

Purchase for Progress (P4P)



Connecting Farmers to Markets



World Food
Programme

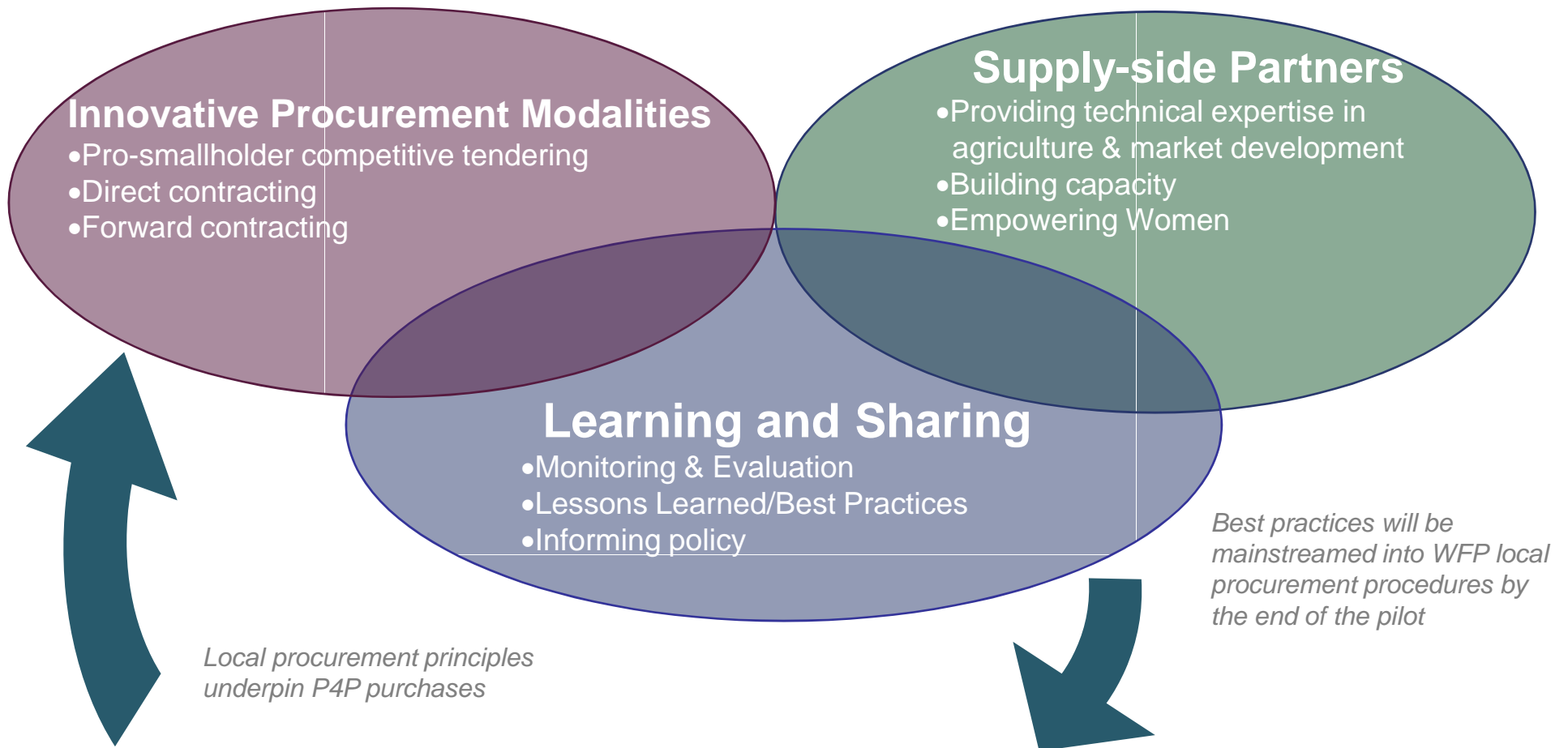
P4P's Two Key Questions

	Assessment Criteria		
OBJECTIVES 1 & 2 What procurement modalities/platforms* best support capacity building and create an enabling environment for procurement from smallholder farmers?	Group marketing capacity	Production / productivity response	Livelihood improvement
OBJECTIVES 3 & 4 What is the best way for WFP to balance the risks and costs associated with pro-smallholder procurement in order to optimise and transform it's local procurement practices?	Scale of procurement, timeliness, cost, efficiency and quality/safety of procured food	Market development impact	Impact on livelihoods of smallholder farmers

