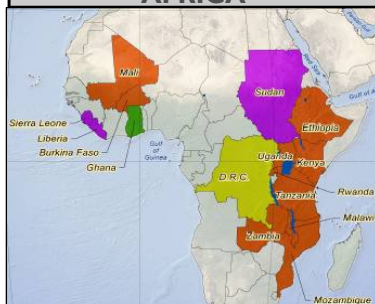


P4P Pilot Countries

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.
- **Ghana:** CIP under development.
- **Laos:** development of CIP planned for 2010.
- **P4P Assessments:** all 21 Assessments finalized.

HIGHLIGHTS OF THE MONTH

- On 21 September an Informal Briefing on P4P for the **WFP Executive Board** membership was held in Rome where progress and challenges were discussed. Field perspectives on P4P were presented by the Deputy Minister of Agriculture of Liberia and by a small-holder farmer from El Salvador. Representatives of AGRA, FAO and IFAD spoke regarding their collaboration on P4P [pages 1 and 2].
- On the sidelines of the Millennium Development Goals Summit at the **United Nations General Assembly** in New York on 23rd September, Professor Jeffrey Sachs and WFP Executive Director Josette Sheeran moderated a discussion on progress and challenges of the P4P pilot two years on [page 3].
- On 23 September on the occasion of the UN General Assembly opening in New York, WFP Executive Director Josette Sheeran and **UNDP** Administrator Helen Clarke signed an MoU between the two agencies, including a commitment to explore opportunities for UNDP support towards meeting the overall objectives of the Purchase for Progress initiative.
- Former UN Secretary General and Chairman of the Alliance for a Green Revolution in Africa (AGRA) Kofi A. Annan; AGRA President Namanga Ngongi; Sylvia Mathews Burwell of the Bill & Melinda Gates Foundation; and Strive Masiyiwa of the Rockefeller Foundation visited **Mali** in September and were briefed on P4P [page 5].
- In **Afghanistan**, WFP signed two initial direct contracts with local production units for 50 metric tons each of High Energy Biscuits [page 5].
- The maize commercialization season commenced in **DRC**, and small-scale traders began purchasing from P4P-targeted Farmers' Organizations (FOs) at the collection points established in Kabalo territory [page 5].

P4P Informal Briefing for WFP's Executive Board, 21 September 2010

Two years since the launch of the Purchase for Progress (P4P) pilot initiative, key global and field partners joined P4P Coordinator Ken Davies to provide the WFP Executive Board membership with an update on progress and shared their perspectives on P4P. Distinguished speakers included:

- Hon. James B. Logan, Liberia Deputy Minister of Agriculture;
- Juana de los Angeles Cabrera, member of P4P-targeted Farmers' Organization AGRISAL in El Salvador;
- Anne Mbaabu, Director, Market Access, Alliance for a Green Revolution in Africa;
- Jennifer Nyberg, P4P focal point in FAO Rome;
- Francesco Rispoli, IFAD Rome Technical Adviser.



The presentations were followed by a Q&A session where EB members raised questions that touched upon: sustainability and scalability of the P4P concept for smallholder farmers in the 21 pilot countries, as well as within WFP; cost efficiency and price determination; targeting; gender; evaluation; and collaboration with the Rome based Agencies and the private sector.

El Salvador “We are no longer subsistence farmers: we are small farmers and we run businesses”

Juana de los Angeles Cabrera, a 38 year old farmer from the municipality of San Lorenzo, department of Ahuachapan in **El Salvador**, is a maize and beans producer and mother of three children. She joined the AGRISAL Association in 2008. In 2009, AGRISAL was selected to participate in the P4P programme. Almost half of basic grain producers in San Lorenzo are women, as many men have migrated to the city, leaving many female headed households. Juana cultivates her 1.4 hectare plot with the help of a son and a cousin.

Addressing WFP's Executive Board on 21 September, Juana, who is currently also head of the credit committee of her association, shared her views on how she and the association are benefitting from the P4P project.

