

P4P Purchase for Progress Central America

March/April 2012

Talk of the Month: Building a body of Knowledge

"We have to document well our experiences: it is critical to show the changes generated by the Initiative." Francisco Alvarado
P4P Nicaragua Coordinator

Trying new approaches, testing new models and learning from those experiences is at the core of Purchase for Progress (P4P). Since 2008, this initiative by WFP has been working on piloting innovative ways to use local procurement as a development tool by connecting smallholder farmers to formal markets in a sustainable manner. As we advance towards the end of the five-year pilot initiative, it is critical to reflect upon what has been learned so far, make adjustments accordingly and plan the endgame. The successful and unsuccessful experiences need to be documented to develop a body of knowledge that can be shared among various stakeholders. This will enable WFP and others to replicate successful interventions, ensure sustainability of local purchases from smallholders and leverage the developmental benefits of local procurement. The learning process is focused on how WFP procurement and other commercialization opportunities, combined with capacity development and other interventions, can support farmers overcome challenges along the value chain. Building this body of knowledge serves a double purpose:

- ◆ From an *internal perspective*, WFP needs to understand how to conduct local purchases in a smallholder-friendly way; and how to change or adjust its processes to be able to use its procurement as a development tool.
- ◆ From an *external perspective*, it is critical to understand what has worked, what has not, and why. This will enable WFP to tailor future interventions to respond to specific condition and provide technical assistance to key actors (Governments, NGOs, UN agencies...). Moreover, there is a commitment towards donors to develop a comprehensive body of knowledge to be shared with other stakeholders to foster the development of small-scale agriculture and market access to promote food security.

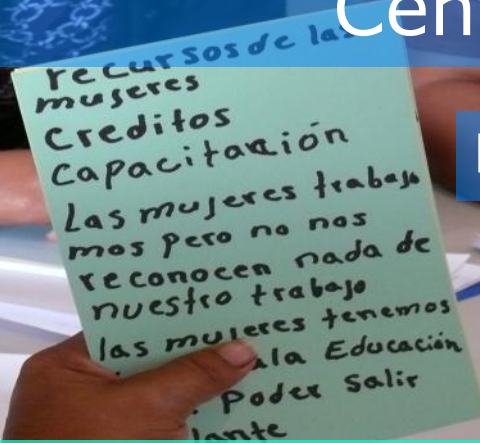
The learning process involves collecting quantitative and qualitative data through a surveys, Farmers' Organizations (FOs) records, case studies, and stories from the field, documenting experiences, and identifying lessons learnt and best practices through a consultative process with beneficiaries and partners.

The P4P Monitoring & Evaluation (M&E) system has been capturing a wide range of data since the beginning of the project, regarding farmers – their livelihoods, agricultural and commercial activity; farmers' organizations; and the market. WFP is working with the African Economic Research Consortium (AERC) which manages the P4P Data Analysis and Knowledge Management Hub (DAKMAH) to support the analysis of all quantitative data generated by the M&E system in all 21 countries. This Hub will eventually become a repository of lessons and best practices in pro-smallholder agricultural and market development with application for project and policy development.

In a regional meeting recently held in Granada, Nicaragua, the P4P teams of the four implementing countries in Central America, together with representatives for the WFP headquarters and Regional Bureau, had the opportunity to discuss the learning priorities for this region and how these priorities would contribute to the global body of knowledge that will be developed through P4P.

In this Bulletin, we focus on the P4P learning agenda in Central America by:

- 1 Providing an insight into the discussions in the Granada meeting;
- 2 Highlighting some preliminary learning themes identified by each country in the region.



WFP/Francisco Fion

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WFP/Sobhana Quezada

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"It is important to share the guidelines and key elements of the learning process, so we know the methodology to follow to define our lessons learnt and good practices."
Hebert Lopez, P4P El Salvador Coordinator



The P4P regional meeting in Central America was organized to promote the development of a global learning agenda, and help each country team adjust their implementation strategy based on the learning so far, and on recommendations that emerged from several learning events (the Mid-Term Evaluation of the P4P pilot, the P4P Technical Review Panel meeting of 2011 and the third P4P Annual Review meeting).

