Way forward
Currently only rain fed agricultural products are purchased (millet and cowpea) from farmers and only once per year. The diversification of food commodities purchased from small producers would allow to increase the operations action range and increase the financial benefits for vulnerable groups. Indeed, the inclusion of fresh vegetables, products of animal origin and processed foods in the purchase list of school canteens could for instance benefit different groups of people relying on different livelihoods through the year, especially women and pastoralist communities who are mean actors in these segments.

Secondly, a review of the current operations is already necessary and should cast a new look on the objectives of the local purchases. WFP is currently investing enormous amounts to support the cooperatives: from the creation of bank accounts till the transport of their commodities. Cooperatives need to evolve and be able to comply with some criteria (updated documentation, traceability of the production, stock management, bagging, quality control, logistics). Alternative operation schemes need to be piloted and analysed to keep speed and quality despite increasing volumes.

Thirdly, guaranteed market access is a precondition to encourage smallholder farmers to invest in their production. Resources are necessary to ensure this market access, therefore the local purchases should be associated with programmes whose demand for food commodities and funding are relatively stable or likely to be funded. Among WFP programmes the school feeding one is undoubtedly the one and it will be further facilitated by the African Union engagement in the Home Grown School Feeding. However, additional stable funding sources need to be explored to support a further scale up. The Global Commodity Management Facility (GCMF) managed by HQ could offer an interesting window of opportunity to secure the purchases of cereals and pulses from smallholder farmers.

Fourthly, further reflexion is needed to contractual arrangements which could even further benefit the smallholder farmers. For example, contracts linked to the GCMF funds, could present an option to be explored as it would allow flexibility in the contract price and adjustments according to the payment timing. Forthly, the scale up of innovations like the vouchers offer interesting opportunities in terms of diet diversification and women empowerment, and should be explored and possibly promoted.

And last but not least, with the adoption of the National Strategy on Local Purchases from Smallholder Farmers, WFP should pursue and scale up its support to the building capacity, not only at policy but also operational level, supporting the operational bodies to implement this new strategy and ensure a scale up at the national level.

South-South and triangular cooperation: a cornerstone in Niger operations
The South-South and triangular cooperation offers real and solid solutions to the challenge of shared development. Brazil has been implementing the Zero Hunger Strategy, in which FAO and WFP found a potential to inspire other countries. Therefore, in 2010, WFP created the Centre of Excellence against Hunger that aims to strengthen the in-country capacity in school feeding, local purchases from smallholder farmers, resources mobilisation and improvement of the South-South cooperation. Several initiatives originated from this, among which the PAAs. Besides that, thanks to external support from the DFID, an exchange framework was put in place and in 2013 a delegation from the African Union visited the School Feeding Programme, which supported political engagement. In 2012 an agreement between Brazil, FAO and WFP to support the implementation of the PAA in five African countries was signed. Brazil also donated to Niger, through FAO and WFP, 1,100,000 USD and provided technical support.

Voices from the field
Since we have joined the MOADDEN union our sales opportunities increased and we are now able to sell our products easily. Thanks to the project voucher in school, that began in 2015, our Union is still prioritising women production. This great initiative is encouraging us to produce more as we all are parents and we now know what our children are consuming at school. It also provides us with the opportunity to actively participate in the meal preparation, beyond the annual monetary contribution. This also motivated our women cooperative to rent land to increase the production for the school canteens. In addition to our work in the agricultural fields, we are now involved in the production of fortified flour. Most of the income deriving from the sale of processed food is invested, which helps us in case of unforeseen situation or as a collateral to access credit.

Koulli Djibo, from Batamá Béri, in the Faielwa commune.

Context
Niger’s economy is predominately based on the primary sector followed by the secondary sector. The rural population represents 87% of the labour force and is characterised by small-scale family farmers, mostly not self-sufficient. The high reliance on climate and rainfall and the use of traditional techniques impact the productivity. In addition to the limited access to agricultural inputs, relatively low storage capacity and difficult access to means of transport, smallholder farmers also have a limited understanding on market dynamics and are insufficiently organised to compete on the market. Women are particularly affected by this situation.

Overview of WFP intervention
With the support of the South-South and triangular cooperation and other partners, WFP engaged in supporting purchasing from local smallholder farmers with food security as the first component.