“As a producer, I increased production and income by selling maize and beans through my association. In 2008, I produced 1.1mt of beans. In 2009, using the agricultural inputs obtained on credit from AGRISAL, and following the guidelines on how to use them, I produced 1.6mt. I was also able to sell to the Association 1.3mt (28 quintals) of clean maize for US\$ 378 (\$13.50 per quintal), when the local market price for un-cleaned maize was US\$12.50 per quintal. With the increased income I bought more food for my family and also saved money for the inputs required for the next agricultural season.”



Juana Cabrera, member of AGRISAL Association of San Lorenzo, El Salvador

My association has also benefited by increasing scale of production in basic grains and selling at higher prices. Before P4P, the association was buying from its members at a price slightly above the local market, and was selling without cleaning it to a processing company that was paying just above local market prices. With P4P, for the first time we saw the benefits of selling a cleaned and graded grain. We learned how to dry, clean and fumigate the grain to bring it to the required quality, and we obtained a higher price. For example, in the first maize sale, WFP paid the Association \$16.25 per quintal (approximately 46kg) for cleaned and graded maize, when the local market was paying US\$12.50 per quintal regardless of quality. Since 2009, the association has sold 606mt of maize to WFP for US\$ 247,168.

Looking at the future— we hope to sell quality grains to more buyers such as WFP who buy in large quantities, increase our membership and offer better services to our members. We also hope that the young generations learn how to do good, business oriented agriculture and see that it is possible to make a livelihood out of farming”.

In the summer of 2009, Juana Cabrera attended a 16 week training through a **FAO Farmers Field School** (Escuela de Campo de FAO/CENTA, San Lorenzo), where she learned improved agricultural practices for growing grain, as well as in horticulture.

Liberia's Deputy Minister of Agriculture addresses WFP's Executive Board



Addressing the members of WFP's Executive Board in Rome on September 21, Liberia's Deputy Minister of Agriculture, James B. Logan said: “Through P4P, our farmers are making real progress. We see this progress each time we visit them. Farmers are increasing their yields; they are growing new varieties; they are adopting improved post-harvest processing practices; they have access to improved warehouse facilities and processing machinery; and their business skills are improving.”

Mr. Logan has extensive experience and training in agricultural economics and worked in Liberia throughout the conflict that shook the country for over a decade. Prior to his post in Government, Hon. James Logan was the Country Representative for Action Aid International in Liberia.

Deputy Minister Logan noted that projects such as P4P help to restore and strengthen peace in the country: “P4P is helping farmers to work together; trust one another; increase their social capital and their ability to negotiate good prices. This has positive implications for the consolidation of peace at the community level.”

Deputy Minister Logan underlined the importance of rebuilding the agricultural sector in Liberia: “Agriculture plays an important role in the overall development of the Liberian economy and the livelihood of its people. Our country is blessed with enough fertile arable land and climatic conditions that favor agricultural production. However, as a post conflict country, Liberia faces enormous challenges in rebuilding its agricultural sector. While significant progress has been made, considerable challenges remain including reconstruction of infrastructure and reviving rural markets. To this end, the Government of Liberia and development partners have recently prepared the Liberian Agriculture Sector Investment Plan (LASIP) under the CAADP initiative. WFP is expected to make a significant investment into the LASIP. P4P is helping to accelerate the recovery of the agricultural sector. We believe in it, and, as a government, we're supporting it—and we'll want to go on with it beyond the pilot phase.”

P4P TWO YEARS ON.... Main achievements...

