

Democratic Republic of Congo

P4P Country Programme Profile

P4P Strategy

The Democratic Republic of Congo's (DRC) P4P strategy focuses on reviving commerce in agricultural commodities – markets that years of mismanagement, disruption, and armed conflict have reduced to largely informal status. Expanding and rehabilitating a badly deteriorated transportation infrastructure so that farmers can get their goods to markets forms a centerpiece of the strategy to reconnect farmers and traders. The programme will also establish marketing infrastructure (collection points/warehouses and cleaning/drying facilities) in rural areas to facilitate bulking commodities and adding value for marketing. With these key infrastructure elements in place, the programme will support the work of partners who are establishing farmers' organizations and building their capacities to aggregate and market members' commodities. Through its partners the programme will also directly address some of the constraints to smallholder productivity – access to inputs, tools, and technical assistance to increase production and reduce post-harvest losses – thus facilitating farmers' ability to respond to better market access with increased production. Interventions across the programme build on commercial principles with cost-recovery fees along the entire value chain to ensure sustainability.

The following sections summarize salient elements of DRC's strategy as they apply to the four key activity areas of P4P – increasing smallholder productivity, strengthening group marketing capacity, developing markets for smallholders, and promoting a smallholder-friendly policy environment.

Table 1 concisely summarizes key points of the strategy and extends it into areas of specific procurement strategies, gender, targets for farmers and procurement, alignment with the national agenda, and risks.

Smallholder Productivity

Political choices and protracted periods of conflict have reduced a once diversified and productive agricultural sector into one characterised by largely subsistence farming on small, fragmented parcels. Furthermore, wars in 1996-1997 and 1998-2003 contributed to the deterioration of much of the transportation infrastructure and made it very difficult for rural farmers to reach markets with their commodities. Consequently, smallholder farmers have little incentive to invest in producing surpluses and yields lag far behind those of other countries in the region. Small landholdings, limited use of mechanization (or even animal traction), insufficient use of improved inputs (seed, fertilizer, pesticides), poor knowledge of agricultural practices, lack of capacity and outreach of extension, limited access to storage facilities, and high post-harvest losses further limit smallholder farmers' productivity. Restricted access to markets constrains farmers' understanding of marketing and access to market information and therefore puts them at a disadvantage relative to traders when negotiating commodity prices. The P4P programme will use its procurement to support the work of FAO in establishing seed multiplication enterprises to increase the availability of high quality certified seed. It will also support other partners in improving farmers' access to tools and other inputs and training farmers in production techniques.

Group Marketing (Farmer Organizations)

When they exist, farmers' organizations are generally weak with little capacity to aggregate or market members' commodities. Distance coupled with the poor condition of the transportation infrastructure impedes organization's access to markets. Limited access to warehouses or the facilities to clean, dry, and grade commodities further constrain organizations' ability to aggregate commodities and prepare them for market. Because organizations cannot effectively market commodities and because they have limited or no access to marketing credit to buy commodities, they have trouble aggregating commodities from members. The P4P programme will work with a variety of partners to increase farmers' participation in organizations and enhance the capacity of organizations to serve their members. WFP implements the programme jointly with FAO which establishes organizations and enhances their capacities through training and rehabilitating warehouses. The programme also partners with Dan Church Aid and other local NGOs to build organizations' capacities in marketing, contracting, accountancy, quality, management skills, commodity management, post harvest pest control, and pricing.

Market Development

The poor condition of the transportation infrastructure (roads, railways, waterways) is the key barrier to market development. Farmers and traders attribute the decline in production of the main food crops (maize, cassava) to the collapse of transport infrastructure which in turn has effectively pushed agricultural marketing into the informal economy. In fact, bicycles and canoes represent smallholder farmers' primary means of transporting goods to markets. Limited access to warehouses and lack of electricity to operate basic drying, cleaning, and processing equipment further reduce farmers' ability to add value to commodities and hinder development of a food

processing industry that could provide another market outlet for farmers. Furthermore, markets rarely reward farmers or organizations for quality and the government and trading sectors do not consistently enforce quality standards – especially for aflatoxin. WFP will work with partners to rehabilitate the transportation infrastructure (FAO, SNCC) and facilitate transport (WFP), establish community collection points and markets, and establish a trading scheme as a demonstration of the advantages of fair and competitive markets. The trading scheme will re-establish trading exchanges by training small-scale traders, organizing them into associations, providing micro-credit opportunities, and promoting group commercialization. This will encourage large traders and millers from other areas to come and trade in the location where P4P is implemented.

