

P4P Annual Consultations 2013



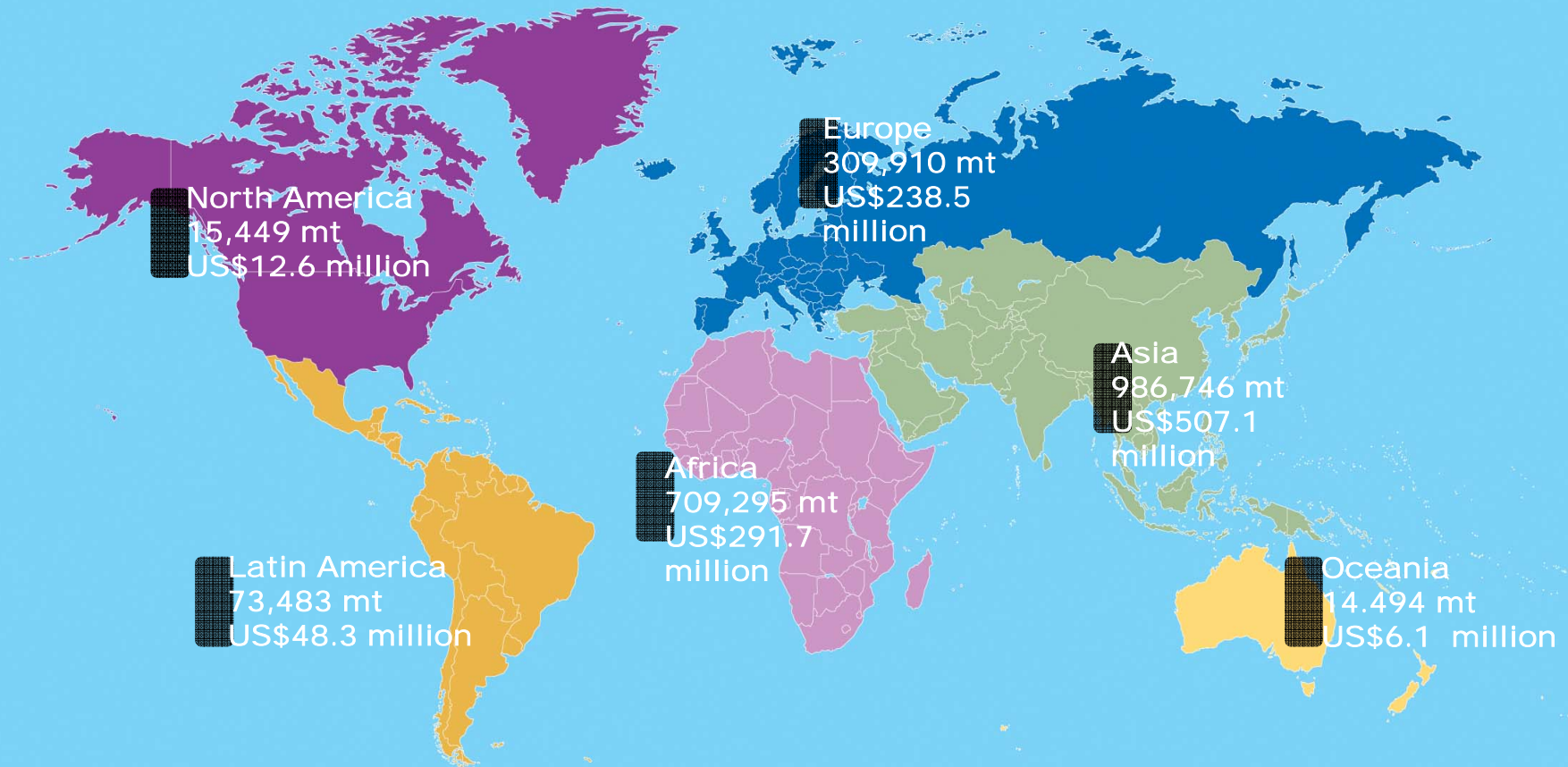
World Food Programme

PROCUREMENT

Strengthening the Connection with P4P

- Food Procurement Statistics
- P4P through the Procurement Lens
- “Fit for Purpose” – Implications for food procurement
- Forward Purchase Facility
- Opportunities for the Future and Direction of Travel
- Key points and questions

Where did we Purchase Food in 2012?



