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REPORT ON POST-DELIVERY LOSSES FOR THE PERIOD 1 JANUARY–31 DECEMBER 2007

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

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EXECUTIVE SUMMARY

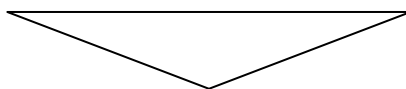
WFP continues to improve its reporting instruments, procurement procedures, tracking systems, cooperating partner loss tracking and feedback mechanisms. As of January 2008, WFP adopted International Public Sector Accounting Standards (IPSAS), under which financial accounting for inventories, mainly food commodities, will enhance the accountability and transparency of handling. This is expected to contribute to further reductions and prevention of post-delivery losses.

This report discusses issues related to particular countries and particular foods, and describes the measures taken by WFP to keep post-delivery losses to a minimum. The reporting period is 1 January to 31 December 2007. Annexes I, II and III list food losses by reason, commodity and country. Losses equal to or greater than 2 percent of the total net cost, insurance and freight value of any single commodity handled in a particular project and greater than US\$20,000 in absolute value are included in Annex III-B. This report identifies the largest losses in absolute terms and in terms of proportional net cost, insurance and freight value, and significant but proportionally small losses in countries where large programmes are implemented.

The estimated total net cost, including food commodity price, insurance and freight value of losses during the 2007 reporting period, was US\$7.15 million, 0.45 percent of the US\$1.6 billion cost, insurance and freight of all commodities handled. In terms of quantity, net post-delivery losses are 16,724 mt, 0.40 percent of the 4.17 million mt handled during the year. These losses are US\$2.7 million dollars and 7,400 mt less than those recorded in the 2006 reporting period.



DRAFT DECISION*



In considering the “Report on Post-Delivery Losses for the Period 1 January–31 December 2007” (WFP/EB.A/2008/13-A), the Board notes the country-specific and commodity-specific losses suffered and the corrective actions taken by WFP, governments and other partners to minimize and mitigate post-delivery losses. It encourages the Secretariat to continue its efforts to improve commodity accounting practices, seek reimbursements from governments and cooperating partners when post-delivery losses are incurred, take all necessary measures to ensure losses are reduced and report to the Board annually on the progress of these efforts.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (WFP/EB.A/2008/16) issued at the end of the session.



CORRECTIVE ACTIONS TO MINIMIZE FUTURE COMMODITY LOSSES

Improvements in Food Procurement to Minimize Losses

1. In 2007, WFP purchased 2.1 million mt of food commodities valued at US\$767 million. Procurement initiatives in the field and at Headquarters helped to reduce post-delivery losses; the cooperation of all units involved in food handling was essential to maximize the effects of these initiatives.
2. In the southern Africa region, WFP monitored the compliance of maize meal and corn-soya blend (CSB) processors with Good Manufacturing Practices (GMPs) and Hazard Analysis Critical Control Points (HACCPs).¹ This was done through superintendent companies employed by WFP and regular visits by WFP staff to ensure the optimum quality of the final product and so reduce losses from deterioration.
3. The procurement unit in the Southern Africa Regional Bureau (ODJ)² monitored the quality of maize purchased in the region. If quality did not meet WFP specifications, purchases were stopped while WFP worked with suppliers to rectify problems such as high levels of foreign material. To reduce losses further, purchases of the new crop of maize began in June, avoiding losses related to high moisture content. WFP continued to enforce a quality-control check initiated in 2006: a superintendent at the loading point, even in cases of delivery-duty-unpaid contracts (wherein transport is the responsibility of the supplier).
4. The procurement unit in the East and Central Africa Regional Bureau (ODK) continued to hold an annual workshop on quality awareness to ensure that vendors were aware of and meet WFP requirements.
5. A major factor in the loss of food commodities is oxidation, which causes rancidity. In 2007 the Food Procurement Service (ODTP) at Headquarters worked with Kemin Food Ingredients to find ways to reduce losses from oxidation. Kemin proposed specifications for an anti-oxidant treatment for refined vegetable oil, high-energy biscuits (HEB) and fortified blended foods including CSB and maize meal. A final decision on the proposals is still to be made at Headquarters; if these prevention measures are implemented, improved quality and reduced losses are expected.

Minimization of Loss at the Regional Level

6. Each regional bureau produces an annual results-based work plan; objectives include the monitoring of post-delivery losses. As part of WFP's decentralization, regional logistics officers support country offices on all logistics issues, including post-delivery losses, which contributes to awareness of loss containment. Examples are provided below.
7. The Asia Regional Bureau (ODB) continued its initiatives to mitigate losses and improve food quality including through its website. A major effort was made in the Lao People's Democratic Republic, Indonesia, Myanmar, Sri Lanka and Timor-Leste to

¹ GMP and HACCP are internationally accepted food safety processing principles. WFP provides guidance in accordance with these and monitors compliance through superintendent companies, such as the SGS Group and Bureau Veritas.

² This document reflects the WFP structure and acronyms current in 2007.



increase local food processing, reducing prices and delivery times and ensuring lower food losses and fresher products.

