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**Executive Board
Annual Session**

Rome, 28–30 May 2003

ADMINISTRATIVE AND MANAGERIAL MATTERS

Agenda item 8

For consideration

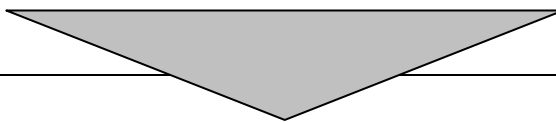
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Distribution: GENERAL
WFP/EB.A/2003/8-A
30 April 2003
ORIGINAL: ENGLISH

REPORT ON POST-DELIVERY COMMODITY LOSSES FOR THE PERIOD 1 JANUARY–31 DECEMBER 2002

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Note to the Executive Board



This document is submitted for consideration to the Executive Board.

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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INTRODUCTION

1. This report deals with country-specific and commodity-specific issues and describes the corrective measures taken by WFP to keep post-delivery commodity losses to a minimum. The reporting period covered is the calendar year 1 January to 31 December 2002.
2. For the purposes of this report, “post-delivery losses” are defined as losses suffered after the delivery point during handling, storage or internal transport. “Delivery point” refers to the point in the recipient country where overland external transport or landside transport, storage and handling (LTSH) ends. When transport is by sea, the delivery point is the point where the commodities are contractually delivered from the vessel. When transport is by land or air, the delivery point is the place where the commodities are contractually delivered by the transport contractor. Unlike pre-delivery losses, which are not included in this report, post-delivery losses are not covered by WFP’s Special Insurance Account, which insures commodities from the time that WFP takes possession up to the delivery point. Post-delivery losses should be recovered from the liable party by the recipient government or the WFP country office.
3. The three annexes to this report break down the year’s commodity losses by reason, commodity and country. Losses equal to or greater than 2 percent of the total net cost, insurance and freight (c.i.f.) value of commodities handled in any individual country’s project(s) for the period under review are specified in Annex III and are ranked in terms of the amount lost in United States dollars (US\$). The largest losses incurred, in both absolute and proportional net c.i.f. value terms, are also identified and mentioned in this report. In this way, significant but proportionally small losses in countries where large programmes are under implementation are also captured.

OVERVIEW

4. The estimated total net c.i.f. value of losses during the 2002 reporting period amounted to US\$3.333 million, or 0.32 percent of the c.i.f. value of all commodities handled—5.057 million mt, estimated c.i.f. value US\$1.038 billion. This translates into a slightly larger increase in both absolute and proportional terms compared with the previous reporting period increase: US\$253,000 or 0.01 percent more than in 2001. The relatively low level of losses may be attributed to ongoing initiatives taken by WFP to address the problem of post-delivery losses. These initiatives are described below.

CORRECTIVE ACTIONS TAKEN TO MINIMIZE FUTURE COMMODITY LOSSES

Satisfying Donors’ Concerns Regarding More Accurate and Precise Post-delivery Commodity Loss Reporting

5. Since late 2001, some donors have sought reassurances about the accuracy of WFP’s tracking and reporting of post-delivery losses. The Programme considers the issue of losses as a matter of utmost seriousness, especially when donors seek confirmation that in-house accountability systems and procedures are meeting their requirements adequately.



6. In 2002, therefore, the Operations Department requested the Office of Internal Audit to review the issue of tracking and reporting post-delivery commodity losses. The review, which is being conducted during the first half of 2003, addresses definitions, methodologies, technicalities, procedures, control systems and organization related to the general issue of loss reporting, and the crucial issue of country directors' accountability in accurate reporting of losses. The results will be used to improve future reporting, both within the Programme and to the Executive Board.
7. It became apparent during this exercise that no other major food aid agency produces the equivalent of an annually consolidated and publicly available post-delivery loss report, as WFP does each year for its Board. A preliminary comparison of individual loss reports that have been made available to WFP by some other agencies shows that WFP's loss rates are comparable with those of some major non-governmental organizations (NGOs) in the same countries. In coordination with the NGOs concerned, WFP is also carrying out more in-depth comparisons of loss rates in a few sample countries—Ethiopia, Haiti and India—in order to share common lessons.

WFP's Oversight Mechanisms Help Troubleshoot Potentially High Losses

8. The Programme's oversight mechanisms, particularly the Office of the Inspector-General, the Office of Internal Audit and WFP's external auditors, play an important role in preventing or troubleshooting potentially serious cases of loss and in reporting on cases of fraud and mismanagement. In all such cases, the Programme takes action to address the problems involved and to avoid similar incidents in the future.
9. The Office of Internal Audit includes commodity management as one of the audit thrust areas covered during country office audit missions. This entails confirming that: (i) a clear structure for managing commodities is in place; (ii) the country office prepares comprehensive, accurate and timely commodity tracking reports; (iii) commodities held in warehouses are subject to adequate controls; (iv) commodity losses are identified and reported promptly; and (v) that superintendent procedures are adequate. Recommendations are made where the controls are deemed to be weak, inadequate or non-existent. Warehouses are visited during internal audit missions, and physical inspections are conducted—counting commodity stocks, reviewing warehouse records and management, and issuing recommendations as needed.
10. The Deputy Executive Director, as chairperson of WFP's audit committee, issues a document annually to all country offices indicating recommended best practices for each audit thrust area, including commodity management. These best practices are based on the consolidated results of all internal audits during the preceding year, and are shared with country offices so that they can take self-corrective action. WFP has instituted an audit cycle, which establishes that higher-risk country offices, determined on the basis of internal risk assessment, are audited either internally or externally, at least once every two years.
11. Some of the main recommendations made during country office internal audits in 2002 were: (i) more precise reconciliation among warehouse commodity stock reports; (ii) physical stock counts and stock balances as generated by the Commodity Movement Processing and Analysis System (COMPAS); (iii) improved stacking of commodities in warehouses; (iv) improved warehouse management practice; (v) improved commodity fumigation procedures; (vi) more accurate reconciliation among food distribution reports, warehouse stock records and waybills; and (vii) improved post-commodity distribution monitoring practices.



