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REPORT ON POST-DELIVERY LOSSES FOR THE PERIOD 1 JANUARY–31 DECEMBER 2009

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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 points indicated below, preferably well in advance of the Board's meeting.

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EXECUTIVE SUMMARY

WFP is dedicated to ensuring that quality food assistance reaches targeted beneficiaries, which includes taking steps to guarantee that food is safe for consumption and that controls are in place along the supply chain to minimize losses. This report outlines country-specific and commodity-specific issues and describes the measures taken by WFP to keep post-delivery losses to a minimum. The reporting period is 1 January 2009 to 31 December 2009.

In this period WFP reached 101 million beneficiaries and handled 5.6 million mt of food, recording a lower percentage of losses in terms of value and tonnage than in 2008. The value of losses was US\$10.1 million out of US\$2.8 billion – 0.37 percent; in tonnage terms, net post-delivery losses were 21,187 mt of the 5.6 million mt handled – 0.38 percent.

Post-delivery losses are defined as commodity losses incurred after arrival at the first delivery point in the recipient country. They include all recorded losses incurred during handling, storage, internal transport, and by WFP's cooperating partners and government counterparts. Pre-delivery losses are those that occur prior to arrival in the recipient country; they are insured against all risks, with settlements received by WFP to reprogramme. Pre-delivery losses are not addressed in this report.

WFP continued to enhance collaboration with processors of food in 2009 to improve the effectiveness of blended food and to adapt to the latest food technology processes, which helped to reduce losses.

DRAFT DECISION*

In considering the Report on Post-Delivery Losses for the Period 1 January–31 December 2009 (WFP/EB.A/2010/13-A/Rev.2), the Board notes the country-specific and commodity-specific losses and the corrective actions taken by WFP, governments and partners to minimize post-delivery losses. It encourages the Secretariat to ensure that losses are kept to a minimum, to seek reimbursement from governments that lose commodities through negligence and to continue to report to the Board annually on progress.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

INTRODUCTION

1. This paper describes country-specific and commodity-specific post-delivery losses in 2009 and highlights the measures taken by WFP to minimize losses throughout the supply chain. The supply chain elements addressed range from the processes in place to ensure that the condition of food meets WFP's standards at procurement to receipt and storage by country operations, transport and distribution to beneficiaries.
2. The paper describes: i) WFP's performance in minimizing post-delivery losses in 2009 compared with previous years; ii) factors contributing to post-delivery losses; and iii) the prevention measures implemented. It includes country-specific situations where losses exceeded thresholds, and some remaining issues from previous reports.
3. Post-delivery losses are defined as commodity losses incurred after arrival at the first delivery point in the recipient country. They include all recorded losses incurred during handling, storage, internal transport, and by WFP's cooperating partners and government counterparts. Pre-delivery losses are those that occur prior to arrival in the recipient country; they are insured against all risks, with settlements received by WFP to reprogramme. Pre-delivery losses are not addressed in this report; also not addressed are any unintended uses of food commodities after they have been distributed to beneficiaries. Such unintended uses could include sharing of food commodities, theft, or sale from or by beneficiaries. These actions are captured through monitoring activities which lead WFP to take appropriate measures.
4. With the introduction of WINGS II, the valuation of food commodities is based on a moving average price. The losses in this report are valued at this price at the end of the year.

OVERVIEW

5. In 2009 WFP handled 5.6 million mt of food valued at US\$2.8 billion. The value of losses during the period was US\$10.1 million – 0.37 percent; in tonnage terms, net post-delivery losses were 21,187 mt out of 5.6 million mt handled – 0.38 percent.
6. Compared with the 2008 reporting period, this is a decrease in losses of 512 mt valued at US\$1.3 million. WFP was able to reduce post-delivery losses by 0.07 percent in a year when the quantities handled rose to 5.6 million mt from 4.8 million mt in the previous year.
7. Of the 4.6 million mt of food distributed in 2009, 2.6 million mt – 42 percent – was purchased. The value of food procured for 2009 from 92 countries was US\$965 million: 82 percent was purchased in least developed countries, other low-income countries, lower-middle income countries and upper-middle income countries. The remainder was purchased from developed countries.
8. Short deliveries¹ accounted for 27.4 percent of post-delivery losses in 2009; pilferage and theft accounted for 20 percent. Significant losses occurred mainly as a result of looting and attacks on convoys in the Sudan and Ethiopia (see Annex I).
9. In 2009 cereals accounted for 62 percent of the total value lost, compared with 48 percent in 2008. Of the value lost, mixed foods such as corn-soya blend (CSB),

¹ Short delivery refers to delivery of goods in a smaller quantity than stated on the WFP waybill.

high-energy biscuits (HEBs) and wheat-soya blend (WSB) accounted for 8 percent compared with 12 percent in 2008, vegetable oil accounted for 16 percent compared with 18 percent in 2008, and pulses accounted for 11 percent compared with 17 percent in 2008. The remaining 3 percent, a decrease from 5 percent in 2008, consisted of canned meats, dairy products and dried fruits (see Annex II).

10. Capacity development for cooperating partners reduced their post-delivery losses: in 2009, 16.7 percent of losses were attributed to non-governmental implementing partners compared with 22 percent in 2008. Of all post-delivery losses in 2009, 61.7 percent occurred while food was under the direct management of WFP compared with 72.3 percent in 2008. Losses incurred by government counterparts amounted to 21.5 percent, a sharp increase from the 5 percent in 2008.
11. WFP recorded recoveries of losses of US\$6.9 million through sales of food no longer fit for human consumption or through recovery actions for losses incurred by private contractors. Salvage sales take place only when food is certified unfit for human consumption but fit for animal feed or industrial purposes; they are subject to strict controls to ensure that food cannot be reintroduced for human consumption.
12. In the Sudan, WFP recovered US\$2.3 million of the US\$2.6 million of losses in 2009. As stipulated in all transport contracts, WFP deducts the full value of losses that occur during transport from transporters' invoices.