8. In Afghanistan, the most significant losses resulted from attacks on convoys in the southern parts of the country. To address this, WFP has asked the Government to provide armed escorts in the areas of highest risk and has explored alternative routes for safe, timely and cost-effective deliveries. WFP has contracted cooperating partners to monitor food distribution in areas where access by WFP staff is prohibited.
9. There are considerable problems with transport and storage in the West Africa Regional Bureau (ODD). The poor transport infrastructure in most countries combined with four-month rainy seasons requires WFP to pre-position large quantities of food – but prolonged storage in high heat and humidity is difficult. The inclusion of large quantities of CSB in the food basket of many Sahel projects is an additional challenge.
10. To address these problems, WFP enhanced its response capacity in ODD by setting up a humanitarian response depot in Ghana that enabled rapid deployment of additional warehouse capacity in central Africa. Supply-chain management was improved during 2007 by increasing local and regional procurement, thereby reducing food transit times. Coordination between programme and logistics activities optimized the turnover of stocks, which was instrumental in maintaining low loss levels.
11. Food management capacity was augmented by training in Burkina Faso; warehouse management training was given for the staff of WFP and cooperating partners in Burkina Faso, the Central African Republic, Chad, Guinea Bissau, Liberia, Mauritania, Niger and Togo.
12. Regular physical stock inventories were taken throughout the region. Regional training sessions were held to ensure the accurate and prompt capture of information via the corporate tracking system (Commodity Movement Processing and Analysis System — COMPAS).
13. These measures contributed to significantly reduced post-delivery losses in ODD compared with 2006.
14. The Latin America and the Caribbean Regional Bureau (ODP) continued to reduce and prevent post-delivery losses in 2007. A training workshop on food storage was conducted for WFP and counterpart staff, and a compilation of best practices was begun that will include warehouse management and operational issues pertaining to food commodity sharing in the region; it will be completed in 2008. Four oversight missions are planned for 2008 to address warehouse procedures.
15. During the past year, ODD continued its successful strategy of focusing on preventive measures to minimize post-delivery losses, including: (i) refresher training in warehouse management for more staff in the country offices; (ii) improved pest control; (iii) increased oversight of food tracking and management through training and exception reports; and (iv) improved coordination with and capacity-building for cooperating partners to improve food handling techniques.
16. Efforts to mitigate post-delivery losses in ODK included:
 - helping country offices to obtain information about and to coordinate training related to food storage, including pest control;
 - organizing and chairing monthly cargo-prioritization meetings at which country offices that shared a corridor or had responsibility for an entry point discussed issues



such as bottlenecks and ways of mitigating their effects further along the pipeline; cargoes were selected for priority movement, taking into consideration the urgency of the food requirement, length of time in the supply chain, shelf-life and storage conditions at bottlenecks;

- exploring ways to avoid bottlenecks, investigating alternative transport routes and monitoring costs; cargoes could be diverted where unexpected restrictions occurred; and
 - maintaining oversight of regional strategic stocks.
17. ODK also improved the quality of loss reporting by compiling monthly reports that highlighted instances where the “reason for the loss” was not properly recorded and where unconfirmed receipts or pending deliveries were in WFP Information Network and Global System (WINGS). These reports enable country offices to identify their weaknesses in food care and take appropriate action. Periodic reporting of pending deliveries enables country offices to track and reduce losses that were unaccounted for.

International Public Sector Accounting Standards

18. With effect from January 2008, WFP has adopted International Public Sector Accounting Standards (IPSAS) for its financial accounting and reporting, in line with administrative and financial reform efforts undertaken by the United Nations system. IPSAS are universally recognized accounting standards for the public sector and will, by 2010, replace United Nations System Accounting Standards (UNSAS). As such, WFP is an early adopter of IPSAS. The standards require valuing and recognizing in monetary terms inventories on hand as assets in statutory financial reports, and subsequently to expense those inventories when distributed.
19. Under IPSAS, financial accounting for inventories, mainly consisting of food commodities, will enhance WFP’s accountability and transparency in handling food because country directors and field representatives will have accurate financial reports of the food on-hand and in the supply chain. Establishing opening inventory balances for 2008 has already contributed to more robust management and control of food commodities. Prompt reconciliation of physical stocks with those recorded in COMPAS, together with the requirement of timely reporting by cooperating partners, has shown the importance of commodity financial accounting, which is expected to contribute to further reductions in and prevention of post-delivery losses.

LOSSES SUSTAINED AFTER DELIVERY TO RECIPIENT GOVERNMENTS IN 2007

Overview

20. This report covers the period 1 January 2007 to 31 December 2007, during which WFP handled 4.17 million mt of food with an estimated cost, insurance and freight (c.i.f.) value of US\$1.6 billion. The food commodity price, insurance and freight value of losses during the period was US\$7.15 million, 0.45 percent of the total value of the food handled.
21. WFP recovered US\$1.4 million through sales of food no longer fit for human consumption or through recovery actions for losses suffered by private contractors. Salvage sales take place only when food is certified unfit for human consumption but has



value as animal feed or for industrial purposes. These sales are subject to strict controls to ensure that food cannot be re-introduced for human consumption. In addition, WFP recovered 158 mt of food in kind from transporters and cooperating partners.

22. In the Sudan, WFP recovered US\$782,000, just under 54 percent of all 2007 losses in the country. As stipulated in all transport contracts for the country, WFP deducts loss value from transporters' invoices.

Losses by Cause

23. The most prominent cause of post-delivery losses in 2007 was pilferage/theft. Significant losses occurred in Ethiopia as a result of clashes among clan militias in the Somali region, in Afghanistan as a result of attacks on convoys in the south of the country, and in Iraq as a result of attacks by unidentified armed militia. Short deliveries³ of food in Ethiopia and the Sudan also contributed significantly to losses in 2007 (see Annex I).

Losses by Commodity

24. Annex II shows that the most significant losses in terms of net c.i.f. value were cereals, at 40 percent of total losses in 2007. Mixed foods such as CSB, HEB and wheat-soya blend (WSB) comprised 22 percent of the total value lost; vegetable oil accounted for 20 percent of losses for 2007 and pulses 14 percent. The remaining 4 percent comprises canned meats and dairy products.

