UPDATE ON FOOD PROCUREMENT
INTRODUCTION

- **Record level of food procurement** in 2021, both in terms of value and volume
- **Escalation in emergencies** (e.g. Afghanistan, Ethiopia)
- **Increased service provision** to governments
- **Main challenges**: increasing prices and limited suppliers for some commodities

- **4.4 MILLION MT** of food procured
- **2.5 MILLION MT** Purchased by countries running L3 emergency responses
- **~60%** From countries with ongoing operations
- **USD 52 MILLION** Procured from smallholder farmers
- **900,000 MT** Sourced on behalf of national Governments (Ethiopia, Guatemala, Sudan)
2021 saw a **sharp increase** in both volume and value of food procured due to **increased service provision** to governments (+70 percent from 2020) and **unfolding or escalated emergencies** (e.g. Afghanistan, Ethiopia).
62 percent of the tonnage sourced from least developed, low and lower-middle income countries; around 60 percent of the value procured from countries with ongoing WFP operations.
IMPLEMENTATION OF THE LOCAL AND REGIONAL FOOD PROCUREMENT POLICY

Implementation is driven by Programme and Supply Chain. In 2021, the main achievements from Supply Chain were:

- Developing a **risk methodology** and compendium of risks.
- Commencing a **full traceability project**, with the aim to trace our food from farm to fork.
- Developing **guidance and normative** e.g. including **conditionality clauses** in contracts requiring suppliers to source a minimum of 10% from SHFs.
- A **supply and demand analysis** for pro-smallholder farmer procurement in RBN was conducted, identifying ways to increase that share of SHFs purchases.
- Rollout of training for Procurement staff.
USD 52 million procured from SHFs in 27 countries in 2021 (2.7 percent of the total value of food procured); largest purchases took place in Sudan.
73 percent of the total volume purchased by country offices running L3 emergency responses; significant lead-time reductions obtained by procuring food through the GCMF.
In line with SDG17 and its Strategic Plan, WFP aims to support local and national food system actors to address root causes of hunger.

2021 saw a further scale-up in service provision activities:

• More than 900,000 mt (value at almost USD 250 million) sourced on behalf of national governments, an increase of almost 70 percent from the 2020 record

• Largest service provision agreements implemented in Ethiopia (790,000 mt), Sudan (80,000 mt) and Guatemala (18,000 mt)

In 2022, WFP will continue to support governments with service provision activities, and expand its offering to other countries.
CURRENT SITUATION & THE WAY FORWARD

Current challenges – 4 Cs: COVID, climate, conflict and cost, showcase the fragility of global food systems and their vulnerability to sudden shocks.

From a procurement perspective, WFP aims to respond to these challenges by:

• Pursuing an increasingly localized approach to procurement which includes substitution with local commodities;
• Diversifying sourcing;
• Promoting production and use of indigenous crops;
• Increased number of procurement experts in the field;
• Reduce the environmental and optimize social impacts of its procurement;
• Continuing the transformation of procurement by operationalizing its strategy.
QUESTIONS