- Implementation is underway in 19 of the 21 pilot countries; WFP has **contracted over 93,000mt** of food from targeted FOs, small & medium traders and agro-dealers using innovative pro-smallholder procurement modalities including soft tendering, direct and forward contracts, as well as through Commodity Exchanges and Warehouse Receipt Systems [see page 4].
- 37,000 farmers, warehouse operators and small & medium traders **trained** by WFP and partners in farming as a business, farming techniques, quality control, warehouse management and post-harvest handling. With the appropriate training and equipment, several countries including Guatemala and Mozambique have demonstrated that smallholder farmers are capable of producing a **high quality product**.
- **Partnerships** established for the implementation of P4P with over 160 partners including Governments, UN Agencies, international and local NGOs, financial institutions and the private sector.
- A **Technical Review Panel (TRP)**, composed of 10 external experts on agricultural markets and impact assessment, has met twice and provides independent advice to WFP on the implementation of P4P.
- A comprehensive **M&E system** rolled out in all pilot countries, which comprises baselines, mid-term and final evaluations, case studies and market and procurement monitoring.
- Many P4P pilot countries are conducting **lessons learned workshops** in September-October, in preparation of the second global **P4P Annual Review** to be held in Maputo, Mozambique at the end of November.
- Local purchases of rice initiated in **post-conflict countries** including Liberia and Sierra Leone, where WFP had never before purchased locally. Quality specifications have been defined for rice in Sierra Leone in collaboration with FAO and the Government.

... and challenges

- Farmer Organization **access to affordable credit** for staple crops, for both agricultural inputs and for commercialization and bulking of smallholder members' production prior to sale.
- Effectively **changing mindsets of smallholder farmers** towards farming as a business.
- Effective approaches to **empower female farmers** to achieve economic benefits from the marketing of staple crops.

P4P discussed at UN General Assembly side event co-led by Professor Jeffrey Sachs and WFP Executive Director Josette Sheeran

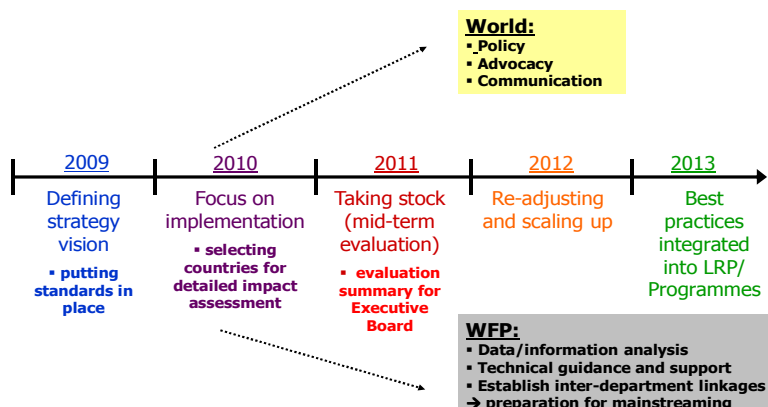
"Building robust markets is the key to ending hunger in food insecure countries", director of Columbia University's Earth Institute and leader of the Millennium Villages Programme (MVP) Jeffrey Sachs said on 23rd September, at a roundtable discussion on **"Building Food Security by Empowering Farmers"** hosted by WFP and MVP on the sidelines of the Millennium Development Goals Summit and UN General Assembly in New York.

Joining WFP Executive Director Josette Sheeran in a group discussion on the programme, Sachs explained that P4P was helping rural communities break into the commercial market by giving them the training and impetus to grow and market high-quality surpluses of staple crops.

Issues discussed included how to facilitate smallholder access to credit for staple crops, how to reach more female smallholder farmers in a meaningful way and how to ensure sustainability and linkages to the private sector.

The discussion was attended by a number of private sector representatives including Equity Bank, General Mills, Heinz Corporation, Kemin Industries as well as partners and government officials. The Honduran Agriculture Minister, Jacobo Regalado Weizembut, offered that the P4P project in his country was assisting 6,000 small farmers to climb out of poverty.