Losses by Responsible Party

25. WFP continued to improve reporting on losses from cooperating and implementing partners. Approximately 62 percent of all post-delivery losses were incurred while food was under the direct management of WFP, 5 percent were suffered by government counterparts and 33 percent were attributed to non-governmental implementing partners. Continuing the three-year trend, the tonnage of food lost while under WFP management was a significant 10 percent less than in 2006 and 14 percent less than in 2005.

Losses by Recipient Country

26. Annex III-A shows total losses for each country in 2007. Details of large losses are provided in Annex III-B, and are discussed below: there were 15 projects in 13 countries registering single food commodity losses equal to or greater than 2 percent of the total tonnage handled and with an absolute net c.i.f. value of over US\$20,000. The countries involved are Angola, Burundi, The Gambia, Guinea, Haiti, Iraq, Kenya, Nepal, Nicaragua, the Russian Federation, Rwanda, the Sudan and Timor-Leste. Seven countries – Afghanistan, Ethiopia, Guinea, Iraq, Nepal, Rwanda and the Sudan – incurred post-delivery single food commodity losses with an absolute net c.i.f. value greater than US\$100,000. These losses are substantial in value, but smaller in percentage terms because of the large quantities handled.

³ "Short delivery" refers to delivery of goods less in quantity than stated on the WFP waybill.



⇒ *Afghanistan*

27. Afghanistan sustained post-delivery losses totalling 1,278 mt, estimated net c.i.f. value US\$573,600, from 236,200 mt handled. However, this loss was only 0.6 percent of the US\$93.7 million value of food handled during the reporting period (see Annex III-A).
28. The most significant losses were in cereals, vegetable oil and HEB. Most of the losses were incurred in attacks on convoys carrying WFP food in the southern part of the country. Some biscuits being transported from Bandar Abbas to Herat were short-delivered, mainly because of variations in unit weight (actual carton gross weight as opposed to bill-of-lading gross weight). The Afghanistan country office has taken appropriate measures, including asking the country offices in India and Iran to review management performance at load and discharge ports in order to avoid such short deliveries in future consignments.
29. To address the issue of insecurity on main roads, WFP has asked the Government to provide armed escorts for commercial convoys moving in areas of highest risk. WFP has explored alternative routes for safe, timely and cost effective deliveries to the west of the country, where most attacks have occurred. Cooperating partners have been contracted for food distribution and monitoring in the areas where access by WFP staff is prohibited.

⇒ *Angola*

30. Angola sustained a post-delivery loss of 13.2 mt of tinned meat, approximate c.i.f. value US\$27,700, which is 2.1 percent of the 623 mt meat handled. The loss occurred as a result of improper storage; the tins were stacked too high for the quality of the container and some were crushed. The remainder was cleared for distribution by government quality-control laboratories, and the situation was reported to the donor. To prevent such losses in the future, WFP has specified warehouse storage dimensions that should avoid further damage.

⇒ *Burundi*

31. Most of the post-delivery losses in Burundi occurred as a result of a fire in a warehouse in Ruyigi, rented by WFP, that destroyed pulses, cereals, blended food, vegetable oil, sugar and salt. In monetary terms, the largest single loss resulting from the fire was of vegetable oil; WFP sustained post-delivery losses of 61.3 mt, estimated c.i.f. value US\$62,300, which is 2.7 percent of the 2,268 mt handled for the year.
32. WFP has written to the Ministry of Foreign Affairs requesting their involvement in settling the matter. Donor partners in Burundi were informed of the incident. The matter is currently under investigation by local authorities to determine liability; the contract with the warehouse management company has been terminated pending the outcome of the investigation. WFP's measures to prevent future incidents include increasing security at warehouses, reviewing electrical installations and training all security guards and warehouse staff in fire fighting and prevention.

⇒ *Ethiopia*

33. Ethiopia sustained post-delivery losses of 2,123 mt of maize and wheat under protracted relief and recovery operation (PRRO) 10362.0, estimated net c.i.f. value US\$604,500; this is 0.85 percent of the 245,000 mt of cereals worth US\$75 million handled in 2007. The most significant losses of maize and wheat occurred in the Somali region, mainly through looting by clan militias and misappropriation of food by local officials. WFP's counterpart



organizations (the Government's Disaster Prevention and Preparedness Agency (DPPA) and Disaster Prevention and Preparedness' Bureau) investigated the causes of the losses. WFP significantly enhanced its monitoring capacity in the Somali region by establishing two additional field offices, increasing the number of staff deployed in the region to 108, and improved the logistics capacity of the Government's DPPA by establishing a joint logistics office and operation in Dire Dawa.

⇒ *The Gambia*

34. The Gambia recorded a post-delivery loss of 106.5 mt of pulses, net c.i.f. value US\$35,660; this is 11 percent of the 718 mt of pulses, valued at US\$313,000, handled during the reporting period.
35. The loss – from a consignment of split peas that arrived in 2005 – is the result of poor food management by the government counterpart: the peas were stored for an excessively long period in poor conditions, resulting in spoilage.
36. To address this, measures were implemented to improve the food-management capacity of government counterpart staff: (i) WFP and government counterpart logistics staff received training; (ii) frequent warehouse inspections were carried out; (iii) regular spraying and fumigations were carried out; and (iv) review visits to extended delivery points were made.

⇒ *Guinea*

37. Guinea recorded substantial post-delivery losses of 811 mt, estimated net c.i.f. value US\$324,400, as a result of a social crisis and six weeks of general strikes that resulted in the looting and burning of official buildings. Warehouses of the sub-offices at Labé and Kankan were looted and destroyed; WFP food stored in government warehouses was also looted, resulting in losses of rice, pulses and vegetable oil.

