thus allowing for assessment of what impacts were and were not, attributable to the pilot initiative.

201. At the same time P4P faced a certain number of challenges. A pilot requires a clearly articulated ToC and design assumptions from the start, which should be communicated with all those involved and which should be the focus of M&E and learning throughout. Early assessment of what questions need to be answered, and what data are needed to answer those questions, would have ensured that at the end of the pilot those questions (including which if any of the approaches are viable and in what contexts) are clearly answered, with clear models as to how those viable approaches could be replicated. Tension between learning and achieving results could have been reduced by greater consideration of M&E requirements for learning (as compared with donor reporting requirements on results and outcomes) at the design phase. Whilst P4P faced particular requirements for M&E findings on outputs due to the high expectations of the pilot initiative at management level at HQs and country level, this does not need to be the case for other WFP pilots.

202. Also, it is important for a pilot to remain at a pilot scale. The rapid increase of the number of participating countries, funded by donors having different interests, induced a certain lack of comparability between the contexts where P4P was being tested. From a HR perspective the initial staffing plan and training needs assessments were very useful but their effectiveness was constrained by the overall lack of flexibility/ and responsiveness which could not ensure appropriate staffing (especially in gender, capacity development and market development) in all positions (particularly

amongst full-time WFP staff who tend to have, and are encouraged to have, a more generalist skill set).

203. The pilot was given the space to develop a separate M&E framework and this led to the most important data collection exercise undertaken by WFP (aside from the usual reporting requirements). However, its effectiveness has been limited by the failure to fully articulate the ToC at an early stage and to include M&E of the partnership approach specifically. In addition, the design of P4P did not include measures to track and measure cost-efficiency. Particularly for pilots, it is critical that these measures are considered at the design phase, taking into account existing financial systems including both the corporate WINGS system and any trust fund in operation for particular future pilots. Taken together, this led to an inability, within the evaluation period, to demonstrate replicable models to inform mainstreaming, and insufficient clarity as to what works, what does not and why that is.

204. Finally, decentralised implementation of P4P mitigated against effective and efficient learning, particularly in cases where COs prioritised reaching targets over and above the learning/piloting aspects of the initiative.

### **Conclusions related to partnership**

205. Partnerships are at the core of the P4P pilot initiative and have taken place at multiple levels and in multiple forms. These range from strategic high level collaboration with Rome-based and other agencies as well as donors, to various types of partnerships related particularly to supply-side capacity building. Indeed there was no one definition of “partnership”. A more systematic approach to partnerships for instance through a partnership strategy could have helped in differentiating types of partnerships and formed a starting point for their comparative M&E.

206. Whilst partnership with RBAs at central and country levels are desirable, operationalization suffered limitations - largely explained by the respective RBA’s business models, in particular that of IFAD. There is potential for WFP to involve the Food and Agriculture Organisation (FAO) in particular, as well as potential donors, in the design of future mainstreaming or further testing of P4P like activities, and options for joint funding and programming are worth pursuing.

207. Collaboration with supply-side partners in countries was indispensable to P4P’s success. Collaboration with supply-side partners varied, as, wherever possible, WFP took advantage of those agencies already providing supply-side support. Where no such agencies existed, WFP sub-contracted agencies to carry out this work. As the initiative has not been specifically monitoring supply-side partnerships, data is lacking as to the relative effectiveness of each type of partnership and the sheer range of partnerships and partnership models does inhibit comparative judgement.

208. The P4P pilot initiative contributed significantly to an evolution of WFP’s partnerships with host Governments. This has strengthened sustainability of achievements, particularly where Governments have sought to buy directly from SHF/FOs for national food reserves and other public programmes.