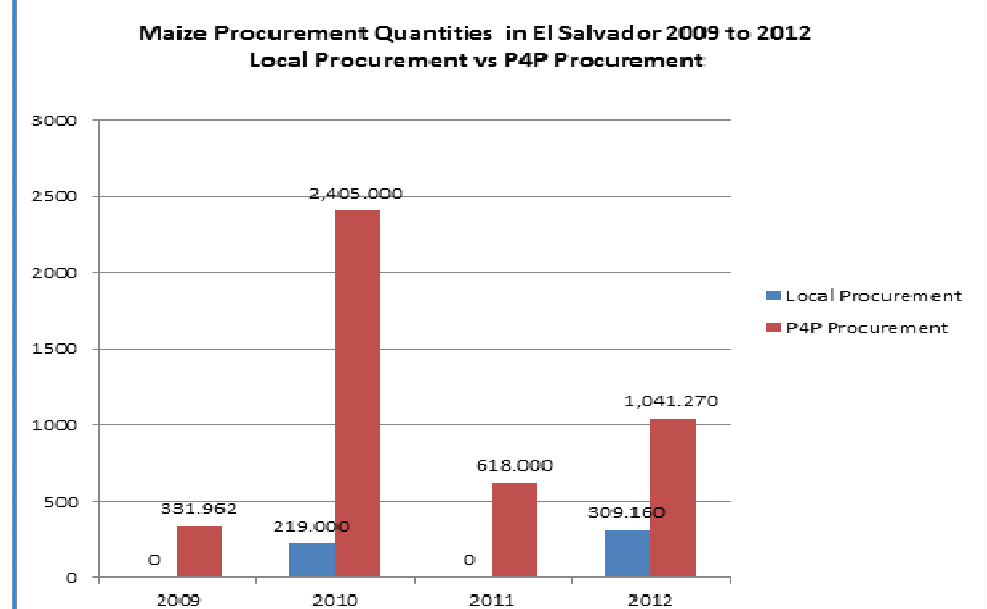
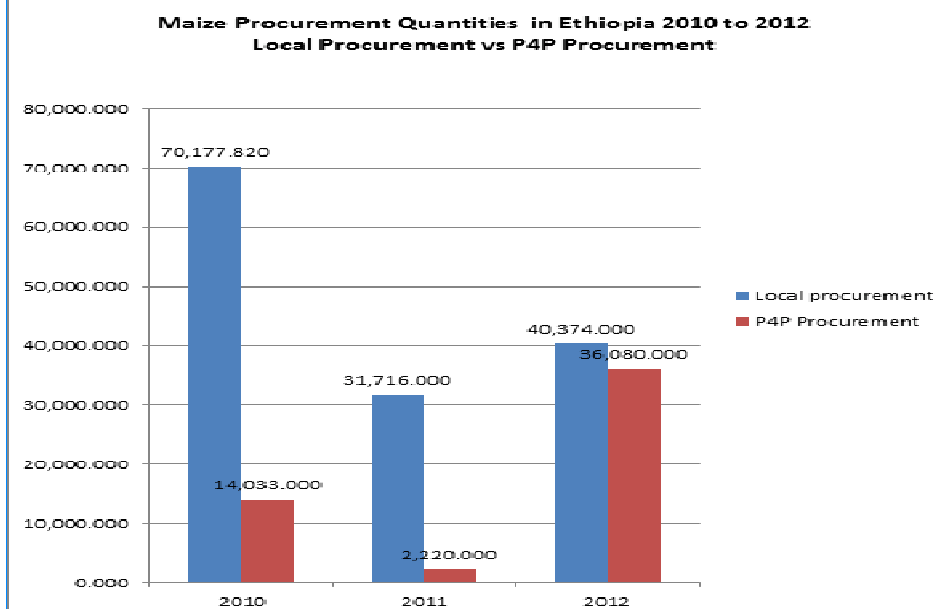
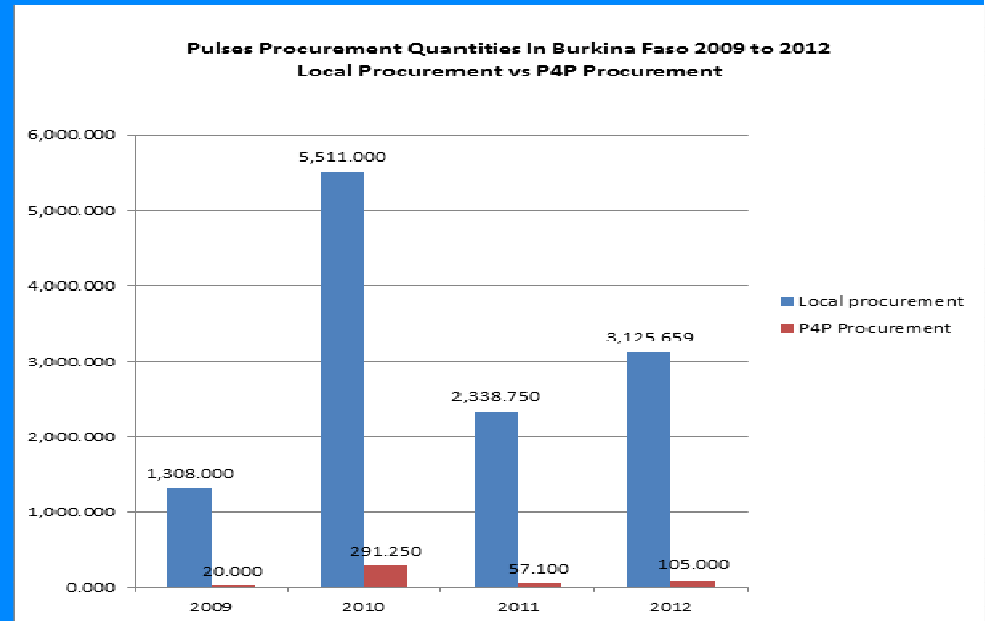