12. In 2002, the Office of the Inspector-General continued to assist in preventing serious commodity losses by conducting inspections of country offices and investigating reported cases of losses to determine their root causes. The Office of the Inspector-General continued to track reimbursements by some host governments of losses reported prior to 2002.
13. The Office of Oversight Services commenced a new risk management initiative. Risk control self-assessment workshops are planned for several country offices in 2003, and will entail self-assessment on the part of regional bureaux and country offices to determine the risks that could prevent them from achieving their objectives. This will include identification of risks in relation to post-delivery commodity losses and action plans to reduce such identified risk areas.

Remedial Follow-up on Countries with Past High Losses

14. The 1998–1999 report referred to a substantial cumulative loss of 717 mt of canned fish and meat from Burkina Faso between 1 January 1996 and 31 March 1999, representing a loss of US\$1.75 million in c.i.f. value terms. Remedial action that was taken by the authorities and reported to the Executive Board during its Annual Session in 2000; the Government also made a firm commitment to reimburse the full value of this loss to the WFP project. In 2001, an agreement establishing a repayment plan was jointly signed by the Prime Minister's Office, the Ministry of Agriculture and the WFP country office. According to this agreement, WFP will be repaid the total value over five years starting from 2002. It is worth noting that the Government repayments made in 2002 or authorized for 2003 amount to an estimated US\$700,000 in c.i.f value terms.

Improvements in Commodity Procurement to Minimize Losses

15. WFP's Food Procurement Service implemented a number of initiatives that contributed to the reduction of delivery losses, especially for local and regional food purchases. Procurement officers attended specialized courses to enhance their knowledge and skills in food procurement. An increased number of international professional procurement officers in country offices provided expertise in food procurement, ensuring the successful conclusion of contracts. Procurement workshops in all regional bureaux have also increased the knowledge of procurement focal points.
16. First-class inspection companies are hired to verify the quality, quantity and bagging of food prior to loading. Damaged lots are systematically rejected, thus minimizing possible losses.
17. The growing trend for purchase contracts based on delivered duty unpaid (DDU) delivery terms has resulted in a marked reduction in losses upon delivery. Only the quantities delivered are charged to WFP; any missing or damaged cargo is billed against the supplier's account.
18. WFP's procurement website (ProcuWeb) provides guidance to staff on procurement matters and includes very precise commodity specifications. This helps country offices to procure the requested quality of food for a given region and prevents misunderstandings regarding the quality of the food supplied, thus reducing possible losses or rejection of commodities.
19. Another tool, the Food Market Profile Map (FMPM) has just been developed with the help of the United Kingdom's Natural Resources Institute (NRI). The FMPM for Ethiopia is already complete, and one for Uganda will soon follow. FMPMs provide precise information on global trade in cereals, procurement information on a variety of



commodities, quality standards, fumigation requirements and market intelligence for every country where WFP has an operation or procures food. The reports will be available on ProcuWeb, and will help country offices to procure the right quality of food at the right time in the right place, thus avoiding possible losses.

20. Performance bond and/or penalty clauses are enforced in cases of a supplier's non-compliance with contractual obligations. This provides WFP with leverage against suppliers when they fail to deliver the right product, and eliminates non-performing suppliers. Suppliers are more likely to deliver the commodity as per contract, thus preventing losses.
21. The selection of suppliers is very strict—only reliable suppliers with credentials and experiences are on WFP's supplier lists. New suppliers have to demonstrate capacity in executing food contracts. The ongoing performance of listed suppliers and the capacity of new potential suppliers are regularly assessed. Suppliers who default without valid reasons are systematically removed from WFP's lists.
22. Recent reorganization and the merging of the food procurement service with the food programming and transport services in Rome have streamlined and consolidated the commodity supply chain within the Operations Department. This will translate into improved communication among the different offices responsible for the various stages of the commodity chain—from programming, to purchasing to shipping—thus minimizing potential food losses.

Ongoing Investment in WFP's Computerized Commodity Tracking System, COMPAS

23. WFP stepped up implementation of its computerized commodity tracking system, COMPAS, a management information application that helps WFP and its counterparts to track commodity movements from arrival in-country to final delivery points. By means of this system, information on food-commodity movements and stock positions can be shared within WFP at the sub-office, country office, subregional office, regional bureau and headquarters levels, thus ensuring that all parties are kept fully aware of developments. COMPAS acts as an early-warning mechanism to trigger measures for minimizing future losses. It is also a standard tool deployed in emergency interventions so that commodity movements can be tracked right from the start of complex operations. It is designed to work in any office, even with limited e-mail facilities.
24. In 2002, COMPAS was installed in 21 new countries, bringing the number of countries using it to 72, with COMPAS installed in more than 350 WFP offices and sub-offices. WFP also continued to provide further support to government-operated COMPAS stations in Eritrea, Ethiopia, and Guatemala.
25. In order to ensure adequate tracking, and therefore to minimize losses, COMPAS capacities were augmented in Afghanistan and all surrounding countries to cater for the huge amounts of food commodities for the regional emergency that were traversing different transport corridors. As WFP's policy is to have COMPAS in place at the outbreak of a crisis, the system was also rolled out to Iraq as a preparedness measure in late 2002, existing installations were augmented in Iran, Jordan and the Syrian Arab Republic, and the system was installed in Turkey, where WFP did not have any operations.
26. The launching of the COMPAS pre-arrival module—a read-only feature of the system that interfaces with WINGS-SAP—has proved to be a useful tool that brings users a snapshot of the latest planning, purchasing and shipping data for goods they are expecting. The development of the advanced second-generation version of COMPAS has now begun,



and must be rolled out to the field. This development was made possible by funding from the United Kingdom Department for International Development (DFID) Institutional Strengthening Programme (ISP). In this second-generation version of COMPAS, the tracking system and the pre-arrival module will both be merged into one application.