**3.2 Recommendations**

209. The particular finding/s informing each recommendation are indicated in brackets after each recommendation.

<p><b>Recommendation 1: WFP should complete the GLA activities, analysis of existing data and assessment against outstanding questions</b></p>	<p><b>Proposed Responsibility</b></p>
<p>1.1 Future programming should be informed by clear, practical and viable models, guidance and practical “how to” notes, designed not only for internal WFP use at CO level but also for use by others, particularly Governments. Consequently, it is recommended that the P4P pilot initiative completes two (related) activities in 2015:</p> <p>a) Further testing of the assumptions and further analysis of costs and benefits in selected countries in which P4P still has funding and which have sufficient data. This would require:</p> <ul style="list-style-type: none"> <li>• Conducting a more complete analysis of the costs of P4P in different countries, building on the financial analysis the ET conducted, and relating it to the results achieved (in relation to graduation and tonnages delivered).</li> <li>• Identifying what elements of the costs can be seen as one-off so that these can be seen as investment costs and separated from the costs of mainstreaming P4P.</li> <li>• Producing guidelines on the expected cost parameters of P4P operation for existing and new start up countries (based on the two steps above).</li> <li>• Critically reviewing the FAO Investment Analysis, the P4P Development ToC and findings from the IAs to identify more accurately the P4P target beneficiaries and how benefits will be realised (while taking full account of costs).</li> <li>• Ensuring that this analysis is externally validated and checked including by the TRP.</li> </ul>	<p>Action to be decided at corporate level by the P4P Steering Committee – early 2015</p>

<p>This to result, during 2015, in models that address the outstanding questions regarding the viability of P4P [F5,7,20].</p> <p>b) Synthesis and analysis of the GLA outputs at global level, followed by their communication and dissemination tailored to various audiences within and outside WFP. Seven GLA thematic areas were identified in the October 2014 consultative workshop for priority attention [F11,12]:</p> <ul style="list-style-type: none"> <li>• P4P assessment feasibility;</li> <li>• How to identify, select and classify FOs (drawing on GLA thematic areas 7 and 8);</li> <li>• How effectively to progress the FOs and the roles of WFP and partners;</li> <li>• Food safety and quality (theme 11) – how WFP can harness its role on quality control issues and building FO capacity in producing quality staples;</li> <li>• Partnerships – how to identify partners, and identifying which partnership models have been effective and why;</li> <li>• Procurement guidance – how to do SHF procurement, and how that can inform other WFP market development initiatives and;</li> <li>• Communications regarding P4P learning, including production of different products for different audiences.</li> </ul>	
<p><b>Recommendation 2: Focus future programming activity where favourable conditions exist or can reasonably be expanded, strengthened or promoted.</b></p>	<p><b>Proposed Responsibility</b></p>
<p>2.1 Prior to the implementation of P4P a feasibility assessment should be undertaken in each country to assess:</p> <p>a) The capacity of FOs and the associated challenges building capacity poses. A predominance of second or third tier FOs, or medium to high capacity first tier FOs, engaged in producing and potentially marketing staple food crops is favourable [F5,13,19,29,34,36].</p>	<p>Country offices with the support of the Policy, Programme and Innovation Division (OSZ) and regional bureaux</p>

<p>b) WFP’s ability to provide secure long-term demand at viable prices [F5,35];</p> <p>c) The viability of a long-term premium market that these FOs can supply [F5,35];</p> <p>d) The medium-long term existence of relevant supply-side partner projects that are building capacities of FOs (in staple food crop value chains) [F5,14,34] .</p> <p>e)The policy and market environment. P4P-like activities should not be attempted in emergency food contexts; food insufficient areas; post-conflict contexts (unless WFP chooses to bear the higher costs of purchasing from SHFs in these areas); where there is a declining country (or regional) demand for food; where there are no suitable partners; where government policy is not broadly enabling or; where FOs are mainly first tier and of low capacity only [F1,20,34].</p> <p>In collaboration with government and partners WFP should then decide whether to implement P4Pand, if so, the most appropriate ways to do it, so as to best ensure positive impact on SHF productivity and livelihoods.</p>	
<p>2.2 Following the feasibility assessment, a contextualized theory of change, a logframe, impact pathways and assumptions should be developed and clearly communicated to partners so that there is a common understanding of the underlying development pathway and expected impact [F4,5,6,11,12].</p>	<p>The country office that is initiating or mainstreaming aspects of P4P</p>
<p>2.3 Integrate P4P activities with broader country plans, and link them with other WFP initiatives such as the Home Grown School Feeding and cash and voucher-based activities [F1, 34, 35, 36].</p>	<p>Country offices/OSZ</p>
<p><b>Recommendation 3: WFP should concentrate on its areas of comparative advantage by mainstreaming the demand side of P4P-like programmes, placing less emphasis on developing its supply-side capability where there are already many players</b></p>	<p><b>Proposed Responsibility</b></p>
<p>3.1 WFP should continue to test the following approaches: purchasing from SMTs, adapting</p>	<p>Procurement Division (OSP)</p>