⇒ *Haiti*

38. Haiti sustained post-delivery losses of 117.8 mt – 65.3 mt of beans and 52.5 mt of HEB – estimated net c.i.f. value US\$95,100. The HEB loss, 10.5 percent of the total handled during the year, was from two consignments that were delivered in packaging unsuitable for tropical climates, which allowed infestation. ODTP was informed and packaging standards reviewed.
39. The loss of beans was the result of reconditioning of a large but low-quality consignment. Reconditioning allowed most of the consignment to be used, and only 2.4 percent of the total handled in 2007 was declared a loss. ODTP and the Division of Legal Services at Headquarters were notified, and an investigation was launched. The supplier has been removed from the procurement shortlist.

⇒ *Iraq*

40. Iraq sustained two substantial post-delivery losses in 2007: (i) 227 mt of HEB, 7.3 percent of the total handled during the year, estimated net c.i.f. value US\$166,600; and (ii) 258 mt of vegetable oil, 6 percent of the total handled during the year, estimated net c.i.f. value US\$288,900.



41. The vegetable oil losses were a result of theft from trucks by unidentified armed militiamen. To address this, WFP is in discussion with government counterparts to ensure maximum protection for WFP cargoes in Iraq.
42. The HEB were infested on arrival at the loading point, and so the losses are imputable to the supplier. WFP asked the supplier to replace the infested cargo, and so far has recovered 44 mt. The loss was recorded as temporary in the 2007 standard project report (SPR), pending replacement of the balance either in cash or in kind. ODTP (now OMLP) is following this issue.

⇒ *Kenya*

43. Kenya PRRO 10258.1 recorded a single post-delivery loss of 27.8 mt of HEB, c.i.f. value US\$35,200; this is 9 percent of the 299.9 mt handled during the year.
44. WFP pre-positioned the biscuits in a warehouse at Dadaab during the 2006–2007 flood. This resulted in high moisture content which, combined with long storage, resulted in the infestation that caused most of the loss. To address this, WFP has given priority to additional training for its field logistics staff, with particular attention to monitoring the conditions in which food is stored. WFP is relocating its warehouse at the Ifo refugee camp to higher ground to prevent it from being flooded.

⇒ *Nepal*

45. Under Nepal's school feeding programme, WFP received an in-kind donation of 2,960 mt of WSB, part of a 4,682 mt shipment in 247 containers carried in 11 ships via Malaysia and Bombay between February and October 2006. Some of the containers reached the Nepal border four months after arrival in Bombay. In Nepal, WFP noticed serious quality problems: the WSB showed signs of rancidity, and in some cases beneficiaries became ill. As a result, distribution to the school feeding programme was suspended. The children who fell sick were taken to hospital for checks, but no further treatment was required.
46. Samples from all stocks were sent for laboratory analysis, which showed that 601.7 mt of the WSB, estimated value US\$397,400, was unfit for human or animal consumption. A decision was taken with the Government and the Ministry of Education to dispose of the WSB by conversion into organic fertilizer.
47. To avoid future problems arising from large shipments of WSB being delayed, WFP has increased its local purchases of WSB, procuring smaller quantities that can be consumed immediately instead of relying on large shipments for distribution among several programmes.

⇒ *Nicaragua*

48. Nicaragua recorded a post-delivery loss of 36.9 mt of canned meat, estimated net c.i.f. value US\$77,500; this is 11 percent of the 355.8 mt handled. The shipment, which had a production date in 2004, was received in 2006 and distributed in 2007. The long delays overseas damaged the packaging of part of the shipment and no recoveries were made.



⇒ *Russian Federation*

49. The Russian Federation recorded a post-delivery loss of 112 mt of oat cereal, 18 percent of total handled in 2007. The three main reasons for this loss were shelf life expiration, poor storage conditions at distribution points and delayed return of food by cooperating partners.
50. To address these issues, a logistics officer from the Tajikistan country office reviewed logistics arrangements in the northern Caucasus. Following his recommendations, WFP took over management of the warehouse from its non-governmental organization (NGO) partner and put in place a system to monitor the food's shelf life. The recommendations were implemented from January 2008, including the training of cooperating partners in prompt return of food to the WFP warehouse. WFP also improved communications between programme and procurement units, and reviewed pipeline projections with a view to purchasing only as much food as the programme needed distributed during the food's shelf life, which for oats is four months.

⇒ *Rwanda*

51. Rwanda suffered two substantial post-delivery losses in 2007, both as a result of over-stocking and poor ventilation at the central warehouse. In late 2006, WFP was obliged to hand over one of its warehouses in Kigali to the Government; all remaining food had to be stored in one warehouse.
52. A loss of 329.3 mt of beans, 16.3 percent of the total handled, estimated c.i.f. value of US\$129,000, occurred because the beans were exposed to excessive moisture. This led to deterioration and subsequent rejection by beneficiaries. The beans were distributed as animal feed to local farmers.
53. A loss of 53.1 mt of pea-wheat blend, 20 percent of the total handled during the year, estimated c.i.f. value of US\$30,600, resulted from pest infestation caused by the congested storage conditions. The damaged pea-wheat blend was also distributed as animal feed.
54. WFP's measures to avoid such losses in the future include: (i) limiting storage of food at the central warehouse by applying standard storage practices; (ii) keeping most of the WFP food arriving through Dar-es-Salaam at the Isaka transit warehouse in the United Republic of Tanzania and calling it forward as the capacity of the warehouse permits and as programmes require, and (iii) continuing to train warehouse management staff in food handling, warehouse management and follow-up. A training-of-trainers for cooperating partners was also conducted to minimize losses.

