



# Pro-Smallholder Food Assistance

## A Background Paper for WFP's Strategy for Boosting Smallholder Resilience and Market Access Worldwide





Front cover: Adamu Alidu, Balchisu Iddrisu, Amishetu Salifu, and Samata Dawuda winnow rice at a P4P project site in Nyankpala, Northern Region, Ghana.  
*WFP/Nyani Quarmyne*

Grace Mukamana, Vice President of KOREMU farmer organization, shows a hermetic storage bag in the KOREMU warehouse in Rukiri village, Rwanda.  
*WFP/Rein Skullerud*

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FFA participants construct half-moons from soil to improve water conservation in Koumari village, Dosso, Niger.  
*WFP/Rein Skullerud*



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# Summary

Sustainable Development Goal Target 2.3 to double smallholder productivity and incomes by 2030 presents major challenges for national authorities. All actors with relevant strengths, knowledge, and capacities must take deliberate steps to more effectively support pro-smallholder national efforts and investments. Due to their physical, economic, social, and political marginalization, millions of smallholders are chronically food insecure and vulnerable to shocks. **Smallholders produce much of the world's food, but face major challenges in profitable market engagement. Smallholders are therefore strongly represented in the World Food Programme's (WFP's) food assistance initiatives, either as direct or indirect beneficiaries, or as sources of locally procured food.** WFP is fully committed to Agenda 2030 and especially to leaving no one behind, including smallholders. At issue for WFP is how to leverage its strengths, knowledge, and capacities to most effectively support national efforts to boost productivity, resilience, and market access for smallholders in a range of contexts.

This document presents the background analysis **for WFP's strategy for food-assistance based support to smallholders across the globe.** A major aim of this strategy is therefore to overcome the **simplistic perception of WFP's role in rural areas as a mere deliverer of food handouts to passive recipients.** The message is that, working closely with partners, WFP possesses a wide array of capacities to develop context-specific solutions to fundamental challenges facing smallholders. These solutions entail innovations that build resilience, increase market access, and bridge emergency relief, recovery, and long-term development contexts.

**WFP's portfolio of smallholder-facing food assistance initiatives has been developed progressively over many years. It is now wide and deep, covering the bulk of WFP's countries of operation.** The current scale and reach of is the portfolio are significant, with food assistance defined not as old-style "food aid" handouts of physical food commodities, but rather as a comprehensive range of instruments, activities and platforms that together empower vulnerable and food-insecure people and communities to access nutritious food in different contexts. In 2016,

**WFP's Food Assistance for Assets programmes** directly and indirectly benefited 23.7 million people in 53 countries, most of them smallholders. Purchase for Progress initiatives in 35 countries supported more than 1.5 million members of 1,000 smallholder farmer organizations, generating benefits for up to 7.5 million people. Home Grown School Meals programmes were supported in 45 countries. 93,000 smallholders in Uganda received support under the Post-Harvest Loss initiative. The Rural Resilience Initiative reached 40,000 farmers in four African countries, with benefits for 200,000 people. And the recently-launched Farm to Market Alliance reached over 70,000 farmers with training and other forms of support in three pilot countries.

Pro-smallholder food assistance draws on principles and priorities set out in a number of corporate policies that address issues vital to smallholders. These include policies on Food Procurement in Developing Countries (2006), Safety Nets (2012), School Feeding (2013), Building Resilience for Food Security and Nutrition (2015), South-South Cooperation (2015), Gender (2017), Environment (2017), Climate Change (2017), and Nutrition (2017).

In addition to this comprehensive normative framework, guidance materials have been developed for most smallholder-facing initiatives. These include Food Assistance for Assets, Smallholder Agricultural Market Support, Home Grown School Meals, Food Procurement, Nutrition, Food Quality and Safety, and Systemic Food Assistance.

Despite these supportive policies and guidance documents, a framework that provides an **integrated view of WFP's pro-smallholder portfolio** and establishes a unified rationale for its component thrusts does not yet exist. This strategy fills that gap, but not as an operational guide. Rather, it aims to support leaders and relevant staff at country and regional level as they advocate for and develop food assistance initiatives that address the challenges and opportunities facing smallholder farmers in their countries and regions. It also targets counterparts in host country government and partner agencies charged with overseeing policies and investments related to food assistance, as well as agricultural and broader rural development, aiming to clarify **the rationale, principles, and content of WFP's** worldwide efforts to support smallholders.



Key concepts and standards underpinning pro-smallholder food assistance are defined: food assistance, food systems, resilience, smallholder farmers, farmer organizations, aggregators and aggregation systems, pro-smallholder procurement, **and gender equality and women's empowerment**. Together these concepts and standards establish the motivation for and potential of pro-smallholder food assistance.

To articulate the case for pro-smallholder food assistance as a multi-faceted platform for delivering support to smallholder farmers, two questions are posed and answered: (1) Why does WFP care about smallholder farmers? *WFP cares because smallholders need to become competitive actors in food systems, yet they live in rural areas where poverty and hunger are concentrated, making them and their families the most vulnerable and food-insecure groups*; (2) What does WFP have to contribute to smallholder-led agricultural development, and to the broader rural and structural transformations within which that development is embedded? *WFP occupies a unique position at the intersection of short-term humanitarian action and longer-term hunger reduction and thus is able to work with a wide range of partners to apply numerous innovations to the many causes of food insecurity*.

The strategic framework for pro-smallholder food assistance builds directly on the perspective on **smallholders signalled in WFP's Strategic Plan 2017-2021, which seeks to leverage WFP's core** capacities and accumulated experience in ways that support national efforts to achieve the Sustainable Development Goals. The framework derives principally from corporate Strategic Objective 2 to Achieve Food Security. Under this Strategic Objective, smallholders are the focus of Strategic Result 3, which is Sustainable Development Goal Target 2.3 to boost their productivity and incomes. Smallholders are also strongly implicated in Strategic Result 4 (Sustainable Development Goal Target 2.4) that aims to ensure sustainable food systems.

Two strategic thrusts are identified, depending on whether support to smallholders is driven by food purchases (aiming to help smallholders able to produce marketable surpluses overcome challenges in accessing markets) or rests on theme-based interventions (aiming to address the myriad factors that undermine resilience in the fragile contexts in

which WFP typically operates). Direct intervention by WFP is not essential.

**Each of WFP's purchase-driven and theme-based** interventions can stand on its own and generate significant benefits for targeted smallholders. Much greater value can be generated through integrated measures. A number of successful examples of integration exist or are being actively explored. Explicit efforts to develop guidance for some integrated activities have commenced. In all cases, careful targeting, geographical coordination and proper sequencing of activities are vital, aiming for context-specific trajectories to enhanced productivity and resilience. Given the highly dispersed nature of smallholder agriculture, the private sector features prominently in many interventions, as does collective action among smallholders. Gender equality in access to inputs, technologies, finance, and knowledge is critical. Improved nutrition is a cross-cutting objective.

Smallholders face massive challenges that extend well beyond the capacity of WFP to address on its own. The 500 partnerships developed with public, private, and civil society organizations under the P4P initiative signal the profound partnership imperative of pro-smallholder food assistance. The private sector is the engine of sustainable change. Government leadership and civil society engagement are fundamental to ensure inclusive outcomes. Complementary strengths and capacities of WFP and the other two Rome-based United Nations agencies (RBA), the Food and Agriculture Organization of the United Nations and the International Fund for Agricultural Development, open considerable scope for enhanced partnership to boost national efforts to enhance smallholder resilience and market engagement and inclusive rural transformation more broadly.

Practical considerations based on local experience and analysis should define country-level approaches. Several risks arise for WFP Country Offices pursuing pro-smallholder food assistance initiatives and partnerships, falling within eight categories: smallholder production and productivity, smallholder storage and aggregation, smallholder **and farmers' organization marketing, farmers' organization capacity, gender equality and women's** empowerment, buyer behaviour, enabling environment, WFP staffing, programme design and implementation. Mitigation measures are proposed.



Nsuma Amoa, a member of an FFA-supported women's collective in Walewale, Northern Ghana.  
*WFP/Nyani Quarmyne*

## Background and Objectives

Smallholder farmers account for 80 percent of food produced in Asia and Africa. Smallholder agriculture supports the livelihoods of up to 2.5 billion people worldwide (IFAD, 2015). But these livelihoods are constrained by a range of factors **that limit smallholders' access to technology, finance, knowledge, and markets.**<sup>1</sup> Many smallholder regions are rendered increasingly vulnerable to shocks by climate change interacting with population growth, seasonal volatility in prices of key goods (especially staples), and physical displacement and commercial disruption due to conflict and civil strife (WFP, 2017g). Smallholders are prominent among households likely to be strongly impacted by structural challenges that will intensify in the coming years – e.g., climate change, water scarcity, and natural resource degradation (FAO, 2016). In many contexts, sustainable growth and inclusive structural transformation cannot be achieved without significant productivity growth in smallholder agriculture. This is especially true where agriculture looms large in GDP and

dominates employment, yet generates low incomes (IFAD, 2016a). Not surprisingly, therefore, Sustainable Development Goal (SDG) Target 2.3 seeks to double smallholder productivity and incomes by 2030. The challenge facing national authorities seeking to achieve this target is immense. All actors with relevant strengths, knowledge, and capacities must take deliberate steps to more effectively support national pro-smallholder efforts and investments.

This document presents the background analysis **for the World Food Programme's (WFP's) strategy** to support smallholders. The rationale for the **strategy springs from WFP's strong commitment** to Agenda 2030, and especially to the objective of leaving no one behind. Due to their physical, economic, social, and political isolation, millions of smallholders are chronically food insecure and vulnerable to shocks. They are strongly **represented in WFP's food assistance** programmes. Given that in many countries in which WFP operates, the bulk of food available in local markets originates from smallholder **farmers, WFP's procurement footprint in these** markets can provide a basis for partnership with governments and the private sector to catalyse demand-driven platforms that enable

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<sup>1</sup> This document uses the terms "smallholders" and "smallholder farmers" interchangeably. The intended meaning is that found in Agenda 2030 in which smallholders include small-scale farmers, fishers, foresters, and pastoralists.



smallholders to have sustainable and profitable engagement with local markets beyond WFP (WFP, 2016).

The principal audience for the strategy are leaders and relevant staff in WFP Country Offices (COs) and Regional Bureaux (RBs) as they advocate for and develop food assistance initiatives that address the challenges and opportunities facing smallholder farmers in their countries and regions. In particular, the strategy serves as input into CO and RB efforts to conceptualize and develop smallholder-related food assistance outcomes, outputs and activities in Country Strategic Plans, Interim Country Strategic Plans and Transitional Interim Country Strategic Plans. Also targeted are counterparts in host country government and partner agencies charged with overseeing policies and investments related to food assistance, as well as agricultural and broader rural development. For partners, the document clarifies the rationale, principles, and **content of WFP's worldwide efforts to support smallholders.**

**WFP's portfolio of smallholder-facing food assistance initiatives** has been developed steadily over many years. It is now wide and deep, **covering the bulk of the organization's countries of operation.** The current scale and reach of the portfolio are significant.

- Long-standing Food Assistance for Assets (FFA) programmes deploying the Three-Pronged Approach (3PA) to context analysis and livelihood programming seek to enhance the resilience of smallholder livelihoods.
- The Purchase for Progress (P4P) programme leverages demand for food from WFP and other institutional buyers in support of smallholders.
- Home Grown School Meals (HGSM) initiatives connect smallholder farmers to school meals programmes. These are highly prized by governments and regional bodies worldwide.
- The Rural Resilience Initiative (R4) enables vulnerable rural households to increase their food and income security in the face of increasing climate risks through comprehensive risk management, featuring

uptake of new technologies linked to access to crop insurance, savings, and credit.

- The Post-Harvest Loss (PHL) initiative promotes affordable post-harvest management technologies and practices that cut post-harvest losses significantly.
- The Farm to Market Alliance (FtMA, formerly known as the Patient Procurement Platform) is based on a global partnership with large private companies. It seeks to boost smallholder incomes through formal long-term contracts backed by facilitation of key value chain services.
- The **Virtual Farmers' Market (VFM)** pilot initiative deploys an app-based digital market place approach to connect farmers and buyers, enabling them to more easily and transparently negotiate prices and complete transactions.