On the operational component, WFP, in close partnership with FAO, the Network of the Agricultural Chambers (RECA) and agricultural decentralised services, has been purchasing from local producers for the school meal programme since 2012. Thanks to this intervention small producers benefit from an additional trade option at a fair price. Within this framework WFP and its partners ensure:
- identification of the regions with satisfactory yields and sufficiently organised smallholder farmers’ organisations;
- selection of smallholder farmers, prioritising women and producers that own small plots (around 21,000 ha in 2012);
- technical support to secure the production of surplus, thanks to FAO activities, that allowed an increase in purchase of cereals and pulses from 588 tons in 2012 to 2,500 tons in 2015;
- monitoring and evaluation of the agriculture production through crop year evaluation;
- establishment of contracts with the producers’ union, with an increase from 10 unions in 2012 to 69 in 2015;
- capacity development of smallholder farmers, with the other partners;
- logistical support, amongst others for storage, transport and packaging.

Based on an operational review, WFP ensured the adoption of a Standard Operation Procedure to ensure its efficacy and working capacity.

What do we mean by Local Purchases?
While talking about local purchases, WFP Niger refers to purchases made inside the country’s domestic market. When purchasing locally through the trade networks on the local markets, WFP follows the principle of competition and follows criteria such as the price/quality ratio and the delivery capacity in terms of quantity and timing. These purchases are done through a call for expression of interest, the analysis of potential availability of surplus at national level, without disrupting the market. In 2015 WFP purchased 29,338 MT locally.

On the local purchases from small holder farmers, WFP purchased 2,497.25 MT in 2015, representing 3.27% of local purchases. Food is purchased directly from the local producers, without the intermediaries (traders or wholesalers), but through the Union or local cooperatives that are structured, organised and transparent. Tenders are assigned directly, without a call, according to the delivery capacity of the local cooperatives. The local purchases programme is based on the direct link between WFP demand (in terms of food assistance) and the offer (in terms of agricultural production), prioritising the supply from the most vulnerable: the smallholder farmers.
Key lessons learned from WFP’s experience

In light of the positive trends and the richness of experience gained from the capitalisation exercise was initiated, to draw lessons on WFP’s experience on this intervention. This exercise involved consultations with the partners, such as the 3N Initiative at central level and the local cooperatives and unions at decentralised level. It was led with the support of WFP Regional Bureau Dakar. This note presents two broader technical lessons learned document which reviews all key dimensions. Its objective is not only to strengthen WFP Niger’s awareness and effectiveness in the sector, but also to share this experience with national and international partners to contribute to a broader capitalisation process.

1. Local Purchases were facilitated by WFP’s programmatic integration approach linking humanitarian response with development

The local purchases were progressively integrated in other WFP interventions school meals. They connected the offer of locally produced food with the demand for food commodities and other programmes. This was facilitated by WFP Niger’s integrated resilience programme.

Additionally, the local purchases from smallholder farmers provided the opportunities to link food assistance with agricultural extension activities. Through this approach WFP ensures food assistance while enabling the communities to benefit from additional positive consequences of the food assistance in the long period. The local purchases programme Niger provides a concrete and effective exit strategy for WFP in a country where the food crisis are structural.

2. The combination of innovative tools and targeting of women organisations, showed catalytic for a more effective integration in the local value chain on nutrition and women empowerment

Local purchases from smallholder farmers allowed to have multiple impacts through the integration of other issues such as women empowerment, seasonality and agro pastoral productivity, local food consumption habits, effective community involvement in activities management. Even more when the activity is implemented through the local support offices has partially joined the pilot initiative which targeted women cooperatives and relied on vouchers for the payments. The value of the vouchers was distributed directly to the Management Committees of the school canteens. The issuance process guarantees the provision and the demand to the cooperatives through the vouchers. Afterwards, the cooperatives withdraw the money from WFP’s financial institution partner. Through this tool, communities were given genuine responsibility, switching their positioning from beneficiaries to actors of their own development. It also contributed to diversification of food consumption in the school canteens, as canteens were given access to fresh vegetables. This pilot project has been the result of programme integration and of the potential of the local purchases to provide benefits other than the revenue increase.

3. The implication and leadership of the Government is essential to achieve substantial results

Through the implementation of the local purchases WFP established several partnerships with producers’ organisation and federations. The Government counterpart represented by the HCNJ, the Ministry of Agricultural and its decentralised entities, the Ministry of Education, FAO and NGOs. The Government counterpart took a central role in this framework by influencing and coordinating. This coordination had to fairly represent all the different actors’ needs and expectations.

4. Securing stable and timely funding for the purchases is essential to establish and maintain the partnership with the smallholder farmers

Given the need for liquidity (cash) at the moment of the harvest, smallholder farmers are considerably concerned with the uncertainties and delays, resulting in a lack of willingness to respect binding contracts. Indeed the delays in payment experienced during the implementation of the project was due to the voucher modality. Additionally, WFP was confronted with some withdrawals of cooperative throughout the activity as some of them were simply no longer interested in participating. In order to offer opportunities to small producers to lift them out of poverty, while purchasing at a competitive price, it is essential to ensure the availability of funding before the beginning of the new crop year (May-June) and throughout the year to ensure continuity and sustainability of the partnerships. A continuity in the purchase operations years after years is necessary to establish a trust-based relationship that would allow smallholder farmers to plan and invest in their production.