⇒ *The Sudan*

55. Four large losses were recorded for Sudan's emergency operations:
- i) 594 mt of CSB (2.56 percent of the total CSB handled);
 - ii) 1,811 mt of sorghum (0.4 percent of the total sorghum handled);
 - iii) 460 mt of vegetable oil (1.1 percent of the total oil handled); and
 - iv) 310 mt of lentils (0.77 percent of the total lentils handled).

Together, these four single commodity losses have an estimated c.i.f. value of US\$1.25 million.



56. Most of the losses of cereals and pulses resulted from problems with transport. The unexpectedly heavy rainy season in southern Sudan and limited capacity of cooperating partners led to high losses of CSB. Vegetable oil losses are mainly attributed to poor packaging and long transport routes to remote areas in Darfur and southern Sudan.
57. To reduce warehouse losses, improve food management and share best practices, the Sudan Regional Bureau (ODS) worked with warehouse staff of WFP and cooperating partners on capacity-building and with ODTP to improve the packaging of vegetable oil to minimize losses.
58. As stipulated in all working transport contracts, WFP deducted the value of losses from transporters' invoices.

⇒ *Timor-Leste*

59. Timor-Leste recorded post-delivery losses in 2007 of (i) 150 mt of CSB, 4 percent of the total handled during the year, estimated net c.i.f. value US\$58,000; and (ii) 120 mt of beans, 4.3 percent of the total handled during the year, estimated net c.i.f. value US\$50,200.
60. In February 2006, the Government requested WFP to re-package the CSB in smaller bags. During the process, exposure to air and moisture reduced shelf life. Normally, this would not be a problem, but civil unrest in April 2006 caused a five-month interruption of distributions. As a result, some of the CSB became unfit for human consumption and was disposed of in 2007.
61. Distribution of beans began several months after they arrived in the country, by which time some of the beans had become unfit for human consumption. They were eventually disposed of in 2007.

Losses Sustained during Previous Reporting Periods but Reported for the First Time during 2007

62. In 2007, 29 losses from previous reporting periods were reported for the first time. The total quantity lost was 137 mt in Mozambique and Somalia, 80 mt of which was lost through theft from the Mozambique component of the southern Africa regional PRRO. Most of these losses were recovered in cash from the cooperating partner responsible. The Somalia loss is discussed below.

FOLLOW-UP ON LOSSES UNDER VERIFICATION DURING THE PREVIOUS REPORTING PERIOD

63. In 2006, losses under investigation by WFP were reported in Bangladesh, Colombia, Côte d'Ivoire and Somalia.

⇒ *Bangladesh*

64. WFP distributes food via the Government of Bangladesh's Public Distribution System. Operating as a "food bank", the arrangement does not allow for accounting of losses consistent with WFP's corporate reporting system. Post-delivery losses incurred are quantified by the country office as recommended by the International Food Policy



Research Institute (IFPRI). Negotiations with the Government are pending concerning over 10,000 mt of rice placed under verification in previous years.

⇒ *Colombia*

65. Of the 52 mt of commodities under verification in 2006, WFP confirms the loss of 26 mt, including 16 mt of rice, 5 mt of peas, 2 mt of sugar, 2 mt of vegetable oil and 1 mt of salt. These are attributable to a large number of small community-based organizations with whom WFP has no formal agreements on loss recoveries. The remaining 26 mt were recovered from a cooperating partner.

⇒ *Côte d'Ivoire*

66. WFP confirms the loss and subsequent destruction of 43 mt of pulses placed under verification in 2007. The split peas had deteriorated because of delays in distribution that were in turn caused by extended teacher strikes. The Ministry of Agriculture certified the destruction. To combat such losses in the future, WFP has reinforced cooperating partners' capacity in stock management and has increased the frequency of visits to their warehouses.

⇒ *Somalia*

67. Somalia registered a loss of 49 mt of rice in 2007 following conclusion of the 2006 theft investigation. Of this, 9 mt were replaced in kind by the contractor responsible. Of 4.6 mt of wheat declared lost as a result of short delivery, 2 mt were replaced in kind by the cooperating partner responsible.

LOSSES CURRENTLY UNDER VERIFICATION AND FOR FOLLOW-UP IN FUTURE REPORTS

68. WFP is verifying post-delivery commodity losses of 11,000 mt in Bangladesh, Iraq, Lesotho and Niger. The results of these investigations, and any recoveries, will be provided in future reports.



ANNEX I: LOSSES BY CAUSE		
Reason for loss	Post-delivery losses Value (US\$)	% of total loss
BROKEN DURING LOADING	7 418	0.10
DETERIORATION OF FOOD COMMODITIES MAINLY ATTRIBUTABLE TO PROBLEMS AT ORIGIN	494 564	6.91
DETERIORATION OF PACKAGING MATERIALS	559 844	7.83
FLOODING AND OTHER NATURAL DISASTERS	59 145	0.83
IMPROPER / OVERLONG STORAGE	699 445	9.78
INADEQUATE TRANSPORT	57 862	0.81
INFESTATION	389 271	5.44
LOSS DUE TO FIRE	120 738	1.69
LOSS DUE TO SAMPLING FOOD ANALYSIS	6 351	0.09
LOSS DURING CIVIL STRIFE	408 330	5.71
PILFERAGE/THEFT	1 630 529	22.80
POOR HANDLING	535 591	7.49
PROCESSING/TRANSFORMATION OF COMMODITY	22 000	0.31
RECONSTITUTION/ REBAGGING/ REPACKING	279 604	3.91
SHORT-DELIVERED	1 362 424	19.05
UNAUTHORIZED DISTRIBUTION	2 444	0.03
VARIANCE IN WEIGHT	72 702	1.02
WET BY GASOIL	247 156	3.46
WET BY WATER	197 224	2.76
TOTAL	7 152 643	100