WFP MEASURES TO MINIMIZE LOSSES

Improvements in the Food Procurement Process

13. The following measures were taken to minimize food losses during procurement:
 - i) WFP applied strict specifications on accepting consignments.
 - ii) In 2009, WFP established a unit now called the Food Safety and Quality Assurance Unit (ODPFQ) to ensure further improvements in food fortification, processing, production, quality and loss control, in particular:
 - enhanced monitoring of the quality of food delivered through further standardization of food specifications, especially regular visits to producers to sample procedures, parameters and methods of analysis; and
 - staff training to ensure sufficient knowledge of food quality and related matters based on a food quality manual for procurement and logistics officers that enables them to interpret food quality analyses.
 - iii) WFP launched technical food-quality and safety missions to help country offices to minimize losses, for example in:
 - Peru, where there were quality problems related to local purchases of papilla (a kind of baby food); WFP was able to establish that the locally purchased product was safe and fit for purpose, which potentially enabled savings of US\$5 million;
 - Turkey, where WFP worked with wheat flour suppliers and food inspectors to improve its quality assurance system;
 - Jordan, where technical support for the county office improved the quality assurance system;

- Nepal, where WFP worked with the Natural Resources Institute to demonstrate that WFP food distributed in the country was safe and fit for purpose; and
 - Kenya, where WFP salvaged the uncontaminated portion of a maize cargo affected by aflatoxin.
- iv) WFP developed an e-learning tool for country directors on food quality and safety in the supply chain; ODPFQ is making the instructions for dealing with non-conformity issues more specific.
 - v) Country offices were supported in developing local food processing capacities in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and private-sector entities such as Unilever.
14. A strategy paper on food safety and quality is under review: it outlines the work needed to build an improved food quality system, and will inform any further changes required in WFP and in partnerships with other organizations.
 15. In late 2009, WFP extended the implementation of good manufacturing practices (GMPs) and Hazard Analysis Critical Control Point (HACCP) principles to 25 factories in eastern and southern Africa. To ensure that the factories complied with acceptable food safety and quality standards, maize meal and corn-soya blend (CSB) production facilities were monitored by WFP technical staff, a WFP-appointed superintendence company and by local staff making regular visits. The adoption of GMP and HACCP principles optimizes the quality of the products and reduces losses from deterioration.

Improvements in the Food Distribution Process

16. The regional bureaux continued with the formulation of an annual results-based work-plan that includes enhanced food management. Regional logistics officers support country offices on all logistics issues such as addressing post-delivery losses and building awareness and capacity with regard to loss containment.

Regional Bureau for the Middle East, Central Asia and Eastern Europe

17. In 2009, the Regional Bureau for the Middle East, Central Asia and Eastern Europe (OD Cairo) and all its country offices augmented the food management capacity of WFP and partners' staff through training on warehouse management and commodity handling. During monitoring visits, WFP staff kept a close check to ensure proper food management.
18. Regular loss prevention procedures were also in place. These included: stock shelf-life checking; laboratory testing; fumigation; optimization of the distribution processes to avoid over-storage of food at distribution points; regular physical stock inventories at the end of each month; and quality and quantity checks performed by supervising superintendents of the delivered food, ensured the segregation of the damaged or spoiled food items and that the damaged/spoiled food was disposed of on time and in line with WFP procedures. All these activities contributed greatly to decreasing losses.

Regional Bureau for Asia

19. The Regional Bureau for Asia (OD Bangkok) continued to collaborate with local producers to improve production systems, GMPs and HACCP. Production capacity was increased in Myanmar, Pakistan and Timor-Leste to meet regional needs by engaging with more suppliers, setting up new factories to produce fortified blended food and augmenting

existing factories. The increase in local production capacity led to reduced food delivery times, which in turn reduced food losses, and fresher products were delivered to beneficiaries.

20. To increase the shelf life of processed foods, work was done with packaging suppliers and packaging machine manufacturers to identify cost-effective packaging.
21. A consultancy firm was contracted to produce sampling protocols and to train WFP staff in food inspection in locations where inspection companies do not operate. This will enhance WFP's food recall system and its procedures for dealing with non-conforming products.
22. The regional bureau identified two laboratories in Japan – the Japan Food Research Laboratories and Japan Frozen Foods Inspection Corporation – that could analyse food samples in the event of quality problems. The food quality control website – <http://foodquality.wfp.org> – was updated with new information.

Regional Bureau for Southern, Eastern and Central Africa

23. The Regional Bureau for Southern, Eastern and Central Africa (OD Johannesburg) has continued to focus on measures to minimize post-delivery losses in delivery corridors using the ports of Djibouti, Berbera, Mombasa, Dar-es-Salaam, Beira and Durban. Two meetings were organized in 2009 to prioritize the dispatch of shipments on the basis of shelf life and required transit time with a view to preventing delays between entry points and final destinations and reducing prolonged storage at ports.
24. Oversight missions to several country offices reviewed food management procedures to ensure that reporting standards were met. Refresher courses in warehouse management ensured compliance with WFP storage and handling procedures for reducing losses; joint training sessions with superintendents improved surveillance during the procurement of local purchases and provided quality and quantity assurance.
25. The regional bureau continued to provide monthly reports for country offices to improve reporting on losses. Loss category reports highlighted erroneous recording of pre-delivery or post-delivery losses and missing or incorrect reasons for losses. Commodity age reports indicated the number of days that food in storage facilities had been in the pipeline since receipt in a country.