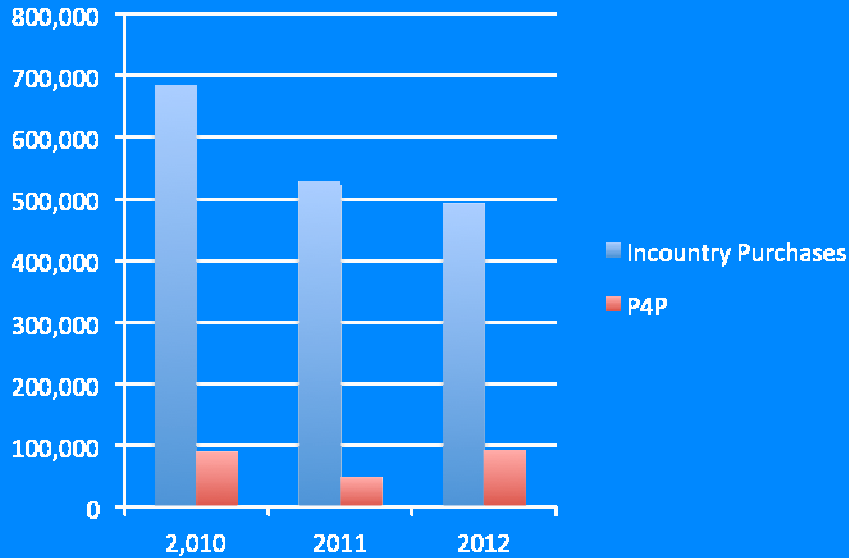
WFP purchased 2.1 million tons of food commodities - Valued at US\$ 1.2 billion

