Highlights:

- “Purchase from Africans for Africa” (PAA Africa), a quadripartite initiative between the Government of Brazil, WFP, FAO and national governments has begun in Ethiopia, Malawi, Mozambique, Niger and Senegal. Selected smallholder farmers’ organizations working with P4P will receive technical support from FAO, while WFP will procure commodities for home grown school feeding programmes, using a variety of procurement modalities. Once the initiative gains momentum a detailed story will be featured in a future newsletter.
- WFP and the Natural Resources Institute at the University of Greenwich have jointly developed a comprehensive Training Manual for Grain Postharvest Handling and Storage. Distribution to Country Offices is under way. For more information, please see page 4.
- The preparation for implementing the P4P Global Learning Agenda has been finalised. The Global Learning Agenda will collect and synthesize the key experiences and lessons learnt from P4P experience. The collection and review of documents submitted from Country Offices and partners has begun.

Experts meet to discuss and validate AERC Data

The African Economic Research Consortium (AERC), supporting WFP to carry out the quantitative analysis of the data being collected in P4P pilot countries, hosted a three day “validation” workshop in Lusaka, Zambia in August. During this meeting, 35 practitioners from international organisations, NGOs and philanthropic organisations as well as academics with expertise in rural development and agricultural economics, undertook a close examination and peer review of P4P’s impact assessment strategy.

The discussions were focused on the preliminary results of P4P implementation emerging from Mali, Tanzania and Ethiopia. The data and results to date were presented in with openness and transparency by WFP and AERC, which enabled in-depth discussions about the quality of the data, the potential scope of analysis and suggested adjustments in data collection and impact assessment design.

AERC Validation Workshop Key Findings:

Overall, the recommendations of this validation workshop were largely in line with those made by the experts of P4P’s Technical Review Panel when they met in 2011 and 2012. Key comments and guidance offered to P4P and AERC included:

- The overwhelming consensus of the workshop participants was an acknowledgment of the wealth of value represented by the P4P data. The academics expressed their willingness to step in and help P4P and AERC in making the most out of this promising dataset.
- Clearly define what story needs to be told. What is P4P’s development hypothesis and what key changes at household and Farmer Organisation (FO) level are we looking at in order to assess the impact of P4P? Answering those questions will guide the development of a model that underpins this story and the determination of the key data/indicators that are required. This could then lead to the identification of the necessary data/revisions to survey indicators as well as to increases in the size of the samples.
- In most of the countries there is secondary data and information that should be used to cross-check and corroborate P4P datasets and results.
- Concerns were expressed about the size of the sample and the way FOs were selected. Sample sizes were considered too small in some countries; partly because of the erosion in control groups due to high attrition (control FOs becoming P4P targeted FOs, P4P FOs being dropped from the programme, new FOs being targeted). In addition, the way the selection was made between participating FOs and FOs that fall into control groups did not always follow the scientific requirements of quasi-experimental design. For countries where such problems have occurred, the possibility of in-depth analysis is likely to be adversely affected.
- As a result, it was recommended to limit the impact assessment to a few countries (2 to 4) where the actual data size and quality enables this in-depth quantitative analysis. For these countries, P4P and AERC may need to consider improving upon and or expanding the questionnaires and the sample size.
- For the rest of countries where the data/design do not support in-depth assessment analysis, it would be preferable to carry out a “before versus after” comparative analysis to study changes in key expected outcomes. There is a wealth of value in P4P data that allows for interesting analysis and modeling even in non-impact assessment countries. Such analysis would usefully be supported with qualitative studies.
Having attended an initial P4P evaluation workshop for external actors in the summer of 2008, I was both excited and nervous when, four years later, I received an invitation from AERC to attend the 2012 workshop in Zambia. Nervous because I had left the workshop four years earlier feeling that the logistical and intellectual challenges of evaluating P4P were not insignificant. Excited because P4P had gone ahead with an ambitious evaluation strategy and initial lessons from the field were emerging.