A comprehensive accounting of the scale and reach of the portfolio is underway, but has yet to be completed. Available data reveal significant coverage. In 2016, WFP implemented FFA activities in 53 countries, benefiting 10.5 million people directly, and an additional 13.2 million indirectly. P4P initiatives in 35 countries supported more than 1.5 million members of 1,000 farmer organizations, generating benefits for up to 7.5 million people. HGSM programmes were supported in 45 countries. In Uganda alone, 93,000 farmers received support under the PHL initiative. R4 reached 40,000 farmers (benefiting 200,000 people) in four African countries. FtMA reached over 70,000 farmers with training and other forms of support in three pilot countries (WFP, 2016b).

In addition to these measures that deliberately **target smallholders, WFP's food assistance activities** address a range of structural and institutional drivers of food and nutrition insecurity in smallholder communities, generating such benefits as improved nutrition, enhanced **resilience, gender equality and women's empowerment**, and improved food safety, alongside important technical and organizational capacity development, policy reform, and institutional innovation.

Table 1: WFP policies relevant to pro-smallholder food assistance

Policy	Principles and Objectives
Food Procurement in Developing Countries (WFP, 2006)	WFP has both procurement and programmatic objectives in food procurement, which must be balanced. The organization should ensure timely, cost-efficient and appropriate food procurement while also emphasizing market development, particularly by working with <b>farmers' organizations and small-scale traders</b> .
School Feeding (WFP, 2009)	School meals programmes can be a platform to link to other interventions to achieve additional developmental outcomes, for example through local procurement of food in order to augment local economies, what is now widely known as HGSM.
Safety Nets (WFP, 2012)	WFP has a key role in helping governments and partners enhance the coordination and <b>flexibility of safety nets</b> . <b>WFP's experience in nutrition, education and agriculture</b> -related issues may help foster institutional synergies among safety nets and other sectoral initiatives.
Building Resilience for Food Security and Nutrition (WFP, 2015a)	WFP can help build the resilience of vulnerable farmers through enhanced market access and increased availability of financial services.
South-South Cooperation (WFP, 2015c)	WFP supports South-South cooperation around a variety of thematic areas, including agriculture, through knowledge-sharing, technical cooperation, policy support, joint advocacy, in-kind support, and regional initiatives.
Gender (WFP, 2017h)	<b>All WFP's efforts should be tailored to the diverse needs of men and women, ensure equal participation, improve decision-making by women and girls, and ensure protection.</b>
Environment (WFP, 2017i)	Local procurement and post-harvest loss reduction can support environmental protection by reducing transport needs and increasing worldwide food availability without putting additional strain on natural resources.
Climate Change (WFP, 2017j)	WFP has a role to play in increasing capacity to respond to and recover from climate shocks at various levels. This includes risk management, finance and insurance options, community resilience-building, livelihoods and disaster risk reduction programmes.

No single WFP policy could address the full range and depth of challenges facing smallholders worldwide. However, several corporate policies provide principles and objectives that have been **integrated into WFP's various smallholder**-facing initiatives (Table 1).

Guidance documents have been developed for the **majority of WFP's smallholder**-facing initiatives (WFP, 2017b; WFP, 2017c; WFP, 2017d; WFP, 2017e). However, a framework that provides an **integrated view of WFP's pro-smallholder** portfolio and establishes a unified rationale for its component thrusts does not yet exist. This document addresses that gap.

First, the role and importance of smallholders in the Strategic Plan 2017-2021 are outlined. Second, key concepts and principles are defined and articulated: food assistance, food systems, resilience, smallholder farmers, farmer organizations, aggregators and aggregation systems, pro-smallholder procurement, and **gender equality and women's empowerment**.

Third, guidance for strategic positioning is offered, **addressing two questions: "Why smallholders?" and "Why WFP?"** Fourth, a pragmatic but comprehensive strategic framework for pro-smallholder food assistance initiatives is presented, including purchase-driven, theme-based, and integrated options. Principles for alignment with two key corporate Strategic Results (SR) – SR3 on smallholder productivity and incomes and SR4 on food systems – are established. Fifth, the partnership imperatives associated with pro-smallholder food assistance are set out. Finally, key risks and mitigating actions are identified.

The term **"pro-smallholder food assistance"** is **chosen very deliberately**. For WFP, **"food assistance"** refers not to old-style **"food aid"** handouts of physical food commodities, but rather to a comprehensive range of instruments, activities and platforms that together empower vulnerable and food-insecure people and communities to access nutritious food in different contexts (WFP, 2017g). WFP's activities to support

<sup>2</sup> Pro-smallholder food assistance can also be viewed as an illustration of "systemic food assistance", which is defined as food assistance that addresses deeply rooted and widespread systemic problems in food systems (WFP, 2017f).



smallholders are prime examples of food assistance defined in this comprehensive way, illustrating how WFP is leveraging its core strengths, capacities, and knowledge to support national efforts toward Zero Hunger.<sup>2</sup>

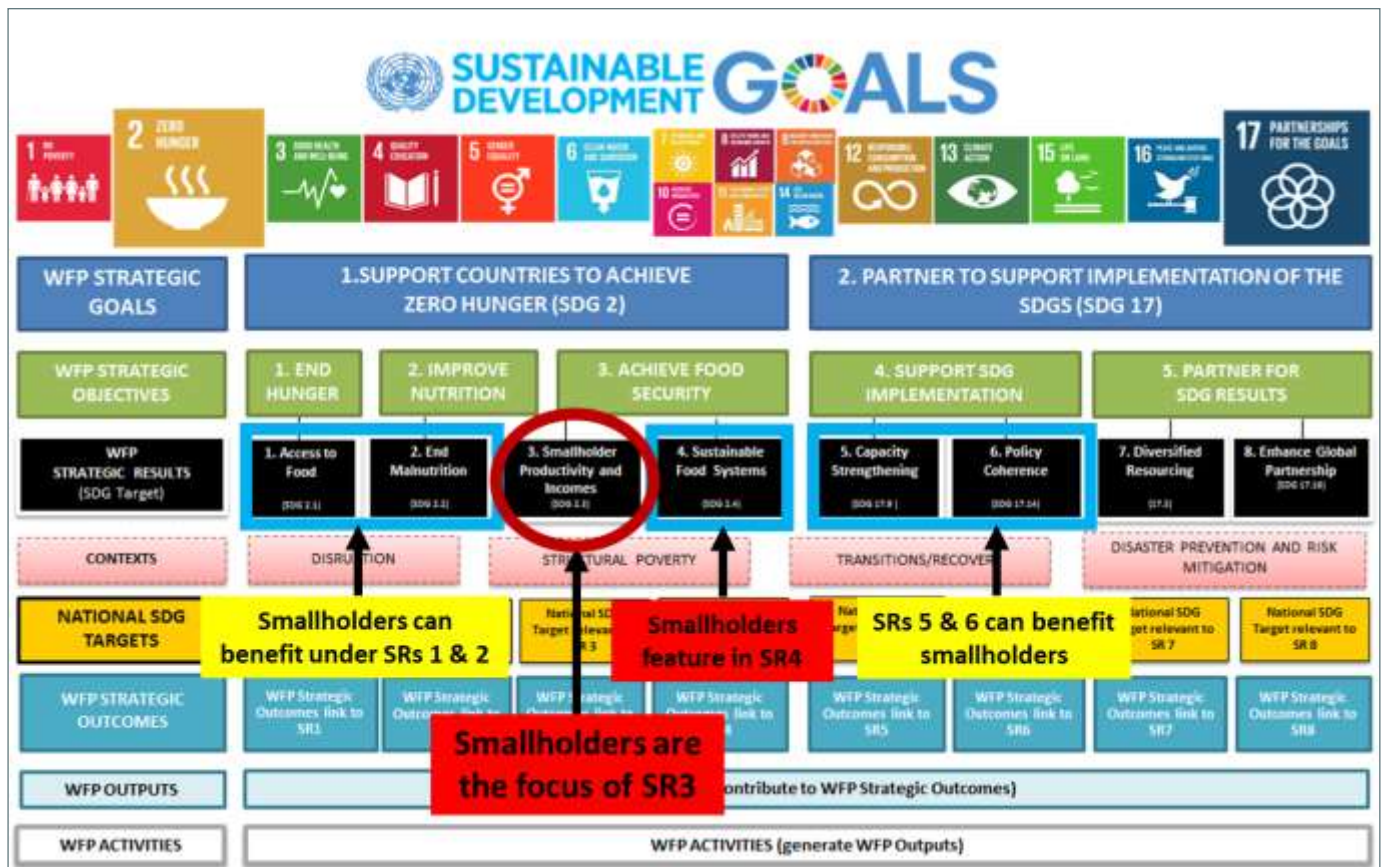
## Smallholders in WFP's Strategic Plan 2017-2021

The Strategic Plan 2017–2021 aligns WFP with the 2030 Agenda for Sustainable Development (WFP, 2016). It focuses on ending hunger and contributing to revitalized global partnerships to implement the SDGs. It provides a conceptual framework for a new planning and operational structure that will enhance WFP's contribution to country efforts to achieve the 2030 Agenda. Recognizing that all 17 SDGs are interconnected, WFP prioritizes SDG 2 on achieving zero hunger and SDG 17 on partnering to support

implementation of the SDGs. This focus reflects WFP's dual mandate and its strengths and capacities as demonstrated in its programme of work and the demand for its technical, operational, and common services.

SR 3 of the Strategic Plan is directly linked to SDG Target 2.3 to Increase Productivity and Incomes of Smallholder Farmers. Through SR3, therefore, increasing smallholder productivity and incomes is one of WFP's primary aims. Because smallholders are strongly represented in many of the food systems in which WFP operates, they also feature prominently in SR4 to Enhance Food System Sustainability. The Strategic Plan points to other less direct impact pathways related to smallholders. Increases in smallholder productivity and incomes should also improve access to food (SR1) and reduce malnutrition (SR2) for large numbers of people. Enhanced national capacity (SR5) and greater policy coherence (SR6) should boost smallholder productivity and incomes (Figure 1).

Figure 1: Smallholders in WFP's Strategic Plan



Source: WFP (2016)

# Key Concepts and Principles

## WFP's approach to supporting smallholders

reflects its mandate to save lives in emergencies while addressing long-term drivers of vulnerability and food insecurity. A number of concepts and principles relevant to smallholders underpin and reflect that dual mandate.

## Food Assistance

Food assistance refers to multi-faceted efforts to empower vulnerable and food-insecure people and communities to access nutritious food (see Table 2). It seeks not only to save lives and livelihoods in the short term, but also to combat the root causes of hunger over the medium to long term. Food assistance thus includes instruments such as in-kind food, vouchers, or cash transfers, which **are used to assure recipients' access** to food of a

given quantity, quality, or value. Focused food procurement is a powerful demand-side tool. These instruments are applied in specific programmes to pursue a range of objectives for targeted populations, such as nutrition improvement, increased agricultural productivity, gender equality, education expansion, or disaster risk reduction. Several supporting activities and institutional platforms such as early warning and preparedness systems, vulnerability analyses, needs assessments, supply-chain arrangements, information and communication technology, and capacity development of national agencies, safety nets and social-protection systems define the effectiveness and sustainability of these instruments relative to the objectives. Food assistance thus extends beyond the traditional **view of "food aid" as transfers of food** commodities to hungry people to include development and implementation of interventions to prevent hunger and address its myriad drivers and implications.