P4P – a five year pilot

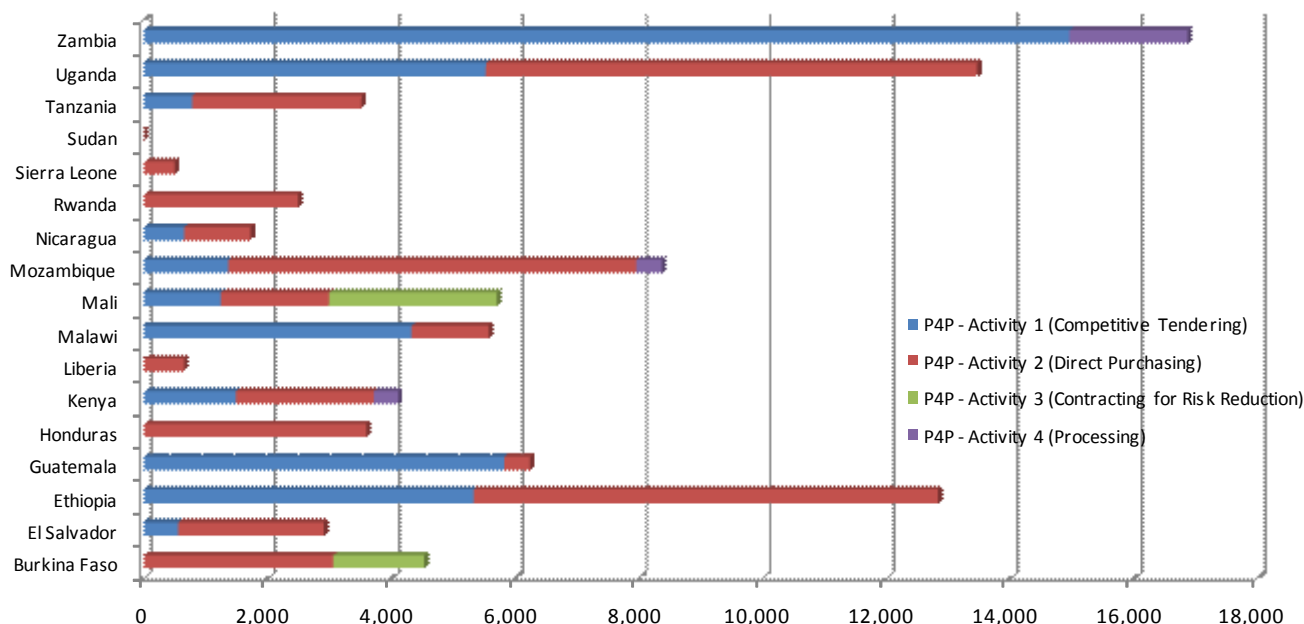


WFP Executive Director Josette Sheeran with Earth Institute director and leader of the Millennium Villages Project Professor Jeffrey Sachs (right)

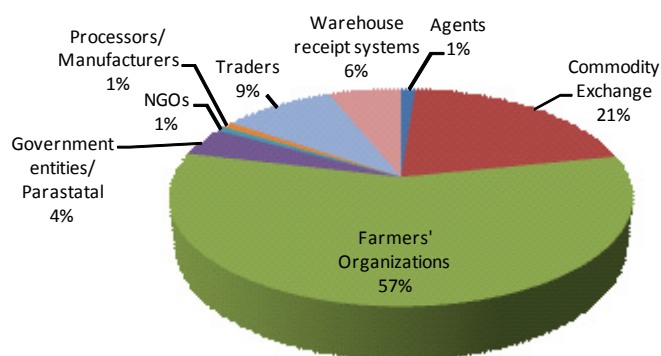
P4P PROCUREMENT UPDATE

Over **93,000mt** of food contracted under P4P in 17 pilot countries from September 2008 to August 2010. In 2009, P4P purchases represented 9 percent of total local purchases in these P4P pilot countries. To date in 2010, P4P modalities represent 13 percent of total local purchases.

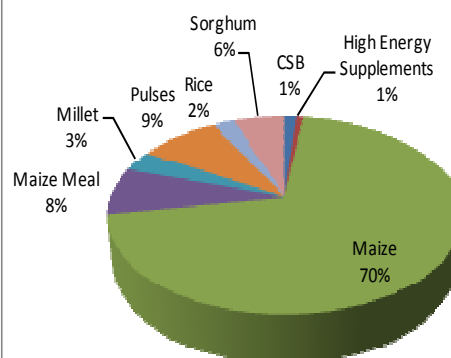
P4P contracts by country and by P4P activity, metric tons
[Sept 2008-Aug 2010. Total contracted amount: 93,118 mt]