Sudan Regional Bureau

26. In 2009, capacity development in food handling, tracking and reporting remained a priority for the Sudan regional bureau (OD Sudan). Standard operating procedures for food handling were disseminated to all WFP field locations: these included effective pest control measures and procedures for making regular physical inventories. Warehouse equipment was provided for field locations to maintain quality control and prevent losses.
27. Humanitarian aid convoys along the main Darfur corridors were escorted to reduce pilferage; this also contributed to a reduction in hijackings to two incidents compared with 110 in 2008. The largest security-related loss for the year occurred in June 2009 in Southern Sudan, where 700 mt of food were destroyed or looted on the Sobat river when a commercially contracted boat convoy under escort was attacked during tribal fighting.

Regional Bureau for West Africa

28. The Regional Bureau for West Africa (OD Dakar) faces logistics challenges related to poor roads and lack of adequate storage facilities. In response, the regional bureau continued to coordinate programme and logistics activities and to optimize turnover of stocks, which reduced losses and applied more stringent penalties to implementing partners for the value of lost food during transport.
29. In 2009, training sessions on food and warehouse management were conducted for WFP staff, superintendents, cooperating partners and distribution teams to enhance best practices in loss reduction. These were complemented by technical visits to partners. Hands-on training given during the monitoring visits will be followed up in 2010 with additional training to improve monitoring systems in Côte d'Ivoire and Mauritania.
30. WFP rehabilitated warehouses in Cape Verde, São Tomé and Príncipe and the Central African Republic in 2009; installation of improved surveillance systems helped to reduce improper storage and theft. In Sierra Leone and Liberia, compliance missions increased the application of best practices in the ports to reduce losses.

Regional Bureau for Latin American and the Caribbean

31. Three measures were taken by the Regional Bureau for Latin American and the Caribbean (OD Panama) to reduce losses: i) training sessions on warehouse management for counterparts in Bolivia, Colombia, Cuba, Ecuador and Nicaragua at which those attending received material on warehouse management and pest control; ii) four training sessions on food tracking in the Commodity Movement Processing and Analysis System (COMPAS) for WFP staff in Bolivia, Cuba, Honduras and Nicaragua, focusing on loss prevention; and iii) oversight missions in Bolivia, Haiti and Honduras to ensure that country offices comply with WFP regulations such as warehouse management; on the basis of feedback from the three countries, recommendations were made on improving records by using stack cards, reducing infestation and recovering damaged cargo.

LOSSES BY RECIPIENT COUNTRY

32. WFP conducts a special analysis of countries registering losses in excess of predetermined thresholds: i) countries registering losses of a single food commodity equal to or greater than 2 percent of the tonnage handled of that food commodity, with an absolute value of more than US\$20,000; and/or ii) countries that have incurred post-delivery losses of a single food commodity with an absolute value greater than US\$100,000 for that food.
33. In 2009, 23 projects in 20 countries recorded single losses in excess of these thresholds. Of the 20 countries analysed, losses in the Sudan amounted to 6,492 mt and in Ethiopia to 3,554.8 mt, together accounting for 47.4 percent of total post-delivery losses. These are large food losses in tonnage terms but they account for only a small percentage of the 1.2 million mt handled in operations in the Sudan and Ethiopia in 2009.
34. Annex III-A provides information on total losses for each country in 2009. Details of larger losses for the year are provided in Annex III-B and are discussed in the following paragraphs. The 20 countries concerned are Angola, Bangladesh, Benin, Colombia, Democratic Republic of the Congo (DRC), Ethiopia, Georgia, Ghana, Haiti, Iraq, Islamic Republic of Iran, Kenya, Lesotho, Liberia, Pakistan, Rwanda, Somalia, the Sudan, Uganda and Zambia.

Angola²

35. Post-delivery losses were 52.9 mt of sugar, valued at US\$31,471, from a total of 174 mt handled. This large 30.4 percent loss was primarily due to cooperating partners' poor warehouse management and commodity handling, and resulted from prolonged storage and pilferage. OD Johannesburg is seeking compensation for reported losses from government counterparts.

Bangladesh

36. Post-delivery losses were 638.1 mt of wheat flour, valued at US\$271,461, from an in-kind contribution of 1,422 mt of wheat flour, which arrived in Bangladesh on 19 September 2008. During unloading, the WFP cargo superintendent discovered bubbles of water on the roof and side panels of 48 containers. Some 12,807 bags were found to be affected by water.
37. The Logistics Unit arranged for laboratory testing of the entire consignment, which confirmed that 638.1 mt was unfit for human consumption. With authorization from WFP Headquarters, the damaged wheat flour was sold as animal feed through competitive bidding.

Benin

38. Post-delivery losses of 25.5 mt of beans, valued at US\$21,211, represented 4.2 percent of the 614 mt handled. The losses were caused by insect infestation before receipt and at extended delivery points. Beans purchased from Burkina Faso were stored for long periods by Benin government counterparts that could not ensure adequate insect control. Corrective measures include rigorous quality control by the superintendent and country office, regular commodity inspection and timely fumigation when required. Counterpart warehouse managers have been trained, and monitoring missions focus on sharing good practices.

Colombia

39. Post-delivery losses of 101.5 mt of wheat flour, valued at US\$43,173, represented 4.3 percent of the total handled. The losses resulted from prolonged storage of an in-kind contribution received in December 2007 and January 2008. Despite several fumigation processes in November 2008 and January 2009, local laboratory analysis showed high microbiological counts of coliforms, salmonella, etc., and determined that the commodity was not suitable for human consumption. To prevent similar losses in the future, the country office has reduced wheat flour imports, and increased product rotation to avoid long storage periods.

Democratic Republic of the Congo

40. The country office post-delivery losses totalled 391.7 mt of maize meal in 23 warehouses across the country. This represented 0.4 percent of the total handled, and was valued at US\$289,433. Losses had multiple causes: 109 mt was lost during transportation, and its value has been reimbursed by the transporters; 134 mt was disposed

² Project 1043301, Food Assistance to Education and Health in Conflict-Affected Communities of Angola ended in August 2009.

of owing to infestation and expiration; 79 mt was lost to pilferage and theft during transportation; and 70 mt was lost because of poor handling by cooperating partners.