ANNEX II - LOSSES BY COMMODITY				
Commodity code	Commodity	Total handled (method B*) (US\$)	Post-delivery losses (US\$)	% Losses US\$ vs. total handled
CERMAZ	MAIZE	165 236 212	389 057	0.24
CERMMF	SOYA-FORTIFIED MAIZE MEAL	3 309 501	3 542	0.11
CERMML	MAIZE MEAL	92 723 301	255 598	0.28
CEROAT	OATS	373 665	42 446	11.36
CERPAS	PASTA	5 760 166	1 969	0.03
CERRIC	RICE	132 279 905	490 362	0.37
CERSOR	SORGHUM	151 215 972	500 261	0.33
CERWBG	BULGUR WHEAT	46 192 450	71 778	0.16
CERWHE	WHEAT	213 896 881	905 976	0.42
CERWHF	WHEAT FLOUR	92 850 681	137 823	0.15
DAICHE	CHEESE	355 416	356	0.10
DAIDSE	ENRICHED DRIED SKIM MILK	3 971 139	2 547	0.06
DAIDSP	PLAIN DRIED SKIM MILK	9 349 349	4 064	0.04
DAIDWM	DRIED WHOLE MILK	1 590 731	0	0.00
DAILSB	LACTO-SOYA BLEND	940 938	2 430	0.26
DAIUHT	ULTRA HIGH TEMPERATURE MILK	120 322	0	0.00
FRUDFR	DRIED FRUITS	3 113 941	44 901	1.44
FSHCFI	CANNED FISH	13 422 108	12 657	0.09
MEAMEA	CANNED MEAT	7 496 328	121 860	1.63
MIXBIS	BISCUITS	18 973 864	18 198	0.10
MIXCSB	CORN-SOYA BLEND	106 860 142	594 294	0.56
MIXFAF	FAFFA	15 010 955	35 052	0.23
MIXHEB	HIGH-ENERGY BISCUITS	23 728 588	440 029	1.85
MIXHPW	HIGH-PROTEINS BISCUITS	452 893	443	0.10
MIXIND	INDIA MIX	540 953	2 778	0.51
MIXLIK	LIKUNI PHALA	1 555 217	5 187	0.33
MIXPWB	PEA-WHEAT BLEND	5 905 843	64 123	1.09
MIXWCE	WEANING CEREALS	0	0	0.00
MIXWSB	WHEAT-SOYA BLEND	7 959 264	400 640	5.03
MIXWSM	WHEAT-SOYA MILK	1 449 935	404	0.03
MSCAPI	API CEREALS	365 661	35	0.01
MSCBWH	BUCKWHEAT	465 290	1 344	0.29
MSCHES	HIGH-ENERGY SUPPLEMENT	1 125 908	2 343	0.21
MSCSAL	IODIZED SALT	4 390 920	8 582	0.20
MSCSUG	SUGAR	31 921 477	126 105	0.40



ANNEX II - LOSSES BY COMMODITY				
Commodity code	Commodity	Total handled (method B*) (US\$)	Post-delivery losses (US\$)	% Losses US\$ vs. total handled
OILGHE	GHEE	624 802	106	0.02
OIOLV	OLIVE OIL	1 138 478	1 409	0.12
OILVEG	VEGETABLE OIL	222 686 064	1 457 434	0.65
PPFFFP	FAMILY FOOD PARCELS	92 651	391	0.42
PULBEA	BEANS	66 015 548	387 484	0.59
PULLEN	LENTILS	44 234 307	228 543	0.52
PULPEA	PEAS	33 321 538	105 720	0.32
PULSPL	SPLIT PEAS	1 064 047	3 873	0.36
PULSPY	YELLOW SPLIT PEAS	73 220 018	280 498	0.38
PULTSP	TEXTURED SOY PROTEIN	67 703	0	0.00
TUBPOF	POTATO FLAKES/GRANULES	2 143	0	0.00
TOTAL		1 607 373 215	7 152 643	0.445
* Method B = opening stocks in the recipient country + commodities received in the recipient country				