Share of P4P contracts by vendor typology or procurement platform [Sept 2008-Aug 2010]



Share of P4P contracts, by commodity [Sept 2008-Aug 2010]



Breakdown by region and country

- East and Southern Africa account for 73 percent of P4P contracts, followed by the Central America region (16%) and West Africa (12%). **Zambia** ranks first with 17,106mt contracted, 13,835mt of which purchased through the **Zambian Agricultural Commodity Exchange (ZAMACE)**, followed by **Uganda** (13,467mt), **Ethiopia** (12,831mt), **Mozambique** (8,374mt) and **Guatemala** (6,242mt). In West Africa, highest tonnages have been procured in **Mali** (5,706mt) and **Burkina Faso** (4,531mt).

Breakdown by P4P activity

- Forty seven percent (43,849mt) was procured through **direct contracts**, primarily from **Farmers' Organizations**. In Uganda and Tanzania, direct contracts have been negotiated with warehouse receipt systems (WRS).
- Forty five percent (42,204mt) of food was purchased through **competitive processes**, including **pro-smallholder tenders** (El Salvador, Ethiopia, Kenya, Guatemala, Mali, Nicaragua, Uganda and Zambia) and purchases through the **Commodity Exchanges** (Ethiopia, Malawi and Zambia), which account for almost half of competitive purchases (19,285mt).
- Five percent (4,183mt) was contracted through **forward contracts** (in Burkina Faso and Mali).
- Three percent (2,719mt) was contracted for **processed foods** including high energy supplements, maize meal and corn soya blend in Kenya, Mozambique and Zambia.

P4P COUNTRY FLASHES

Afghanistan Country Office signed initial P4P direct contracts for 100mt of High Energy Biscuits with two local factories in September, for delivery in October. Local wheat purchases though had to be put on hold as wheat prices soared during the summer due to drought and fires in Russia, and to floods in Pakistan.

WFP Food technologist Bertrand Salvignol will be in **Uganda** in October to train WFP staff on the new WFP Food Safety and Quality System, and to look into P4P quality related matters. A first round of trainings was already held in South Africa in September. Five "Blue Boxes" [kits containing a set of field quality test equipment, based on the original "Blue Box" designed by WFP Guatemala for maize, but expanded to include also testing kits for pulses and sorghum] are being purchased, four of which will be used for training of WFP staff and partners, while one will be used in **South Sudan**. For more on quality related matters, please consult WFP's food quality website: <http://foodquality.wfp.org/>

DRC: FAO initiated rehabilitation of feeder roads, and the commercialization of maize commenced at collection points set up by WFP: small-scale traders began to buy from FOs stocks in temporary warehouses set up by WFP and managed by local NGOs. The Government of Belgium co-funds this joint FAO and WFP initiative in DRC. This was preceded by:

- A 3-day training course on warehouse management (storage, commodity handling, quality control) organized by WFP for FO leaders, small-scale traders and NGOs partners.
- The establishment of a committee composed of FO representatives and small-scale traders to negotiate and agree on prices;
- The launch of microcredit loans to small-scale traders by DanChurchAid (DCA). The capital offered will initially assist traders to purchase up to 200mt of maize.

DRC: P4P helps connect farmers to traders

MWENZE VILLAGE, Democratic Republic of Congo -- After planting, weeding and praying for rain, local farmer Kakuji Lukodi faced another challenge in earning a living from the land; a two-day journey aboard a rickety wooden canoe to take his crops to market, or lugging his bags of dried maize six hours by bicycle to the nearest mid-size town.

Not this year.

"That's why we appreciate P4P, because it will help us transport and sell our crops," said the 45-year-old farmer and father of seven. In Mwenze village, 35 kilometres from the marketing town of Kabalo farmers like Lukodi now store their crops in WFP warehouses. This year, their maize will reach merchants by truck rather than bicycle.