27. Like WFP's COMPAS website, which was launched in 2001, the Programme's intranet site, WFPgo, is a one-stop shop for commodity-tracking information and documents, including user guides and other explanatory and procedural material available in WFP's five working languages. The site contains a special report-generating facility, which allows users to see the latest COMPAS data for any country or location.
28. Another important development that WFP is trying to introduce into its automated tracking of commodity losses is identification of the main responsible party for a loss. This is usually WFP itself, the government counterpart or an NGO implementing partner. Such information will help to target the medium-term to longer-term remedial efforts that may be required to address the issue of loss prevention.

Pilot of a New School Feeding Monitoring System, ARGOS

29. WFP is carrying out an extensive pilot test of a new school feeding monitoring system, which is based at the recipient school. Trained personnel at the school enter monthly data into an electronic device, ARGOS, that is similar to an automated teller machine. The data are transmitted to a data collection centre in France, where they are available to ministries of education and WFP through an access code on a website. Since the data include information about the amount and type of food received and the number of meals provided to children, they could be cross-checked with COMPAS and other WFP databases in order to identify gaps.

Capacity-building of WFP Staff and Project Counterparts

30. In 2002, WFP continued the intensive warehouse-management training programme of all WFP and partner logistics staff, which began in 2001. At workshops organized in all regions, 1,422 people were trained in good storage practices. Of this total, 687 were WFP staff members, 61 percent of whom were national staff, 401 were host government counterparts and 286 were non-government implementing partners. Full rollout of this training programme to all WFP country offices will be completed in 2003.
31. WFP has developed a standard surface-transport contracting and management-training programme, designed for WFP staff, implementing partners and government counterparts. The training programme includes a separate module dedicated to mitigation and recovery of transport losses, and references to food safety and food technology. The training package and other transport/logistics training and guidance packages are included in the transport/logistics resource and self-training CD-ROM, which is distributed to WFP and partner staff.
32. WFP continued to upgrade its national staff in logistics management. Following the on-the-job training of 57 key national staff from 49 countries at the Transport and Logistics Division (OT) in Rome during 2001, the initiative was replicated in the field as a pilot test in central Africa. After the pilot test, 11 of the newly-trained national staff were given temporary international duty assignments to expose them to operations different from those in their own countries, selected to strengthen their knowledge in areas related to their existing and potential responsibilities.
33. OT continues to assist regional bureaux and country offices in dealing with food safety issues, and in contractual disputes arising from cases of loss.



Ongoing Work of Commodity Management Working Group

34. The Commodity Management Working Group (CMWG) was established by OT in 2001 and expanded in 2002 to include a representative from the Office of the Director of Operations. The main objectives of CMWG are to identify and address problems that cause commodity losses and develop suitable commodity management policies. One of the most important outcomes of CMWG's work in 2002 was standardization of WFP's warehouse documents and processes, which are very important for accurate commodity tracking and accounting. The new formats were reflected in the updated Transport Manual, which was issued in November 2002.
35. In order to put into practice many of the concepts addressed in the CMWG, the Operations Department will establish a dedicated commodity quality control staff post in mid-2003. The terms of reference for this post will include providing country offices with expert advice on the follow-up to improved commodity packaging and on troubleshooting pre-delivery and post-delivery commodity losses, with a view to minimizing or avoiding losses.

Streamlining of WFP's Commodity Pipeline Management System

36. Efforts continued to improve and streamline WFP's commodity pipeline management system. The key objective is to avoid undersupply of food or oversupply that can lead to under-utilization and deterioration of food as a result of prolonged storage. As part of decentralization, WFP is making a concerted effort to develop a new standardized commodity pipeline management system. Each country office has identified a pipeline focal point responsible for providing shipment call-forward schedules and preparing monthly pipeline reports for all operations, using standard formats. Each regional bureau has a regional pipeline manager responsible for compiling country pipeline reports and providing a regional perspective. The regional pipeline managers also liaise between country offices and Headquarters-based personnel in the commodity supply chain. Work is under way to analyse the lead times for WFP commodities. These efforts will ultimately help to ensure timely delivery of well-balanced food baskets to beneficiaries.

Regional Efforts to Minimize Post-delivery Losses in WFP

37. Each regional bureau produces an annual results-based work plan. Common strategic objectives in every region include effective monitoring and troubleshooting of post-delivery losses in all countries.
38. As part of WFP's decentralization initiative, logistics officer posts have been established in each regional bureau to provide closer support to country offices on all logistics-related issues, including post-delivery losses. OT delegated additional operational responsibilities related to the food supply chain to regional bureaux and country offices. OT redefined its role to concentrate on corporate preventive measures to minimize losses, such as identifying and addressing the most important causes of loss. Solutions include improved food quality, shelf-life studies and review of distribution and scooping methodologies.
39. Each regional bureau holds a regional logistics meeting once a year at which OT participates. Commodity management issues are discussed at every meeting, which contributes greatly to the awareness of post-delivery loss containment and preventive measures.