**Modalities include direct and forward contracts, soft tendering, warehouse receipt systems, commodity exchanges*

Three Fundamental Components

Connecting Smallholder Farmers to Markets through Market and Agricultural Development



WFP Local Procurement – the Foundation of P4P

Principles of acceptable, timely and cost efficient food procurement remain the same for P4P purchases

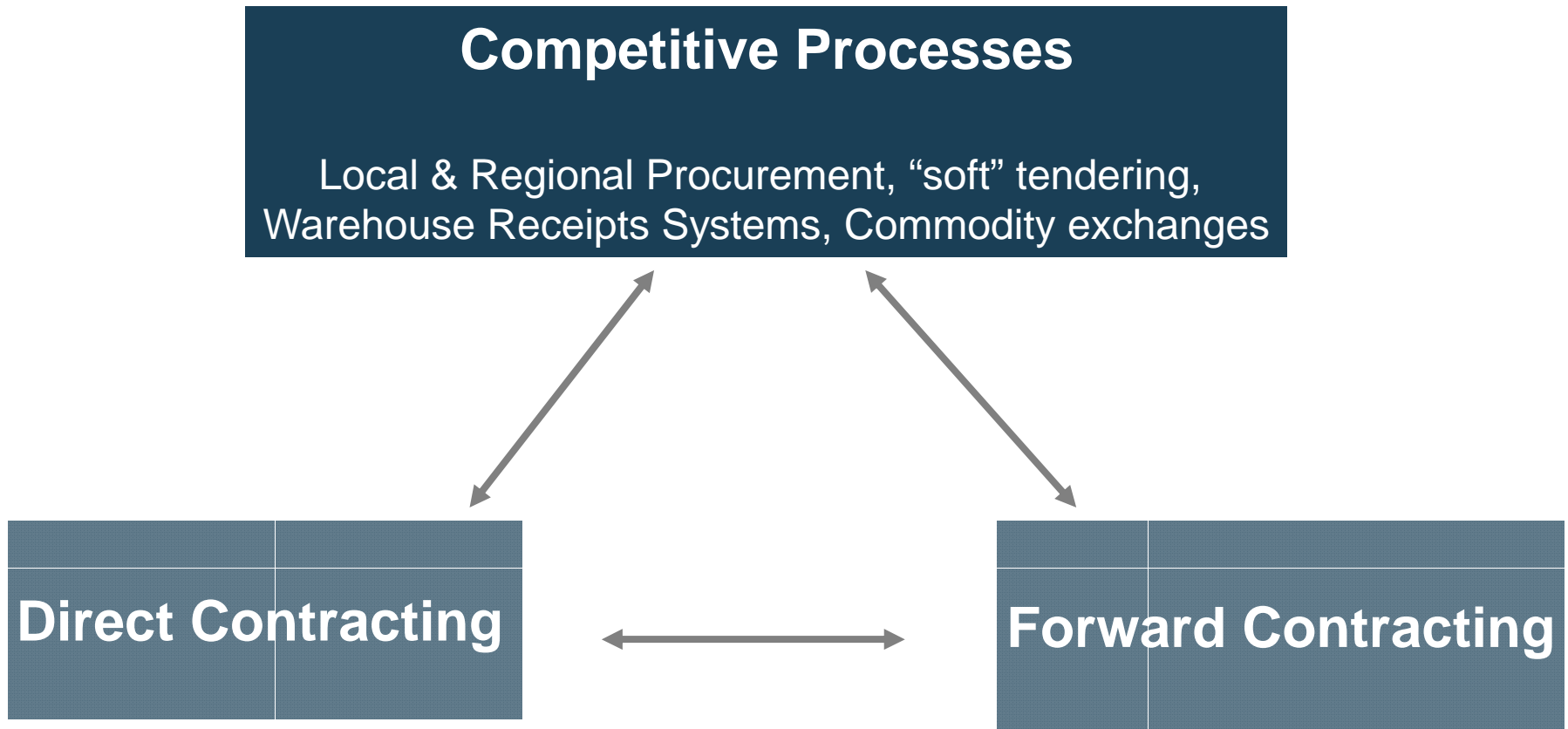
Procurement Modalities

Competitive Processes

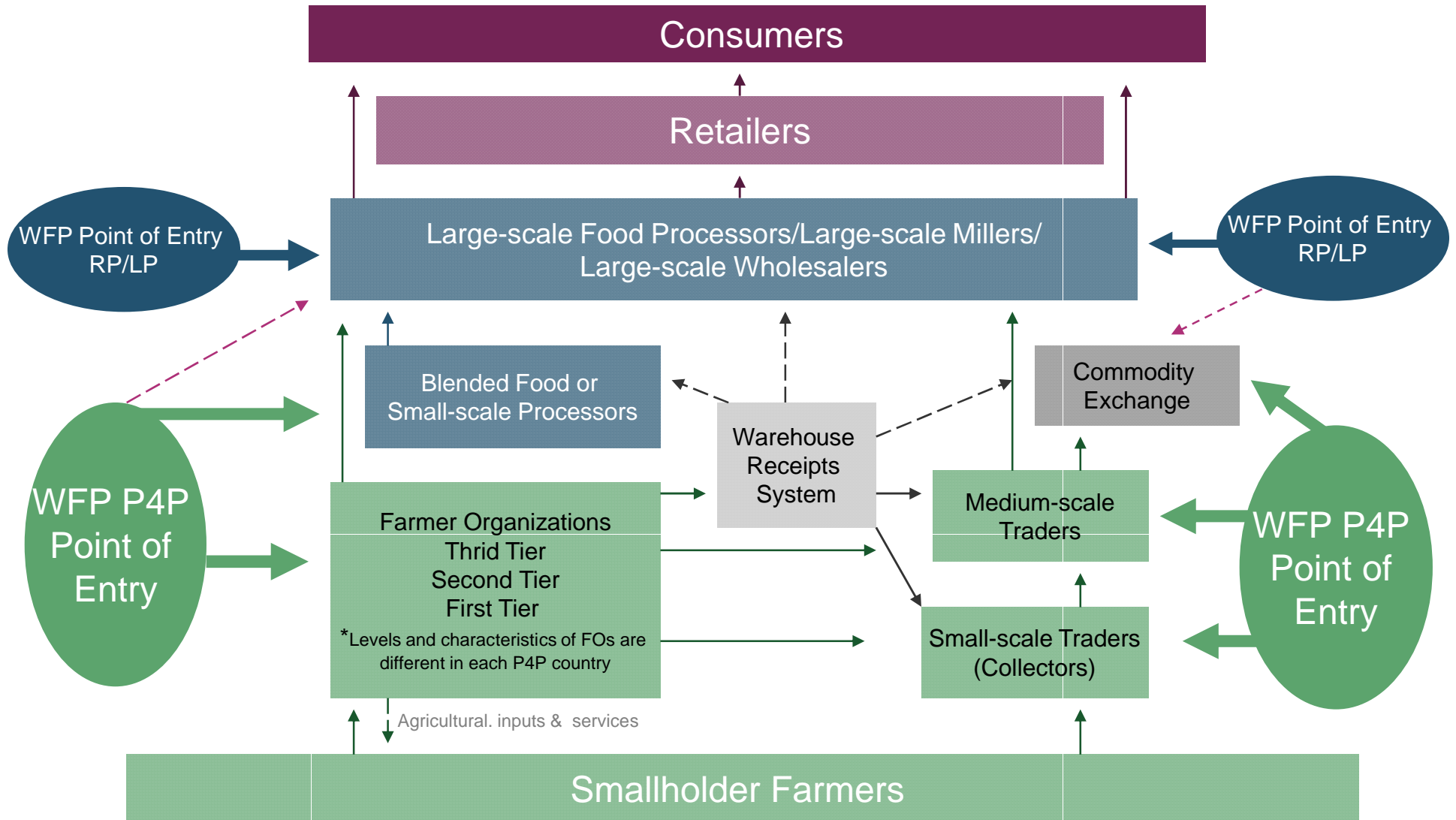
Local & Regional Procurement, “soft” tendering,
Warehouse Receipts Systems, Commodity exchanges

