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**Executive Board  
First Regular Session**

**Rome, 9–10 February 2015**

## **EVALUATION REPORTS**

**Agenda item 5**

*For consideration*

# **E**

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## **MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE SUMMARY REPORT OF THE STRATEGIC EVALUATION OF WFP'S PILOT PURCHASE FOR PROGRESS INITIATIVE (2008–2013)**

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for consideration.**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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## BACKGROUND

1. This document presents management's response to the recommendations of the strategic evaluation of WFP's pilot Purchase for Progress (P4P) initiative (2008–2013). The evaluation assessed the quality of – and results achieved by – the P4P pilot in terms of relevance, effectiveness, efficiency, impact and sustainability, and sought to provide lessons to inform future work.
2. The P4P pilot was a first step in a multi-stage process to enhance smallholder farmer access to better markets for their crops, particularly cereals and pulses. P4P has evolved through identification and application of best practices in pro-smallholder food procurement and market development. These best practices are to be mainstreamed into WFP's policies and programmes and, more importantly, shared with national governments and other stakeholders.
3. Management is pleased to note the positive conclusions of the evaluation, in particular the finding that P4P programmes have significantly contributed to the perception of WFP as a committed development partner. WFP's increased support to farmer organizations and small-scale production, including through strong and transformative partnerships, has significantly increased procurement from smallholder farmers and their organizations through warehouse receipts systems, commodity exchanges and other procurement modalities.
4. Management welcomes the recommendations that WFP mainstream the demand for P4P-like programmes; that supply-side support to smallholder farmers continues to be led by partners including the Food and Agriculture Organization of the United Nations (FAO); and that further testing of assumptions and of the relative costs and benefits of different models be pursued.
5. Management recognizes the challenges faced by the pilot, including: a lack of supply-side partners able to operate at scale in several locations; difficulties in implementing a practical monitoring and evaluation (M&E) system; and limited external technical assistance for capturing lessons and reviewing best practices. WFP is carefully considering the best ways to make the adjustments necessary to meet these challenges.
6. In addition to addressing the evaluation recommendations, WFP will build on lessons learned through the evaluation process, including enhancing the design of P4P activities to reflect the diversity of shareholder farmers and to maximize the benefits of P4P and enhance partnerships. The following matrix sets out the planned actions and implementation timeline.

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Recommendations	Action by	Management response and action taken	Implementation deadline
<p><b>Recommendation 1: WFP should complete the Global Learning Agenda activities, analysis of existing data and assessment against outstanding questions.</b></p> <p>1.1 Future programming should be informed by clear, practical and viable models; guidance and practical “how-to” notes should be based on:</p> <ul style="list-style-type: none"> <li>a) further testing of assumptions and further analysis of costs and benefits in selected countries in which P4P still has funding and which have sufficient data; and</li> <li>b) synthesis and analysis of the Global Learning Agenda outputs at global level, followed by their communication and dissemination tailored to various audiences within and outside of WFP.</li> </ul>	<p>P4P Steering Committee</p>	<p>Agreed.</p> <p>WFP will synthesize the Global Learning Agenda thematic areas and analyse existing data against assumptions, costs and benefits of P4P-type programming.</p> <p>The outputs of the analyses will be peer-reviewed and discussed by stakeholders before being disseminated at the P4P Annual Consultation in February 2015 and at regional consultations during 2015. Guidance including best practices is being prepared and will be made available to country offices in 2015. The 2015 workplan of the P4P Coordination Unit will be adapted accordingly.</p>	<p>End 2015</p>
<p><b>Recommendation 2: Focus future programming activity where favourable conditions exist or can reasonably be expanded, strengthened or promoted.</b></p> <p>2.1 Prior to the implementation of P4P a feasibility assessment should be undertaken in each country to assess:</p> <ul style="list-style-type: none"> <li>a) the capacity of farmer organizations (FOs) and the associated challenges building capacity poses – a predominance of second- or third-tier FOs, or medium- to high-capacity first-tier FOs, engaged in producing and potentially marketing staple food crops is favourable;</li> <li>b) WFP’s ability to provide secure long-term demand at viable prices;</li> <li>c) the viability of a long-term premium market that these FOs can supply;</li> <li>d) the medium- to long-term existence of relevant supply-side partner projects that are building capacities of FOs; and</li> </ul>	<p>Country office with the support of the Policy, Programme and Innovation Division (OSZ) and regional bureaux</p>	<p>Partially agreed.</p> <p>Management agrees that most P4P work should take place in stable environments, although this should not preclude working in the less stable, more difficult contexts where WFP must operate and where governments request assistance with P4P-type programming. WFP acknowledges that achieving sustainable results in such contexts may require more time, but believes that such activities make a significant contribution to more equitable development and the eradication of hunger.</p> <p>Comprehensive country assessments that include the elements suggested by this recommendation will be undertaken in countries where P4P-type programming could potentially be incorporated in WFP country strategies. Using the assessments, WFP will work together with governments, donors and other partners to determine the feasibility of P4P-type programming.</p>	<p>Ongoing</p> <p>July 2015</p>