Launched in 2009 with Belgian funding in the forests and scrublands of Kabalo territory in DRC's southern Katanga province, P4P aims to relaunch agriculture and trade in a place once considered the region's breadbasket. With 4,000 initial participants, the programme currently targets maize cultivation, with plans to expand to other crops in the future. A collaboration between WFP, FAO and Danish non-governmental organization DanChurchAid, P4P helps connect farmers' associations to merchants.

Local government is another key player. "The provincial government has decided to buy whatever crops remain unsold to encourage the farmers", provincial Minister of Agriculture Barthelemy Mumba said in a recent interview. WFP and FAO plan to expand P4P to reach 9,000 Kabalo-area farmers - and to introduce a second initiative in northwestern Equateur province in 2011.

AGRA supporting capacity building of P4P FOs in West Africa

Mali

- Former Secretary-General of the United Nations Mr. Kofi A. Annan, Chair of the Alliance for a Green Revolution in Africa (AGRA) Board; AGRA President Mr. Namanga Ngong; President of Global Development of the Bill & Melinda Gates Foundation, Mrs. Sylvia Mathews Burwell; and Strive Masiyiwa of the Rockefeller Foundation visited **Mali** in September, where AGRA is experimenting with the utilization of hybrid seeds of sorghum, millet, rice, maize and black eyed peas ("niebe").
- The P4P Country Coordinator briefed the mission on the P4P project, highlighting the main challenges for P4P: farmers' access to credit; quality of production; and the involvement of women in economically empowering fashion. It was felt that farmers involved in P4P would greatly benefit from the AGRA pilots.
- AGRA currently funds the Sassakawa Africa Association, an NGO involved in capacity building of P4P FOs in the Sikasso region, where P4P targets 840 smallholder farmers (26% women), and plans to expand to the Segou region from 2011. AGRA expressed interest in investing in training to strengthen cereal production value chains. An AGRA staff member will be posted in Bamako from 2011.

Burkina Faso: AGRA may co-fund the capacity enhancement of FEPAB (National Federation of Agricultural Professionals of Burkina Faso), a P4P-targeted umbrella organization of smallholder farmers.

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MALI P4P COUNTRY COORDINATOR PROFILE

A national of Cameroon, Isabelle Mballa is a long serving WFP staff who, since 1998, has worked in Logistics and Programming units in Kenya, Zambia, Lesotho, South Africa, Madagascar and DRC. She joined the Mali Country Office as P4P Country Coordinator in August.

"While in Zambia, I was able to witness the ability of a country to move from being dependent on food aid to becoming an exporter of food, proof that with means and willingness, the face of a country can change radically. However, in the process, we realized that small scale farmers were not participating in this agricultural boom. Instead, they were being penalized because of the quality and/or quantity of their product, as their product could not compete with that of large scale farms. The P4P initiative appealed to me.

Key challenges the project is facing in Mali are farmers' access to finance, improving crops in terms of quality and quantity and of course the gender balance as traditionally, women in Mali have limited access to land. In Mali, P4P has so far purchased 5,700 metric tons of cereals from farmers participating in the pilot".



Isabelle Mballa at her desk in Bamako

CALENDAR

- **4-6 October**: Global Forum on Local Development—Pursuing the MDGs through Local Government, Kampala, Uganda.
- **13 October**: Howard G. Buffett Foundation (HGBF) and WFP Latin America Regional Director will launch the 2nd HGBF P4P donation for Central America (El Salvador, Guatemala, Nicaragua) at the World Food Prize ceremony.
- **28-29 October**: P4P Coordinator visit to the Bill & Melinda Gates Foundation (BMGF), Seattle, USA.
- **11 October–19 November**: Jorge Fanlo and Clare Mbizule travelling to Burkina Faso and Mali (11-22 Oct) and Mary-Ellen McGroarty travelling to Tanzania, Ethiopia, Kenya, Uganda and Rwanda (11 Oct-19 Nov) to follow up on implementation and participate in country level annual reviews and lessons learned workshops.
- **9-11 November**: Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) fourth Stakeholders and Partners meeting, Entebbe, Uganda [www.actesacomesa.org].

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