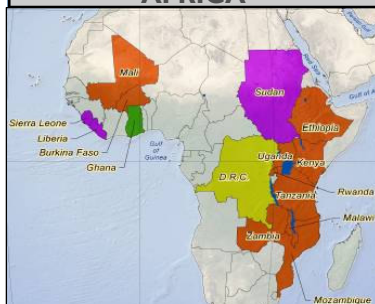


# PURCHASE FOR PROGRESS MAY UPDATE

ISSUE 20  
MAY 2010

## P4P Pilot Countries

### AFRICA



### CENTRAL AMERICA



### ASIA



## IMPLEMENTATION STATUS 21 P4P Pilots:

- **17 Approved Country Implementation Plans (CIP):** Afghanistan, El Salvador, Ethiopia, Honduras, Guatemala, Kenya, Nicaragua, Burkina Faso, Liberia, Mali, Malawi, Mozambique, Sierra Leone, Sudan, Tanzania, Uganda and Zambia.
- **DRC and Rwanda:** CIPs under approval.
- **Laos & Ghana:** development of CIP planned for 2010.
- **P4P Assessments:** all 21 Assessments finalized.



World Food Programme

## HIGHLIGHTS OF THE MONTH

- An HIV-infected farmer and former WFP beneficiary under the WFP HIV Programme implemented by AMPATH in Kenya and now a WFP supplier through P4P tells her story to visiting Senator McGovern [see page 4].
- President Johnson-Sirleaf of Liberia visited Intofawor Multi-purpose Cooperative in Foyah city, Lofa County on May 1st to inspect a rice milling machine, rice bagging and other processing activities supported by P4P. This is her second visit to a P4P project site.
- USAID has pledged US\$17.5 million to support food procurement and P4P capacity building activities in Ghana, Kenya, Liberia, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia.
- A series of meetings organised around the third Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) Stakeholders meeting in Lusaka brought together representatives from farmers' organisations, traders, national governments, donors, research institutions and international organisations to consider how best to help smallholders increase productivity and access to markets [see page 5].
- This Update focuses on Monitoring and Evaluation and the initial results from three baseline surveys [see pages 2 & 3].

## P4P's M&E System

P4P's monitoring and evaluation (M&E) system is the principal observation tool through which WFP will seek to identify best practices and document the outcomes and impacts of P4P. Because of the global nature of the P4P programme, a uniform M&E system is being implemented across the 21 pilot countries to ensure that learning in each of the pilot countries contributes to overall programme-level learning and leads to an understanding of how, why and under what conditions P4P country strategies are working.

To facilitate assessment of the impact of P4P, control groups have been identified and will be incorporated into the surveys at baseline and during the mid-term and final evaluations. Additionally, an analysis of the impact of WFP's on-going regular Local and Regional Procurement (LRP) will also be commissioned by the P4P Coordination Unit to provide a platform through which to assess the benefits achieved through pro-smallholder procurement.

## Data Collection schedule

	Programme year					Function
	1	2	3	4	5	
Baseline surveys						
P4P groups						Baseline to facilitate impact assessment
Non-P4P groups						
Monitoring surveys						
P4P groups						Monitoring
Non-P4P groups						Impact assessment
Other monitoring activities						
Case studies		Biannually				Monitoring
Market monitoring		Weekly/Monthly				Monitoring
Procurement monitoring		Quarterly				Monitoring
Regular Local & Regional Procurement monitoring		To be commissioned by P4P Coordination Unit				Monitoring
Farmers' Organizations records		Annually				Monitoring
Evaluations (mid-term, final)						Evaluation

## SNAPSHOT OF P4P BASELINE RESULTS

Baseline surveys have been concluded in 17 of the 21 P4P pilot countries. The baselines establish the starting point against which to assess change. This section outlines some of the key indicators that will be tracked through the M&E system. Selected baseline results from El Salvador, Tanzania and Ethiopia are presented below.