Balancing real world implementation with impact design is not easily done in the best of circumstances and P4P faces several impact evaluation challenges. First, during the workshop we heard how random assignment – often considered the “gold standard” for evaluation” – can be at odds with program success. Country offices often had to make decisions on the fly in order to keep food pipelines running, which sometimes disrupted or contaminated evaluation groups (for example a farmer group initially designated at comparison group later participated in P4P, meaning it was no longer eligible to be in the comparison). Second, in dynamic agricultural and policy environments, many levers of change are outside of the control of the programs. Thus, even with random assignment, the ability to draw concrete links between program activities and outcomes is very challenging.

That AERC and P4P recognize and embrace these challenges creates a set of opportunities moving forward. First, as stated in the workshop, carrying out complex surveys in pilot countries with contaminated comparison groups doesn’t make sense, since findings with these groups will be, at best, inconclusive. Resources devoted to following comparison groups in these countries can be better used to support pilots with intact comparisons.

Second, qualitative studies of pilots where implementation and evaluation were in conflict could provide valuable insights into what sorts of unanticipated changes require on-the-ground flexibility, and into how successful the changes were given the new situation. With the upcoming evaluations, WFP has an opportunity to not only demonstrate the effects of P4P on farmers and farmer organizations but also to share what it has learned about when things don’t go as planned. For example, evaluating rapid responses to supply disruptions, such as trade policy changes or production shortfalls, could be especially valuable as other smaller agencies begin engage in LRP in general, and in P4P-style programs in particular.

Third, in the pilots with intact comparison groups, the M&E team has a great opportunity to reflect on what they hope to report and what, if any, additional information they will need to be able to credibly do so. Having matched survey questions to indicators (as was presented in the workshop), the team can now develop models of P4P’s theory of change with these indicators. Working backwards from these models could help the team identify whether sample sizes should be increased for a select few countries and whether particular modules of the questionnaire are needed or should be expanded before they return to the field for the last round of data collection. I am looking forward to seeing what comes next!

As the Partnership for Child Development (PCD) of Imperial College London and P4P are addressing similar research questions around structured demand and market access for smallholder farmers, the data validation workshop hosted by AERC provided an opportunity to discuss lessons learned and future partnership. A key feature of the meeting, commented upon by a number of participants, was the openness and transparency exhibited by WFP and AERC, which allowed for constructive discussion on what has worked, how best to proceed with the existing study designs and data collection methods, and how future undertakings can be improved.

At the workshop, expert review of initial results from P4P’s baseline and follow-ups in Ethiopia, Mali, and Tanzania resulted in suggestions for better constructing and computing indicators using the existing data. PCD will be able to use these suggestions in reporting the results from a Mali Home Grown School Feeding baseline, including indicators on household income and expenditure, crop sales, surpluses, and food consumption. As other countries are planning HGSF impact evaluations, these expert recommendations will also help inform future study design and will help further efficient data collection from the outset.

Additionally, in some countries P4P and PCD are collecting data in the same regions. Cross-checking initial results will help validate the data collected, especially for household income and expenditure and market price data, which are particularly difficult to collect. Partnering with AERC at the hub and country level will also provide an opportunity to build upon the consortium’s network of economic research expertise.

Another key piece of future work is the joint learning agenda that P4P, PCD, and other organizations working in structured demand and market access for smallholder farmers are developing. This will include a summary of existing data collection efforts, an indicator database/dictionary, joint country action plans, and a synthesis of how structured demand contributes to overall agricultural development.
Update on defaults of food deliveries under P4P

Now in the fourth year of a five-year pilot phase, a cumulative 20% of the quantity contracted by WFP from farmers’ organisations, warehouse receipt systems, small traders, agro-dealers and other vendors under the Purchase for Progress (P4P) initiative has been confirmed as defaulted.

Of the 267,000 metric tonnes (mt) contracted under P4P modalities since inception in late 2008 through September 2012, 54,000 mt have been confirmed defaulted, while 165,000 mt have been delivered (62%) and 48,000 mt are pending delivery (18%). Since the beginning of P4P in late 2008, defaults have remained relatively stable at between 20 and 25%.