Table 2: Food assistance defined

Food Assistance		
Instruments	Objectives and Programmes	Supportive Activities and Platforms
<ul style="list-style-type: none"> <li>• In-kind food transfers</li> <li>• Commodity vouchers</li> <li>• Cash transfers – physical and digital</li> <li>• Cash (value) vouchers – physical and digital</li> <li>• Food purchases</li> </ul>	<ul style="list-style-type: none"> <li>• Improved nutrition               <ul style="list-style-type: none"> <li>• General food distribution</li> <li>• Targeted supplementary feeding</li> </ul> </li> <li>• Increased resilience               <ul style="list-style-type: none"> <li>• Food and cash for assets, skills and public works</li> </ul> </li> <li>• Increased agricultural productivity               <ul style="list-style-type: none"> <li>• Pro-smallholder food procurement</li> <li>• Post-harvest management</li> </ul> </li> <li>• Increased school enrolment               <ul style="list-style-type: none"> <li>• School meals</li> <li>• Take-home rations</li> </ul> </li> <li>• Gender equality               <ul style="list-style-type: none"> <li>• Food and cash for training and education</li> </ul> </li> <li>• Disaster risk reduction               <ul style="list-style-type: none"> <li>• Food and cash for assets and public works</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Early warning and preparedness systems</li> <li>• Vulnerability analyses and mapping</li> <li>• Needs assessments</li> <li>• Impact assessments</li> <li>• Supply chain arrangements</li> <li>• Information and communication technology</li> <li>• Capacity development of national agencies, safety nets and social protection systems</li> </ul>

Source: WFP (2017g)



# Food Systems

Food systems are interlocking networks of relationships that encompass the entire range of functions and activities involved in the production, processing, marketing, consumption, and disposal of goods that originate from agriculture, forestry, or fisheries. This includes inputs required and outputs generated at each step (FAO, 2013b). The scope of food systems thus extends beyond physical food commodities, to cover the goods and services required for food production, transformation, and consumption – i.e., agronomy, farm input provision, product harvesting, transport, storage and handling, processing, finance, wholesaling and retailing. Security, political, policy, and climatic factors impact the cost and efficacy of these functions and activities. In the long run, the food system is a key element of structural transformation, which historically has been the only sustainable pathway out of poverty.

In the short run, the food system is the arena in which many of the poor make their living, and also where they face risks to their livelihoods – such as those linked to volatile food prices (Timmer, 2014). Food systems everywhere are changing rapidly and deeply as a result of such forces as urbanization, income growth, and shifting consumer diets brought on by broader structural transformation of economies (Reardon and Timmer, 2012; Timmer, 2014). Supply chain integration, capital-intensive technology change, expanded use of digital devices and internet access, and emergence and enforcement of private standards of quality and safety are spurring and accentuating the upheavals (Reardon, 2015; Reardon and Timmer, 2012 and 2014; Tschirley et al., 2015a and 2015b).

**WFP’s experience and analysis point to three** deeply-rooted and related systemic problems in food systems in which millions of livelihoods are embedded: (1) the bad year or lean season problem; (2) the last mile problem; and (3) the good year problem (WFP, 2017f). When ignored or inadequately addressed the three systemic problems contribute to risks and vulnerabilities that generate chronic hunger. By weakening food systems they also increase the risk that these systems will collapse under shocks, leading to food emergencies that call for

food assistance. The resilience and overall performance of food systems thus hinge on how effectively these problems are handled.

## Resilience

Resilience is the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to, and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions (FAO/IFAD/WFP, 2015b). It is therefore a vital focus of humanitarian assistance, food assistance, and broader development investments. With increasing climate risks driving food insecurity and vulnerability, food assistance expertise can be put to use to help populations to recover from shocks, prevent them from destroying livelihoods and minimize the use of negative coping mechanisms. At household and community levels, the core drivers of enhanced resilience are diversification of production systems, diversification in income sources, improvements in education, increased borrowing and savings, increased remittances from urban areas, improved management of natural resources and more effective public institutions (USAID, 2013). Also vital are gender equality and **women’s empowerment**. At system and sector levels, effective early warning and preparedness platforms are key. Food assistance initiatives that promote these outcomes enhance resilience (USAID, 2017).

For WFP, efforts to strengthen resilience should primarily target those who are food insecure or at risk of becoming so. In most cases, this means individuals and groups living in extreme poverty or close to the poverty line in rural areas. It also includes people living in fragile environments where conflict, natural disasters or other major events can disrupt food systems or impede access to adequate and nutritious food for at least part of the population. The type of population group, its livelihood strategies and asset base, the institutional environment and the type of shock or stressor all inform the practical **definition of “resilience” that applies in each context.**<sup>3</sup>

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<sup>3</sup> These principles also inform the strategies of the other two RBAs (FAO/IFAD/WFPa, 2016).

## Smallholder Farmers

There is no unambiguous global definition of a smallholder farmer.<sup>4</sup> But as signalled by the terminology, scale of operation in terms of land holding size is generally used as a classification criterion. For example, smallholders are often viewed as those farming less than two hectares. However, even this farm size is considered **“large” in some countries or regions within countries**. And where hunting, forestry, and fishing are important in livelihoods, land size may be inadequate as a criterion. As a result, other parameters are sometimes used, including the volume of production, the source and amount of available labour, and the value of capital and inputs.

For WFP, if a host country has an accepted definition of smallholder farmers under which it collects and reports agricultural and related data, such a definition should be followed whenever adequate. In countries where there is no clear definition, the two-hectare criterion may be employed, taking into account other livelihood options as appropriate. Where explicit recognition of the importance of women among smallholders is lacking, this must be incorporated. For example, women may struggle to own land and therefore be excluded from definitions of smallholder farmers based upon land size. Because SDG Target 2.3 aims to boost smallholder productivity and incomes, these two outcomes therefore represent the overarching objectives of pro-smallholder food assistance. Even where smallholders are not direct beneficiaries or participants, improvements in their productivity and incomes remain the motivation of food assistance-based investment and capacity development in food systems.

## Farmer Organizations

The vulnerability and food insecurity prevalent in smallholder areas reflects several physical and institutional realities. These include: gender inequalities; wide spatial dispersion of production; low on-farm storage capacity; low-

volume and infrequent trade in small quantities of bulky and relatively low value products; and spatially thin input markets. As a result, smallholders are difficult to serve individually, either as sellers of their produce or as buyers of inputs and services. Farmer organizations (FOs) are the principal mechanisms through which this challenge is addressed. FOs encompass a variety of voluntary and self-governing farmer collectives formed at local, district, and national levels. They allow members to develop skills and capacities that help them to: more effectively engage in collective contracting and brokering; access and disseminate market information; access and link members with financial services; negotiate and manage win-win partnerships with other operators along agricultural commodity value chains; articulate a shared vision of a common and attractive future; and build networks for cooperating on common objectives and challenges (IFAD, 2016).

Experience under the P4P pilot highlighted the importance of understanding the nature of FOs in terms of formality and core capacities. Three types of FOs were identified (Table 3):

1. Tier 1 FOs are typically informal. They tend to be small in size, with between 30 and 250 members. They are often made up of small groups at the village level, and may not be officially registered with relevant authorities. They generally have low technical and organizational capacity. Tier 1 FOs are likely able to aggregate and sell up to 50 mt of agricultural produce in a single sale. Women smallholders tend to be members of this category of FO, suggesting that gender equality may be most strongly advanced at this level.
2. Tier 2 FOs are umbrella organizations which typically operate at district or regional level. These umbrella organizations are collections of Tier 1 FOs, and can have more than 1,000 members. Tier 2 FOs tend to be officially registered with relevant regional or national authorities. They ordinarily have moderate to high technical and organizational capacity. Activities may cover a number of products in

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<sup>4</sup> Other commonly used terms include small family farms and small-scale farmers.



a given area. FOs with medium technical and organizational capacity would be able to handle up to 1,000 mt in a single sale. Those with high capacity would be able to accommodate more than 1,000 mt in a single sale.

3. Tier 3 FOs are typically national-level umbrella organizations, which include a number of Tier 2 FOs, and can have well over 10,000 members. They frequently include other relevant industry stakeholders in their focus value chain. If dealing in agricultural products, these relatively high-capacity FOs can handle well over 1,000 mt in a single sale.

At all levels, FOs are fraught with challenges and difficulties linked to governance, operations, financing, strategy, and policy engagement. This is especially true of Tier 1 organizations. Most countries do not possess comprehensive databases on FOs. Where such data have been collected, they are often

incomplete or inaccurate. Nevertheless, the consensus is that most smallholders are not members of FOs (AGRA, 2010). For those who are members, positive outcomes are not automatic. Men and better-off members often derive more services from FOs than do women and poorer members. Inclusively beneficial collective action that advances equality in all dimensions must be deliberately articulated and meticulously sustained. Local authorities must be on guard against opportunistic registration as FOs by small-scale traders.

Despite these challenges and difficulties, the evidence on viable alternatives to using FOs as links to smallholders is thin. Possibilities include private entrepreneurs providing key market engagement services at a fee, or large off-takers using local agents to provide complementary productivity-enhancing services to smallholders as they purchase their produce. Out-grower schemes are another option. In all cases, effective aggregation is fundamental.

Table 3: Types of farmer organizations

Tier	Level	Registration	Membership	Overall capacity	Aggregation capacity
Tier 1	Village or local	Informal, and may not be officially registered with relevant authorities	Composed of small groups at village level, with 30 to 250 members	Low technical and organizational capacity	Able to aggregate and sell up to 50 mt of agricultural produce in a single sale
Tier 2	District or regional	Officially registered with relevant regional or national authorities	Collection of Tier 1 FOs, with more than 1,000 members	Moderate to high technical and organizational capacity, with activities often covering a number of products in a given area	Medium capacity: up to 1000 mt in a single sale  High capacity: more than 1000 mt in a single sale
Tier 3	National	Officially registered with relevant regional or national authorities	Cover a number of Tier 2 FOs, often exceeding 10,000 members, and frequently including other relevant industry stakeholders in their focus value chain	High technical and organizational capacity	Well over 1,000 mt in a single sale



Members of a P4P-supported farmers' organization undergo training in Mozambique.  
WFP/Charlie Barnwell

## Aggregators and Aggregation Systems

An aggregator is any organization that actually **or potentially assembles farmers' outputs** in order to facilitate sale to buyers at favourable terms and conditions. Aggregation systems encompass a variety of organizations to which smallholder farmers have access at local, district and national levels. These organizations are either formal (i.e., legally registered) or informal. Membership is typically voluntary. Providing market access to smallholder farmers at favourable conditions is often one of the main objectives of these organizations. In addition, they frequently seek to provide a range of services to their members, such as facilitating access to inputs, credit, financial services, and improved post-harvest handling technologies. Examples include: small, medium, and large **farmers' organizations; small, medium, and large** traders; certified warehouses; satellite collection points; agro-processors; agro dealers; and other service providers that also assemble farm outputs.

Efforts to strengthen inclusive aggregation systems empower farmers to work together to build collective businesses, increasing their bargaining power and access to markets. Effective and inclusive pro-smallholder aggregation systems allow farmers to engage only with intermediaries that add value along the supply chain. This will enable smallholders to sell more quality crops while earning a larger share of the market price.

Building aggregator capacity enables more effective and efficient procurement from smallholder farmers. Farmer organizations, for example, often offer an option for higher-quality products that are subject to better traceability and standards protocols than farm-gate trader products, as farm-gate traders rarely hold smallholder farmers to quality or packaging standards. Selling through traders can also result in volatile prices, high credit costs, and trader measurement error. Furthermore, lessons learned at the group aggregator level can trickle down into households. Building aggregator capacity can help individual members understand key lessons about budgeting, gender equality, and production practices that improve household well-being.

## Pro-Smallholder Procurement

Pro-smallholder procurement refers to a deliberate strategy or approach from a public or private buyer to procure from smallholder farmers with the objective of improving their access to formal markets. This should thereby boost incentives for adoption and application of productivity-enhancing technologies and practices. Demand can be from private or public sources. Three elements are identified: (1) consistent demand for quality food; (2) targeted gender-specific capacity strengthening of smallholders, typically through FOs but not exclusively so; and (3) coordination and linkage support for providers of key supply chain services from private, public, and NGO actors.

During the P4P pilot, WFP tested different ways of procuring staple foods (primarily cereals and pulses) from smallholders, aiming to identify models that could sustainably promote smallholder agricultural development and access to public and private sector markets.

**WFP's procurement from smallholders and small/medium traders** (the demand pillar) was intended to provide the inducement and motivation for action around the P4P development hypothesis. WFP designed the new procurement modalities specifically to deal with the difficulties that smallholder farmers face in selling to WFP. The pro-smallholder procurement modalities fell into four general categories: (1) pro-smallholder competitive ("**soft**") tendering; (2) direct contracting; (3) forward contracting; and (4) processing options.