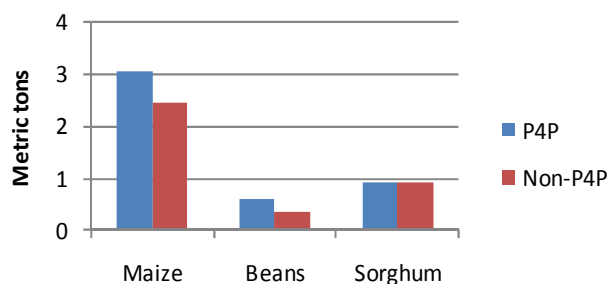
### P4P Monitoring and Evaluation Components

Target group for data collection	M&E objectives	Key indicators
Farmers' Organizations (FOs)	Learn whether farmers' organizations have increased capacity to aggregate and market their smallholder members' commodities.	<ul style="list-style-type: none"> <li>Organizational &amp; marketing capacity</li> <li>Services provided to members</li> <li>Storage capacity</li> <li>Sales, contract performance</li> <li>Market access, number/diversity of buyers,</li> <li>Ability to aggregate, size of sales</li> <li>Marketing margins</li> </ul>
Smallholder farmers	Learn whether smallholder farmers are increasing production, have better market access, and have improved incomes and livelihoods.	<ul style="list-style-type: none"> <li>Marketable surpluses produced/sold</li> <li>Household income</li> <li>Food security</li> <li>Assets</li> <li>Net buyer/seller status</li> <li>Demographic data</li> </ul>

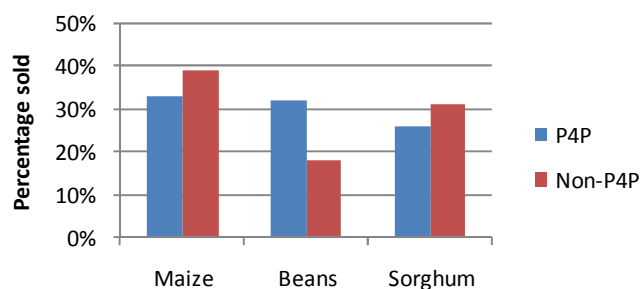
### El Salvador Baseline Results

The baseline results indicate that P4P participating farmers cultivate slightly more land than do non-P4P farmers on average and produce more maize and beans. P4P participating farmers also sell a substantially larger percentage of the beans they produce. Other crops sold by the sampled households are maize and sorghum. Sampled households were selling at least 30% of their harvested maize and beans and at least a quarter of their sorghum production.

#### Average Production (mt)

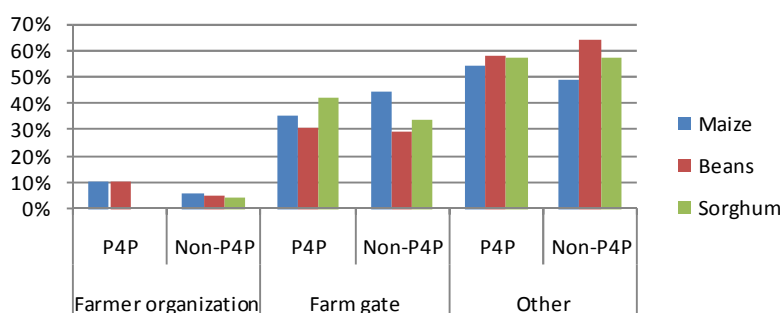


#### Average Percentage Sold



Many smallholder farmers have joined Farmers' Organizations (FOs) in order to improve access to markets through group marketing. However, these FOs generally lack the capacity or resources to aggregate sufficient quantities or qualities to satisfy large buyers such as WFP. Consequently, many farmers have few marketing options and sell to traders at the farm gate for prices that are too low to provide an incentive to invest in producing additional surpluses.