For WFP, a default on a food procurement contract occurs when either part or the entire quantity contracted is not delivered. Defaults are a concern for WFP, as the agency has to find alternative vendors to avoid pipeline breaks for the beneficiaries of food assistance programmes - and this is not always easy. As a pilot, P4P learns valuable lessons from defaults as well as from successful contracts.

From the beginning of the pilot, it was already anticipated that defaults would be higher with smaller actors less familiar with formal markets than from regular WFP suppliers. But as P4P purchases are usually a relatively small percentage of the overall local purchases in a pilot country, this has not been a major challenge for WFP’s food assistance. Since the start of the pilot, 15% of overall local purchases in the 20 countries were made under P4P modalities.

Defaults are highest for contracts signed with low-capacity farmers’ organisations, while high capacity organisations such as Afrique Verte or Faso Jigi from Mali have been able to supply large contracts with little to no defaults. Faso Jigi has even been able to supply WFP’s emergency operations in West Africa.

Main reasons for defaults

Interestingly, more than half of all defaults under P4P have been attributed to the supplier’s organisational capacity (57.6%), followed by reasons related to quality (20.7%) and reasons related to the local environment such as droughts and floods (19.6%), with the remaining 2.1% of defaults being attributed to WFP’s procurement and/or logistics processes. This emphasizes the continued need for institutional capacity development for farmers’ organisations and other P4P suppliers.

The most commonly cited reason for defaults is side-selling by the supplier during aggregation (responsible for 35% of total defaults, contributing to the 57% categorised under supplier’s capacity above). Side-selling mainly occurs when prices are rising between contract signature and delivery. While side-selling has the potential to put more money into the pockets of smallholders, WFP aims to discourage such practices as honouring contracts is an important part of continuous competitive engagement in markets. Another reason for defaults is attributed to lack of access to finance, affecting either the production or the aggregation of crops for marketing (10%).

Surprisingly, WFP’s procurement and logistics processes are cited as the primary cause of only 2% of defaults, although it had been expected that WFP’s relatively heavy processes would cause more defaults. However, it seems possible that the length of WFP payment processes does contribute to other default reasons, such as when farmers decide to sell to other buyers or not to aggregate through their organization because they need cash more quickly than they expect WFP to pay.

Strategies to minimize defaults

P4P and its partner organizations are experimenting with various initiatives to minimize defaults:

- To counter the volatility of market prices, a number of country offices are experimenting with forward delivery contracts. This is expected to nurture confidence in the farmers’ organisations, help organisations access financial services and potentially minimize side-selling by the membership.
- To build their capacity to fulfil contracts, WFP and its partners will continue to focus on the institutional capacity development of farmers’ organisations.
- To reduce the size of the contracts (to as little as 25 tons in Sierra Leone) after the lessons learned from their first purchasing season in many pilot countries. The philosophy is “buying what you see”, which means contracting only what has already been bulked. A requirement that 50% of commodities need to be already bulked prior to signing a contract in an effort to reduce bulking time and hence reduce the likelihood of default.