<p>LRP, the patient procurement model and linking FOs with other institutional buyers.</p> <p>The WFP procurement policy and manual should be updated to ensure adequate guidance for those countries taking up P4P-like procurement [F15,17,18,19,24].</p>	
<p>3.2 WFP should continue to collaborate closely with partners such as, governments, the RBAs and the private sector. Identification of technical partners and identification of respective roles of these partners and WFP should take place at the design phase. Wherever there are appropriate (and particularly, funded) supply-side partners, WFP should give them the lead and focus on the demand-side [F1,18,34,36].</p>	<p>Country offices/ regional bureaux/OSZ</p>
<p>3.3 Where WFP continues to undertake capacity building related to supply-side activities through partners, it should establish clear measures of costs and capacity-building outcomes. This will enable comparative results assessments by types of training, equipment and infrastructure support [F20].</p>	<p>Country offices/ regional bureaux/OSZ).</p>
<p><b>Recommendation 4: WFP should consider whether and how organisational systems may need to be adapted at global, regional and country levels to support mainstreaming of P4P like activities where viable.</b></p>	<p><b>Proposed Responsibility</b></p>
<p>4.1 WFP procurement, financing and human resources (HR) systems should be adapted to support mainstreaming, keeping in mind the comparative advantages of WFP and partners. [F20,23,26,27].</p>	<p>Operations Management Department (OM)/Resource Management and Accountability Department (RM)/Human Resources Division (HRM)</p>
<p>4.2 WFP should develop a cost model that can be applied to future programming.</p> <p>a)The model is intended to ensure that appropriate financial analysis be carried out during the design phase of P4P mainstreaming and further testing; and that appropriate baseline and interim costs are recorded for value for money and/or cost-efficiency assessment. [F20, 23].</p> <p>b) Finance and reporting aspects of trust fund mechanisms should be reviewed to ensure that</p>	<p>RM</p>



<p>measurements of activities, outputs, outcomes and associated financial costs are available and comparable across donors [F20].</p>	
<p>4.3 P4P activities should be resourced to enable staffing considerations, assessments at the design phase and ongoing M&amp;E to take place. This would ideally come from multi-year funding given the long-term implications of linking SHFs to markets. [F23,25].</p>	<p>Country offices/regional bureaux, with support from HRM and the Government Partnerships Division (PGG)</p>
<p>4.4 Sufficient resources should be allocated to M&amp;E to ensure that robust and comprehensive reporting.</p> <p>a) Baseline and interim surveys are important for any further testing and IAs (with counterfactuals) should continue to be used to help identify the most effective approaches. [F7,11,12,20,23].</p> <p>b) Where P4P is being mainstreamed a light standardised M&amp;E system should be developed, to test that assumptions remain plausible and continue to hold. [F5, 11, 20, 23].</p>	<p>Performance Management and Monitoring Division (RMP), in consultation with OSZ</p>
<p>4.5 Regional capacity should be built to support mainstreaming. Regional capacity can be supported by continuing regional partnerships that have been established during the pilot. [F17].</p>	<p>Regional bureaux</p>
<p>4.6 WFP should develop new P4P-based competencies in existing staff and/or recruit new staff to match modified job descriptions. The former option will require a process to identify those WFP staff who have appropriate skills and who would receive further in-service training. This training could draw extensively on those staff who have already gained much experience through P4P. The latter option should ensure that specialist consultants are tasked with knowledge and skills transfer to permanent staff. In both cases, comprehensive guidance notes must be developed to support all aspects of implementation, particularly for those COs new to P4P. Secondment from other United Nations agencies, in particular FAO, may also be worth considering [F22, 24, 25].</p>	<p>HRM/OSZ</p>