P4P Purchases

- 92,749 tons contracted in 2012
- 299,353 tons contracted since the beginning of the pilot
- 188,589 tons delivered – commodities worth **US\$ 75 million**



P4P as a share of LRP



P4P

Procurement Perspective



- P4P has raised the profile of WFP food procurement
- Successful purchases
- Varied approaches and use of market mechanisms to inform the future
- Competitive Prices
- Improved Process
- Innovation and risk

Concerns

1. 20% Defaults



2. Price renegotiation provision in FDC



3. Planning



4. Building better links with the bigger picture



Fit for Purpose

1. Full Delegation of Authority if criteria met

2. Limits to procurement authority

Procurement Authority	Competitive tendering & contracting	Waiver of competitive tendering & contracting
Regional Director	Up to US\$ 1,000,000	Up to US\$ 500,000
Country Director	Up to US\$ 500,000	Up to US\$ 200,000
Procurement Officers	Not authorized	Not authorized

Forward Purchase Facility

- **\$300 million special account**

- **Objectives**

To reduce supply lead-times

Improve timeliness of food deliveries

Procure food at advantageous times in developing countries where possible

Reduce response times, particularly in emergencies;

785,000 tons in 2012

Opportunities for the Future

A Market-based Approach to bring Food Procurement to the next level

Smallholder procurement

- Asking the right questions
- Scalable models

LRP

- Influencing the trade pyramid- quality
- Traders, structured trading systems, competition

FPF

- Integrated planning
- Seasonal Procurement

Fit for Purpose

- Organizational reach in local, regional and global markets
- Integrated global market based strategy

Direction of Travel

Market based strategic
procurement

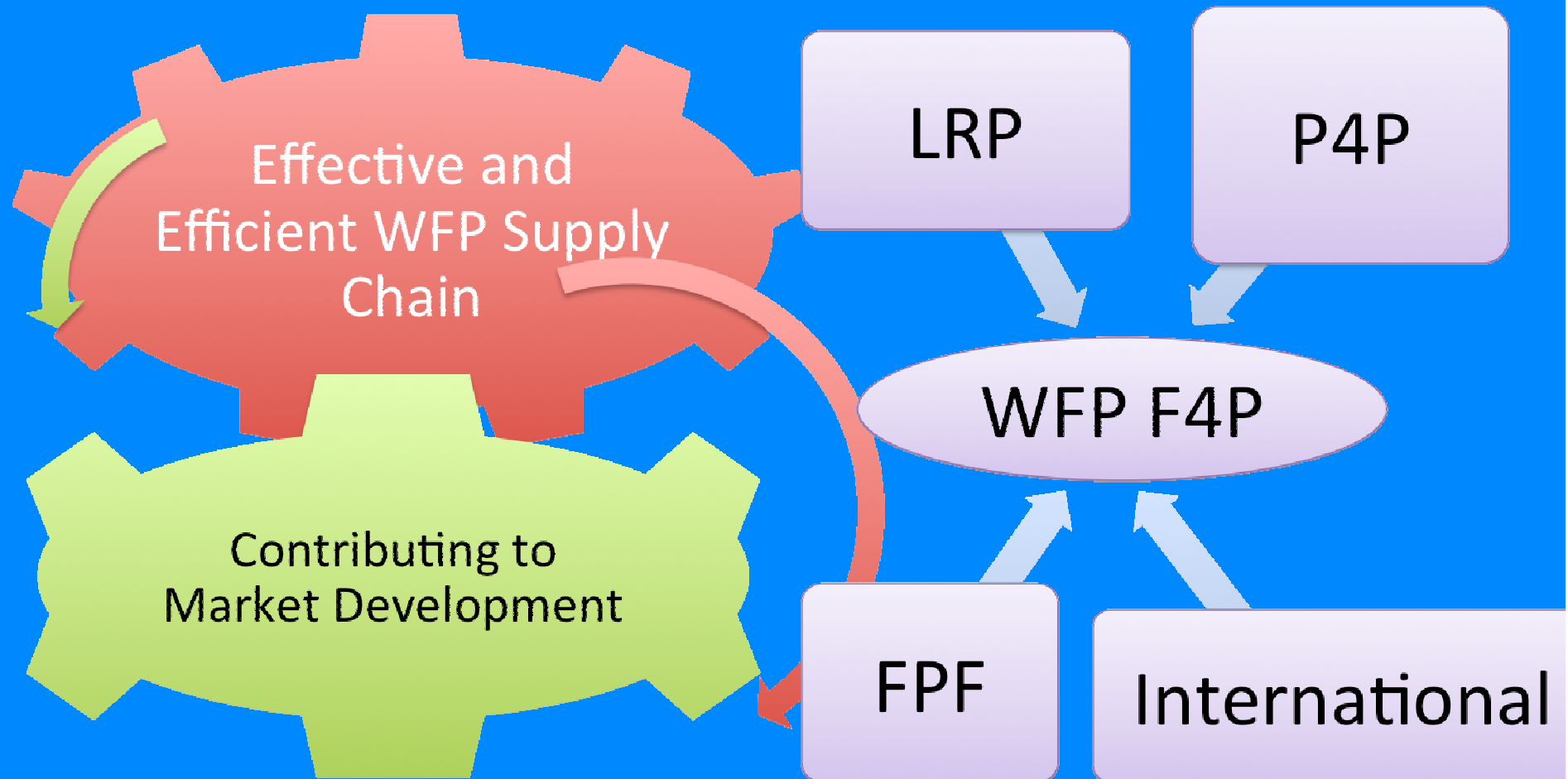
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graph LR; A[Market based strategic procurement] --- B[Integrated food procurement strategy]; A --- C[Sourcing plans and procurement plans]; A --- D[Minimizing defaults Scalable models];
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Integrated food
procurement strategy