<table>
<thead>
<tr>
<th>Country</th>
<th>Quantity Contracted</th>
<th>Quantity Defaulted</th>
<th>% Defaulted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>5,619</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>4,332</td>
<td>650</td>
<td>15%</td>
</tr>
<tr>
<td>DRC</td>
<td>259</td>
<td>167</td>
<td>65%</td>
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<tr>
<td>El Salvador</td>
<td>4,454</td>
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<td>0%</td>
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<td>Ethiopia</td>
<td>59,644</td>
<td>5,570</td>
<td>9%</td>
</tr>
<tr>
<td>Ghana</td>
<td>2,186</td>
<td></td>
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<td>Guatemala</td>
<td>17,648</td>
<td>6,920</td>
<td>39%</td>
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<td>Honduras</td>
<td>21,043</td>
<td>2,958</td>
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<td>Kenya</td>
<td>21,168</td>
<td>11,693</td>
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<td>Liberia</td>
<td>1,725</td>
<td>65</td>
<td>4%</td>
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<tr>
<td>Malawi</td>
<td>25,746</td>
<td>2,797</td>
<td>11%</td>
</tr>
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<td>Mali</td>
<td>14,854</td>
<td>804</td>
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</tr>
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<td>Mozambique</td>
<td>16,363</td>
<td>6,051</td>
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<td>Nicaragua</td>
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<tr>
<td>Rwanda</td>
<td>7,651</td>
<td>1,925</td>
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<td>Sierra Leone</td>
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<td>48%</td>
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<td>Tanzania</td>
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<td>Uganda</td>
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<td>Zambia</td>
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<tr>
<td>South Sudan</td>
<td>1,999</td>
<td>845</td>
<td>42%</td>
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<tr>
<td>Total</td>
<td>266,885</td>
<td>52,239</td>
<td>20%</td>
</tr>
</tbody>
</table>
New Training Manual for Improving Post-Harvest Handling and Storage skills

Over the past year, Prof. Rick Hodges and Dr Tanya Stathers from the UK-based Natural Resources Institute (NRI) have worked with WFP to develop the new ‘Training Manual for Improving Grain Postharvest Handling and Storage’.

Rick is an entomologist and has spent over 30 years specialising in the postharvest management of grain. He has worked long-term in Ghana, Mali and Indonesia and many countries short-term. For many years he has advised WFP on grain quality and pest management issues and has designed and delivered WFP pest management training.

Tanya started work as a tropical crop protectionist 20 years ago and this led her into many years of postharvest grain protection research with NRI. Recognising the importance of social and institutional aspects in bringing about change and development she has also been involved in deepening understanding of agricultural innovation systems, gender and diversity, poverty impacts of voluntary market standards, and agricultural adaptation to climatic changes in East and Southern Africa.

Working with P4P held a special interest for the two specialists: “P4P is creating opportunities for smallholders to link with and sell into markets and simultaneously helping them to improve their own food security. The scale of P4P means that its own impacts on grain markets will naturally be fairly small. But it is a pioneering project leading by example across a wide geographical area.”

Speaking about their take on the development of the new training manual, which draws on existing training delivered in P4P countries by WFP and partners, Tanya and Rick state that they were very excited about the task at hand: “We are both committed to supporting smallholder agriculture, so being able to assemble a large body of practical advice on grain quality management within a training framework has been a unique challenge and a privilege. Although various materials on aspects of handling and storage at different scales were available they had not been combined and concentrated into one source of information in a manual of this kind before. We had great fun working with a cartoonist to find simple and clear ways of expressing some of the many basic messages that the grain postharvest handling and storage manual conveys.”

The current version of the manual has been devised specifically for sub-Saharan Africa. The loose leaf folder enables trainers in different countries to customise the manual, with blank versions of the step by step PHHS training posters that can be easily converted to local languages, and to add in details of their specific grain standards and grain protectant recommendations.

Rick and Tanya are positive that the manual will become a very valuable tool in coming years: “We believe that this training manual will be of great value to all those concerned with helping farmers and farmers’ groups deliver better quality grain. This isn’t restricted to just WFP and its partners but includes a wide range of governmental and non-governmental organisations concerned with improving farmers livelihoods. Many years of PHHS farmer training experience have been incorporated into the development of this manual. Nevertheless this is the first edition and we hope that following its wide use in the field many new ideas and potential improvements will be suggested, so we look forward to a regular process of review and updating so that it becomes a living manual, growing and developing to meet the needs of those who have to deliver training in postharvest handling and storage”.

Distribution of the Training Manuals to the Country Offices has already begun. The Manual is also available online at http://www.wfp.org/content/p4p-training-manual-improving-grain-postharvest-handling-and-storage

Peninah Mwendwa is a 48 year old married lady who lives in the Eastern Kenyan district of Mwingi, in a rural market centre called Nuu. Peninah owns a cereal marketing business called PM Enterprises. The business has been in operation for 22 years primarily trading in cereals, green grams, sorghum, millet, cow peas and sometimes maize. She has been able to develop trust and long term relationships with local farmers, because they are her main suppliers. PM Enterprises has six salaried employees.