⇒ *Asia Region*

40. The Asia regional bureau carried out a number of initiatives aimed at reducing post-delivery losses in its country offices. It conducted logistics capacity assessments to gauge actual logistics capacities and performances of country offices, with particular reference to commodity management. It developed further understanding and agreement with the country offices on the commodity call-forward system, with attention to ensuring the planned spacing of commodity arrivals. COMPAS was rolled out to another four countries in the region, bringing the total to six countries by the end of 2002. An annual regional logistics meeting was held to update participants on issues relating to commodity management and logistics activities. This forum was an opportunity for country offices to share best practices in reducing food losses. In 2002, the additional participation of the region's key national logistics staff was a crucial development, because it broadens further the country offices' commodity management capacity. The regional bureau also advocated for more local and regional food purchases in the case of commodities with a limited shelf-life, such as blended foods. By making commodities more readily available locally, this breakthrough is significant in WFP's efforts to minimize losses, reduce delays in commodity arrival times and shorten in-country storage periods.

⇒ *Mediterranean, Middle East and Central Asia Region*

41. The Mediterranean, Middle East and Central Asia regional bureau undertook initiatives to address post-delivery losses in its region. Three warehouse management-training workshops for WFP staff and implementing partner counterparts were conducted in Jordan and the Syrian Arab Republic; these used a training-of-trainers approach. Further training was carried out in Egypt, the Palestinian Territory, Iran, Jordan and Yemen. Booklets in Arabic were distributed among the participants. The regional bureau also printed an Arabic version of the WFP Warehouse Management Manual. COMPAS was rolled out to Iran, Jordan, the Syrian Arab Republic and Turkey. Warehouse managers and COMPAS clerks were placed at Tinduf in Algeria to train local staff and improve the storage infrastructure. The region's commodity superintendence agreements will be reviewed and new contracts issued to ensure a more efficient logistics operation.

42. The regional bureau focused on implementing more effective commodity pipeline management. There is regular contact between the country offices and Headquarters concerning resource requirements and shortfalls. The region produces monthly pipeline templates, pipeline updates for each project and a regional pipeline newsletter with upstream-downstream food pipeline analysis and shortfall early warnings. These reporting tools help to avert, or at least minimize, pipeline breaks.

⇒ *Latin America and Caribbean Region*

43. The Latin America and Caribbean regional bureau implemented training on the Transport Manual and food storage in Belize, the Dominican Republic and El Salvador. WFP does not have an office in Belize, but the country suffers from recurrent disasters. In El Salvador, training was also held on advanced food conservation techniques for WFP logistics staff and project counterparts from four Central American country offices. Missions to shipment unloading ports were conducted in order to assist country offices when they receive commodities alleged to be damaged at the point of origin. COMPAS and the pre-arrival module were installed in Bolivia, the Dominican Republic and Peru. This was followed up by COMPAS training missions to five country offices in order to verify and streamline commodity tracking.



⇒ *West Africa Region*

44. In the West Africa region, initiatives to reduce post-delivery losses included further rollout of COMPAS, which is now installed in eight countries in the region. The system is expected to be fully operational in Cape Verde, the Gambia, Mauritania and Senegal, by mid-2003. WFP is aiming to strengthen further its food stock monitoring capacity at the sub-office level by contracting specialized NGOs with responsibility for maintaining sub-offices in areas where WFP does not have a strong presence. Working through NGOs has hitherto been a standard procedure in emergency operations (EMOPs), but NGOs are now also engaged in food logistics monitoring and distribution in development projects, for example in Guinea and Sierra Leone, thereby helping to minimize food losses and to ensure that the food reaches its intended beneficiaries. In Mauritania, for the third consecutive year, WFP recruited a team of logistics convoy clerks to travel on the trucks to distribution sites in order to ensure that food is delivered at the correct location and in full quantity.
45. The regional bureau organized two regional warehouse-management courses in Burkina Faso and the Gambia for 13 countries. The course was then replicated in Niger and Sierra Leone, and should be replicated in the remaining countries during 2003.
46. The Niger country office engaged a food stock specialist to inspect all extended delivery point stocks, provide on-the-job training and make practical recommendations for improving warehouse management. Similar training and inspection are expected in other countries of the region during 2003. In Mauritania, where food management has always been the direct responsibility of WFP's government counterpart, the Programme ensured that all warehouses are supplied with pallets to increase the ventilation of food, thereby reducing losses resulting from prolonged storage in conditions of extreme heat and humidity.
47. Increased control of unloading of WFP vessels has been achieved through deployment of a WFP port captain based in Freetown. The port captain has made considerable improvements by establishing the quantities of food lost by shipowners; in the past, substantial pre-delivery losses were erroneously recorded as post-delivery losses because of a lack of expertise at the country offices.
48. Country offices in the Sahel have now developed good practices for detecting fraud in terms of weight, infestation or high levels of impurities, and can identify fraudulent cases when suppliers deliver local cereal purchases. The region's policy of increasing its local purchases has also resulted in fewer losses, because food is bought in smaller quantities as and when required, rather than bulk-shipped from overseas. WFP staff have also been able to reduce theft from warehouses. By contracting private transporters to deliver food to final delivery points, thefts discovered at delivery can be deducted from the transporters' invoices; otherwise transporters must replace missing commodities.