New contracting modalities currently being piloted with COs include: (1) mandate contracting in which traders enter into **contracts with farmers on WFP's behalf, backed** by a traceability system; (2) direct non-committal food supply agreements featuring pre-marketing season contracts with FOs based on estimated production and demand, and price call-offs according to market conditions; and (3) conditional contracting featuring

minimum percentages of purchases from smallholders, again backed by a traceability system.

COs have tested not only different contract types but also different mechanisms for aggregation. In addition to FOs, COs have also worked with small and medium scale traders and structured trading platforms such as warehouse receipt systems and commodity exchanges, along with linking smallholders to processors. A number of COs have bought processed food such as high-energy biscuits and fortified flour from processors using raw materials sourced from WFP-supported FOs.

Together, these contracting and aggregation modalities provide COs with the flexibility and guidance required for pro-smallholder procurement strategies suited to their particular contexts.

Analysis and experience indicate that the following conditions should be included in any pro-smallholder procurement strategy:

1. A guaranteed minimum volume of demand targeted at smallholder farmers;
2. Use of contracts that allow fair and open negotiation between the farmers and buyers using commonly agreed price information sources; and
3. Whenever possible, pro-smallholder buyers should also provide or deliberately facilitate the provision of supply-side services (training, access to inputs, access to credit, market information, and gender sensitization) which define first-order barriers and opportunities for market-led productivity and income growth.



## Gender Equality and Women's Empowerment

Gender equality is the state in which women and men enjoy equal rights, opportunities, and entitlements. For WFP, promoting gender equality means providing food assistance in ways that assign equal value to women and men while respecting their differences (WFP, 2017h). The treatment of women and men should be impartial and relevant to their respective needs.

**Women's empowerment is the process through which women achieve choice, power, options, control, and agency in their own lives.** It is a goal in its own right. To be empowered, women must have not only equal capabilities and equal access to resources and opportunities to those of men, but also the ability to use these rights and opportunities to make choices and decisions as full and equal members of society. Rights to own, control, and use land, water, and other productive resources are especially important.

For WFP, this means that food assistance policies and programmes must create conditions that facilitate, and do not undermine, the possibilities **for women's empowerment. The emphasis is not** only on economic empowerment, but also the social, political, and personal empowerment on which economic empowerment is based. Recognizing that power is multi-locational and

exists in multiple domains, WFP food assistance focuses activities at the micro (household) and the meso (community) level, including farmer organizations. Priorities include: mainstreaming gender in policies/programmes, making gender analysis systematic, identifying challenges, targeting relevant strategies, actions, monitoring and evaluation of results and capacity strengthening of staff and partners on gender issues.

Application of the gender-transformative approach to food security and nutrition applies fully to smallholder-related food assistance interventions. For example, under P4P, HGSM, and FtMA, **women smallholders' economic empowerment is pursued through three major channels: (1) women's participation in sales to WFP and other formal markets; (2) women's participation and leadership in FOs; and (3) women's influence over decisions at the household and FO level related to agricultural production, marketing, and profits from sales.** More broadly, since adopting the IASC Gender Marker that tracks whether a project fully addresses the particular needs, vulnerabilities and priorities of women, men, girls, and boys the percentage of WFP projects with a potential to contribute significantly to gender equality have increased from 24 percent in 2012 to 100 percent in 2016 (WFP, 2017g).



A farmer participating in the joint UN project Accelerating Progress towards the Economic Empowerment of Rural Women shows the results of her harvest in Bhagwanpur, Nepal.  
*WFP/Santosh Shahi*

# Strategic Positioning

The case for food assistance as a platform for delivering support to smallholders is not always intuitively obvious to all stakeholders.

Especially challenging to overcome in some contexts are perceptions of WFP as an organization concerned only with delivering “food aid” commodities in emergencies. WFP’s identity as an innovative actor and partner in transition and development contexts is not **always recognized. As a result, WFP’s** comparative advantage in the pro-smallholder development agenda is seldom fully appreciated.

The P4P pilot helped to change the narrative. As noted in the final evaluation of the P4P pilot, **P4P has transformed WFP’s relationship with** governments and other national and international stakeholders concerned with smallholder-led agricultural development. Especially powerful and clearly appreciated by governments is the model of smallholder-oriented, market-based, micro-level interventions in staple food sectors.

But important gaps remain. COs must have crystal clear answers to two questions: (1) Why does WFP care about smallholder farmers? (2) What does WFP have to contribute to smallholder-led rural development, and to the broader rural and structural transformations within which rural development is embedded?

## Why Smallholders?

WFP is concerned about the plight of smallholders because:

1. Despite growing urbanization, poverty and hunger are concentrated in rural areas, where smallholders and their families comprise the most vulnerable and food-insecure groups.
2. Without empowered and resilient smallholders operating as competitive actors in food systems, Zero Hunger and other important SDGs are not achievable.

3. The three systemic problems in food systems – bad year or lean season, last mile, and good year – converge more directly on smallholder farmers than on any other single group on the planet, with women being especially hard-hit;
4. Numbering over 500 million worldwide, smallholders reside in the rural last mile, are exposed to weather-induced bad years, and suffer through good-year outcomes every harvest. The physically and economically remote, low-productivity, subsistence-oriented production systems pursued by smallholders combine with poor on-farm storage and post-harvest management technologies and practices to generate meagre incomes that can support equally meagre and unhealthy diets. Such diets – typically featuring heavy consumption of relatively cheap starchy staples – cannot support healthy lives. Not surprisingly, smallholders are chronically vulnerable and food insecure and thus **strongly represented in WFP’s food** assistance programmes.
5. Due to gender inequalities, many vulnerable and food insecure women are smallholders, who therefore feature prominently as **beneficiaries and participants in WFP’s food** assistance initiatives.
6. For these and several related reasons set out in the Strategic Plan, improving smallholder livelihoods is captured in **SDG Target 2.3, which is WFP’s Strategic Result 3. WFP has an obligation to support host country and global efforts to meet these targets.**
7. The Strategic Plan also notes that, as **captured in SDG Target 2.4 (WFP’s SR4),** improved smallholder livelihoods also impact on food system functioning in the many contexts and countries in which WFP is called to operate. Again, WFP has an obligation to support host country and global efforts to strengthen these food systems via SR4 on enhanced food systems.

## Why WFP?

### WFP's unique and powerful contributions to

smallholder livelihood improvements spring from several sources:

1. WFP occupies a unique position and role at the intersection of short-term humanitarian action and longer-term hunger reduction and is thus keenly aware of the full implications for smallholders of broken, disrupted, inequitable, and flawed food systems. Measures to overcome, correct, or attenuate the impacts of these food-system problems constitute the bridge between humanitarian action and hunger reduction.
2. The food assistance delivered by WFP and partners is an inherently public endeavour built on many layers of commercial activity. WFP therefore has a deep understanding of both public and private dimensions of the performance problems affecting smallholders in food systems, and relevant solutions.
3. In many of the countries in which WFP operates, smallholders loom large in the most vulnerable and food insecure regions and communities. WFP has a substantial operational presence in these areas, and routinely supports partners to promote smallholder livelihoods and resilience-building linked to food security and nutrition, climate **change adaptation, gender equality and women's** empowerment, youth employment, risk management, and strengthened sustainability and food systems.
4. **WFP's installed capacity for smallholder**-focused activities and investments is significant based on capacities and innovations in supply chain management and operations, on one hand, and programming and policy design and implementation, on the other.
5. WFP is committed to sourcing at least 10 percent of its food needs from smallholders at favourable terms.<sup>5</sup> This represents approximately US\$120 million per year that would go more directly into food systems serving and supplied by smallholders. More importantly, as illustrated during the P4P pilot, this commitment by WFP can serve as a potential catalytic force for incremental investment by other actors in value chains serving smallholders.
6. Given that in many countries the bulk of food available in local markets originates from **smallholder farms, WFP's procurement footprint** in these markets can provide a basis for partnerships with governments and the private sector to catalyse demand-driven platforms that enable smallholders to have sustainable and profitable engagement with local markets beyond WFP (WFP, 2015b).
7. Enhancing the marketing, productivity and livelihood opportunities of smallholders (especially women and youth) is a powerful way to improve **food security and nutrition, complementing WFP's** wide portfolio of ongoing efforts in this area. Strengthened capacity for risk management is **especially important. WFP's demand-side programmes for supporting smallholders' access** to agricultural markets leverage its procurement footprint and expertise in agricultural markets – and those of other public and private buyers – to contribute to building resilient food systems, the production and processing of nutritionally diverse foods, pro-smallholder aggregation systems, improved post-harvest management, and catalysing sustainable commercial and institutional market development for smallholders.
8. WFP routinely collects and analyses data and information about drivers of food security and vulnerability, with a focus on conditions in markets for key foods, typically employing systematic gender analysis and cutting-edge digital technology. Detailed supply chain information about the food systems in which WFP operates is also regularly compiled and analysed. When analysed together, market and supply chain information can yield powerful insights into challenges and opportunities facing smallholders, pointing to high-potential institutional innovations and policy reforms.
9. **Rapid innovation in WFP's overall food assistance** portfolio generates gains that spill over to its pro-smallholder efforts. Digital technology is not only **fundamental to WFP's day-to-day** business processes, it underpins many innovations to save lives, enhance logistics, reduce exclusion and deliver more efficient and personalized interventions. Especially important benefits for pro-smallholder food assistance are linked to the rapid uptake and application of digital innovations in assessment, sampling, targeting, programme delivery, monitoring and evaluation.

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<sup>5</sup> A strategy for achieving this target is under development.



Champa Chaudary and her husband  
water vegetation in Sarlahi village,  
Rautahat District, Nepal.  
*WFP/Santosh Shahi*



# Strategic Framework

The strategic framework for pro-smallholder food assistance follows the approach signalled in the Strategic Plan 2017-2021 whereby WFP seeks to leverage its core capacities and accumulated experience in support of national efforts to achieve the SDGs. Two strategic thrusts can be identified depending on whether the support is driven by food purchases or rests on theme-based interventions (see Figure 2 and Table 4). **These thrusts advance WFP's Strategic Result (SR) 3 to increase smallholder productivity and incomes (SDG Target 2.3).** When addressing system-level challenges or seeking system-level outcomes, they also contribute to SR4 to ensure sustainable food systems (SDG Target 2.4). Together, these SRs

contribute to the Strategic Objective to achieve food security and the Strategic Goal of Zero Hunger.

A major aim of the strategy is to overcome simplistic perceptions of WFP as either a deliverer of direct (typically in-kind) food aid to smallholders, or an agency whose sole contribution to pro-smallholder development is as a buyer of food staples. The message is that, working closely with partners, WFP possesses a wide array of capacities to apply context-specific innovations that cut across value chains serving smallholders, explicitly bridging emergency relief, recovery, and long-term development contexts. Direct intervention by WFP is not assumed. In many contexts, WFP support may be limited to technical assistance and advocacy activities that catalyse or facilitate investments by other actors.