41. To reduce such losses, the country office arranged training in warehouse/food management and pest control for WFP staff and cooperating partners.

Ethiopia

42. Post-delivery losses of 3,554.8 mt of wheat and beans, valued at US\$1,235,090, represented 0.6 percent of the 568,977 mt handled. Losses occurred after delivery to cooperating partners for projects in the remote and insecure Somali region, and had many causes, including looting by local militia, theft/missing from warehouses, and losses during reconstitution/re-bagging. Food was also sometimes used as payment in-kind for handling expenses, rental of stores and porter services, although this is not permitted under WFP's agreement with Ethiopia. To prevent such losses, WFP arranged for Ethiopian defence force military convoys to escort food deliveries. A food patrol system was implemented to ensure that dispatches reached their final destinations, and warehouse personnel and partners received training on stock management and loss mitigation.

Georgia

43. Post-delivery losses were 20.3 mt of HEBs, valued at US\$22,650 – the total HEBs handled. The commodity arrived in November 2008 in poor condition and with an extremely short shelf-life of approximately 1.5 months, which was realized too late to claim as a pre-delivery loss. The HEBs were infested with insects and were stored for fumigation until laboratory analysis verified that they were unfit for human consumption. Following a lengthy process to obtain authorization, the HEBs were finally destroyed in 2009. Corrective measures include the supplier's replenishment of the HEBs at no cost to WFP. The country office is training counterparts in commodity management and reinforcing monitoring activities.

Ghana

44. Post-delivery losses were 50.5 mt of beans, valued at US\$41,965, from a total of 395 mt handled. This large 12.8 percent loss was due to poor handling and prolonged storage at counterpart warehouses. Extreme humidity during the rainy season in the northern savannah zone, combined with infestation, led to deterioration. Corrective measures include training counterparts in warehouse management, and monitoring activities to ensure timely fumigation and distribution of stock.

Haiti

45. Post-delivery losses were 404.9 mt of rice and maize meal, valued at US\$245,640, from a total of 34,857 mt handled. Of these losses, 349.3 mt arrived damaged in 2008, during an emergency operation (EMOP) following the hurricanes; wet bags were discovered when the containers were opened. In addition, part of the 15,000 mt of rice delivered by one vessel arrived damaged. The rice and maize meal determined unfit for human consumption were sold to animal breeders by the country office.
46. The remaining 55.6 mt of losses occurred during transport; their value was deducted from payments to transporters. Corrective measures include warehouse management training to make staff more aware of the need for inspection and reconstitution on arrival.

Iraq

47. Post-delivery losses were 334.7 mt of wheat, valued at US\$142,380, from a total of 36,853 mt handled. The losses occurred in a consignment of 1,519 mt of wheat flour that arrived in Lattakia, Syrian Arab Republic in February/March 2007 for dispatch to Iraq. The border police of Iraq confiscated the wheat during dispatch from Lattakia on 23 June 2008, as it was determined unfit for human consumption. However, WFP Iraq did not receive documentation of test results from the government, and was denied access to the commodity for independent testing.
48. The country office had fumigated the wheat flour several times, and arranged food testing at private laboratories, in addition to testing by the Syrian Ministry of Agriculture, in January 2008 and June 2008. All tests determined the wheat flour to be fit for human consumption. The country office had also obtained all the necessary approvals from the Government of Iraq – Ministry of Agriculture, Economy and Customs – in May 2008, for dispatch in June 2008. After several attempts to obtain test results from the Government of Iraq, the country office realized the loss in 2009.
49. Corrective measures include workshops and training in commodity management, monthly quality control checks on all food, improved follow-up with superintendents, and constant contact with the Government of Iraq to facilitate the delivery of food through checkpoints.

Islamic Republic of Iran

50. Post-delivery losses were 439 mt of wheat, valued at US\$143,645, from a total of 2,869 mt handled. This apparently large 15.3 percent loss resulted from the reconciliation and transformation of wheat stocks with the government trading corporation, and covers losses incurred during the eight years from 2000 to 2008. In 2008, a team from the Bureau of Alien and Foreign Immigrant Affairs, the government trading corporation and WFP reviewed all documents and reconsolidated the stocks, reaching agreement in 2009. The annual wheat loss was therefore less than 2 percent over the eight-year period.
51. As corrective measures, the country office has stopped wheat swaps with the government, and has purchased wheat flour instead of wheat since commencement of protracted relief and recovery operation 102131.

Kenya

52. WFP Kenya sustained two substantial post-delivery losses in 2009: 146.1 mt of wheat flour, valued at US\$62,154, represented 20.6 percent of the total handled; and 160.1 mt of maize meal, valued at US\$118,310, represented 0.6 percent of the total handled.
53. A consignment of wheat was received damaged on 22 September 2008 for EMOP 103740. This was disposed of in mid-2009, following exhaustive reconditioning and testing and the required formalities.
54. Of the maize meal loss, 113.8 mt resulted from variance in weight, and the remainder from losses during transportation. The superintendent's weight note indicated that there were underweight bags in the consignment, but a calculated bill of lading bag weight of 25 kg net was used on the dispatch waybills. The actual unit weight was found to be 0.4 percent less than the calculated weight. Recoveries were not made from the

WFP-contracted transporters because received bags were intact without evidence of tampering.

55. Corrective measures include more frequent calibration of weighing scales, and penalties for transporters responsible for commodity losses.

Lesotho

56. Post-delivery losses of 149 mt of maize, valued at US\$45,485, represented 16 percent of the 931 mt handled. Such a loss during the maize milling process falls within normal extraction rates, so may have been misreported as a post-delivery loss. The loss will therefore be followed up and verified in future reports.