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<p>3.2 WFP should continue to collaborate closely with partners. Wherever there are appropriate and funded supply-side partners, WFP should give them the lead and focus on the demand side.</p> <p>3.3 Where WFP continues to undertake capacity-building related to supply-side activities through partners, it should establish clear measures of costs and capacity-building outcomes. This will enable comparative results assessment by types of training, equipment and infrastructure support.</p>	<p>Country offices/ regional bureaux/OSZ</p> <p>Country offices/ regional bureaux/OSZ</p>	<p>Guidance currently under development will stress the importance of giving supply-side partners the lead and of focusing on the demand side.</p> <p>WFP followed this approach throughout the pilot, collaborating with those partners that had received independent funding for capacity-building of smallholder farmers. In all cases, partners led the capacity-building component, with WFP providing support only where its expertise and comparative advantage was warranted, for example in warehouse management.</p> <p>The task of capacity-building of smallholder farmers was undertaken almost exclusively by supply-side partners. New guidance will outline steps to ensure that both the outcomes and costs of capacity-building are measured appropriately.</p>	<p>July 2015</p> <p>July 2015</p>
<p><b>Recommendation 4: WFP to consider whether and how systems may need to be adapted at global, regional and country level to support mainstreaming of P4P-like activities where viable.</b></p> <p>4.1 WFP procurement, financing and human resources (HR) systems should be adapted to support mainstreaming, keeping in mind the comparative advantages of WFP and partners.</p>	<p>Operations Management Department (OM)/Resource Management and Accountability Department (RM)/Human Resources Division (HRM)</p>	<p>Agreed.</p> <p>The P4P Steering Committee will lead the process of identifying needed and feasible system adjustments to support mainstreaming.</p>	<p>December 2016</p>



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<p>4.2 WFP should develop a cost model that can be applied to future programming.</p> <p>a) The model is intended to ensure that appropriate financial analysis be carried out during the design phase of P4P mainstreaming and further testing; and that appropriate baseline and interim costs are recorded for value-for-money and/or cost-efficiency assessment.</p> <p>b) Finance and reporting aspects of trust funds should be reviewed to ensure that measurements of activities, outputs, outcomes and associated financial costs are available and comparable across donors.</p>	RM	A review of financial systems is ongoing and includes examining the management of trust funds and their integration in the corporate financial system. The review will also take into account actions in response to recommendation 5.	December 2016
<p>4.3 P4P activities should be resourced to enable staffing considerations, assessments at the design phase and ongoing M&amp;E to take place. Ideally, resources would come from multi-year funding given the long-term implications of linking SHFs to markets.</p>	Country offices/ regional bureaux, with support from HRM and the Government Partnerships Division (PGG)	<p>Guidance currently under preparation establishes the type and number of staff required to undertake P4P-type programming. The country offices and regional bureaux will be guided by the new People Strategy in establishing appropriate approaches to ensure adequate resourcing of staffing needs.</p> <p>Incorporating P4P-type programmes into multi-year CPs or PRROs will allow for the required long-term assignment and continuity in the staff implementing the different P4P activities</p>	Ongoing
<p>4.4 Sufficient resources should be allocated to M&amp;E to ensure robust and comprehensive reporting.</p> <p>a) Baseline and interim surveys are important for any further testing; impact assessments with counterfactuals should continue to be used to help identify the most effective approaches.</p> <p>b) Where P4P is being mainstreamed a light standardized M&amp;E system should be developed to test that assumptions remain plausible and continue to hold.</p>	Performance Management and Monitoring Division (RMP), in consultation with OSZ	<p>Additional baseline and interim surveys will be undertaken to support further testing. Impact assessments will be conducted that include the use of counterfactuals in those countries where it is feasible.</p> <p>As part of P4P mainstreaming, a lighter, standardized M&amp;E system will be introduced that will build on existing corporate M&amp;E systems and protocols and be designed to track assumptions and planned versus actual achievement of outputs and outcomes in relation to baselines and targets.</p>	End 2015
<p>4.5 Regional capacity should be built to support mainstreaming. Regional capacity can be supported by continuing regional partnerships established during the pilot.</p>	Regional bureaux	Partnerships remain central to the P4P model and will continue to be pursued as appropriate in each context. Regional bureaux capacity to support mainstreaming will be addressed in the context of the new people strategy and available funding.	End 2015