Figure 2: Strategic framework for pro-smallholder food assistance

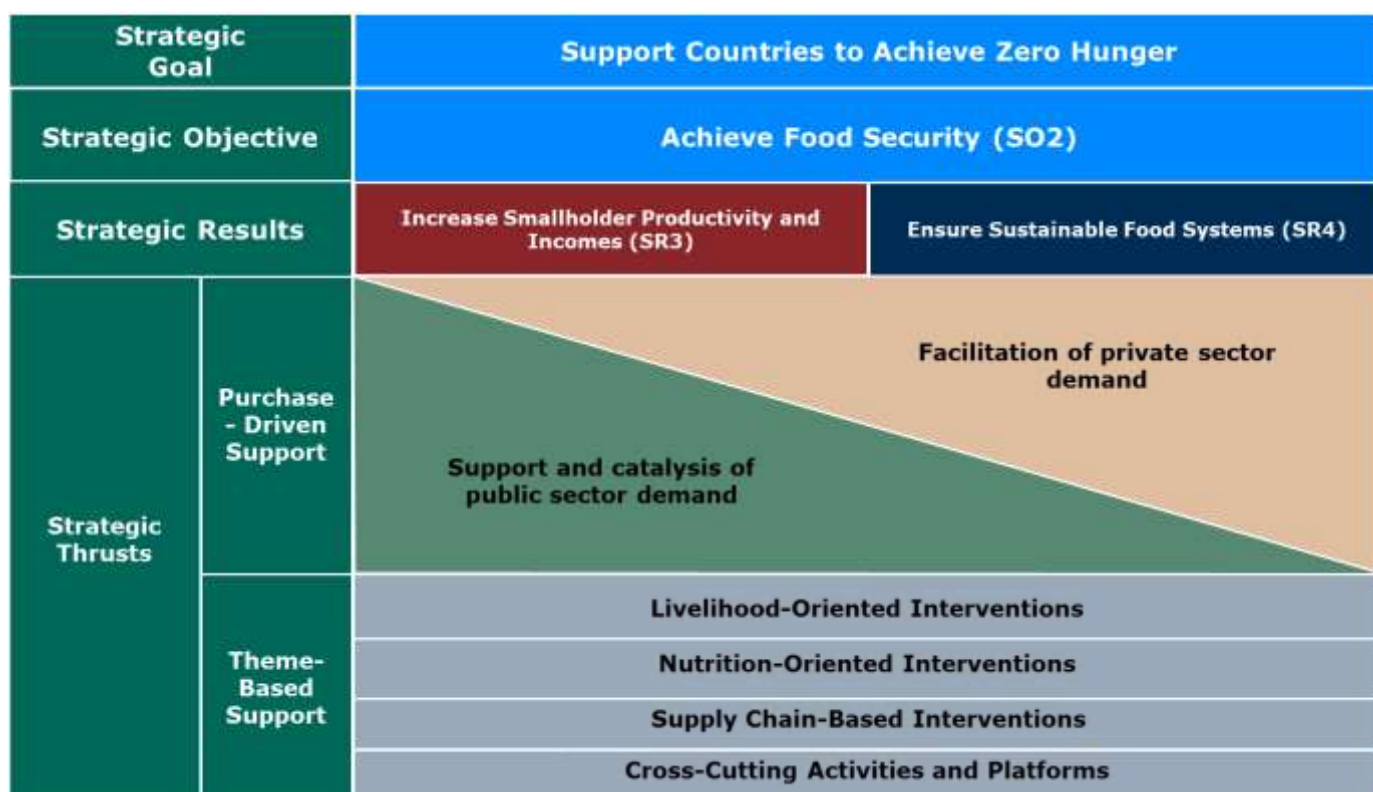




Table 4: **WFP's pro-smallholder portfolio** viewed through the strategic framework

Strategic Thrust	<b>WFP's Pro-Smallholder Food Assistance Interventions and Initiatives</b>	
Purchase-Driven Support	Primary Demand Source	
	Public	Private
	<ul style="list-style-type: none"> <li>• Purchase for Progress (P4P)</li> <li>• Home Grown School Meals (HGSM)</li> </ul>	<ul style="list-style-type: none"> <li>• Farm to Market Alliance (FtMA)</li> </ul>
	<ul style="list-style-type: none"> <li>• Virtual Farmers' Market (VFM)</li> </ul>	
Theme-Based Support	<u>Livelihood-Oriented</u> : Food Assistance for Assets (FFA); Rural Resilience Initiative (R4)	
	<u>Supply Chain-Oriented</u> : Post-Harvest Loss (PHL) Initiative; Logistics	
	<u>Nutrition-Oriented</u> : Nutrition-specific measures; Nutrition-sensitive measures	
	<u>Cross-Cutting Activities and Platforms</u> : Three-Pronged Approach (3PA); gender analysis; vulnerability analysis and mapping (VAM); market analysis; food safety and quality control and improvement; national capacity development, institutional innovation, and policy reform (especially within social protection and safety net systems)	

## Purchase-Driven Support

Purchase-driven activities relate to initiatives using WFP's demand-side pro-smallholder market development model. Through P4P and related initiatives, WFP has developed leading expertise in this area over the last decade. The motivation for this strategic thrust comes from recognition that sustainable agricultural development hinges not only on supply-side interventions, but also on well-functioning markets that provide reliable outlets for farm produce and serve as dependable sources of affordable food. Experience has shown that large increases in agricultural productivity without marketing improvements can lead to localized gluts, which drive down prices and cause farmers to abandon new technologies. Alongside P4P, the HGSM, FtMA, and VFM initiatives comprise this segment of the portfolio.

**WFP's corporate commitment to traceably source** at least 10 percent of its food needs from smallholder farmers will generate important benefits in smallholder communities. The key **recognition is that the full potential of WFP's** purchase-driven approach to smallholder support lies outside the organization. Specifically, that potential resides in the demand for food expressed by other public agencies (especially governments) and by the private sector. To seize that potential, innovations in procurement and market development identified by WFP must be disseminated and publicized for wider-scale implementation by other actors seeking to promote smallholder agricultural development through markets. Training, advocacy and outreach activities provide the basis for such scaling-up, with a view to setting the stage for policy and institutional reform toward pro-smallholder agricultural market development.



As noted above, the purchase-driven approach entails: (1) consistent demand for quality food; (2) targeted capacity strengthening of smallholders, typically through FOs but not exclusively so; and (3) coordination and linkage support for providers of key supply chain services from private, public, and NGO actors. As detailed in the smallholder market access guidance materials (see WFP, 2017b; WFP, 2017e), there are four main elements:

1. Individual smallholder farmers, who need to increase their marketable surplus of quality food and engage more strongly in markets. Support should focus on gender-specific access to inputs and finance, training on improved agricultural practices and farm management, and adoption and use of improved post-harvest handling technologies and practices.<sup>6</sup>
2. Inclusive aggregators. To attract buyers, the production of individual farmers must be aggregated. Aggregators can take different **forms, in particular farmers' organizations**, warehouse receipt systems, or small and medium traders. Such aggregators often need to be supported to provide key services to smallholder farmers, in particular in the field of marketing, post-harvest handling, governance, gender equality, and access to credit.
3. Buyers of quality food products expressing stable demand targeted at smallholder farmers either directly or through aggregators, with an emphasis on gender equality. Such stable demand offers remunerative market opportunities to smallholder farmers and encourages them to invest in their production. There are two main types of demand, and one cross-cutting effort:
  - a. Public sector demand, either leveraging **WFP's procurement footprint, or** through national public procurement buyers (e.g., national food reserves, schools, hospitals, armies) whose pro-smallholder procurement capacity can

be strengthened by WFP. P4P and HGSM fall under this category.

- b. Private sector demand that WFP can support and coordinate for their pro-smallholder procurement activities. While facilitating sales to non-WFP buyers featured importantly in the P4P pilot, private demand was not the focus. The recently launched FtMA is **built around such demand, with WFP's demand not a necessary element.**
- c. Cutting across the public and private sector demand sources is the newly-launched **VFM. VFM supports WFP's** portfolio of smallholder-facing initiatives by offering digital market access solutions, which enhance price visibility. Through the VFM digital market place, smallholder farmers and buyers can negotiate prices and make transactions, enhancing market transparency and strengthening **farmers' role as market players.**
4. Enabling environments. Government capacity must be strengthened around identifying and overcoming the key policy and institutional bottlenecks in smallholder market systems, emphasizing those that exclude **women. WFP's experience under the P4P pilot** is highly informative of the required engagement. One assumption at the core of the pilot proved to be incorrect. That assumption was that because most agricultural development projects focused on improving farm productivity, there would be a large number of supply-side actors with whom WFP could partner. Reality differed significantly. In most contexts, public extension systems functioned poorly. Even the largest NGOs operated in only a small number of areas, covering small numbers of farmers. And even where farm input systems were functional, they delivered technologies and services to farmers only at high cost. Major supply-side investments are required from a range of actors, most notably the private sector. To provide effective services to

<sup>6</sup> As detailed below, many interventions that affect smallholders do so indirectly. Such interventions and their impacts are captured within the Corporate Results Framework under Strategic Result 4 (SDG Target 2.4) on Ensuring Sustainable Food Systems.

smallholder farmers, public and private actors need to have a functional and inclusive market system, with effective policies and regulations, especially those related to food quality and safety. Major hurdles facing smallholders and rural agribusinesses in financial systems must be overcome, with a focus on risk reduction, not only in production but also in aggregation and marketing.

Table 4 maps P4P, HGSM, FtMA, and VFM to the strategic framework. Obviously, this categorization is not strict but rather a matter of degree. For instance, P4P and HGSM often involve facilitation of private demand, and FtMA may leverage public demand. But the message is clear: all of these initiatives employ the same core demand-driven model, seek the same outcomes, and require the same kinds of transformative partnerships, albeit with distinct emphases and organizational requirements. In consultation with RBs and HQ as appropriate, COs can choose among them based on local factors, including their own capacities to organize and support particular options.

For each of the four above-mentioned elements of purchased-driven support to smallholders, a variety of activities can be deployed, tailored to country contexts (see Annex 1). Many of the **required activities fall outside WFP's sphere of technical expertise**. Strong partnership is key to success, in particular for capacity development of smallholder farmers and aggregators (elements 1 and 2 above). Given the variety of partners and stakeholders likely to be involved, WFP must support coordination and resource mobilization.<sup>7</sup>

Brought together in a consistent manner, the four elements can empower farmers to gain a foothold in formal markets. The P4P pilot showed that when smallholder farmers see the benefits of engaging with formal markets and are provided with appropriate support, they will seize market opportunities and respond swiftly to quality demands (WFP, 2015b). Initial

experience under FtMA confirms this conclusion. However, deeply rooted factors driving low quality, defaults and non-compliance are still persistent in most contexts. Reliable supply-side actors able to operate at scale are rare. Extension services are often moribund and gender-blind. Private investors are typically **unwilling to invest in the risky and costly "last mile" within which most smallholders reside**. But experience confirms that with time and sustained support, smallholders can increase sales through aggregation systems, leading to more rewarding livelihoods and stronger food systems for their communities.

The cross-cutting importance of food quality (in terms of both safety and nutritional value) cannot be overstated. The capacity to maintain food quality (and meet high quality standards) is a necessary condition for capturing the full benefits of market participation. Food products for which quality cannot be sustained are liabilities. By implication, food products for which quality can be maintained become assets. Also by implication, therefore, development and enforcement of standards, technologies and institutions for food quality and safety are vital. Across the board, technical and organizational challenges linked to aggregation of quality food must be overcome. As prime custodians and managers of food supplies at household and community levels, women are strongly implicated. Their access to the knowledge, technology, and finance required to sustain food quality is vital.

Quality premia exist but are relatively small in size if viewed in themselves, averaging slightly under 8 percent in several countries (WFP, 2014). The core impact of producing high-quality grain is in the opening provided for entry into a higher-volume market with more stable sales. In these markets, relationships between sellers and buyers are stronger. This promotes access to finance and investment in post-harvest management technology (storage, cleaning, drying, etc.), further sustaining quality gains and enhancing access to the high-volume market (WFP-Ethiopia, 2013).

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<sup>7</sup> These and other partnership-related considerations are discussed in detail below.

## Theme-Based Support

Unlike purchase-driven activities, theme-based activities typically do not have an explicit objective to link smallholders to food markets. Rather, either directly or indirectly, they target the many drivers of vulnerability and food insecurity facing smallholder farmers due to their physical and economic isolation. This isolation, in turn, is often linked to their social and political marginalization. WFP is faced with the strategic opportunity to more effectively leverage its major investments and interventions in soil conservation, water source development, irrigation infrastructure, and community-level smallholder-oriented productive asset creation more broadly. The opportunity is to do so in ways that support the **transition from 'low productivity subsistence agriculture' to 'high-productivity market-oriented agriculture' based on sustainable development principles.**

### WFP's strengths, knowledge and capacities

signal three broad categories of interventions that build on past experience and affirm comparative advantage: (1) livelihood-oriented interventions; (2) supply chain-oriented interventions; and (3) nutrition-oriented interventions. A wide variety of activities can be deployed, tailored to country contexts (see Annex 2).