Policy Environment

Government policies have hampered agriculture and trade development through administrative delays, bureaucratic hindrances, and continuous harassment in the form of “tracasserie” (illegal taxes and fees on every transaction at every stage/point in the supply chain or for any required formal registration or document).

Table 1. Strategy Summary

	Smallholder productivity	Profitable market access		
		Group marketing (farmer organizations)	Market development	Policy environment
<p>1. Describe the current situation in your country with regard to each of the following.</p>	<p>Low yields of staple commodities due to:</p> <ul style="list-style-type: none"> • small landholdings, • lack of inputs (seeds, chemicals, tools) • limited knowledge of, and use of, appropriate or mechanized agricultural practices, • limited access to formal credit, • high post-harvest losses, and • limited capacity of extension service. 	<p>Existing farmers' organizations generally lack capacity to aggregate and sell members' commodities due to:</p> <ul style="list-style-type: none"> • lack of banking services and high collateral requirements which limit access to credit, and • limited access to storage and processing (cleaning, drying, weighing, transportation) facilities. 	<ul style="list-style-type: none"> • Poor transportation infrastructure limits physical access to markets. • Most ag marketing is informal and markets not well integrated • Price incentives for quality are rare. • Existing warehouses are poorly managed and located. • Limited access to electricity constraints capacity to add value to commodities. • Traders rarely enforce quality standards. 	<ul style="list-style-type: none"> • Lack of institutional support for local production. • Weak regulatory framework for quality certification, respect of import taxes, registration of farmers' organizations. • Administrative delays, bureaucratic hindrances and excessive and illegal fees and taxes. • Government offices in charge of grain quality are prone to corruption. • Lack of laboratory facilities to test grain quality (aflatoxin).
<p>2. What is required to improve the current situation?</p>	<ul style="list-style-type: none"> • Improve access to credit. • Improve access to and use of inputs. • Train in agricultural practices. • Reduce post-harvest losses. • Enhance capacity of extension services. 	<ul style="list-style-type: none"> • Improve access to credit. • Improve access to storage, cleaning, drying, weighing, bagging, and transportation facilities/services. 	<ul style="list-style-type: none"> • Revive trade by rebuilding the link between producers and traders. • Improve transportation infrastructure to help small-scale traders prospect for sales opportunities in bigger cities, network with other traders, and trade. • Train producers and traders in quality standards. 	<ul style="list-style-type: none"> • Establish and enforce food quality standards. • Develop laboratory facilities to test for aflatoxin. • Encourage local governments to enforce existing rules.
<p>3. How will your P4P programme address these issues (i.e., which partners will you work with on each issue and what impact do you expect from these activities)?</p>	<ul style="list-style-type: none"> • (Initially) provide seeds and tools (FAO). • Training in seed multiplication and farming techniques (FAO). • Organize seeds and tools fairs (FAO) 	<ul style="list-style-type: none"> • Establish farmers' organizations (FAO). • Train organization staff in marketing, contracting, accountancy, quality, management skills, commodity management, post harvest pest control, pricing and marketing, 	<ul style="list-style-type: none"> • Rehabilitate and improve rural roads, river access, rail and fluvial stations, and market infrastructure (WFP, UNOPS, SNCC). • Provide (short-term) access to trucks (WFP). • Establish community-owned transportation 	<ul style="list-style-type: none"> • Advocate, at Local Government level, for smoother processes (eg. registration of associations), means to encourage local production (eg. sensitization on benefits)