Peninah benefited from the agro-dealer capacity building programme that was delivered by AGMARK with the support of WFP in 2010. Through this training, Peninah learned new aspects of grain handling, warehouse management and quality control. She also received basic equipment such as moisture meters and empty bags to ensure aggregation of good quality cereals. Although PM Enterprises was registered as a P4P vendor in 2010, Peninah was not able to sell to WFP until early this year (April 2012), when she got a contract with WFP to supply 56 MT of sorghum through a tender. She described the experience of selling to WFP as very exciting as this was the biggest consignment that she had sold at a go. Although the process of aggregating 56 MT of sorghum was very demanding for her, she appreciated the fact that it kept her very busy and she was able to offer casual jobs to many young people in her village who were involved with bulking, drying, cleaning, bagging, loading and all other tasks until uplift of the commodity was done. She was also happy to provide a market to many small scale farmers who supplied sorghum to her in various tonnages during aggregation.

PM Enterprises also benefitted from a market linkage initiative organized by WFP, FAO and Ministry of Agriculture. This linkage meeting which took place in February this year, brought together Ministry of Agriculture district officials, banks, USAID/COMPETE and other bulk grain buyers, traders and FO representatives. Through this meeting, Peninah met other traders such as Smart Logistics who introduced her to East African Breweries Limited; the main buyer of sorghum in Kenya and other East African countries. Initially, she was aggregating sorghum on behalf of Smart Logistics (sub-contractor), deliver the goods to the brewery and receive her payment from the sub-contractor. Anticipating a new business opportunity, this smart business lady took it upon herself to present her portfolio to the managers at the brewery where she qualified for independent contracts to supply sorghum to the company. She has since become a regular supplier to East African Breweries Ltd and managed to supply 100 MT during the last season.

Introducing Germain Akoubia, new P4P Country Coordinator in Uganda

Germain has been working on WFP agricultural projects since 1998, first as National Officer in Cote d’Ivoire and five years in the Regional Bureau in Dakar as Regional Technical Advisor, supervising rice and vegetable development in Mali, Burkina Faso, Senegal, Guinea Bissau, and his native Cote d’Ivoire. Prior to WFP, Germain worked for UNHCR as National Coordinator for agriculture development for Liberian refugees.

Germain holds a Masters Degree in Irrigation and Rural Economy from the Instituto Agronomico di Valenzano, Bari, Italy. With P4P, he believes the most important aspect is to help build the capacities of vulnerable farming communities and increase their income.

“I am really excited because organizing small farmers to scale up their activities and earning money to improve their life are very great goals. Uganda so far seems very peaceful, security is highly taken into consideration and the WFP colleagues have been most cooperative.”
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New on the P4P website:

The Training Manual for Improving Grain Postharvest Handling and Storage serves as a basic tool for different levels of trainers, contexts and end users, with the objective of improving the quality of grain being offered for sale to WFP and other buyers. The manual includes detailed reference materials and technical guidance, PowerPoint presentations (available under the second link) as well as user-friendly posters for use in the field. The manual was prepared by the National Resources Institute on behalf of WFP.

http://www.wfp.org/content/p4p-training-manual-improving-grain-postharvest-handling-and-storage

CALENDAR
- 15-20 October: 38th Session of the Committee on Food Security, Rome
- 15 October: Rural Women’s Day
- 16 October: World Food Day: “Agricultural cooperatives – key to feeding the world”
- 16 –17 October: European Development Days, Brussels, Belgium
- 17-19 October: World Food Prize, Des Moines, Iowa
- 24 October: United Nations Day
- 29-30 October: Annual WFP - NGO Consultation, Rome

The update is published by the P4P Coordination Unit in Rome, Italy. Contact us at wfp.p4p@wfp.org

External: www.wfp.org/p4p Internal: http://go.wfp.org/web/purchaseforprogress