Livelihood-oriented interventions typically seek to boost resilience. Most vulnerable and food insecure people live in fragile, resource-scarce and degraded environments, in areas that are prone to climate disasters and exposed to frequent shocks. **WFP's FFA initiative** addresses immediate food needs through cash, voucher, or food transfers, while at the same time it promotes the building or rehabilitation of assets that will improve long-term food security and resilience. FFA activities aim to create healthier natural environments, reduce the risks and impact of climate shocks, increase food productivity, and strengthen resilience to natural disasters over time. Smallholders loom large within most efforts.

Each year FFA programmes bring hundreds of thousands of hectares of degraded land back into productive use. They plant thousands of hectares of forests, build scores of wells, irrigation systems, ponds and feeder roads, and enable people to be trained in livelihood and agricultural practices that diversify their production systems and income earning possibilities. FFA programmes can ensure lasting environmental benefits by reducing erosion and desertification, or improving soil condition. By increasing productivity and promoting sustainable agriculture, they strengthen and diversify incomes and livelihoods. They empower communities to work together and find their way out of hunger. FFA can also promote improved gender equality and women's empowerment, nutrition, protection, and climate change adaptation.

FFA interventions are often embedded within measures that employ 3PA<sup>8</sup>, which comprises: (1) integrated context analysis – a collaborative tool used at the national level to identify the most appropriate programmatic strategies in specific geographical areas, based on areas of convergence of historical trends of food security, natural shocks, and land degradation (as an aggravating factor that heightens the risk and impact of shocks); (2) seasonal livelihood programming – a consultative process at the sub-national level that brings together communities, government and partners to design multi-year, multi-sectorial operational plans using seasonal and gender lenses; and (3) community-based participatory planning – a **"bottom up" tool used at the local level to ensure communities have a strong voice and will lead in setting priorities.**

Benefits of 3PA include: deeper understanding of the local context and livelihoods, enhanced **gender awareness, women's and girls' equal** access to resources and participation in decision making, stronger multi-stakeholder partnerships, coordinated multi-level action, and enhanced capacities of government institutions.

<sup>8</sup> The 3PA is not exclusively an FFA activity. Rather, its principles of integration, seasonality, and community involvement apply more broadly and are being progressively applied in other areas.



FFA participants rehabilitate the run-off pond that regulates water supply to fields and prevents flooding, Goumacherom village, Chad.

*WFP/Giulio d'Adamo*



Supply chain-oriented interventions seek to improve the physical, technical, and organizational dimensions of food supply chain **management. WFP's supply chain operations** are significant, covering the entire process of end-to-end planning, procuring and delivering assistance, all with strong relevance for application in smallholder support activities (WFP, 2016a).

Shared supply chain services are worth an average of US\$3 billion per year, comprising safe and quality food, goods and transport for WFP, its partners and the entire humanitarian community. In both emergency assistance and resilience-building projects, WFP turns first to local companies and national first responders. **Each year, more than US\$2 billion of WFP's** supply chain costs are spent in the countries and regions where WFP operates. By contracting local businesses and working with NGOs and other actors, WFP contributes to more sustainable local food systems, more dynamic retail sectors, and more robust transport networks.

**WFP's supply chain expertise and its demand for** food, goods and services can help to strengthen these sectors, lower costs and increase the purchasing power of the people it serves. For example, in its cash-based transfer operations in refugee settings, WFP supports contracted retailers in optimizing their transport and bulk buying strategies so they can cut their costs and reduce shelf prices, enabling refugees to buy more nutritious food.

**WFP's global procurement plan aims to reduce** process times, increase purchases from smallholder farmers, ensure that food is safe and of good quality, and generate savings. Once the primary objectives of secure supplies **and timely deliveries have been met, WFP's** procurement staff explore ways of reducing costs. An integrated supply chain approach helps generate savings as it entails

collaboration, mutual support, and sharing of market knowledge among COs, RBs, and HQ.

WFP produces market intelligence reports on commodities such as wheat, rice and vegetable oil. Covering about ten indicators, such as futures, trading volumes, and volatility, these reports are used to identify market opportunities for prime purchases of large quantities of major commodities at favourable prices. The information also helps procurement experts for specialized nutritious foods to **understand suppliers' cost structures, improving** relationships with suppliers to achieve savings in lead times and costs while maintaining quality assurance.

WFP has substantial knowledge and experience in supply chain management, including deep knowledge of post-harvest management methods and technologies. WFP supports integrated investments in post-harvest loss reduction, market engagement, and food stock management at national levels for public grain reserves. WFP is strongly promoting a greater focus on reducing food losses throughout the value chain. Simple and affordable steps like improving storage infrastructure, and sharing storage best practices have been shown to drastically reduce food losses and increase the availability of food on local and regional markets. A Post-Harvest Knowledge and Operations Centre has been established, based in Uganda. Engagement of the private sector is key to the long-term sustainability and mainstreaming of the approach. Participating farmers attend a highly interactive workshop and purchase hermetic (airtight) storage equipment, including drying tarps, at a subsidized rate. WFP provides on farm support to ensure proper positioning of silos and application of improved handling techniques.



Workers at a mobile factory in Afghanistan produce High Energy Biscuits made with ingredients produced by local P4P-supported smallholder farmers, Kabul, Afghanistan.  
*WFP/Alessandro Pavone*



Nutrition-oriented interventions feature nutrition-specific and nutrition-sensitive measures. Nutrition-specific interventions address the direct causes of undernutrition: inadequate dietary intake and disease. That means ensuring the quality and quantity of food a person eats, their overall good health, and a healthy environment. WFP works with partners across a range of sectors, including health, water, sanitation, agriculture and social protection to ensure all these elements are addressed. With a primary focus on food, activities seek to ensure that vulnerable groups have access to a nutritious and age-appropriate diet, particularly during the 1,000-day period **from conception to a child's second birthday**. Programmes directly treat and prevent both acute and chronic malnutrition, integrating activities that build the capacity of countries to find long-term solutions, and to influence the broader policy dialogue on food and nutrition security.

Both preventive and treatment measures are pursued, each with strong significance for smallholder households and communities. Preventive measures seek to avert short-term periods of nutritional deterioration, as well as longer-term instances of chronic malnutrition.

Examples include supplementary feeding programmes featuring provision of specialized nutritious foods such as fortified blended foods or ready-to-use foods to young children, pregnant women and girls, nursing mothers, and people living with HIV who are at-risk of becoming malnourished. In order to make a lasting impact, WFP works in conjunction with partners to advance nutrition education and awareness, improve child feeding practices, redress discriminatory gender roles, and help ensure good health and sanitation as part of prevention programming. Treatment measures focus on moderate acute malnutrition by working at the community level to ensure undernourished individuals – particularly young children and mothers – are getting the calories and nutrients they need to recover. These groups are provided with specialized nutritious foods – nutrient-dense foods which cater to specific nutrient needs – typically in combination with routine health-related interventions (such as vitamin A supplementation and deworming) and nutrition education programmes.

Nutrition-sensitive programmes draw on complementary sectors such as agriculture, health, social protection, early child development, education and water and



sanitation to affect the underlying causes of malnutrition, including poverty, food insecurity and lack of access to adequate care, health, water, and sanitation services. Increasing nutrition-sensitivity implies the use of a nutrition lens at each step of the project cycle, from assessment and situation analysis to design, implementation and monitoring and evaluation.

Smallholder-facing initiatives provide powerful entry points to deliver nutrition-sensitive programming across the value chain, from input supply, production and post-harvest handling to processing, distribution and food utilization. With its expertise in supply-chain management – including linkages to smallholder farmers, biofortified foods, fortification of both staple and specialized nutritious foods, food quality and safety, and market analysis – WFP can promote and support the availability of the safe, affordable and nutritious foods needed for healthy, adequate **diets. WFP’s programmes can also be made more** nutrition-sensitive by providing a platform for scaling up the delivery of nutrition-specific interventions. For example, smallholder-facing initiatives can serve as delivery platforms for nutrition education (WFP, 2017k).

Table 4 above maps these theme-based interventions to the strategic framework. As signalled above, each area is well-established in WFP, often with supporting policies and tailored guidance material, and specific performance criteria and measures (e.g., WFP, 2017c; WFP, 2017d; WFP, 2017e). Their common denominator is a focus on vulnerability and food insecurity, aiming to strengthen resilience at several levels and improve nutrition outcomes. Responses feature combinations of instruments, activities, and platforms that comprise particular food assistance interventions – e.g., food or cash for assets and skills, or mother and child health and nutrition measures featuring specialized nutritious products. A number of specializations are cross-cutting. Given the highly gendered nature of small-scale agricultural production and trade, especially important are those seeking gender equality and **women’s empowerment, which represent both** major challenges and opportunities for transformative progress.

Given the flexibility they introduce into food assistance programming, skills and capacities

linked to design and implementation of cash-based transfers (CBTs) also cut across the portfolio. This is not to imply that CBTs are inherently preferred to in-kind food transfers. That is an empirical matter (WFP, 2017g). The point is that not only do CBTs expand the food assistance toolkit available to COs, they entail development and implementation of new delivery platforms, formation of new partnerships, and acquisition of new skill sets that render operations able to respond to wider sets of needs. These attributes apply wholly to smallholder-focused activities.

## Integrated Support

Each one of the purchase-driven and theme-based interventions and initiatives shown in Table 4 can stand on its own and generate significant benefits for targeted smallholders. Much greater value can be generated by integrating measures. Many smallholders do not regularly produce marketable surpluses. Further, many vulnerable groups who depend directly or indirectly on smallholder agriculture are not themselves farmers but suffer under many of the same burdens as do smallholders. The strategic opportunity lies in better integrating market access and supply chain programming within broader resilience and nutrition based approaches. For instance:

- Activities centred around reducing the risks and impact of climate shocks, increasing food productivity, and strengthening resilience to natural disasters can be nutrition sensitive through the use of the 3PA tools during the programming design and planning stage;
- Nutrition-specific programmes can deploy **WFP’s supply chain capacity to support local** production of specialized nutritious products, backed by investments in improved food safety and quality;
- P4P initiatives may be combined with CBT-based asset-building efforts and integrated into **social protection systems as “productive”** platforms that draw marginalized smallholders into mainstream processes of growth and transformation;
- HGSM efforts can benefit from supply chain investments that upgrade the food procurement capacities of schools and government agencies including vital

improvements in food quality and safety;

- FtMA initiatives can employ technologies and practices developed and promoted under the PHL initiative; and
- Investments to enhance gender equality and empower women are inherently cross-cutting and can catalyse and boost integration.

A number of successful examples exist or are being actively explored (see Annex 3). Explicit efforts to develop guidance for some synergies have commenced (e.g., WFP, 2017a). In all cases, careful targeting, geographical coordination and proper sequencing of activities are vital.<sup>9</sup>

## Alignment with Strategic Results 3 and 4

Also important is alignment with the corporate strategic planning process as defined in the Country Strategic Plan Policy and Corporate Results Framework. As noted above,

smallholders are the focus of SR3 (SDG Target 2.3) that seeks to boost their productivity and incomes. They are also strongly implicated in SR4 (SDG Target 2.4) that seeks to ensure sustainable food systems. Both SRs contribute to Strategic Objective 2 to achieve food security. The strategic framework for pro-smallholder food assistance recognizes this twofold opportunity for impact. But the two impact pathways must be distinguished. Pro-smallholder food assistance measures contribute to SR3 if they include investments, activities and partnerships that lead to enduring livelihood changes that promote food security at the level of households or targeted vulnerable populations. Measures contribute to SR4 if they include investments, activities and partnerships that have system-level food security-enhancing impacts beyond the short- and medium-term needs of immediate participants, if any, in WFP programmes (see Table 5).

Table 5: Aligning pro-smallholder food assistance with SR3 and SR4

Strategic Result	Distinguishing features of interventions	Examples of pro-smallholder impacts
SR3	Investments, activities and partnerships that lead to enduring livelihood changes that promote food security at the level of households or targeted vulnerable populations	<ul style="list-style-type: none"> <li>• Improved soil and water management practices</li> <li>• Increased adoption and use of improved production inputs and related technologies</li> <li>• Improved post-harvest handling practices</li> <li>• Increased access to credit, insurance and other financial services</li> <li>• Improved access to transportation services</li> </ul>
SR4 <sup>10</sup>	Investments, activities and partnerships that have system-level food security-enhancing impacts beyond the short- and medium-term needs of immediate participants	<ul style="list-style-type: none"> <li>• Increased membership and decision-making of women in FOs</li> <li>• More inclusive financial systems</li> <li>• Improved capacity to manage shocks</li> <li>• Improved food safety and quality standards and levels</li> <li>• Improved market information systems</li> <li>• Improved storage and transport infrastructure</li> <li>• Improved retail and wholesale supply chain management</li> <li>• Improved processing capacity</li> <li>• Improved structure and functioning of public food reserves</li> </ul>

<sup>9</sup> Guidance on integration and collaboration between supply chain and programme units is urgently required and also under development.