Held in April 2012 in Granada, **Nicaragua**, the event brought together P4P Country Coordinators, P4P M&E Officers, P4P Procurement and logistics staff from **El Salvador, Guatemala, Honduras and Nicaragua**, the P4P Global Coordinator, WFP staff from Headquarters and the Regional Bureau for Latin America and Caribbean region, as well as M&E experts from DAKMAH. Each country team was able to reflect on their experience so far, exchange information among peers, and identify lessons learned and best practices. Based on a thorough discussion around P4P's goal to contribute to a better understanding of procurement as a development tool and a catalyst to facilitate smallholder agriculture and market development, unique learning priorities were identified for each country and the region. These will feed into the P4P Global Learning Agenda which will be able to inform programmatic and policy decisions by WFP and stakeholders.



Central to the discussions was the fact that all learning needs to be anchored on what is unique to P4P: how WFP procurement combined with a series of other interventions can facilitate the access of smallholder farmers producing basic grains to profitable markets. Equally critical is to consider both success and failure, and be able to offer stakeholders a clear insight on effective models to support market access and agriculture development in the context of food security.

"For me this meeting has been extremely important. It provided a space to think about why WFP took the lead in the implementation of such a project that doesn't look like WFP's traditional interventions. But WFP experience on the field working with vulnerable population offered us the opportunity to bring a different focus to the one normally adopted by agriculture organizations. By using its procurement activities, WFP also contributed to strengthened farmers' organizations capacities."
Sheryl Schneider, P4P Guatemala Coordinator

"Most of these themes directly contribute to the P4P global learning agenda, such as documenting the region's experience in linking FOs to inputs suppliers, to private sector buyers through negotiation rounds, and their experience with Rotating Funds. Also very relevant is documenting the CO's experience with the FOs selection criteria, as well as the reflection on the "FO classification" or "capacity level", and how this affects the FO's progression towards market readiness."
Alessia De Caterina, P4P M&E Officer

By the end of the five year pilot, P4P hopes to have a clear "story" about how the initiative worked. In broad terms, it will recount how WFP procurement was able, or not, to encourage collective selling; what changes had to happen within WFP to make it possible; how the capacity of farmers and their organizations developed; whether they were able to engage with the private sector as a buyer or as a supplier of products and services; or whether they were able to start supplying public institutions. To help framing the "P4P story", seven key categories have been identified to organize the learning emerging from the experience in 21 countries. These categories are 1) strengthening collective marketing, 2) engaging the private sector, 3) engaging with the public procurement, 4) smallholder farmers' development 5) WFP institutional change, 6) partnerships, and 7) food processing.



"In its last phase, P4P will do an impact analysis and carry out a thorough exercise of systematization of lessons learnt and good practices, to enable WFP to have a role in the formulation of Food and Nutritional Security and Agriculture strategies. This is key if we want our achievements to contribute to sustainable changes in family-agriculture."
Helmut Rauch, WFP Nicaragua Country Director.

Each country currently implementing P4P will have, by the end of the pilot, its own "story". But it will also have some unique and distinctive contributions to make to that global "P4P story". Identifying which were these distinctive elements and organizing them around the seven categories mentioned above, was one of the main goals of the Granada meeting. Each team had to select some of the most relevant and unique aspects of the project, formulate learning themes emerging from those aspects, and determine what data was required to accurately document those themes.

In **El Salvador**, there has been a lot of emphasis on promoting favorable commercial relationship between FO and private sector input providers. P4P supported FOs to consolidate their demand for seeds, fertilizers and other inputs, so they could approach suppliers with better leverage in negotiation: they were buying bigger volumes and as a result were able to negotiate better prices, more favorable payment conditions and in many cases obtain technical assistance. This process also guaranteed them access to better quality inputs resulting in better yields and higher quality grain. One of themes to be documented will be the engagement with the private sector and how FOs established sustainable relationships with suppliers.