ANNEX III-A: QUANTITIES AND VALUES BY RECIPIENT COUNTRY						
Region	Recipient country	Total handled (method B*)		Post-delivery losses		% Losses US\$ vs total handled
		Net mt	US\$	Net mt	US\$	
ODB	AFGHANISTAN	236 229	93 670 461	1 278	573 644	0.61
	BANGLADESH	169 476	40 649 748	1	581	0.00
	BHUTAN	4 803	3 284 751	2	1 493	0.05
	CAMBODIA	26 817	11 103 592	6	2 119	0.02
	DPR KOREA	58 892	31 091 251	0	0	0.00
	INDIA	88 987	13 746 460	55	21 657	0.16
	INDONESIA	41 675	29 330 303	5	4 002	0.01
	LAO PDR	13 854	5 808 237	1	1 056	0.02
	MYANMAR	26 965	8 002 566	57	17 769	0.22
	NEPAL	55 289	24 612 324	729	443 985	1.80
	PAKISTAN	55 310	26 728 747	58	43 994	0.16
	PHILIPPINES	22 486	8 242 423	17	5 933	0.07
	SRI LANKA	82 671	34 447 712	212	95 714	0.28
	TIMOR-LESTE	16 143	7 405 059	369	142 048	1.92
Total ODB		899 598	338 123 633	2 789	1 353 993	0.40
ODC	ALGERIA	21 556	10 824 050	23	13 083	0.12
	ARMENIA	6 845	3 264 620	1	201	0.01
	AZERBAIJAN	10 343	5 105 281	85	29 557	0.58
	EGYPT	1 303	633 391	0	0	0.00
	GEORGIA	8 864	3 620 547	25	11 672	0.32
	IRAN	5 659	1 056 256	3	760	0.07
	IRAQ	8 709	8 060 182	488	456 406	5.66
	JORDAN	1 290	518 706	7	2 140	0.41
	O. PALESTINIAN TERR.	118 639	54 128 515	130	63 438	0.12
	RUSSIAN FED.	14 376	5 663 748	182	68 971	1.22
	SYRIAN ARAB REPUBLIC	10 593	4 232 318	46	24 481	0.58
	TAJIKISTAN	21 394	9 816 314	3	1 289	0.01
	YEMEN	13 450	4 601 060	11	4 852	0.11
Total ODC		243 024	111 524 987	1 002	676 849	0.61
ODD	BENIN	9 116	3 122 550	1	376	0.01
	BURKINA FASO	21 207	8 725 746	151	60 603	0.69
	CAMEROON	7 220	2 612 399	2	1 070	0.04
	CAPE VERDE	1 838	866 725	17	6 165	0.71
	CENTRAL AFR. REP	24 113	15 717 547	25	17 718	0.11
	CHAD	74 986	46 525 979	431	215 242	0.46



ANNEX III-A: QUANTITIES AND VALUES BY RECIPIENT COUNTRY						
Region	Recipient country	Total handled (method B*)		Post-delivery losses		% Losses US\$ vs total handled
		Net mt	US\$	Net mt	US\$	
	CÔTE D'IVOIRE	35 693	14 375 085	152	62 853	0.44
	GHANA	9 362	3 670 239	71	23 642	0.64
	GUINEA	20 676	9 401 234	904	356 544	3.79
	GUINEA-BISSAU	7 608	3 536 711	45	18 476	0.52
	LIBERIA	46 066	22 555 130	47	19 216	0.09
	MALI	27 473	14 096 926	11	9 443	0.07
	MAURITANIA	29 898	11 739 773	57	20 901	0.18
	NIGER	41 113	18 444 075	159	63 027	0.34
	S. TOME and PRINCIPE	1 491	872 647	31	14 007	1.61
	SENEGAL	14 543	6 026 813	46	15 569	0.26
	SIERRA LEONE	20 769	10 123 637	37	17 440	0.17
	THE GAMBIA	6 128	2 507 514	130	44 438	1.77
	TOGO	1 787	742 016	1	554	0.07
Total ODD		401 086	195 662 747	2 319	967 283	0.49
ODJ	ANGOLA	19 301	9 239 887	114	66 080	0.72
	LESOTHO	22 358	9 628 773	8	4 764	0.05
	MADAGASCAR	23 891	10 088 052	90	43 847	0.43
	MALAWI	81 844	21 181 691	110	35 535	0.17
	MOZAMBIQUE	65 331	23 252 151	79	35 245	0.15
	NAMIBIA	10 495	5 139 446	11	7 580	0.15
	SWAZILAND	19 118	8 367 183	3	1 126	0.01
	ZAMBIA	53 932	17 536 304	352	127 169	0.73
	ZIMBABWE	166 519	62 141 089	103	55 024	0.09
Total ODJ		462 789	166 574 577	871	376 369	0.23
ODK	BURUNDI	67 052	26 098 075	368	181 599	0.70
	CONGO, REP OF	3 807	1 787 294	31	12 019	0.67
	DEMOG. REP. CONGO	98 881	48 043 757	367	162 183	0.34
	DJIBOUTI	11 424	4 804 634	6	2 716	0.06
	ETHIOPIA	404 321	148 917 176	2 674	862 441	0.58
	KENYA	274 384	102 808 931	647	246 486	0.24
	RWANDA	32 016	16 693 269	495	219 797	1.32
	SOMALIA	107 970	42 584 371	423	132 389	0.31
	TANZANIA, UNITED REP	94 491	30 358 149	286	112 686	0.37
	UGANDA	245 520	80 663 216	223	86 544	0.11
Total ODK		1 339 866	502 758 871	5 519	2 018 859	0.40



ANNEX III-A: QUANTITIES AND VALUES BY RECIPIENT COUNTRY						
Region	Recipient country	Total handled (method B*)		Post-delivery losses		% Losses US\$ vs total handled
		Net mt	US\$	Net mt	US\$	
ODP	BARBADOS	150	168 768	0	0	0.00
	BELIZE**	0	0	0	0	0.00
	BOLIVIA	15 906	7 210 634	8	3 256	0.05
	COLOMBIA	18 031	11 179 686	70	34 488	0.31
	CUBA	4 004	3 537 925	23	13 257	0.37
	DOMINICAN REP.	535	528 539	3	3 050	0.58
	ECUADOR	850	684 624	18	13 657	1.99
	EL SALVADOR	5 528	2 962 804	18	7 634	0.26
	GUATEMALA	11 350	7 084 759	1	893	0.01
	HAITI	29 460	18 844 248	169	122 079	0.65
	HONDURAS	8 958	5 015 098	12	3 422	0.07
	JAMAICA**	0	0	0	0	0.00
	MEXICO**	0	0	0	0	0.00
	NICARAGUA	16 321	10 704 542	64	99 575	0.93
PERU	6 380	4 876 414	0	29	0.00	
Total ODP		117 470	72 798 041	385	301 340	0.41
ODS	SUDAN	702 212	219 930 360	3 838	1 457 949	0.66
Total ODS		702 212	219 930 360	3 838	1 457 949	0.66
GRAND TOTAL		4 166 046	1 607 373 215	16 724	7 152 643	0.445
* Method B = opening stocks in the recipient country + commodities received in the recipient country						
** Belize, Jamaica and Mexico "total handled" is considered as 0 mt because these countries borrowed (Belize 162 mt , Jamaica 8 mt, Mexico 100 mt) from other countries in the region, considered as Incoming Stock Transactions.						





