Transforming WFP

P4P Experiences in Systemic Change

Since its launch in 2008, the Purchase for Progress (P4P) pilot catalysed powerful transformations within the World Food Programme (WFP), strengthening WFP's operations across the board. Under the complex, contextual, time-consuming, and operationally challenging approach of P4P, WFP reviewed and enhanced its ways of working in areas such as procurement, food quality and safety, staffing and human resources.

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P4P enabled WFP to engage in new areas of work, leveraging the organization's substantial demand for quality staple crops, expertise in programme design and implementation, and deep field presence in procurement and logistics. Under P4P, the organization underwent transformations in technical and organizational skills and capabilities internally, as well the creation of novel partnerships, platforms, products and services externally to support smallholder farmers. Many challenges were encountered due to the lack of internal capacities and policies needed to draw on P4P's potential as a programming intervention with a procurement component, and on designing and implementing a practical monitoring and evaluation system. WFP overcame these challenges through substantial innovation and institutional changes while implementing P4P.

Highlights

- P4P provided an opportunity for WFP to strengthen its capacity and grow as an organization by transforming its way of engaging with long-term developmentoriented programming. As P4P aimed to address the root causes of rural hunger and poverty, substantial mind set shifts were required in many parts of the organization.
- P4P drove shifts in WFP's policy development and implementation, especially in procurement; the development of context-specific programming with pragmatic flexibility; staffing capacity; and developing monitoring and evaluation systems that were both rigorous and practical.

Altering procurement practices

 The basic challenge facing WFP under P4P was to shape and manage a process that involved creating extra demand for staple food crops produced by smallholder



Achievements

- Shifts in WFP's procurement practices allowed for purchases of more than 480,000 mt over the five-year pilot, putting more than US\$148 million more directly into the hands of smallholder farmers.
- did the deliveries steadily increase, but the P4P experience also demonstrated that purchasing from smallholder farmers is a viable business proposition. It demonstrated that, with patience, a large-scale buyer such as WFP is able to adapt its procedures to foster smallholder participation and enable smallholder farmers to engage with large-scale buyers.
- Almost all the P4P contracts
 were below the import parity
 prices, therefore respecting
 WFP's principle of "cost-efficient
 procurement" and realizing cost
 savings relative to importation.
 Compared to import parity, total
 savings over the course of
 the five years exceeded
 US\$40 million.



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farmers and reaching an appropriate level of supply adapted to that demand while ensuring benefits were passed along to smallholder farmers.

- Smallholder farmers' limited capacity meant that WFP's procurement procedures needed to be more inclusive. This led to the development of three modalities for use in pro-smallholder procurement: soft tenders, forward delivery contracts and direct purchasing.
- P4P opened up the possibility for WFP to engage with new suppliers, from local traders to regional farmers' organizations. While P4P has strengthened WFP's ability to engage with these suppliers, additional efforts are needed to ensure sustainable engagement.

Food quality and safety

Procurement from P4P-supported smallholder farmers has played an integral role in changing the way WFP approaches food quality and safety. Purchasing from smallholders highlighted required that quality issues be prevented and detected in the early stages. This drove the development of WFP's Food Quality and Safety Division to address the root causes of quality control problems and other food safety risks. Innovative solutions such as the Blue Box testing kit for aflatoxin screening were also developed and adopted widely by WFP under the P4P initiative.

Changing mind-sets and capacities

- In order to efficiently implement a complex programme such as P4P, which incorporates the dual mandates of humanitarian aid and development, WFP was required to reinforce and revise some practices commonly undertaken within the organization.
- There was a need for enhancing capacity in areas such as monitoring and evaluation, in order to innovate new systems which were both rigorous and efficient.
- Substantial efforts were also needed in order to ensure that WFP be able to implement P4P in a way which was context-specific and flexible based upon the unique needs of different locations. However, there was also a need to ensure that the overall framework remain in place.

Strengthening linkages with other programmes

- P4P provided a powerful example of gender mainstreaming, with the needs of women farmers fully taken into account. Specific interventions were developed to incorporate their needs within the project, such as by providing women with time- and labour-saving equipment and incorporating modules on household-level gender sensitization to enhance equitable participation in household decision-making.
- Nutrition sensitive approaches evolved in P4P throughout the pilot, though they were not explicitly sought at the design phase.

Further reading

Publication: <u>P4P Reflections on the Pilot</u>

Article: P4P triggers further investments in food quality and safety

• Article: Empowering smallholders with innovative purchasing models

In 2010, WFP's Executive Director noted that, "There are three things that WFP brings that no one else can bring: a guaranteed market; WFP's quality requirements on which we do not compromise; and WFP's coordination role. Through our local procurement, we catalyze other partners' efforts and investments."