#### % of quantity sold by location of sale



The baseline results for El Salvador reveal that presently neither P4P nor non-P4P farmers channel a large proportion of their sales through their FOs. One of the key indicators that P4P will track is the increased capacity of FOs to aggregate and sell staple commodities on behalf of their members, as well as the extent to which smallholder/low income farmers increasingly entrust their FOs to market staple commodities on their behalf.

## Tanzania Baseline Results

The main staple crops planted (by both P4P participating and non P4P farmers) are maize and beans, while sunflower and coffee are the principal cash crops. Sorghum, cassava and paddy are planted in smaller quantities by the sampled farmers.

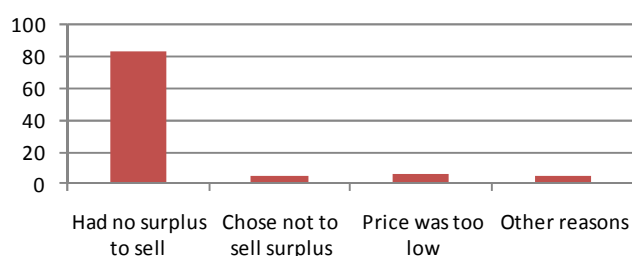
Both P4P groups and non-P4P groups appear to be equal in terms of maize yields, with an overall average yield of 0.91 mt/ha. According to the 2003 agricultural census, maize yields of smallholder/low income farmers ranged from 0.3 mt/ha to 1.3 mt/ha. The yields for beans (0.41 mt/ha) reported by the sampled households similarly follows the reported national average of 0.45 mt/ha (National Sample Census of Agriculture, 2003).



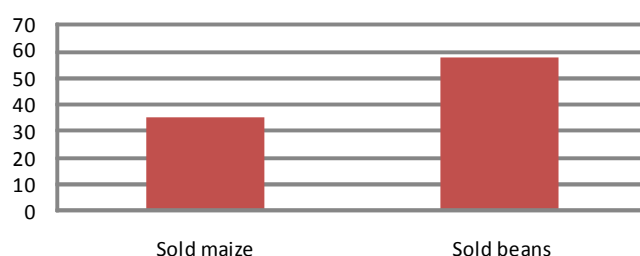
The ability of the smallholder/low income households to produce and sell a surplus of their staple commodities is a fundamental requirement to enable them to access markets and increase their income. The baseline results however reveal that less than 40% of sampled households sold maize in the 2008/09 season, while more households (60%) had sold a portion of their bean harvest.

For the vast majority of households (80%) who did not sell any of their harvest in the 2008/09 season, this was because they did not produce any surplus. Farmers principally depended on their own marketing efforts to sell their commodity, with only 5% reporting having sold staple commodities through their Farmers' Organizations (FOs).

**Reasons for not selling staple crops  
(percentage of all households)**



**Percentage of all households that sold  
staple crops**



## Ethiopia Baseline Results

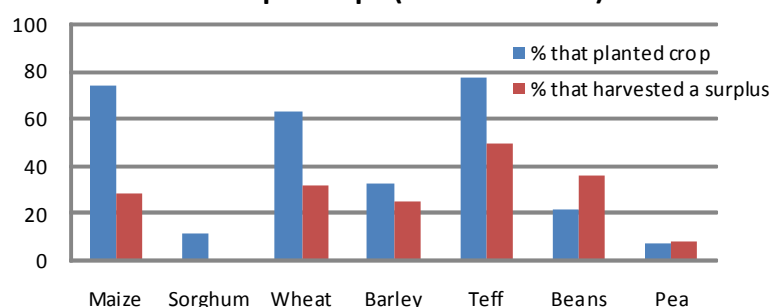
Smallholder farmers generally produce at or only slightly above subsistence levels, due to a combination of factors including use of labour intensive cultivation methods, limited access to inputs and even low levels of labour.

WFP is using its demand to catalyse supply-side support to assist smallholder farmers and FOs increase their capacity for agricultural production and market access.