⇒ *Southern Africa Region*

49. The Southern Africa regional bureau carried out a number of initiatives aimed at reducing post-delivery losses at its country offices. WFP and implementing partner staff were trained in warehouse and food storage management techniques. Security at commodity warehouses was improved. COMPAS was installed at more sites, including warehouses, and better use was made of commodity tracking documentation. Instances of multiple handling of food were reduced. Losses were recovered more systematically by penalizing trucking companies for unacceptable levels of losses through blacklisting or invoice deductions. Warehouse owners now have stricter contracts, which include prompt



reimbursement of, or penalties for, any losses that are under their control, daily cleanliness routines in warehouses and regular checks for pest infestation and infrastructure disrepair. WFP has also ensured that equipment is available to reconstitute damaged food cargoes promptly.

50. The Lesotho country office has reduced its distribution losses by decreasing the size of maize sacks from 50 kg to 25 kg. In Malawi, trucks are carefully inspected before loading to ensure that their tarpaulins are intact and watertight; trucks with damaged tarpaulins are not loaded. The country office purchases additional equipment, such as empty bags, jerry cans and tarpaulins, for quick reconstitution of damaged commodities. The Zambia country office invited an international warehouse manager to audit its commodity statistics, improve its quality control and warehouse management and train new warehouse staff.

⇒ *Eastern and Central Africa Region*

51. In the Eastern and Central Africa region, previous years' efforts to ensure minimal post-delivery commodity losses have continued. Warehouse management training courses were organized in Kenya and Uganda for 41 WFP storekeepers and logistics assistants from 11 countries.
52. A reporting tool was developed that uses the COMPAS database to show the age of the commodities in stock, enabling logistics officers to indicate the best use-by date for each commodity and to flag commodities that are close to their expiry date. Over the years, the COMPAS system has been greatly improved in terms of providing correct and timely data. There are now 87 COMPAS sites in the region.
53. At Mombassa port, WFP Kenya successfully took over management of a warehouse with a capacity of 15,000 mt. This decision was made in response to the high management costs being paid to agents and the relatively high losses incurred. In the Democratic Republic of the Congo, food deliveries from the port to transshipment locations are transported in containers. WFP Rwanda improved the security measures at its warehouses, mainly through providing additional fire protection equipment and guard services from a professional security company. WFP Eritrea introduced monthly quality-control checks during physical inventories at all the main WFP implementing partner warehouses and has formed a team to undertake regular fumigation and quality inspection of food stored throughout the country. WFP staff in Eritrea also participated in a fumigation training course held by NRI.

⇒ *Eastern Europe Region*

54. The Eastern Europe regional bureau implemented a number of initiatives to reduce post-delivery losses. The c.i.f. value of losses occurring during primary and secondary transportation are routinely deducted from transporters' invoices or made good through reimbursement. WFP food aid monitors have reinforced their monitoring of food distributions, ensuring that implementing partners provide regular food distribution reports.
55. A regional logistics meeting was held in 2002 in St Petersburg, and warehouse training for all logistics staff and implementing partners was carried out at all the region's country offices. COMPAS has been installed in all extended delivery points and entry ports, and reporting procedures have been improved. Improved monitoring of implementing partners' storage facilities continued the usual logistics staff visits to implementing partners' warehouses.



56. The port of Dures was introduced as the entry port for Albania, eliminating the need for cargo movement and consequent double-handling and losses via the transshipment port of Bar. All warehouses in the south Caucasus now have direct rail links, which means that there is no shunting of cargo, which is unloaded directly into WFP's warehouses.

LOSSES OF COMMODITIES SUSTAINED AFTER DELIVERY TO RECIPIENT GOVERNMENTS DURING THE REPORTING PERIOD UNDER REVIEW

Overview

57. This report covers commodities provided worldwide through the Programme's development projects, protracted relief and recovery operations (PRROs) and EMOPs for the period 1 January to 31 December 2002. During that period, WFP handled 5.057 million mt of commodities with an estimated c.i.f. value of US\$1.038 billion. The estimated net c.i.f. value of losses during the period under review amounted to US\$3.333 million, 0.32 percent of the c.i.f. value of all commodities handled. In both absolute and proportional terms, this represents a slight increase of US\$253,000, or 0.01 percent, over the previous reporting period.
58. The Programme recovered approximately US\$100,000 through sales of commodities no longer fit for human consumption or through recovery actions against private transport or warehouse contractors for losses under their control. Salvage sales take place only in the event that commodities are certified as unfit for human consumption or when they cannot be reconditioned but may have some value as animal feed or for industrial purposes. Sales are subject to strict controls, which as far as possible ensure that the commodities cannot be reintroduced for human consumption. The Programme is currently strengthening the accounting of such loss recoveries through WINGS.

Losses by Cause

59. Annex I shows that 15 percent of all losses, amounting to US\$500,000, occurred principally as a result of problems at origin; 85 percent, amounting to US\$2.8 million, were mainly attributable to problems in recipient countries. Almost half of all losses resulted from the three leading causes of poor commodity handling during transit, reconditioning and rebagging, and civil strife.
60. This year, for the first time, a distinction is made between losses in the usual sense of the term, and those quantities of food which were "short" as part of planned commodity transformation actions such as milling. WFP will review the possibility of redefining such differences in quantities after milling as attributable to "commodity exchange" instead of losses. During 2002, WFP was short or lost US\$600,000 worth of cereals as a result of milling. Most of this occurred in the southern Africa regional EMOP, where cereals had to be milled into flour because genetically modified wholegrain cereals were unacceptable. Other major cases of milling loss occurred in Bolivia and Tajikistan.

Losses by Commodity

61. Annex II shows that the most significant losses in terms of net c.i.f. value were again experienced with cereals—maize, maize meal, rice and wheat flour— followed by pulses and vegetable oil. Losses in these three commodity groups amounted to US\$2.886 million in net c.i.f. value terms, 87 percent of reported losses. This is hardly surprising, however, because almost 80 percent of WFP's global food basket included these commodity types.