Liberia

57. Post-delivery losses were 110.4 mt of vegetable oil, valued at US\$147,947, and 86.9 mt of split peas, valued at US\$50,922, caused by the theft of nine containers from national port authority (NPA) premises. The Office of Inspections and Investigations investigated the case and found NPA responsible, recommending that the total loss be recovered from NPA and that control measures be strengthened or put in place to avoid recurrence of such losses. NPA has not yet agreed to reimburse WFP.
58. Control measures include a revised agreement with NPA specifying roles, responsibilities and liabilities, and a system for tracking container movements from the port container park to the WFP compound, to enable immediate verification of the location of WFP containers.

Pakistan

59. Post-delivery losses of 628.4 mt of vegetable oil and wheat, valued at US\$375,372, represented approximately 0.3 percent of the total handled. These losses were attributable primarily to the short-delivery of a local in-kind contribution and militants' looting of food stocks from government-managed storage sites in conflict-affected areas. The short-delivered quantity is being recovered in full. Other losses incurred during transportation by private contractors have also been recovered, through reduced payments or other financial penalties for the transporters concerned.
60. To minimize security-related losses, WFP now provides its provincial counterparts with storage in its own facilities at Piripai and elsewhere, to facilitate the distribution of food directly to distribution points.

Rwanda

61. Post-delivery losses of 89.7 mt of vegetable oil, valued at US\$120,152, represented 6.2 percent of the 1,447.3 mt handled. This loss occurred because the Rwanda Bureau of Standards considered the best-used-before date as the expiry date, and advised disposal of the commodity. To mitigate the impact of this, WFP exchanged 84.69 mt of the oil with a local supplier. In the future, WFP will engage the Rwanda Bureau of Standards in the quality control process and ensure that food is always distributed before its best-used-before date.

Somalia

62. Post-delivery losses of 75.3 mt of vegetable oil, valued at US\$100,923, represented 0.8 percent of the total handled and were attributed to incorrect scooping and

measurements and other irregularities reported in wet feeding programmes in Mogadishu and Jowhar. Corrective measures include training for counterparts, to minimize the losses in wet feeding centres, and a more stringent procurement process, to ensure stronger packaging materials for regionally procured food for Somalia.

Sudan

63. Post-delivery losses totalled 6,492 mt, valued at US\$2,601,425, from a total of 586,736 mt handled. Food lost included millet, wheat, CSB, vegetable oil, lentils and split peas, mainly owing to the volatile security situation and lack of adequate infrastructure in the Sudan. Long transport routes to remote areas in Darfur and the country's south mean that transporters have to carry large quantities of fuel and water in addition to food, and this can lead to contamination.
64. To mitigate looting from trucks, WFP arranged for military escorts from the government. Food contamination by diesel and water was compensated for by deducting the food's value from the transporter's invoice, as stipulated in transport contracts; this allowed WFP to recover a total of just under US\$2.3 million.

Uganda

65. Post-delivery losses were 359.7 mt of maize meal, valued at US\$265,795, from a total of 6,733.6 mt handled. The most significant cause was milling losses, which exceeded the agreed extraction amount; the excess maize bran was salvaged and sold as animal feed. Transport losses were charged against transporters, ensuring full cost recovery. Corrective measures include review of extraction milling loss percentages and the re-calibration of milling equipment. A consultant from the Uganda Commodity Exchange recommended recycling the maize bran back into the milling process through an extruder. Internal audits by the country office logistics team are focusing on accuracy and adherence to WFP handling and storage procedures, and follow-up missions are ensuring compliance with the internal audits' observations.

Zambia

66. Post-delivery losses of 65.2 mt of CSB, valued at US\$38,319, represented 14.5 percent of the total handled by the country programme in 2009.
67. The major cause of losses was unplanned, prolonged storage owing to a distribution stoppage during a cholera outbreak in Sinazongwe district. The food had been targeted for school feeding; the closure of schools led to carry-over stocks from 2008 at schools and in the warehouse and some stocks had exceeded their shelf-life. Laboratory tests indicated that these stocks were also unfit for animal consumption, so they had to be destroyed. To prevent recurrence of this, in May 2009 WFP conducted training in commodity management for all warehouse managers and commodity supervisors. The country office has planned similar training for cooperating partners.

FOLLOW-UP ON LOSSES UNDER VERIFICATION FROM PREVIOUS REPORTING PERIODS

68. Updates on losses under investigation by WFP from previous reporting periods are given in the following paragraphs.

Eritrea

69. During 2005, WFP delivered food commodities to the Government of Eritrea, of which 64,538 mt, with an estimated value in 2005 of US\$31 million, remains unaccounted for. The issue remains outstanding and WFP still reports the food commodities in its books as “advance stock”. WFP has not received distribution reports from the Government and is therefore unable to determine if the food was distributed to the intended beneficiaries.
70. WFP wishes to secure recovery of the value of any food that was not utilized in compliance with Eritrea’s contractual obligations, and is actively exploring options in that regard. The Board will be kept informed of progress.

Georgia

71. WFP confirms the loss and subsequent destruction of 20.2 mt of HEBs placed under verification in 2008. The HEBs were received in poor condition, and laboratory testing determined them unfit for human consumption; they were destroyed in 2009. For additional details please see the Losses by Recipient Country section, Georgia.

Iraq

72. Of the 1,519 mt of wheat flour under verification in 2009, WFP confirms the loss of 334 mt, and is continuing investigation of the balance. For additional details please see the Losses by Recipient Country section, Iraq.

Islamic Republic of Iran

73. Of the 2,869 mt of wheat under verification in 2009, WFP confirms the loss of 439 mt. The remaining 2,429 mt was transformed into 1,944 mt of wheat flour and distributed in 2009. For additional details please see the Losses by Recipient Country section, Islamic Republic of Iran.