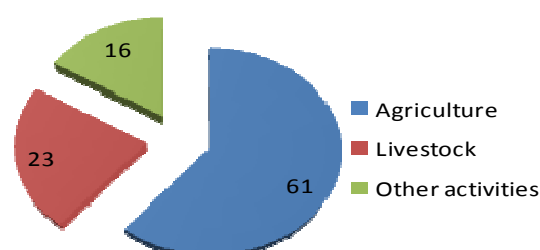
Given the central role of agriculture in the livelihoods of smallholder farmers in Ethiopia (see pie chart), an increase in the production and sales of agricultural commodities by these households will have a significant impact on their household income and livelihoods.

Similar marketing challenges were observed for both P4P and non-P4P participating households, mainly: unpredictable prices (37%), low prices in accessible markets (39%), trade restrictions (14.5%), and limited access to markets (9.5%).

**Percentage of households producing  
various staple crops (all households)**



**Proportional contribution of different  
livelihood activities to household income**





## EASTERN & SOUTHERN AFRICA UPDATES

### Uganda – expanding storage facilities and the Warehouse Receipt System through P4P

Construction of a 3,000mt warehouse began on a Kapchorwa Commercial Farmers Association (KACOFA) site on 19 April. Constructed by a private company selected by WFP with USAID funds, the facility will be managed by KACOFA and will provide cleaning, drying and grading services for smallholders. KACOFA will be licensed by the Uganda Commodity Exchange (UCE) to operate a warehouse receipt system (WRS), thus increasing opportunities for bulking and marketing. Kapchorwa is a grain surplus producing district in Uganda, but suffers from inadequate post-harvest handling facilities.

WFP Uganda will support the rehabilitation or construction of nine market collection points (warehouses) in 2010, each equipped with cleaning, drying, bagging and grading equipment. The equipment will be provided on full recovery terms, through a competitive bidding process. All nine warehouses will be licensed to operate a warehouse receipt system. Depositors will have unlimited access to warehouses and pay uniform nominal fees for storage, cleaning and handling services. Seven will be managed by either FOs or the private sector, while two will be directly managed by WFP.

The establishment of the nine warehouse facilities will increase the number of licensed warehouses in Uganda from 3 to 12 and will increase warehousing capacity from 5,800mt in 2009 to over 40,000mt. Installation works for Gulu, Tororo, Kasese and Soroti warehouses began in late April. By the end June, these four warehouses will be fully functional. Installation of drying, cleaning and grading equipment is near completion at Gulu warehouse, while installation at Tororo started end May.

### EC Grant to Mozambique Joint Programme assists smallholder farmers improve quality

The P4P programme in Mozambique is being implemented under the UN “Delivering As One” framework, through a FAO/IFAD/WFP Joint Programme entitled “**Building Commodity Value Chains and Market Linkages for Farmers’ Associations**”. WFP serves as the coordinating/convening agency.

Mr. Sérgio Mário Joaquim, aged 33, and his partner Ms. Rosa Agostinho, aged 29, are members of the Natete Association in Nampula, one of the five provinces where the Joint Programme is being implemented. With 7 children aged between 2 and 19 years, there are many hungry mouths to feed, and having an assured market for their produce makes a significant difference: “prices are low, but now we can sell to the Forum (the second tier FO marketing to WFP and representing the Natete Association) in Netia, and we know we will get money this year and next year”, says Mr. Joaquim.

While Nampula is a surplus production province, smallholders’ plentiful production is compromised by poor post harvest handling techniques and inadequate storage facilities. Mrs. Agostinho stores the family’s produce in old shirts, which are tied up into bundles and hidden in the roof rafters. It is farmers like Mrs. Agostinho who will benefit from an EC grant to the Joint Programme that is being used to cover half the cost of 1,000 on-farm improved storage silos and for four community warehouses that will provide suitable storage facilities and basic quality testing equipment.

### Senator McGovern speaks to P4P supported HIV positive farmers in Kenya

On 12 May, Senator George McGovern visited AMPATH (Academic Model Providing Access to Healthcare) supported clinics in Uasin Gishu District, and spoke with Ann Rono, an HIV positive farmer and former WFP beneficiary under the WFP HIV Programme implemented by AMPATH. Ms. Rono is now a WFP supplier through P4P.