Losses by Programme Category

62. Commodity losses in EMOPs or PRROs accounted for US\$2.72 million, more than 80 percent of all losses, followed by US\$620,000, just under 20 percent, in the development portfolio. This is hardly surprising, however, since almost 80 percent of commodities handled were in EMOPs or PRROs.

Losses by Responsible Party

63. In the 2002 reporting period, WFP tried for the first time to gauge where responsibility lay for losses that occurred along the delivery chain in each recipient country. Of all post-delivery losses reported, approximately half were incurred while commodities were under the direct management of the Programme itself; about 30 percent were sustained by non-government implementing partners. Host government implementing bodies reported only about 15 percent of losses as being attributable to them. Compared with a decade ago, the Programme now manages an increasing proportion of the food entrusted to it by donors. This is mainly a result of the increasing role that WFP plays in managing in-country food stocks in large and complex emergency operations. It is therefore not surprising that the Programme suffers a correspondingly higher proportion of losses. More attention should be given to assuring precise and accurate reporting of commodity movements not under the Programme's direct management. The goal in every country should be that government and non-government implementing partners always provide timely final distribution reports that give an accurate picture of losses under their control.

Losses by Recipient Country

64. Annex III shows the nine cases of individual projects registering net commodity losses, excluding milling, equal to or greater than 2 percent of the total value handled and with an absolute net c.i.f. value of more than US\$20,000. These cases occurred in seven countries: Afghanistan, Côte d'Ivoire, Eritrea, the Gambia, Nepal, Niger, Pakistan, the Palestinian Territory and Sri Lanka.
65. Two countries, Côte d'Ivoire and the Gambia, registered global proportional post-delivery losses excluding milling across all projects equal to or greater than 2 percent of the total value handled in-country and with an absolute net c.i.f. value of more than US\$20,000. Both cases are described in more detail below, in decreasing order of absolute net c.i.f. value loss terms.
66. Five countries—Afghanistan, Angola, Nepal, the Palestinian Territory and the United Republic of Tanzania—incurred post-delivery commodity losses excluding milling with an absolute net c.i.f. value greater than US\$100,000. These cases are described in greater detail below, in decreasing order of absolute net c.i.f. value loss terms.

⇒ Afghanistan

67. Afghanistan sustained post-delivery commodity losses totalling 5,405 mt, estimated net c.i.f. value US\$945,900, from 609,944 mt handled. In proportional terms, however, this loss was quite small at 0.8 percent of the US\$112 million value of commodities handled during the reporting period. The most significant losses concerned wheat, mainly as a result of poor handling during loading and off-loading, the large number of handling points involved, external storage resulting in exposure to weather conditions and inappropriate transport capacities. The vegetable oil losses were mainly caused by poor packaging. Remedial actions implemented by the country office to prevent future losses included increased use of WFP's own truck fleet, improving storage facilities including cleaning, fumigation and roof repairs, and reducing the number of handling points. The country



office will continue to carry out commodity and warehouse management training for WFP staff, implementing partners and government counterparts.

⇒ *Angola*

68. Angola sustained post-delivery commodity losses of 816 mt, estimated net c.i.f. value US\$161,400, out of 205,660 mt handled. In proportional terms, however, this loss was quite small at 0.4 percent of the US\$38 million value of commodities handled during the reporting period. The most significant losses concerned maize and vegetable oil, mainly as a result of reconditioning of bags and tins, and problems related to packaging at places of origin. The country office implemented three remedial actions to prevent future losses, instituting a system of monthly ageing stock analysis for all 13 sub-offices and notices to heads of sub-offices on how commodities can best be utilized to avoid unduly long storage. The country office's logistics section was reorganized into functional areas, including a small unit dedicated to providing sub-offices with support on commodity storage and distribution. As part of the field logistics support unit's plans for 2003, the role of the country office fumigation team is being expanded through training to provide all sub-offices with technical support on quality issues in more preventive areas and through identifying and training quality focal points in each sub-office. The country office also started a training programme for all WFP and implementing partner staff on the standard WFP commodity management training module developed in Rome in 2002. Standard commodity management training will be extended to all food aid monitors in Angola in 2003.

⇒ *United Republic of Tanzania*

69. The United Republic of Tanzania sustained post-delivery commodity losses of 438 mt, estimated net c.i.f. value US\$131,800, out of a quantity handled of 123,172 mt. In proportional terms, however, this loss was quite small at 0.5 percent of the US\$26 million value of commodities handled during the reporting period. The most significant losses were in maize meal, mainly from bags getting wet in transit. Remedial actions implemented by the country office to prevent future losses included commodity management training for staff who handle commodities. Rail wagons are rigorously inspected to ensure that they are undamaged and free from pests; damaged wagons are rejected.

⇒ *Palestinian Territory*

70. The Palestinian Territory sustained post-delivery commodity losses of 499 mt, estimated net c.i.f. value US\$106,750, out of 40,135 mt handled. In proportional terms, however, this loss was quite small at 1.2 percent of the US\$9 million value of commodities handled during the reporting period. The most significant losses were in wheat flour and rice, mainly as a result of the destruction of a WFP warehouse by the Israeli armed forces. The Government of Israel has partially made good this loss by donating 103 mt of soybean oil to WFP in April 2003.