Syrian Arab Republic

74. Of the 1,430 mt of rice under verification in 2008, the country office was able to re-export 1,363.7 mt and disposed of 66.4 mt. This loss is related to seven shipments of rice imported into the country in 2008 and rejected by the government, with orders for re-export to the country of origin/supplier. In the first quarter of 2009, 1,363.7 mt of the 1,430 mt under verification was re-exported to India, of which 544.4 mt was reprogrammed to Nepal.

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

75. WFP is verifying post-delivery commodity losses totalling approximately 280 mt in five countries: Colombia, Guinea, Lesotho, Malawi and Somalia. The results of these investigations and the recoveries made will be provided in future reports.

ANNEX I: LOSSES BY REASON		
Reason for loss	Post-delivery losses value US\$	% of total losses
Broken during loading	3 983	0.04
Deterioration of food mainly attributable to problems at origin	75 394	0.74
Deterioration of packaging materials	399 539	3.94
Flooding and other natural disasters	162 730	1.61
Improper/overlong storage	816 195	8.06
Inadequate transport	50 336	0.50
Infestation	814 488	8.04
Loss due to fire	23 034	0.23
Loss due to sampling food analysis	13 730	0.14
Loss during civil strife	590 847	5.83
Pilferage/theft	2 049 407	20.23
Poor handling	911 080	8.99
Processing/transformation of commodity	217 155	2.14
Reconstitution/re-bagging/repacking	503 678	4.97
Short-delivered	2 780 279	27.44
Unauthorized distribution	29 582	0.29
Variance by weight	224 453	2.22
Wet by gasoil	120 693	1.19
Wet by water	345 361	3.41
TOTAL	10 131 966	100

ANNEX II: LOSSES BY COMMODITY				
Commodity code	Commodity	Total handled (B) US\$	Post-delivery losses US\$	Losses (US\$) as % of total handled (B)
BEVTEA	Black tea	2 955 875	165	0.01
CERBAR	Barley	921 628	2 972	0.32
CERMAZ	Maize	190 832 555	391 556	0.21
CERMMF	Soya-fortified maize meal	684	293	42.89
CERMML	Maize meal	180 923 799	1 134 617	0.63
CEROAT	Oats	91 732	35	0.04
CERPAS	Pasta	2 370 532	5 110	0.22
CERRIC	Rice	256 900 858	483 028	0.19
CERSOF	Sorghum flour	29 781	2 134	7.17
CERSOR	Sorghum/millet	308 102 225	1 680 419	0.55
CERWBG	Bulgur wheat	44 887 733	35 509	0.08
CERWHE	Wheat	430 989 461	1 896 434	0.44
CERWHF	Wheat flour	130 370 627	683 772	0.52
DAICHE	Cheese	432 250	3 758	0.87
DAIDSE	Enriched dried skimmed milk	731 668	3 275	0.45
DAIDSP	Plain dried skimmed milk	9 269 015	6 600	0.07
DAIDWM	Dried whole milk	322 513	0	0
DAIUHT	UHT milk	4 357 109	11 912	0.27
FRUDFR	Dried fruits	2 794 291	1 896	0.07
FSHCFI	Canned fish	9 245 908	6 485	0.07
MEAMEA	Canned meat	1 737 435	1 500	0.09
MIXBIS	Biscuits	1 531 036	76	0
MIXBP5	BP5 emergency rations	2 014 186	915	0.05
MIXCSB	Corn-soya blend	235 359 798	676 432	0.29
MIXCSBFAF	Faffa	21 309 706	2 652	0.01
MIXCSBLIK	Likuni phala	930 468	4 266	0.46
MIXCSM	Corn-soya milk	77 080	7 987	10.36
MIXHEB	High-energy biscuits	46 699 319	79 314	0.17
MIXHES	High-energy supplements	11 060 817	9 728	0.09
MIXPWB	Pea wheat blended	2 851 251	1 040	0.04
MIXRSF	Ready-to-use supplementary food	8 207 030	3 394	0.04
MIXWSB	Wheat-soya blend	11 468 035	14 728	0.13
MIXWSBIND	Indiamix	1 941 517	2 422	0.12
MIXWSM	Wheat-soya milk	86 659	0	0
MSCAPI	API cereals	110 474	0	0
MSCBRD	Bread	0	0	0
MSCMNP	Micronutrient powder	999 023	163	0.02
MSCSAL	Iodized salt	6 785 570	25 871	0.38

ANNEX II: LOSSES BY COMMODITY				
Commodity code	Commodity	Total handled (B) US\$	Post-delivery losses US\$	Losses (US\$) as % of total handled (B)
MSCSUG	Sugar	44 823 067	168 073	0.37
OILGHE	Ghee	384 390	1 621	0.42
OILVEG	Vegetable oil	415 858 063	1 667 352	0.40
PPFFFP	Family food packs	18 976	411	2.16
PULBEA	Beans	138 302 079	448 807	0.32
PULCKP	Chickpeas	265 296	17	0.01
PULLEN	Lentils	62 024 829	162 603	0.26
PULPEA	Peas	38 914 991	53 877	0.14
PULSPE	Split peas	124 856 123	448 747	0.36
PULTSP	Textured soya protein	4 912	0	0
Total		2 755 152 374	10 131 966	0.37

Total handled (B) = opening stocks in the recipient country + food received in the recipient country

