

Local/Regional Purchases

WFP aims to support local crop production in Zimbabwe, and has identified strategies that will assist in the development of smallholder output markets. In mid 2009, after the Government liberalization of grain trade in Zimbabwe and in light of surplus production in certain districts, WFP introduced a Local Purchase Initiative (LPI) aimed at positioning WFP as an output market for smallholder farmers.

Since 2009, WFP has conducted extensive studies, registrations and training of local suppliers in the WFP procurement systems and currently there are 29 local traders on WFP's supplier database competing for its regional tenders. The registration of potential suppliers is an ongoing exercise.

There are two main procurement modalities for the LPI: Local Tenders and Regional Tenders. Between 2011 – 2012, a total of 2, 654 MT of Zimbabwean maize was procured through the LPI, injecting approximately US\$734, 000 into the local agriculture sector. Of this, 688 MT (valued at US\$174, 000) was procured using Local Tenders, while the remaining 1, 966 MT was procured through Regional Tenders.

Local Purchase:

Through the LPI, WFP identifies a district that has surplus grain and is located near a deficit area where Social Safety Net or Seasonal Targeted Assistance programmes are being



implemented. Once warehouse space is identified, WFP then launches a localized tender for Zimbabwean suppliers to deliver Zimbabwean maize directly to the warehouse, thereby minimizing the associated handling and transportation costs. This process helps farmers find markets in remote production areas and helps traders to procure at the right time when supplies aren't strained. Due to surplus availability and commodity quality management factors, Local Tenders are limited to June to September.

Regional Purchase:

Regional tendering is WFP's standard procurement method and is designed to secure large volumes of commodity. Zambia is the sole source of grain for Zimbabwe, especially because of their significant surpluses in recent years. Stringent national regulations on GMOs have denied any WFP imports of maize grain from South Africa since February 2010.