Direct Contracting

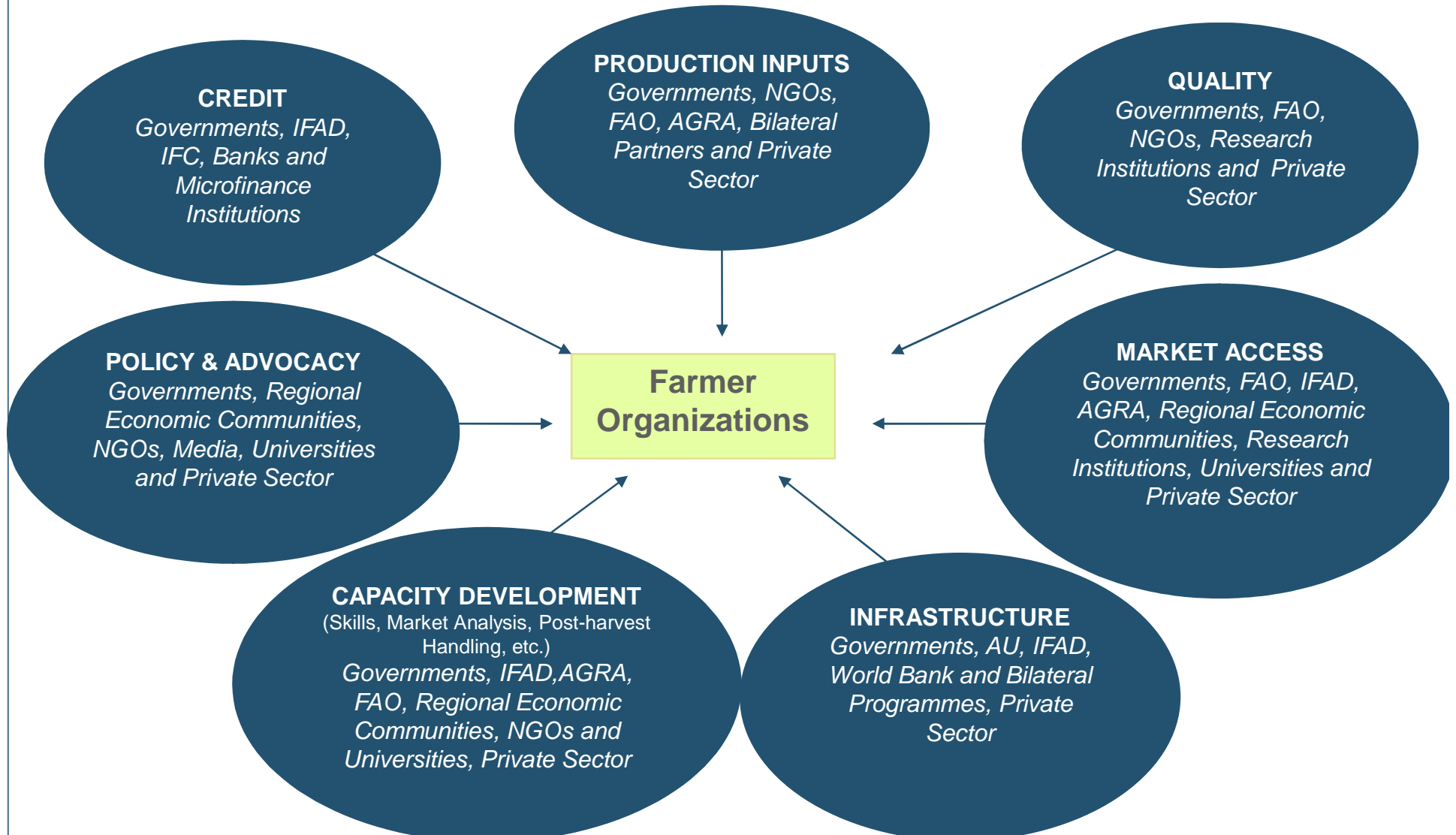
Forward Contracting



Targeted P4P Market Entry Points



Strategic Partnerships



Indicators for Learning Framework

	Assessment Criteria		
	Group marketing	Production	Household welfare
Best practices models will be compared on the basis of their:	Impact on farmer groups: <ul style="list-style-type: none"> •Organizational capacity •Financial capacity •Capacity to aggregate •Infrastructure •Access to markets 	Effects on: <ul style="list-style-type: none"> •Agricultural production •Yields •Cropping patterns •Investments in agriculture 	Impact on: <ul style="list-style-type: none"> •Number of smallholder farmers engaged •Annual household incomes •Food consumption score •Livelihood/wealth index •Other indicators of household welfare (e.g. health and education access, housing quality) •Net buyer/seller status
Transforming WFP's local procurement will require a clear understanding of the benefits in terms of:	<ul style="list-style-type: none"> ▪Number of smallholders engaged •Smallholder household income and other welfare measures •Procurement cost (food cost and administrative cost) •Pipeline risks •Market impacts (positive and negative) •Market development impacts •Agricultural development impacts 		