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4.6 WFP should develop new P4P-based competencies in existing staff and/or recruit new staff to match modified job descriptions. Secondment from other United Nations agencies, in particular FAO, could be worth considering.	HRM/OSZ	The new people strategy focuses on building certain skills and capabilities of all employees through deployment, capacity development and a mentoring culture and support system. Staff leaders will be responsible for ensuring that skills needed in their areas are developed appropriately. Necessary actions will be identified and implemented in line with the strategy.	End 2015
<p><b>Recommendation 5: WFP to develop guidelines for future pilots.</b></p> <p>5.1 Corporate-level WFP guidance not available to P4P at the pilot stage should be available for future pilots. Such guidance should include the following:</p> <ul style="list-style-type: none"> <li>a) a clear definition of what WFP means by “pilot”, including definition of pilot objectives, expected outcomes and impact, how these are to be communicated, and at what levels the pilot is intended to bring about change;</li> <li>b) instructions to keep pilots at an appropriate size to enable systematic learning and inform replication based on context;</li> <li>c) advice on main elements and time required for pilot design – including theory of change and design assumptions – and pilot management – including allocation of adequate resources for appropriate staff and M&amp;E, given that M&amp;E is critical to pilots and requires more attention than for mainstreamed activities;</li> <li>d) the benefits of establishing a Steering Group and external technical review panel, their composition and terms of reference.</li> </ul>	OM	<p>Partially agreed.</p> <ul style="list-style-type: none"> <li>a) The definition of parameters for pilot programme initiatives and associated regulations may be an impediment to innovation. The need to consider objectives, outcomes and impacts in standard theories of change applied to programme design is not unique to pilot initiatives. However, in recognition of the unique characteristics of pilots, and based on the lessons learned from this P4P strategic evaluation, WFP will develop guiding principles and best practices for pilots.</li> <li>b) The size and scope of pilots are determined by their objectives and WFP’s implementation capacity. Flexibility should be maintained regarding the scale of pilots.</li> <li>c) The need for WFP to invest in an appropriate level of resources and staff for M&amp;E is not unique to pilots. An M&amp;E strategy is being rolled out in response to the 2013 Business Process Review. M&amp;E guidance will be updated and will include lessons learned from P4P and other pilots.</li> <li>d) Strategic oversight by the Steering Committee and Technical Review Panel was critical to the success of P4P. WFP will replicate this practice in future, as appropriate.</li> </ul>	End 2015





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## ACRONYMS USED IN THIS DOCUMENT

FAO	Food and Agriculture Organization of the United Nations
FO	farmer organization
HRM	Human Resources Division
M&E	monitoring and evaluation
OM	Operations Management Department
OSZ	Policy, Programme and Innovation Division
P4P	Purchase for Progress
RM	Resource Management and Accountability Department
RMP	Performance Management and Monitoring Division
SHF	smallholder farmer