⇒ *Nepal*

71. Nepal sustained post-delivery commodity losses of 506 mt, estimated net c.i.f. value US\$102,850, out of 48,364 mt handled. In proportional terms, however, this loss was quite small at 0.8 percent of the US\$13 million value of commodities handled during the reporting period. The most significant losses concerned rice, mainly as a result of looting



by Maoist insurgents in the first half of 2002. Although no major looting incidents have occurred since then, remedial actions implemented by the country office to prevent future losses included posting 24 DFID-funded field monitors in the most remote and insecure districts to monitor activities and storage conditions and maintaining contacts with all parties involved. The country office has also worked with project counterparts to streamline the number of extended delivery points, taking into account logistical and security issues. Storekeepers have been trained in food storage management, and a new commodity call-forward and ledger book system has been introduced. The country team works with its project counterparts and implementing partners to improve the commodity planning and allocation system in order to avoid long storage periods.

⇒ *The Gambia*

72. The Gambia sustained post-delivery commodity losses of 347 mt, estimated net c.i.f. value US\$58,100, out of 6,507 mt handled. In proportional terms, this loss was quite high at 2.6 percent of the US\$2 million value of commodities handled during the reporting period. The most significant losses concerned rice, mainly as a result of infestation at places of origin. Remedial actions implemented by the country office during 2002 to prevent future losses included: (i) warehouse training on stock management, organized in September 2002 by the West Africa Regional Bureau (ODD) for all WFP and counterpart staff; (ii) establishing systems for quarterly stock inventory and monthly stock reporting such as stricter measures to ensure that food is quality controlled at entry ports before delivery to warehouses and quality control by qualified health officials; (iii) prompt transmission of superintendents' reports and greater use of containerized shipments; (iv) applying the first-in-first-out (FIFO) rule of stock management to avoid extended storage of small quantities; (v) recruiting a WFP logistics assistant; (vi) equipping stores with empty containers for immediate reconditioning of torn bags or oil leaks; (vii) appointing a qualified forwarding agent in 2003 to oversee all ex-port transactions; (viii) installing COMPAS at the country office during 2003 in order to strengthen commodity tracking; and (ix) joint management of food stocks with the Government of the Gambia.

⇒ *Côte d'Ivoire*

73. Côte d'Ivoire sustained post-delivery commodity losses of 76 mt, estimated net c.i.f. value US\$54,000, out of 5,324 mt handled. In proportional terms, this loss was high at 2.7 percent of the US\$2 million value of commodities handled during the reporting period. The most significant losses concerned canned fish, mainly as a result of looting by insurgents in Odienné at the onset of the civil conflict in September 2002. In order to prevent further looting in the region, the country office recovered the balance of food stocks and transferred them to the emergency operation for immediate distribution to beneficiaries. All WFP warehouses, warehouse staff and security personnel in Côte d'Ivoire are now under direct WFP management. Local authorities are aware that further incidents involving looting would result in the suspension of food distributions and closure of the WFP sub-office in the area.



LOSSES SUSTAINED DURING PREVIOUS REPORTING PERIODS BUT REPORTED FOR THE FIRST TIME DURING THE CURRENT REPORTING PERIOD

74. There were seven commodity losses in three countries—Ecuador, Mali and Niger—sustained in previous reporting periods reported for the first time this year. The quantity lost was 225 mt, 0.9 percent of the value of the quantity handled; most individual country losses were small. The losses concerned cereals and pulses, and were mainly caused by infestation during prolonged storage.

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

75. The 2001 report showed losses of which the Programme was aware but which were still under investigation in six countries—Bangladesh, the Democratic Republic of the Congo, Mozambique, the Palestinian Territory, Serbia and Uganda.

Bangladesh

76. Post-delivery losses in Bangladesh were the subject of extensive discussion at the Annual Session of the Executive Board in 2001. In May 2002, the Board was advised of an in-depth analytical study to determine levels of unreported commodity leakage and to propose recommendations to reduce it.
77. Preliminary results can be reported of a comprehensive leakage study conducted by the International Food Policy Research Institute (IFPRI) during 2002–2003 with funding from the United States, Australia, Canada, the European Community and WFP. The study examined three stages of food management: discharge at harbours, the public food distribution system and final distribution to programme participants. It analysed factors that influence food distribution to beneficiaries of vulnerable group development (VGD) and integrated food security (IFS) programmes. No major gaps were found in the selection process. The average monthly income of programme participants was significantly lower than that of non-programme households. Based on the physical weighing of rations, the study showed that leakage, or shortfall in ration distributions to beneficiaries, was 8.0 percent for the VGD programme and 5.9 percent for the main component of the IFS programme. The study also established that an additional 5.5 percent shortfall in ration distributions was the result of sharing cards, reported by 10 percent of VGD beneficiaries. The study identified transport, handling and distribution expenses as a major factor in distribution shortfalls. The practice of shared and ad hoc distributions to needy people at distribution centres renders the term “leakage” somewhat ambiguous.
78. The study made recommendations to reduce post-delivery losses in Bangladesh: (i) introducing standardized weighing measures; (ii) halting the practice of sharing rations; (iii) improving food needs assessment; (iv) advancing the settlement of transport costs; (v) care in selection of NGO partners; and (vi) establishing oversight functions for elected representatives. Pending finalization of the study report and in order to ensure full consideration of these issues, the country office has planned a workshop with the Government and concerned donors that will undertake an in-depth examination of the study’s recommendations and agree on a plan of action to reduce post-delivery losses in Bangladesh.