Ann explained the challenges she faced in getting back into productive farming after exiting clinical treatment. Through P4P, she received training on agronomic and post-harvest handling practices, and her group, the Kaptebee Sachangwan FO, received training on basic warehouse management, food storage and handling, and quality control. In December 2009, WFP floated a pro-smallholder modified tender with nine FOs, and awarded four contracts for a total of 228mt of maize. All four FOs delivered on time and in full, and because the farmers had cleaned and dried the maize to meet WFP’s quality requirements, they managed to also sell their remaining surpluses at a better price to traders at farm gate. One of these contracts was awarded to Ann Rono’s group for 61mt. Ann contributed 10 bags of maize (one metric ton), from which she received 22,900ksh (equivalent to US\$ 300). She used part of the money to pay her daughter’s secondary school fees, leased an additional 1.5 acres of land, and bought certified seeds and fertilizers.

AMPATH is Kenya’s most comprehensive initiative to combat HIV, providing preventive as well as treatment services. Funded by USAID, AMPATH also implements programs that foster food and economic security for HIV infected persons and their families, such as the [Family Preservation Initiative](http://www.iukenya.org/income.html) (FPI, <http://www.iukenya.org/income.html>), a training programme in occupational skills to assist HIV positive patients and their families to get back on their feet.

Throughout 2009, WFP provided food assistance beneficiaries exiting clinical treatment with trainings on post-harvest practices, quality control and basic warehouse management. AMPATH supported the farmers to form or join groups, JICA provided fertilizers, and AMPATH’s FPI programme built the groups’ capacity to manage their farms collectively as a business, while Equity Bank provided small loans at preferential rates to purchase seeds and other inputs.



Senator McGovern receiving a gift from Ann Rono's Community, Uasin Gishu District Kenya.

## HIGHLIGHTS FROM LUSAKA, ZAMBIA MEETINGS

### Different opinions voiced about how best to help smallholders access markets in Lusaka

Debate was hot and passion high during the week of 10 May during a series of meetings organised around the third Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) Stakeholders meeting in Lusaka. Representatives from farmer's organisations (FOs), traders, government, donors, research institutions and international organisations came together to examine how best to assist smallholders increase productivity and access to markets.

On 10 May: "**Awakening the Sleeping Giant: Making Grain Markets Work for Smallholder Farmers and Consumers in Eastern and Southern Africa**" was a conference sponsored by the COMESA CAADP Agenda, in partnership with COMESA's specialized agency, the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), to share findings from recent research work on food markets in the region, undertaken principally by the Food Security Research Project-Zambia and Michigan State University (MSU), and to agree on recommendations on investment priorities and policy action to strengthen staple food markets in the region.

Key findings and take away messages relevant for WFP's pilot Purchase for Programme programme:

- o Smallholders ability to respond to crop marketing improvements is constrained by farm structure – over half of the small farms in the region are less than one hectare in size;
- o Approximately 60 percent or more of smallholders in the region are excluded from markets due to their inability to produce a meaningful farm surplus;
- o Wheat imports have risen significantly and wheat consumption is now significant – what are the implications for the region in terms of increasing productivity?
- o Need for continued focus on infrastructure and research and development investments in tandem with the focus on productivity and capacity enhancement.

Some recommendations to emerge were:

- o The role of the private sector to work with smallholders in addition to extension workers will be key to ensuring sustainable and profitable smallholder access to markets for quality staple food crops in the region;
- o The interface between analysis and decision makers needs to be further strengthened, as well as the dialogue between the private sector and government to inform policy decisions;
- o The need for government policy predictability with respect to floor prices and import tariffs, export bans, stock releases and concessionary prices.