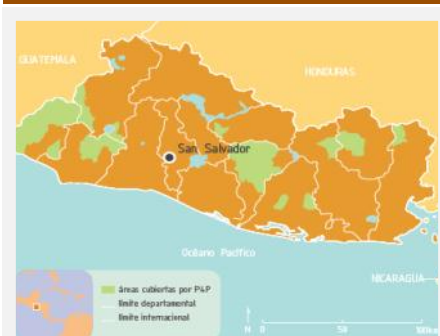
In **Guatemala**, P4P is working with a large number of FOs of different levels of development. Some are already well equipped for post-harvest management and have an internal structure adapted to manage commercialization processes, while others are still very weak and require more time to develop and adopt a business-oriented vision. P4P has had to tailor the technical assistance provided to FOs according to their level of development and follow the evolution of each of those organizations very closely. An important aspect to document is how organizations of different levels of development will be able to transform into rural businesses.

In **Honduras**, special focus has been given to improving the quality of grain to ensure access to formal markets. P4P, in partnership with IICA, is developing a traceability process that monitors quality of the grain along the value chain. It allows farmers to identify critical steps to ensure quality and take the required actions. The traceability process for basic grains is very innovative for the region.

In **Nicaragua**, institutional purchases are a theme of interest. Many P4P farmers are selling their commodities to the government-owned food supply company, ENABAS, through the CRISOL programme. The government is buying basic grains from small-scale farmers to build strategic stocks to be used in case of an emergency. Documenting how P4P has contributed to enable FOs to sell to ENABAS and how that processed is managed will be an interesting learning theme.

Each P4P team will continue to refine their learning agenda to be developed during 2012 and 2013.

EL SALVADOR

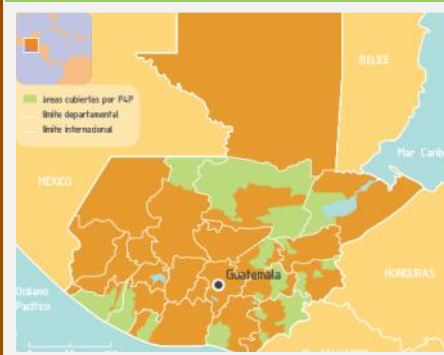


FOs	18
PRODUCERS	4,706
% WOMEN	40
CONTRACTED (MT)	4,106
TOTAL VALUE (\$)	1.8 mil
TRAININGS	1,069
PARTICIPANTS	10,774
PARTNERSHIPS	18

- ◆ Meeting with IICA representatives to establish coordination mechanisms between P4P and the Government's "Family Agriculture Plan"
- ◆ Minister and Vice Minister of Agriculture and IICA representatives visited two P4P FOs (San Marcos Las Pozas and AGRISAL)
- ◆ 85 members (20 women and 65 men) from 8 FOs received trainings on: agricultural production and organizational strengthening

Key Partners: Howard G. Buffett Foundation, DISAGRO & FERTICA, El Salvador Chamber of Commerce, FAO, Ministry of Agriculture and Livestock, the National Center for Agriculture and Forestry Technology (CENTA), PREMODER & PRODEMORO (IFAD-financed rural development programs), CARITAS Foundation, UNDP, World Vision.

GUATEMALA



FOs	67
PRODUCERS	9,752
% WOMEN	53
CONTRACTED (MT)	17,202
TOTAL VALUE (\$)	7,8 mil
TRAININGS	608
PARTICIPANTS	34,309
PARTNERSHIPS	46

- ◆ Participation in the "Development Fair - Chiquimula 2012" encouraging farmers to access new markets
- ◆ Participation in RED SICTA workshop on technological innovation for maize and beans
- ◆ Training with BANRURAL for agricultural credits
- ◆ Induction of team who will provide capacity building on organizational strengthening in 36 FOs
- ◆ Coordination with Ministry of Agriculture on "Triángulo de la Dignidad", a government initiative to foment surplus production and local purchases of maize and beans
- ◆ Analysis of data from gender diagnosis carried out in all 68 organizations

Key Partners: Howard G. Buffett Foundation, Canadian International Development Agency (CIDA), BANRURAL, Catholic Relief Services (CRS), DISAGRO, FAO, Inter-American Institute for Agricultural Cooperation (IICA), International Maize & Wheat Improvement Center (CIMMYT), Ministry of Agriculture (MAGA), National Institute for Agricultural Commercialization (INDECA), Institute for Agricultural Science and Technology (ICTA).