5. The formalisation and guaranteed sales has impacts beyond the guaranteed sales and ensured access to limited margin for local producers that would increase their production and develop their activities. To overcome that and be able to buy inputs and equipment or cover needs during the lean season WFP started implementing an approach to reduce the uncertainties for farmers with the pilot programme. The contracts between WFP and the local cooperative formalise a safe and sound relationship between a supplier and a buyer. The agreement guarantees that the local cooperative will be paid a fair price for the input, a criteria that is essential for every financial institution to issue a loan. It provides smallholder farmers with a concrete opportunity to access credit at affordable rates.

6. Moving beyond gender mainstreaming with specific actions proved important on the empowerment agenda

Women represent a high share of smallholder producers that have limited access to means of production (land and inputs) and to markets. Additionally, they are also in charge of most of the households’ daily needs. For that reason, the support of women groups and the consideration of gender ratios among the criteria for the selection of local cooperatives for local purchases has had very positive effects. In the local cooperatives from which WFP purchases food commodities there is a women’s union as an independent body by women producers. Through the joint project “Boost women economic empowerment in the rural setting” WFP and federations exchange ideas and strengthen the voucher modality. These targeted interventions allow not only to address food security issues, but also to promote poverty eradication and to strengthen women leadership positions in the community through the local purchases from women producers.

7. The political component ensured ownership and paved the way for progress

Beyond the operational aspects, WFP and FAO began to advocate for the creation of legal texts on local purchases from smallholder farmers through the inclusion of the smallholder farmers in the political agenda. The 3N initiative played a key role to bring at the table the main stakeholders to elaborate and validate a National Strategy on local purchases. This helped to adopt a National Strategy for Local Purchases from Smallholder Farmers and to support the local purchases process by the National Institute for the Prevention and Management of Crisis and Catastrophe for National Stock of Security managed by the NGO CARE from WFP and has FAO had a key role in the sensitisation, with visits to Brazil and from Brazilian authorities, participation to international workshops for training, gathering, discussions and technical exercises.

8. A joint multi-partners’ strategy is an important success factor

In the context of Niger, the guaranteed access to the market on the medium and long term is a factor for increasing the production of local producers that have limited trade options. However, this needs to be coupled with measures reinforcing the production systems (quality of the inputs and equipment), services (technical support and access to credit) and the necessary infrastructure (roads, warehouses). Considering the complex dimensions of the agricultural issues in Niger, where the basic services and infrastructure in the agricultural sector are poor, the approach entails to provide a coherent and sustainable response to vulnerable populations. For that reason WFP created strategic partnerships with local and national NGOs, INGOs, INAs. Through the Purchase from Africas for Africa (PAA) Programme, this partnership has been formalised and ensures effective coordination and synergies building on added value of each agency. WFP has brought its contributions especially on tender procedures, logistics, market analysis, reduction of after harvest losses to reinforce the capacity of local cooperatives on the value chain and its purchasing power of food commodities.

9. The time and technical support needed to process the operation of purchases should be taken into account since the beginning

The management of the purchase operations from local organisations implies a considerable workload for WFP. The workload to buy 1000 tons from a local organisation can be compared with the one required to buy 1000 tons from a bigger supplier as systems are not yet in place. Additionally, to ensure a countrywide scale up, this workflow will continue to increase as new partnerships will need to be developed and will require organisation and logistical support. This workload needs to be factored into the work plan, with adequate financial and human resources to cover these needs. There is also a need to look at alternative path, for example exploring to strengthen the responsibility of the operation to the cooperatives, with strong accompanying measures like capacity building in terms of logistics, bagging, packaging, quality control, traceability of the production, etc.

10. A procedure rather oriented toward a more classic tender procedures has shown its limits for the purchases

The contracts that are currently used not always serve the needs neither of the smallholder producers nor of WFP. Directs contracts fix a payment date and fix the price in advance (through a methodology based on previous prices) and therefore require WFP to negotiate with the local cooperatives to ensure that the prices they propose are adequate to their cost of production. These are both a limiting factor and a required amount of presence in the field, with delays including in payments. It also lead to situation where, in order to purchase local products, the once market prices were more favourable than the price fixed in it. Based on this experience, WFP developed a new procedure to define responsibilities at the country office level. These were capitalised and also transferred to the national level.