**ANNEX III-B: COMMODITIES WITH POST-DELIVERY LOSSES
GREATER THAN 2% IN TONNAGE AND VALUE OVER US\$20,000, OR VALUE GREATER THAN US\$100,000**

Recipient country	WBS element (WINGS/COMPAS)	Commodity	Total handled* (net mt)	Total handled (method A*) (US\$)	Post-delivery losses (net mt)	Post-delivery losses (US\$)	% Losses mt vs. total handled
AFGHANISTAN	10427.0.01.01	CERWHE	178 492	54 575 406	843	241 487	0.47
AFGHANISTAN	10427.0.01.01	MIXHEB	14 660	11 895 285	199	161 699	1.36
AFGHANISTAN	10427.0.01.01	OILVEG	15 972	16 809 658	117	117 161	0.73
TIMOR LESTE	10388.0.01.01	MIXCSB	3 716	1 523 638	150	58 001	4.04
TIMOR LESTE	10388.0.01.01	PULBEA	2 758	1 846 197	120	50 177	4.34
NEPAL	10093.0.01.01.ACT4	MIXWSB	2 960	1 863 355	602	397 377	20.33
IRAQ	10360.0.01.01	MIXHEB	3 105	2 685 305	227	166 642	7.31
IRAQ	10360.0.01.01	OILVEG	4 276	4 787 010	258	288 937	6.03
RUSSIAN FED.	10128.2.01.01	CEROAT	620	273 527	112	39 888	18.02
THE GAMBIA	10311.0.01.01	PULSPY	718	313 089	107	35 660	14.84
GUINEA	10453.0.01.01.ACT1	CERRIC	6 181	2 969 051	447	143 137	7.23
GUINEA	10453.0.01.01.ACT1	OILVEG	350	387 067	54	63 037	15.31
GUINEA	10453.0.01.01.ACT1	PULSPY	657	286 771	89	35 785	13.55
GUINEA	10453.0.01.01.ACT2	CERRIC	1 313	456 827	265	84 264	20.21
ANGOLA	10433.0.01.01	MEAMEA	623	1 648 751	13	27 683	2.12
BURUNDI	10528.0.01.01	OILVEG	2 268	2 497 951	61	62 287	2.70
ETHIOPIA	10362.0.01.01	CERMAZ	31 051	6 025 836	565	121 501	1.82
ETHIOPIA	10362.0.01.01	CERWHE	213 987	69 045 230	1 558	482 961	0.73
KENYA	10258.1.01.01	MIXHEB	300	548 428	28	35 242	9.28



**ANNEX III-B: COMMODITIES WITH POST-DELIVERY LOSSES
GREATER THAN 2% IN TONNAGE AND VALUE OVER US\$20,000, OR VALUE GREATER THAN US\$100,000**

Recipient country	WBS element (WINGS/COMPAS)	Commodity	Total handled* (net mt)	Total handled (method A*) (US\$)	Post-delivery losses (net mt)	Post-delivery losses (US\$)	% Losses mt vs. total handled
RWANDA	10156.0.01.01.ACT2	MIXPWB	264	152 044	53	30 568	20.11
RWANDA	10531.0.01.01	PULBEA	2 018	805 739	329	129 004	16.32
HAITI	10217.0.01.01.ACT2	PULBEA	2 672	1 772 589	65	42 388	2.44
HAITI	10382.0.01.01	MIXHEB	499	504 625	53	52 741	10.53
NICARAGUA	10044.0.01.01.ACT2	MEAMEA	356	747 205	37	77 507	10.37
SUDAN	10557.0.01.01	MIXCSB	23 180	8 531 818	594	218 313	2.56
SUDAN	10557.0.01.01	CERSOR	454 621	99 856 621	1 811	391 664	0.40
SUDAN	10557.0.01.01	OILVEG	41 077	42 302 403	460	468 443	1.12
SUDAN	10557.0.01.01	PULLEN	40 483	21 143 204	310	170 651	0.77

* Method A = opening stocks in the recipient country + commodities received in the recipient country + incoming transactions in the recipient country

ACRONYMS USED IN THE DOCUMENT

c.i.f.	cost, insurance and freight
COMPAS	Commodity Movement Processing and Analysis System
CSB	corn-soya blend
DPPA	Disaster Prevention and Preparedness Agency
GMP	Good Manufacturing Practice
HACCP	Hazard Analysis Critical Control Point
HEB	high-energy biscuits
IFPRI	International Food Policy Research Institute
IPSAS	International Public Sector Accounting Standards
NGO	non-governmental organization
ODB	Asia Regional Bureau
ODD	West Africa Regional Bureau
ODJ	Southern Africa Regional Bureau
ODK	East and Central Africa Regional Bureau
ODP	Latin America and the Caribbean Regional Bureau
ODS	Sudan Regional Bureau
ODTP	Food Procurement Service (2007)
OMLP	Food Procurement Branch (2008)
PRRO	protracted relief and recovery operation
SPR	standard project report
UNSAS	United Nations System Accounting Standards
WINGS	WFP Information Network and Global System
WSB	wheat-soya blend