<sup>10</sup> SR4 covers several areas that are not related to smallholders. This table therefore does not address the full set of SR4 impacts. The examples of impacts shown here also generate benefits that extend well beyond smallholders. Interim strategic and operational guidance for WFP's engagement and investment in food systems has been developed (WFP, 2017f).

# Partnerships

Smallholder farmers face massive challenges linked to their small size, informality, high-risk environments, lack of basic infrastructure, inadequate credit and insurance markets, poor tenure security, and ethnic and gender disparities (Hazell, 2012). These challenges must be systematically addressed. A core message of this strategy is that the technical, organizational and financial arrangements that underpin food assistance can be powerful platforms for structured solutions to these challenges.

Needs extend well beyond the capacity of WFP to deliver on its own. Agriculture is a private activity. Smallholders are private actors reliant on other private actors for the goods and services that underpin their livelihoods. As noted above, collective action among smallholders is a common strategy to access key goods and services. Deeply rooted systemic problems in smallholder regions and communities may result in the need or opportunity for food assistance-based interventions. Responsibility for mobilizing effort and resources to address these problems resides with national governments. Nevertheless, an important recognition is that as a food buyer, on one hand, and a direct and indirect deliverer of food assistance-based solutions to a range of constraints facing smallholders, on the other, WFP is uniquely equipped to facilitate and, where necessary, lead pro-smallholder food assistance efforts.

The potential of the strategy outlined here springs from opportunities opened up to align and integrate otherwise disconnected investments. Possibilities emerge for pooled investments and leveraged impacts. The **partnership needs are profound. A given CO's approach to partnering for pro-smallholder food assistance should be based on a clear-sighted examination of WFP's comparative advantage** and role in any proposed initiative. Where either is limited or in question, continued development of any such initiative should be based on the

existence of other actors or stakeholders with the required capacities and readiness to engage and invest.

Practical considerations based on local country-level experience and analysis should define specific approaches. COs may need to enhance their own skills and competencies in areas that expand the range and sophistication of partnership opportunities – e.g., strategic leadership in complex environments, business planning, team-building, management, gender awareness, and networking.

The varied partnership needs of these interventions are highlighted by the range and depth of partnerships in which the P4P pilot engaged. From 2008 to 2013, WFP entered into more than 500 partnerships, first and foremost with government agencies and ministries. Rewarding partnerships were also developed with international and national NGOs, umbrella FOs, United Nations agencies, input suppliers, output aggregators, processors, financial service providers, research institutions, bilateral development partners, and regional entities. NGOs provided a variety of support for improved food production, post-harvest handling and market support and organizational management, while the private sector played a key role in input provision, food processing, market information support and capacity development more generally. 50 partnerships were crafted with United Nations agencies, particularly the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD).

A similarly high level of intensity of partnership development continues to be required. Where strategically and operationally advantageous, partnerships with FAO and IFAD should be prioritized. There is considerable scope to do so. **FAO's Strategic Framework 2010-2019** (FAO, 2009; FAO, 2013a) emphasizes the need to reduce rural poverty and increase the resilience of livelihoods to threats and crises. In particular, FAO aims to support policies which foster productivity increases among smallholders and



family farmers, promote decent rural employment, and strengthen institutional arrangements. Additionally, FAO aims to build resilience among vulnerable smallholder farmers to dampen the negative impacts of and help farmers cope with crises such as **hurricanes, drought or locust infestation**. IFAD's Strategic Framework 2016-2025 (IFAD, 2016b) focuses first and foremost on increasing the productive capacities of the rural poor. In particular, the organization focuses upon **enhancing smallholders' access to agricultural technologies and production services**. **Increasing the rural poor's benefits from market participation** is another key strategic outcome, with a focus on building or expanding agricultural value chains, with less risk and transaction costs, and improved terms for smallholder farmers. Finally, IFAD focuses on strengthening the environmental sustainability **and climate resilience of poor rural people's** economic activities through the adoption of improved agricultural technologies and climate-resilient agricultural practices. Principles set out in the Memorandum of Understanding between FAO and WFP should be applied to enhance and scale up country-level collaboration (FAO/WFP, 2017), whereby the paper on *Collaboration among the United Nations Rome-based*

*Agencies: Delivering on the 2030 Agenda* should guide RBA collaboration and strengthen it around the common vision of the SDGs (FAO/IFAD/WFPa, 2016).

## Key Risks and Mitigation Measures

Experience and analysis suggest that pro-smallholder food assistance raises several risks for COs and for WFP more broadly. They fall within falling within eight categories: smallholder production and productivity, smallholder storage and aggregation, **smallholder and farmers' organization marketing, farmers' organization capacity, gender equality and women's empowerment, buyer behaviour, enabling environment, WFP staffing, programme design, and implementation**. These must be addressed through context-specific mitigation measures. These are summarized in Table 6, along with proposed mitigation measures.



WFP warehouse in La Guajira, Colombia.  
WFP/Mike Bloem

Table 6: Key risks and mitigation actions for pro-smallholder food assistance

Risk Factors	Risks	Mitigation Actions
Smallholder production and productivity	<ul style="list-style-type: none"> <li>• Lack of productive assets</li> <li>• Lack of providers of improved production inputs and technologies who are able to operate at scale</li> <li>• Poorly-functioning public extension systems</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in community-based approaches and asset preservation and improvement</li> <li>• Advocate strongly for increased public investment in agricultural research and extension based on evidence of potential impacts of such investments</li> <li>• Make targeted investments in public agencies to fill gaps and catalyse pro-smallholder innovation</li> <li>• Catalyse multi-actor community-based partnerships to strengthen the supply-side of food systems, stressing public-private partnerships employing innovations that expand scope and coverage</li> </ul>
Smallholder storage and aggregation	<ul style="list-style-type: none"> <li>• Lack of suitable storage and aggregation technologies</li> <li>• Lack of affordable trade and aggregation finance</li> </ul>	<ul style="list-style-type: none"> <li>• Catalyse financing partnerships for development of technologies suited to the needs of low-capacity isolated smallholders</li> <li>• Catalyse and support development of financial products and services that promote collective storage and aggregation by smallholders and FOs</li> </ul>
Smallholder and FO marketing	<ul style="list-style-type: none"> <li>• Limited market outlets and sources</li> <li>• Poor quality of traded goods</li> <li>• Lack of financing for trade and marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to support efforts to strengthen the human and organizational capacity of FOs stressing broad-based smallholder engagement and ownership to enhance trust and overcome dishonesty</li> <li>• Strengthen market information systems, emphasizing private sector engagement to ensure sustainability</li> <li>• Strengthen linkages for smallholders and FOs to high-quality markets</li> <li>• Promote appropriate value adding activities, including processing</li> </ul>
FO capacity	<ul style="list-style-type: none"> <li>• Low levels of financial and organizational capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Develop strategic partnerships with organizations focusing on strengthening FOs</li> </ul>
Gender equality and women's empowerment	<ul style="list-style-type: none"> <li>• Exclusion of women from capacity development investments and decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>• Develop customized, context-specific gender strategies and operational guidelines and allocate sufficient funds for full implementation</li> <li>• Appoint gender focal persons at all levels – HQ, CO and field</li> <li>• <b>Partner with organizations focusing on women's empowerment to increase access to key resources and raise awareness at local levels and advocate for broader policy reform and systemic change</b></li> </ul>
Buyer behaviour	<ul style="list-style-type: none"> <li>• Defaults and side-selling due to buyer procurement procedures and quality requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstream the adjusted commercial approach to local and regional procurement, seeking to catalyse and promote development of high-quality markets for smallholders</li> <li>• Fully implement the smallholder component of the new Procurement Strategy, including the aggressive targets for procurement of high-quality food from smallholders</li> </ul>
Enabling environment	<ul style="list-style-type: none"> <li>• Lack of an enabling environment for pro-smallholder investment</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with local, regional and international research bodies to articulate and project the core policy requirements of a coherent policy framework for smallholder-based agricultural development</li> <li>• Advocate strongly for sustained investment in the physical and institutional foundations of efficient food supply chains – i.e., storage, transport, processing, finance and quality standards</li> </ul>
WFP staffing	<ul style="list-style-type: none"> <li>• Lack of required skills</li> <li>• Lack of clear organizational setup for pro-smallholder activities</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake a systematic assessment of skills required for pro-smallholder food assistance at all levels and develop a corresponding staffing plan. Investments will be CO-specific, based on existing capacities and plans</li> <li>• <b>Set up an explicit smallholder support team within the CO's programme unit, with clear reporting lines and linkages across key teams, especially between programme teams and supply chain teams, under the principle that pro-smallholder food assistance is based on clear programming objectives</b></li> <li>• Develop a partnership strategy to fill capacity gaps, especially with respect to the strong need for analysis, strategy and planning</li> </ul>
Programme design and implementation	<ul style="list-style-type: none"> <li>• Poor design and weak delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify the approach to be pursued for pro-smallholder food assistance, including partnership needs, financing requirements and policy and institutional reform priorities</li> </ul>



Farmers prepare the earth to plant Irish potatoes as part of their participation in a project combining the **FFA model and the Republic of Korea's Saemaul Undong** approach in Nyamagabe District, Cyanika, Rwanda. *WFP/Rein Skullerud*





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# Acronyms

3PA	Three-Pronged Approach
CBT	Cash-based transfer
CO	Country Office
FAO	Food and Agriculture Organization of the United Nations
FFA	Food Assistance for Assets
FO	Farmer organization
FtMA	Farm to Market Alliance
HGSM	Home Grown School Meals
I FAD	International Fund for Agricultural Development
P4P	Purchase for Progress
PHL	Post-Harvest Loss
R4	Rural Resilience Initiative
RB	Regional Bureau
RBA	Rome-based Agencies
SDG	Sustainable Development Goals
SR	Strategic Result
VFM	<b>Virtual Farmers' Market</b>
WFP	World Food Programme



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# Annex 1: Examples of activities for purchase-driven support to smallholders

Model Element	Activities
Increase individual <b>farmers' capacity to produce a marketable surplus</b>	<ul style="list-style-type: none"> <li>Facilitate the establishment of partnerships to support smallholder <b>farmers' productivity through improved access to agricultural inputs and improved agricultural practices</b></li> <li>Develop capacity of smallholder farmers to reduce post-harvest losses through provision of training/assets and/or coordination of capacity development through partners</li> </ul>
Promote improved service provision of aggregators to smallholder farmers	<ul style="list-style-type: none"> <li>Develop capacity of targeted aggregators (FOs, traders, warehouse receipt systems) in the following areas through provision of training/assets and/or coordination of capacity development through partners: <ul style="list-style-type: none"> <li>Post-harvest handling, storage and value addition</li> <li>Financial literacy and inclusion (access to credit, insurance, etc.)</li> <li>Engagement with formal buyers (contracting, negotiation skills, access to market information, etc.)</li> <li>FO governance and institutional capacity building (membership rules, by-laws, conflict resolution mechanisms, record keeping, gender equality, etc.)</li> </ul> </li> </ul>
Stimulate pro-smallholder demand	<p>Public demand:</p> <ul style="list-style-type: none"> <li>Increase WFP pro-smallholder procurement</li> <li>Provide technical assistance to national, regional, or local public procurement institutions to procure from smallholder farmers through advocacy/training/sharing of guidance and tools/secondment/etc.</li> </ul> <p>Private demand:</p> <ul style="list-style-type: none"> <li>Provide technical assistance to selected private buyers to procure in a smallholder-friendly way through advocacy/training/sharing of guidance and tools/etc.</li> <li>Establish and coordinate a pro-smallholder procurement platform of buyers, and promote linkages between aggregators and the platform.</li> </ul>
Promote a conducive enabling environment for smallholder farmer market engagement	<ul style="list-style-type: none"> <li>Provide technical assistance through advocacy/training/sharing of guidance and tools/secondment/etc. to support national stakeholders and institutions design and implement demand-side pro-smallholder market access policies and programmes</li> <li>Promote national stakeholders (public and private) coordination along the smallholder value chain</li> </ul>