Sourcing plans and
procurement plans

Minimizing defaults
Scalable models

Strategic and Proactive Market-based Approach



WFP Food Procurement

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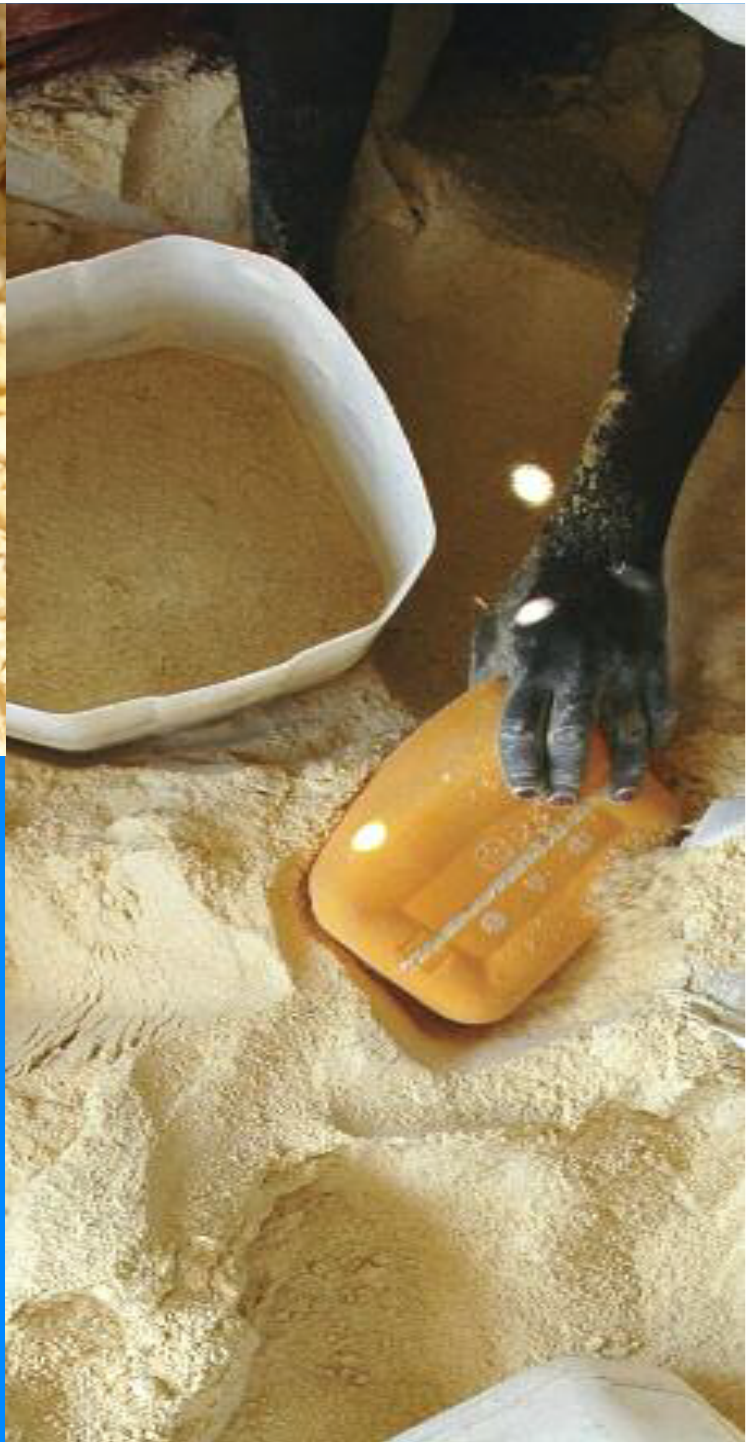
Can more LRP resources be allocated to purchases through P4P? - Opportunities and challenges?

What opportunity does the FPF present for smallholders, the pros and cons?

How can stronger links be built to harness the developmental impact of LRP?

Can the procurement and capacity development aspects of P4P be better integrated, Can we achieve SCALE? The objective - a classroom for market access or develop WFP vendors? how can we address DEFAULTS

Forward delivery contract a price negotiation or a procurement tool – what are the implications for WFP and for the farmers?



Thank you