ANNEX III-A: QUANTITIES AND VALUES, BY RECIPIENT COUNTRY						
Region	Recipient country	Total handled (B)		Post-delivery losses		Losses (US\$) as % of total handled (B)
		Net mt	US\$	Net mt	US\$	
OD Bangkok	Afghanistan	332 181	155 362 517	450.5	229 466	0.15
	Bangladesh	159 735	69 301 312	680.5	298 989	0.43
	Bhutan	3 251	1 890 639	2.8	1 605	0.08
	Cambodia	35 799	22 389 429	3.3	2 165	0.01
	DPR Korea	81 862	39 001 231	1.7	3 408	0.01
	India	45 692	17 423 831	4.6	2 422	0.01
	Indonesia	14 905	11 133 152	21.0	13 032	0.12
	Lao People's Dem. Rep.	21 735	12 569 504	54.8	29 919	0.24
	Myanmar	84 266	45 309 473	100.7	53 097	0.12
	Nepal	65 753	36 510 925	34.2	21 164	0.06
	Pakistan	437 340	212 306 123	755.9	474 300	0.22
	Philippines	45 893	27 261 594	24.7	13 750	0.05
	Sri Lanka	112 513	61 984 659	309.8	186 675	0.30
	Timor-Leste	10 535	6 682 746	136.9	89 823	1.34
ODB total		1 451 460	719 127 134	2 581.4	1 419 815	0.20
OD Cairo	Algeria	30 071	16 715 487	73.1	43 228	0.26
	Armenia	92	39 139	0.0	0	0.00
	Egypt	6 204	3 952 724	39	19 627	0.50
	Georgia	17 078	9 129 062	52.6	38 481	0.42
	Iran, Islamic Republic of	6 104	2 730 611	445.8	147 313	5.39
	Iraq	48 287	28 033 831	397.9	197 975	0.71
	Kyrgyzstan	10 889	5 462 213	1.1	476	0.01
	Palestinian Occupied Territory	93 245	52 081 987	280.3	139 575	0.27
	Syrian Arab Republic	41 382	24 524 886	114.8	64 066	0.26
	Tajikistan	41 467	19 816 707	1.4	733	0.00
	Yemen	56 742	25 817 762	65.1	23 527	0.09
ODC total		351 562	188 304 408	1 470.9	675 001	0.36
OD Dakar	Benin	8 782	4 416 787	25.7	21 412	0.48
	Burkina Faso	26 489	17 676 859	110	67 306	0.38
	Cameroon	19 687	12 611 378	92.6	62 304	0.49
	Cape Verde	1 378	912 946	3.1	2 090	0.23
	Central African Republic	30 019	20 551 553	238.1	184 267	0.90
	Chad	115 957	55 146 129	548.4	301 397	0.55

ANNEX III-A: QUANTITIES AND VALUES, BY RECIPIENT COUNTRY						
Region	Recipient country	Total handled (B)		Post-delivery losses		Losses (US\$) as % of total handled (B)
		Net mt	US\$	Net mt	US\$	
	Côte d'Ivoire	23 208	14 712 541	25.9	16 725	0.11
	Gambia	4 939	2 796 272	7.9	4 705	0.17
	Ghana	20 903	11 255 241	74.7	55 060	0.49
	Guinea	20 175	10 962 850	46.8	24 594	0.22
	Guinea-Bissau	8 788	5 281 340	5.9	3 699	0.07
	Liberia	27 762	14 631 794	230.1	215 435	1.47
	Mali	15 817	8 123 778	116.1	46 179	0.57
	Mauritania	23 061	10 717 514	68.6	31 823	0.30
	Niger	29 988	18 505 278	46.0	30 920	0.17
	Sao Tome and Principe	1 714	1 048 761	2.3	2 010	0.19
	Senegal	27 096	12 360 134	185.1	71 044	0.57
	Sierra Leone	20 512	11 317 105	11.2	6 557	0.06
	Togo	3 388	1 987 925	1.2	497	0.03
ODD total		429 663	235 016 185	1 839.3	1 148 022	0.49
OD Johannesburg	Angola	680	466 885	101.8	64 933	13.91
	Burundi	53 480	28 649 943	175.3	105 579	0.37
	Congo	5 552	2 987 729	20.4	11 400	0.38
	Democratic Republic of the Congo	153 777	110 580 594	595.0	461 765	0.42
	Djibouti	15 935	9 355 191	4.0	2 313	0.02
	Ethiopia	664 861	282 750 657	3 774.1	1 402 525	0.50
	Kenya	395 907	208 551 358	1 072.4	555 171	0.27
	Lesotho	15 134	10 865 732	163.2	56 945	0.52
	Madagascar	32 039	16 092 107	52.7	27 119	0.17
	Malawi	55 787	29 330 316	129.2	67 931	0.23
	Mozambique	53 826	21 605 139	125.1	62 307	0.29
	Namibia	1 096	810 058	0.1	72	0.01
	Rwanda	24 478	16 381 977	90.7	120 850	0.74
	Somalia	355 760	152 237 880	490.1	239 291	0.16
	Swaziland	9 957	4 329 715	5.4	3 166	0.07
	Tanzania, United Republic of	40 664	20 090 351	98.8	56 646	0.28
	Uganda	144 956	68 182 912	513.9	342 818	0.50
	Zambia	22 803	19 044 607	109.8	65 330	0.34
	Zimbabwe	246 824	116 310 264	146.5	75 546	0.06
ODJ total		2 293 514	1 118 623 416	7 668.6	3 721 707	0.33

ANNEX III-A: QUANTITIES AND VALUES, BY RECIPIENT COUNTRY						
Region	Recipient country	Total handled (B)		Post-delivery losses		Losses (US\$) as % of total handled (B)
		Net mt	US\$	Net mt	US\$	
ODM Panama	Bolivia (Plurinational State of)	6 224	3 677 703	6.4	2 724	0.07
	Colombia	23 381	16 308 734	112.4	51 738	0.32
	Cuba	5 399	4 117 670	1.4	1 442	0.04
	Ecuador	2 540	1 767 610	6.5	4 072	0.23
	El Salvador	1 479	867 504	0.1	103	0.01
	Guatemala	12 737	6 650 544	1.6	767	0.01
	Haiti	82 029	53 999 845	465.2	290 043	0.54
	Honduras	11 821	6 062 746	5.4	2 974	0.05
	Nicaragua	16 890	9 534 261	0.5	206	0.00
	Peru	995	815 911	0.0	0	0.00
ODP total		163 497	103 802 528	599.4	354 070	0.34
OD Sudan	Sudan	877 618	390 278 703	7 027.6	2 813 351	0.72
ODS total		877 618	390 278 703	7 027.6	2 813 351	0.72
Grand total		5 567 314	2 755 152 374	21 187.1	10 131 966	0.37

Total handled (B) = opening stocks in the recipient country + food received in the recipient country.