## Annex 2: Examples of activities for theme-based support to smallholders

Theme-Based Thrust	Activities
Livelihood-Oriented	<ul style="list-style-type: none"> <li>• Develop community assets through rehabilitation, reconstruction, and creation of assets such as wells, irrigation systems, rice paddies, etc.</li> <li>• Strengthen risk management through improved access to finance, including through the development of savings and creation of bank accounts</li> </ul>
Supply Chain-Oriented	<ul style="list-style-type: none"> <li>• Enhance access to improved household storage solutions</li> <li>• Provide training in post-harvest handling practices</li> <li>• Enhance access to storage or warehousing at community and/or aggregator level</li> <li>• Improve government and/or private food quality control testing facilities</li> <li>• Work with millers/processors to enhance local production of nutritious foods using crops supplied by smallholder farmers</li> <li>• Leverage CBTs to enhance pro-smallholder procurement by retailers</li> </ul>
Nutrition-Oriented	<ul style="list-style-type: none"> <li>• Strengthen awareness of good nutrition practices among smallholder families using smallholder-facing efforts as an entry point</li> <li>• Encourage production, consumption, and marketing of nutritious crops (such as pulses) including through procurement of these crops</li> <li>• Work with millers/processors to enhance local production of nutritious foods using crops supplied by smallholder farmers</li> </ul>
Cross-Cutting	<ul style="list-style-type: none"> <li>• Provide gender sensitization training to partners and aggregators</li> <li>• Gather market information outside of large-scale market centres and closer to smallholder farmers</li> <li>• Strengthen national capacities in areas such as: gender equality and <b>women's empowerment</b>; pro-smallholder procurement; warehousing and post-harvest handling; national grain reserves; etc.</li> <li>• Strengthen national food quality and safety standards</li> <li>• Enhance national market information systems</li> </ul>

# Annex 3: Illustrations of integrated pro-smallholder food assistance activities

## P4P and HGSM in Ghana

The Ghana School Meals Programme uses a decentralized model in which local governments appoint school caterers to purchase food and prepare meals. Most caterers are unable to pay cash on delivery of crops, as they receive reimbursement from the government only after the meals have been provided. This process can take up to nine months. In general, this procedure makes it difficult for smallholder farmers to sell to school caterers, because they need cash to meet urgent expenses after the harvest.

In March 2014, the Bonzali Rural Bank signed an agreement with Netherlands Development Organization, in collaboration with WFP and the local government. This agreement provided school feeding caterers with loans, enabling them to pay farmers with cash on delivery. Under this agreement, SNV Netherlands Development Organization provided a fund as a guarantee against defaults and the Tamale government **agreed to transfer caterers' reimbursement** directly to their accounts so the bank can deduct repayments automatically when due. This agreement allowed Bonzali Rural Bank to provide the loans with favourable interest rates and no penalty for late repayment due to delayed reimbursement by the government.

While sales made by P4P-supported smallholders to the Ghana HGSM programme are still small in scale, this agreement, carried out in close collaboration with partners, provides a potential good practice for future efforts. Though a great deal of progress has been made, challenges remain to apply this practice on a broader scale. Smallholder farmers require additional assistance to increase their productivity, storage capacity

and access to credit to ensure they can consistently supply larger quantities of high quality crops throughout the year.

## P4P and FFA in Sierra Leone

Sierra Leone produced large quantities of rice before a protracted civil war. The conflict led to the prolonged displacement of people – most of whom were farmers – leaving many rice paddies overgrown and unusable. This made it difficult for farmers to rebuild their livelihoods once the conflict ended.

Today, smallholder farmers are some of the poorest and most food insecure communities in the country. To assist them to re-build their livelihoods, a Japanese bilateral project is linking P4P with FFA to provide integrated support along the rice value chain. Under the FFA component, participants receive food assistance in exchange for work to improve infrastructure for rice production. Links with P4P provide other, higher capacity smallholder farmers with an assured market for their crops.

Building upon the P4P experience, the programme requires that commodities used for food assistance be purchased locally using smallholder-friendly modalities. Wherever possible, commodities are gradually and progressively procured from P4P-supported farmers as their production increases. This promotes sustainability, boosting local economies.

## HGSM and P4P in Burkina Faso

Since 2004, WFP and the Government of Burkina Faso have been working together to support



nutrition and education—especially for girls—in the Sahel region. In 2015, employing the P4P approach, WFP supported three local dairy **processing units run by local women’s** associations to process yogurt for school meals. The milk used was sourced from small-scale livestock breeders. Because local dairy processors often have limited capacities and may struggle to **meet WFP’s quality requirements, support for** production and quality assurance is critical. Joint capacity development and investment plans were developed with each processor, who were then provided with quality control equipment and training. WFP continues to work in partnership with the national laboratory to conduct regular quality analyses.

While the processors are experienced in yogurt production, many were new to the world of balance sheets, loans and market research, and have struggled to access credit to invest in improving production. To address these challenges, each processor received support to develop sales and investment plans, and to access credit with support from WFP and partners, including the regional bureau of the Ministry of Animal Resources and Ecobank. With credit and an assured market for their production, producers have invested in additional equipment to increase production and improve quality.

## FFA, PHL and FtMA in Uganda

In Uganda, support to smallholder farmers continues to evolve under the Agricultural Market Support framework. P4P was launched in the country in 2009, supporting the Agricultural Market Support objective: to help increase the incomes of smallholder farmers and small to medium-scale traders through improved access to quality-oriented markets. Agricultural Market Support and P4P focused on addressing poor market infrastructure and inadequate productivity. Particular emphasis was on efforts to develop a functioning Warehouse Receipts System.

Due to high rates of post-harvest loss, a special operation to provide smallholder farmers with household storage was launched in 2014. The presence of assured demand under P4P allowed farmers to invest in the new hermetic equipment. In turn, the storage equipment helped smallholders make strategic choices about when and where to market their crops. A Post-Harvest Knowledge and Operations Centre was **established based upon the special operation’s** outcomes.

The CO is currently implementing an approach to **“graduate” subsistence farmers to farmers with** moderate consistent surplus crops. Under this approach, non-productive farmers benefit from FFA-based safety net efforts. Meanwhile, farmers not yet able to produce a moderate consistent surplus, are targeted by Agricultural Market Support with capacity development for improved production. At this stage, they can also be targeted for support from the PHL initiative. Once farmers become capable of producing surplus, they graduate to be eligible for pro-smallholder procurement under FtMA.

## P4P and CBT in El Salvador and Honduras

In Honduras and El Salvador, families affected by coffee rust in 2014 received vouchers, which could be redeemed for food at local shops. Through this programme, P4P-supported **smallholder farmers’ organizations supplied** US\$30,000 (30 mt) worth of maize and beans to almost 600 families affected by coffee rust. This **provides an additional market for smallholders’** quality crops, while providing vital food assistance to farmers severely affected by coffee rust. In El Salvador, WFP linked cash-based transfer food merchants with P4P-supported farmer organizations on several occasions.

## P4P and Gender Equality

During the P4P pilot, funds were secured from USAID to procure labour and time-saving technologies for women. Eight pilot countries (Ethiopia, Kenya, Malawi, Mali, Mozambique,

Uganda, Zambia and the United Republic of Tanzania) benefited from sub-grants of between US\$92,000 and US\$131,000 for the purchase of the various types of equipment. Items ranging from simple manual tools to more sophisticated mechanical devices, were purchased for **women's use. These included manually operated** and motorized maize-shellors, tractors, rippers, milling machines and equipment to facilitate quality enhancement such as tarpaulins, rice parboiling equipment and bag stitching machines. Additionally, cows and plough carts were provided to women to relieve them from the usual neglect of their plots until the end of the planting season.

These technologies were provided on a partial or full cost recovery basis, and were carefully selected to fit a specific stage of the agricultural value chain from production to post-harvest and processing and to be the most relevant to the **local context, as well as to women's needs.** Some simple tools were targeted to individual households, while the more sophisticated technology was for use/ collective management by the FOs or by entrepreneurs running businesses providing services to members of the community at large. FOs were encouraged to think creatively about how to guarantee maintenance of equipment over the long term using the contributions from cost-sharing. Whenever and wherever possible, women were encouraged to use the technology to generate income for its maintenance.

## R4, FFA and P4P in Malawi

**Malawi's Zomba district was selected to test** linkages between R4, P4P and FFA. Despite an overall conducive environment for development, the district faces a number of developmental challenges. Farmers in the areas already supported by FFA and P4P are vulnerable to climate risks and other shocks. They also face persistent constraints such as access to inputs, extension services, storage, credit and markets. The trial of the integrated approach was to take two forms. The first was the extension of P4P and R4 expertise to FFA-supported farmers. P4P

expertise was leveraged through capacity development on post-harvest handling, quality control, storage, market linkages, and business and organizational development. R4 components were also introduced, particularly savings and insurance. The second approach was the extension of the FFA and R4 package to selected FOs under P4P.

Introducing P4P activities in areas where FFA and R4 are already present would enable WFP to improve market access of smallholder farmers by developing their productive, aggregation and marketing capacity. In the future, P4P support would enable improved FO aggregation and collective marketing capacity by facilitating access to formal markets for quality crops. P4P assistance would enable FOs to be registered as **"cooperatives" through technical and administrative capacity support.** Finally, this linkage would provide a clear graduation **strategy for participants in WFP's food** assistance, as they become more food self-sufficient and resilient and eventually become players in their local markets.

The integration of FFA and R4 activities with P4P -supported farmers would strengthen their natural resource base and farming practices, as well to access micro-finance, insurance, and climate services. Ultimately, this would enable P4P-supported farmers to better mitigate risk and improve consistency and quantity of production. For FFA, P4P and R4, this link would generate a comprehensive input package contributing to improved productivity and increases in household income.

## Nutrition-Sensitive P4P Approaches in Rwanda, Uganda, and Zambia

HarvestPlus works to reduce micronutrient deficiencies worldwide by developing and disseminating high yielding staple crops rich in vitamins and minerals. These crops are bred conventionally through a process called biofortification. New evidence has suggested

that biofortification can be a particularly effective strategy to reduce micronutrient deficiencies, particularly when it can be complemented by other interventions, such as fortification and supplementation. Micronutrient deficiencies can occur even when individuals have enough staples to eat, but are lacking fruits, vegetables and animal products in their diets. This can lead to stunting, lower resistance to disease and increased risks during childbirth. Because it is a one-time investment, biofortification is considered to be both sustainable and cost-effective. Once seeds are adopted by smallholders, most of these nutritious crops can be grown year after year without requiring additional interventions or cost.

In Rwanda, Uganda, and Zambia, P4P collaborated with HarvestPlus and national governments to increase the availability of micronutrient-rich staple foods. In these countries, P4P-supported smallholders were encouraged to cultivate Iron Beans, Vitamin A Maize and Vitamin A Sweet Potato, benefitting from improved nutrition and increased incomes from selling their produce, which was then used

as seed or in school meals programmes.

## VFM, P4P, R4, HGSM and FtMA in Zambia

In Zambia, the VFM pilot is implemented in close collaboration with PHL and FtMA. The former P4P infrastructure and contact network provided a useful foundation. Strengthening the operational synergies, and identifying new ways to support **WFP's smallholder**-facing programming will continue to be essential as the VFM expands beyond the pilot. VFM also has potential to make **WFP's procurement and logistics processes more** efficient by localizing and digitalizing the procurement process. The transparency of transactions and traceability of produce that VFM offers have also been identified as particularly valuable for monitoring purposes within both Programme & Policy and Supply Chain divisions. Close operational synergies with initiatives like R4 and HGSM have been naturally developed and defined.



FFA projects enable the building of irrigation systems to strengthen agriculture and protect against drought, Mwenezi, Zimbabwe.  
*WFP/Victoria Cavanagh*









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