Implementation Status


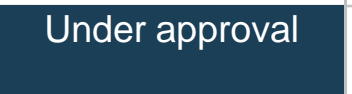

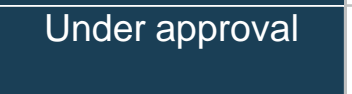





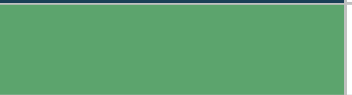


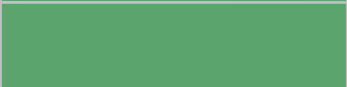
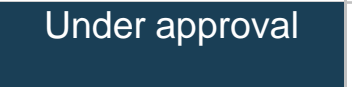
1st Quarter
Sept – Dec 2008

2nd Quarter
Jan-March 2009

3rd Quarter
April- June 2009

4th Quarter
July – Sept 2009

Bill & Melinda Gates Foundation Funded Countries

	1 st Quarter Sept – Dec 2008	2 nd Quarter Jan-March 2009	3 rd Quarter April- June 2009	4 th Quarter July – Sept 2009
Burkina Faso				
Ethiopia				
Kenya				
Malawi				
Mali				
Mozambique				
Rwanda				
Tanzania				
Uganda				
Zambia				

Implementation Status

Other P4P Countries

	1 st Quarter Sept – Dec 2008	2 nd Quarter Jan-March 2009	3 rd Quarter April- June 2009	4 th Quarter July – Sept 2009
Afghanistan				Under approval
DRC				Draft
El Salvador				
Ghana				
Guatemala				
Honduras				
Laos				Unfunded except for Assessment
Liberia				
Nicaragua				
Sierra Leone				Under approval
Sudan				Under approval