HONDURAS



FOs	23
PRODUCERS	80,906
% WOMEN	17
CONTRACTED (MT)	19,501
TOTAL VALUE (\$)	12.7 mil
TRAININGS	715
PARTICIPANTS	29,551
PARTNERSHIPS	20

- ◆ Active participation of P4P/WFP on the VII Annual Universities Fighting World Hunger Summit, Olancho, Honduras
- ◆ Inauguration of the dryer located in Jamastran, El Paraíso
- ◆ Training on agro-business realized jointly with CEDA (Comoyagua)
- ◆ Meeting with FAO/Agrocadenas to discuss a potential agreement between WFP and FAO
- ◆ Workshop on grain traceability
- ◆ BANADESA meeting with FOs in Comayagua and El Paraíso
- ◆ Meeting between WFP/P4P and the Agriculture Science Professionals College (FUNDA COLPROCAH) and the Business Empowerment Centre (CIEN), El Paraíso, to discuss a potential agreement

Key Partners: EUFF, Howard G. Buffett Foundation, CHOOPACYL Credit & Savings Cooperative, CRS, FAO, Government of Honduras, IICA, IFAD/PROMECOM, INA, Ministry of Agriculture, National Agricultural Development Bank (BANADESA), DICTA, National Institute for Professional Formation, Prolancho Foundation, SAN Coalition Network, UN Women, FAO, SAN Red Coalición.

NICARAGUA



FOs	10
PRODUCERS	2,100
% WOMEN	30
CONTRACTED (MT)	2,576
TOTAL VALUE (\$)	990.000
TRAININGS	828
PARTICIPANTS	13,742
PARTNERSHIPS	11

- ◆ Participation in the 9th session of Red SICTA to review the partnership agreement on the "Promotion of technologies to reduce post-harvest losses in the early harvesting of maize, and mechanical sorting and drying technology"
- ◆ Meeting with CABEI's consultants to present to four FO's program to strengthen food security in Central America as an option to access funding
- ◆ Fifth session of field school conducted by INTA and 50 participants, including technicians, promoters and farmers.
- ◆ Consultancy on microfinance to strengthen resource management carried out in 6 FOs

Key Partners: Howard G. Buffett Foundation, FAO, Food Technology Laboratory (LABAL), IICA, International Regional Organization for Animal and Plant Health (OIRSA), Ministry of Agriculture, Nicaraguan Institute for Agricultural Technology (INTA), UCA.

P4P Voices... They do P4P... and talk about it!



What did you think about the meeting?

I thought it was a great opportunity to ensure that everyone was on the same page regarding the learning priorities for P4P - and to exchange experiences about what has and hasn't worked across the four Central American pilot countries.

What's the relevance of learning and sharing for P4P?

P4P is an experiment that will determine how technical assistance - paired with access to a quality WFP market - can catalyze sustainable connections to commercial markets for farmers' organizations across Central America and Africa. There has been a great deal of very promising progress in each country. However, the lessons regarding what has happened - and why - need to be documented so that these can be built upon by governments and others in the future.

What learning did you take away from this meeting? The variety of approaches that are being employed across the countries is fascinating and provides a huge opportunity for documenting lessons for the future. In this region, I am very interested in how P4P has assisted FOs to access credit; the innovative use of revolving funds to build capital within FOs; relationships with the private sector stimulated through P4P; rapid improvements in quality; and how different farmers' organizations, depending on their level of development, have taken advantage (or not) of the opportunities created by P4P. There has been a tremendous amount of progress and positive impact on people's incomes and quality of life, but this needs to be documented.

Ken Davies
P4P Coordinator



Gabriela Medina
Senior Procurement Assistant
WFP Honduras

How can Procurement contribute to the learning & sharing process?

Through its procurement activities, P4P is supporting multisectoral capacity transfer while ensuring quality, transparency as well as a series of processes related to the market flows and demand requirements. The Procurement Unit can support documenting P4P experience through the creation of guidelines for the revision or adaptation of processes to respond to the requirements of markets and the needs of beneficiaries. It could also assist in the systematization of lessons learnt to help the replication of P4P-like interventions in other countries.