		<p>etc. and establishing market outlets (Dan Church Aid, FAO, WFP).</p> <ul style="list-style-type: none"> • Promote market integration (WFP, Dan Church Aid). • Rehabilitate or build warehouses (FAO, WFP). 	<p>system, collection points, and markets (SNCC).</p> <ul style="list-style-type: none"> • Train collection point operators in quality control and standards. • Establish a trading scheme to demonstrate fair competitive trading. 	
4. Who will you buy from and why have you chosen to buy from them?	<p>Farmers' organizations and traders (all small scale) in Kabalo province (phase II) and extending to Katanga, Equator, and other provinces (phase III). These provinces have high potential to produce surpluses. The farmers' organizations and traders (all of which are small-scale) represent smallholder farmers' only opportunity to access commercial markets and all face significant constraints in doing so.</p>			
5. How will you buy (i.e., modalities) and why have you chosen to buy in this way?	<ul style="list-style-type: none"> • Direct purchase from organizations through collection points. • Direct purchase from larger traders at Food Trade Fairs organized to create incentives to marketing and trade. • Soft tendering with traders and farmers' organizations that develop the necessary capacity. 			
6. How does your programme address the specific needs of female smallholder farmers?	<p>The programme will emphasize womens' participation because experience shows that female farmers' organizations are more sustainable. By encouraging women to join existing organizations and supporting the creation of women-only organizations, the programme expects to achieve a 50% average female participation rate in participating FOs.</p>			
7. What are your targets for farmers and tonnage, are they consistent with your strategy, and are they realistic within your country context? Elaborate.	<p>Throughout the three-year pilot, DRC expects to buy 1,200 metric tonnes of maize from about 21,500 farmers. However, WFP policy not to be the first buyer (in support its objective of strengthening trade and trading relationships) along with uncertain levels of production may cause actual purchases to diverge from targets.</p>			
8. How would you describe your P4P programme strategy for supporting sustainable smallholder access to profitable markets? How does your approach to procurement and partnerships contribute to supporting sustainable and profitable engagement in markets for smallholders beyond P4P?	<p>The Democratic Republic of Congo's (DRC) P4P strategy focuses on reviving commerce in agricultural commodities – markets that years of mismanagement, disruption, and armed conflict have reduced to largely informal status. Expanding and rehabilitating a badly deteriorated transportation infrastructure so that farmers can get their goods to markets forms a centerpiece of the strategy to reconnect farmers and traders. The programme will also establish marketing infrastructure (collection points/warehouses and cleaning/drying facilities) in rural areas to facilitate bulking commodities and adding value for marketing. With these key infrastructure elements in place, the programme will support the work of partners who are establishing farmers' organizations and building their capacities to aggregate and market members' commodities. Through its partners the programme will also directly address some of the constraints to smallholder productivity – access to inputs, tools, and technical assistance to increase production and reduce post-harvest losses – thus facilitating farmers' ability to respond to better market access with increased production. Interventions across the programme build on commercial principles with cost-recovery fees along the entire value chain to ensure sustainability.</p>			
9. How is your strategy aligned with the national agenda?	<p>P4P is aligned with the 3-year agriculture sector development plan in Katanga Province that supports some farmers' associations; creates local committees for rural development at the Territory level; and distributes seeds, tractors, cows, etc.</p>			
10. What are the main risks and challenges your programme faces in achieving its objectives and how do you expect to address them?	<ul style="list-style-type: none"> • Farmers produce more than the market can absorb. WFP will mitigate this risk by earmarking funds under other projects to serve as a last resort to procure from farmers when the market does not absorb surpluses. • Unreliable transportation systems may prevent traders from moving food from collection points to markets. To mitigate this risk, WFP will engage ILS to facilitate transport if necessary. • Partners have insufficient capacity to support emerging value chains. Mitigate by carefully evaluating key partners. • Interventions fail to become sustainable. WFP has designed every aspect of the P4P intervention to maximize prospects for sustainability. 			