<b>Recommendation 5: WFP to develop guidelines for future pilots</b>	<b>Proposed Responsibility</b>
<p>a) 5.1 Corporate level WFP guidance for a large-scale piloting initiative should be available for future pilots. Such guidance should include the following:</p> <p>b) A clear definition of what WFP means by “pilot”, including the definition of the pilot objective, expected outcomes and impact, how these are to be communicated, and at what level the pilot is supposed to bring about change. Pilots need to be able to justify why they are working in particular contexts, which distinguishing factors they are interested in and why. These should relate to the design assumptions. [F4,5,6].</p> <p>c) Instructions to keep pilots of an appropriate size to enable systematic learning and inform replication based on the context. [F6];</p> <p>d) advice on main elements and time required for pilot design – including theory of change and design assumptions – and pilot management – including allocation of adequate resources for appropriate staff and M&amp;E, given that M&amp;E is critical to pilots and requires more attention than for mainstreamed activities. [F4,5,6,28];</p> <p>e) The benefits of establishing a SC and TRP, their composition and ToR. [F22]</p>	<p>OM</p>

## Acronyms

ACDI/VOCA	Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance
ACE	The Agricultural Commodity Exchange for Africa
AERC	African Economic Research Consortium
AGRA	Alliance for a Green Revolution in Africa
ALINe	Agriculture Learning and Impacts Network
BMGF	Bill and Melinda Gates Foundation
CAADP	Comprehensive Africa Agriculture Development Programme
CD	Country Director
CEO	Chief Executive Officer
CIP	Country Implementation Plan
CO	Country Office
CRS	Catholic Relief Services
CU	Coordination Unit
CV	Country Visit
CEX	Commodity Exchange
DAC	Development Assistance Committee
DDR	Data and Document Review
DRC	Democratic Republic of Congo
EB	Executive Board
EC	European Commission
EM	Evaluation Matrix
EQ	Evaluation Questions
EQAS	Evaluation Quality Assurance System
ET	Evaluation Team
FAO	Food and Agriculture Organisation
FDC	Forward Delivery Contract
FGD	Focus Group Discussion
FO	Farmer Organisation
FPF	Forwards Purchase Facility
GC	Global Coordinator
GLA	Global Learning Agenda
HGBF	Howard G. Buffett Foundation
HGSF	Home Grown School Feeding
HQ	Headquarters

HR	Human Resources
IA	Impact Assessment
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Centre
IFPRI	International Food Policy Research Institute
IPP	Import Parity Price
IRG	Internal Review Group
KII	Key Informant Interviews
LRP	Local Regional Purchase
M&E	Monitoring and Evaluation
MAPF/ SHMAPF	Smallholder farmer market access progression framework
MoA	Ministry Of Agriculture
MITM	Ministry of Industry, Trade and Marketing
MOU	Memorandum of Understanding
MSI	Management Systems International
MSU	Michigan State University
MT	Metric Tonne
MTE	Mid-Term Evaluation
NEPAD	New Partnership for Africa's Development
NFRA	National Food Reserve Agency
NGO	Non-government organisation
NSGR	National Strategic Grain Reserve
QA	Quality Assurance
OECD	Organisation for Economic Cooperation and Development
OEV	Office of Evaluation
P4P	Purchase for Progress
PAA	Purchase From Africans For Africa
PPI	Policy, Programme and Innovation Division
PRSP	Poverty Reduction Strategy Paper
QA	Quality Assurance
RB	Regional Bureau
RBA	Rome Based Agency
RMP	Performance Management and Monitoring Division
RUDI	Rural Urban Development Initiatives
SACCO	Savings and Credit Cooperative

SC	Steering Committee
SER	Summary Evaluation Report
SFE	Strategic Final Evaluation
SHF	Smallholder Farmer
SMT	Small or Medium Trader
SONAGESS	La Société Nationale de Gestion du Stocks de Sécurité Alimentaire
SP	Strategic Plan
SSA	Sub-Saharan Africa
ToC	Theory of change
ToR	Terms of Reference
TRP	Technical Review Panel
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USD	United States
VAM	Vulnerability Analysis and Mapping
WFP	World Food Programme
WINGS	WFP Information Network and Global System
WRS	Warehouse Receipt System
ZAMACE	Zambia Agricultural Commodities Exchange Limited

**Rome, December, 2014, OEV/2013/024**

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