Was it useful for you to listen to experiences of other countries in terms of sales/purchases? Yes. In Central America, there are a lot of similarities in the context of implementation of P4P and we are used to facing the same challenges (restriction in terms of payment cycle, duration of

procurement process, lack of access to transport for FOs...), that contribute to reduce cost-efficiency and increase the risk of breach of contract. Exchanging experiences enabled us to put all this into perspective to make proposals at the regional level, to increase awareness on P4P processes, optimize or create mechanisms to follow up local purchases and payment processes. All this would facilitate the negotiation and the replication of best practices and lessons learnt... it should be done in coordination with the Regional Bureau.



Alessia De Caterina
P4P M&E Officer

Are you satisfied with what came out of the meeting? Why?

I think in terms of identifying the *learning focus* for each country, the meeting went very well: each CO identified the themes for which they have most learning to offer, and which have been most central to their P4P country strategy. Most of these themes directly contribute to the P4P global learning agenda. The challenge is that COs, in general, tend to define the themes very broadly, to show everything one has done. But the value of their contribution to the global P4P learning agenda will depend on the depth and focus of the themes chosen, and how well these themes can be backed up with evidence.

What are the next steps to complete the global learning and sharing agenda?

The challenge now is for COs to define the exact *contents* of each theme, make the *maximum use of the information and data already collected*, and *resist the temptation to "want to say it all, all the time"*. The challenge is also to go beyond the description of what the problems were and what they did, to reflect on the lessons emerging, asking themselves: "if we were to start again now, what would we do differently? What would we do the same?"

How committed do you feel people are about the learning and sharing?

It is difficult at first and it's quite normal, people are so busy with implementing that they often have no time to stop to document the learning... but I think everyone now understands how valuable their experiences can be for others in a pilot project such as P4P.



Praveen Agrawal
WFP Colombia
Country Director

What did you learn in this meeting?

What most impacted me is that there is a common vision of the implementation of P4P in Central America: a regional project is possible. The P4P learning process encourages countries to document their experiences and share their understanding on the WHY of their actions. They will be able to explain to stakeholders why such results and changes were achieved, and this is key to ensure local purchases sustainability. Documenting the HOW may become more challenging because it will have to be put into the perspective of the specificity of each country. But it will, with no doubt, help tailor technical assistance at the country level.

As a non-P4P country, what do you take home from the P4P Learning and Sharing?

P4P is an innovative project and what matters is to be able to understand what it is doing, what changes it is bringing to countries, to small-scale agriculture and how it is building resilience among farmers. P4P offers models for working with small farmers, who, in the case of Colombia, are living side by side with humanitarian population. It has integrated them into the value chain (from the beginning to the end) and it has worked in an integrated manner, strengthening their food and nutritional security as well as their economic situation. This will help small-scale farmers become more resilient to shocks.

P4P CENTRAL AMERICA	
BENEFICIARIES	
FARMERS' ORGANIZATIONS	118
PARTICIPATING PRODUCERS	24,654
% WOMEN	35
P4P PURCHASES	
TOTAL CONTRACTED (MT)	43,385
TOTAL VALUE (US\$)	23.29 mil
% OF TOTAL PURCHASES	26.5
TOTAL COST SAVINGS FOR WFP	2,902,843
CAPACITY DEVELOPMENT	
PRODUCTION TECHNIQUES & INPUTS	1,129
POST-HARVEST MANAGEMENT	835
COMMERCIALIZATION	129
FINANCIAL MANAGEMENT	282
FO ADMINISTRATION	654
GENDER	81
OTHER	110
TOTAL	3,220
TOTAL PARTICIPANTS	88,376
PARTNERS	
GOVERNMENT INSTITUTIONS	38
UN AGENCIES	6
PRIVATE SECTOR	8
NGOS	31
OTHER	12
TOTAL	95

Month Ahead

- ◆ **Central America:** Follow up on the Learning & Sharing- Clear definition of themes to be documented by each country.
- ◆ **Tanzania:** Fourth Technical Review Panel (June 11th-15th)
- ◆ **Guatemala:** Regional Meeting for the definition of the new WFP Protracted Relief and Recuperation Operation- a particular focus will be put on smallholders' (June 22nd-27th)

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