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

Region	Recipient country	WBS element	Commodity	Total handled (A) net mt	Total handled (A) US\$	Post-delivery losses net mt	Post-delivery losses US\$	Losses (mt) as % of total handled (A)
ODJ	Angola	104330.1	MSCSUG	174.000	103 535.22	52.890	31 471.14	30.40
ODB	Bangladesh	107880.1	CERWHF	638.100	271 460.50	638.100	271 460.50	100.00
ODD	Benin	103080.1	PULBEA	613.820	510 581.61	25.500	21 211.16	4.15
ODP	Colombia	105880.1	CERWHF	2 338.436	994 817.44	101.484	43 173.32	4.34
ODJ	Democratic Republic of the Congo	106080.1	CERMML	100 736.684	74 430 306.34	391.729	289 432.89	0.39
ODJ	Ethiopia	106650.1	CERWHE	542 943.227	177 656 453.31	3 412.180	1 116 499.42	0.63
ODJ	Ethiopia	106650.1	PULBEA	26 034.123	21 655 443.85	142.570	118 591.15	0.55
ODC	Georgia	102111.1	MIXHEB	20.290	22 650.34	20.290	22 650.34	100.00
ODD	Ghana	107100.1	PULBEA	395.200	328 731.31	50.450	41 964.81	12.77
ODP	Haiti	106740.1	CERMML	3 792.700	2 802 274.32	176.010	130 046.75	4.64
ODP	Haiti	106740.1	CERRIC	31 064.301	15 688 403.93	228.884	115 593.29	0.74
ODC	Iran, Islamic Republic	102131.1	CERWHE	2 868.955	938 750.77	439.000	143 645.19	15.30
ODC	Iraq	107170.1.IQ	CERWHF	36 852.662	15 677 859.47	334.682	142 380.42	0.91
ODJ	Kenya	107450.1	CERWHF	707.900	301 154.82	146.100	62 153.86	20.64
ODJ	Kenya	102582.1	CERMML	26 027.605	19 230 756.23	160.125	118 309.96	0.62
ODJ	Lesotho	105990.1	CERMAZ	930.963	284 278.86	148.954	45 484.59	16.00
ODD	Liberia	104540.1	OILVEG	1 236.088	1 656 568.05	110.394	147 946.73	8.93
ODD	Liberia	104540.1	PULSPE	2 517.825	1 474 992.24	86.925	50 922.40	3.45
ODB	Pakistan	102690.1.C1	OILVEG	15 471.446	20 734 367.79	167.584	224 591.05	1.08
ODB	Pakistan	108280.1	CERWHE	239 228.440	78 277 937.85	460.808	150 780.99	0.19



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

Region	Recipient country	WBS element	Commodity	Total handled (A) net mt	Total handled (A) US\$	Post-delivery losses net mt	Post-delivery losses US\$	Losses (mt) as % of total handled (A)
ODJ	Rwanda	105310.1	OILVEG	1 447.307	1 939 637.42	89.654	120 151.60	6.19
ODJ	Somalia	108120.1	OILVEG	9 153.799	12 267 646.81	75.306	100 922.84	0.82
ODS	Sudan	107600.1	CERSOR	337 640.942	105 769 401.49	4 573.497	1 432 693.67	1.35
ODS	Sudan	107600.1	CERWHE	112 916.965	36 947 560.12	955.678	312 707.40	0.85
ODS	Sudan	107600.1	MIXCSB	32 740.194	19 234 536.57	272.924	160 340.12	0.83
ODS	Sudan	107600.1	OILVEG	40 077.541	53 710 718.12	326.580	437 672.72	0.81
ODS	Sudan	107600.1	PULLEN	27 867.166	27 806 415.58	109.791	109 551.66	0.39
ODS	Sudan	107600.1	PULSPE	35 493.599	20 792 860.17	253.421	148 459.09	0.71
ODJ	Uganda	101212.1	CERMML	1 434.792	1 060 110.42	224.175	165 633.94	15.62
ODJ	Uganda	108110.1	CERMML	5 298.850	3 915 108.31	135.562	100 161.34	2.56
ODJ	Zambia	104470.1.C1	MIXCSB	449.340	263 982.76	65.225	38 319.04	14.52
Total				1 639 113.260	716 749 302.02	14 376.472	6 414 923.38	

Total handled (A) = opening stocks in the recipient country + food received in the recipient country + incoming transactions in the recipient country.



ACRONYMS USED IN THE DOCUMENT

COMPAS	Commodity Movement Processing and Analysis System
CSB	corn-soya blend
EMOP	emergency operation
GMP	good manufacturing practice
HACCP	Hazard Analysis Critical Control Point
HEB	high-energy biscuit
NPA	national port authority
ODB	Regional Bureau Bangkok (Asia)
ODC	Regional Bureau Cairo (Middle East, Central Asia and Eastern Europe)
ODD	Regional Bureau Dakar (West Africa)
ODJ	Regional Bureau Johannesburg (Southern, Eastern and Central Africa)
ODP	Regional Bureau Panama City (Latin America and the Caribbean)
ODPF	Food Procurement Service
ODPFQ	Food Safety and Quality Assurance Unit
ODS	Regional Bureau Sudan
OSI	Office of Inspections and Investigations
WSB	wheat-soya blend