To download the MSU studies: <http://www.aec.msu.edu/fs2/gisama/index.htm#pp>

On 11-12 May, many of the same participants stayed on for the **Third ACTESA Stakeholder's Meeting** for updates from ACTESA about progress with its programmes (AAMP, Biotech, COMRAP), donor partners (AuSAID, DFID, EC, USAID) and other stakeholders (EAGC, ILRI/ReSAKKS, WFP). For further information, see [www.actesacomesa.org](http://www.actesacomesa.org).

On 13 May, WFP sponsored a smaller group of stakeholders— about 60 people representing different constituencies - to stay on to discuss P4P strategies in the 8 P4P pilot countries in the Eastern and Southern Africa region (Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda, Zambia). The theme of the meeting was policy issues affecting P4P implementation and supply-side partnership gaps/opportunities. The goal was to increase knowledge of different models emerging from P4P on connecting smallholder farmers to markets across the eight countries. The report will be forthcoming in the near future.

Key recurring issues throughout the week included:

- What is a fair price?
- What is WFP's comparative advantage?
- Quality – is WFP exercising due diligence?

Multiple views about how the grain trade works were expressed, as well as different viewpoints on what the key problems in the grain market are. The role of Government in creating an enabling policy environment for the private sector as well as the early involvement of traders in P4P was highlighted.

There was general consensus throughout the week that WFP is playing a catalytic role and is a significant actor on the scene, and can use its purchasing power and influence to try out ways in which to stimulate competition in the market place and help smallholders link to markets.

### WFP starts Basic Market Price Analysis trainings

WFP held the first of a series of basic Market Price Analysis Training courses in Kampala, Uganda during April. The goal: enhancing capacity of WFP Country Office and partner staff to conduct price analysis and apply various market analysis tools and techniques - without outside technical support - to support food security and other types of assessment. Several colleagues from P4P pilot countries benefitted from the training.

This five-day course uses a participatory approach, plenary presentations and small group work to analyze market case studies and data. It explains the following key concepts and their relationship to macro- (national) and micro-level (household) food security: terms of trade; nominal, real prices and consumer price index; import parity price; market integration; and seasonality and volatility of markets.

Subsequent trainings:

- Panama: 23-27 August 2010
- Bangkok: 13-17 September 2010

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Marc Sauveur in Juba , South Sudan

A Belgian national, Marc Sauveur joined WFP Sudan one year ago and was immediately involved in the preparation of the P4P pilot. Marc brings 15 years of experience working in the private sector in Angola, Thailand and Vietnam, was Country Director of an international NGO in Burundi, and worked for the UN Global Fund in DPRK.

Marc believes P4P puts the organization beyond the common perception of WFP as a purely emergency oriented organization: it engages WFP into medium and long term food security solutions, and opens new levels of collaboration with local communities and with the private sector.

“At this early stage in post-war development, P4P has a crucial role to play in Southern Sudan. By offering a temporary market outlet for grain surpluses in productive areas of the Greenbelt where the pilot is implemented, P4P is expected to contribute to the development of the agricultural sector. Despite the caveats, South Sudan is a land full of opportunities, and P4P represents one of these opportunities”, says Marc.

Implementing a development pilot in an emergency context poses immense challenges, one of which is coordination with many donors, some international agencies and too few implementing partners. Quality and security are other major challenges foreseen for P4P in South Sudan.

**CALENDAR**

- **30 May**: Third Annual School Feeding Roundtable, hosted by JAM, Accra, Ghana.
- **1-5 June**: Global Child Nutrition Forum—Linking School Health and Nutrition, School Feeding and Local Agricultural Production, Accra, Ghana.
- **14-18 June**: 2nd Technical Review Panel (TRP), Kampala, Uganda. This TRP will focus on a review of the different market development models being piloted, implementation and M&E related issues.
- **13-14 July**: Borlaug Symposium, Addis Ababa, Ethiopia. P4P Coordinator will participate in the panel “Improving Postharvest Handling/Agroprocessing & Marketing”.

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**SUDAN P4P COUNTRY COORDINATOR PROFILE**