79. The country office has introduced some major initiatives to combat post-delivery losses, including: (i) intensifying WFP monitoring through a decentralized structure of six regional/field offices, (ii) introducing a comprehensive monitoring and evaluation system designed to monitor food delivery and use, with assistance from the German Agency for Technical Cooperation (GTZ), (iii) strengthening counterpart monitoring, with particular emphasis on tripartite collaboration by the Government, WFP and NGOs, (iv) distributing fortified wheat flour in sealed bags that correspond to the monthly entitlement, instead of distributing bulk wheat grain, (v) distributing fortified and packaged biscuits to children under the school feeding programme, using NGO partners for transport, delivery and monitoring and (vi) introducing revised distribution mechanisms such as labour contracting societies, in which beneficiaries or committees take charge of the collection and distribution of food entitlements. The Government has shown strong commitment to addressing post-delivery losses and has introduced measures to reduce such losses, including issuing administrative sanctions. These measures are already producing significant results such as improved awareness and food management by local project implementation committees and extremely low losses in centres and schools where fortified wheat flour or biscuits are distributed.

Democratic Republic of the Congo

80. Alleged losses amounting to 15 mt of maize meal, pulses and vegetable oil were under investigation in 2001 in the Democratic Republic of the Congo. Most of this amount was recovered during 2002, however; less than 0.7 mt is unaccounted for.

Mozambique

81. In December 2001, a transporter in Marromeu district stole 55 mt of rice from EMOP 6225.01. The police investigation into this incident has been finalized and the guilty party has repaid the full amount in kind to WFP.

Palestinian Territory

82. WFP stored 445 mt of wheat flour, sugar, rice and vegetable oil at the Al-Arroub main warehouses of the Ministry of Agriculture in Hebron. Because of a security incident and clashes in the area, the main entrance to this facility was blocked, rendering it extremely difficult to send trucks to transport the commodities to other locations. Ministry staff were not able to reach their offices for several days and could not arrange food distributions. A WFP visit to the warehouses observed signs of infestation caused by bad storage conditions, so fumigation was arranged. Tests confirmed that the wheat flour was unfit for human consumption. The ministry agreed with WFP's proposal to expedite distribution of 207 mt of salvageable commodities and to replenish the losses through locally generated funds.

Serbia

83. Between 1999 and 2001, 6,761 mt of wheat flour with a c.i.f. value of US\$3.5 million was diverted by the Yugoslav Red Cross in Serbia from EMOPs 6040.00, 6136.00 and 6136.01. The investigation into this diversion was finalized in June 2001, and the full amount has now been recovered. Between September 2001 and April 2002, 5,202 mt was reimbursed under EMOP 6136.02; the remaining 1,559 mt was reimbursed under PRRO 10116.0 between October and December 2002.



Uganda

84. The loss of 10 mt of maize, which was under investigation in 2001, was confirmed as the result of reconditioning in order to sort impurities from the grains.

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

85. Commodity losses that WFP is aware of and currently investigating were reported in nine countries: Armenia, the Central African Republic, the Dominican Republic, El Salvador, Ethiopia, the Lao People's Democratic Republic, Madagascar, Mozambique and Zambia. Accounts of these losses will be provided in future reports.



ANNEX I

POST-DELIVERY LOSSES OF COMMODITIES, BY MAJOR REASON FOR LOSS (1 JANUARY–31 DECEMBER 2002)

	Estimated net c.i.f. value of commodity lost (US\$)	Share of total loss (%)
Losses attributable mainly to problems at origin		
Deterioration of packaging material	145 700	4.4
Deterioration of food commodities	113 000	3.4
Other	257 650	7.7
Subtotal	516 350	15.5
Losses attributable mainly to problems in recipient country		
Poor handling	657 100	19.7
Processing of commodity ¹	644 600	19.3
Reconditioning/rebagging	480 700	14.4
Civil strife	338 700	10.2
Other	317 650	9.5
Improper or excessively long storage	191 900	5.8
Infestation	77 300	2.3
Theft/pilfering	66 000	2.0
Natural disasters	42 700	1.3
Subtotal	2 816 650	84.5
Total, all causes	3 333 000	100.0

¹Almost all quantities lost through processing were quantity shortfalls resulting from milling.



ANNEX II

**POST-DELIVERY LOSSES OF COMMODITIES, BY COMMODITY
(1 JANUARY–31 DECEMBER 2002)**

Commodity	Estimated net c.i.f. value of quantity handled (US\$)	Estimated net c.i.f. value of quantity lost (US\$)	Loss as % of net c.i.f. value of quantity handled
Cereals			
Wheat ¹	231 454 000	913 500	0.4
Maize ²	127 554 000	711 600	0.6
Rice	78 552 000	319 700	0.4
Wheat flour	77 622 000	104 950	0.1
Maize meal	37 555 000	72 350	0.2
Bulgur wheat	14 449 000	16 750	0.1
Sorghum/millet	16 708 000	6 400	negligible
Other cereals	51 525 000	53 850	0.1
Oil and fats			
Vegetable oil	142 840 000	528 400	0.4
Edible fat	1 205 000	0	0.0
Other fat	577 000	0	0.0
Dairy products			
Enriched dried skim milk	5 142 000	15 800	0.3
Plain dried skim milk	20 687 000	2 050	negligible
Other dairy	207 000	0	0.0
Fish and meat			
Canned fish	28 946 000	55 300	0.2
Canned meat	2 298 000	2 150	0.1
Dried fish	105 000	0	0.0
Pulses			
Lentils	26 727 000	73 150	0.3
Beans	37 740 000	60 700	0.2
Peas	24 346 000	60 650	0.2
Other pulses	16 212 000	41 350	0.3
Other			
Corn- and wheat-soya blend	51 501 000	217 000	0.4
Biscuits	8 204 000	49 100	0.6
Sugar	9 041 000	15 350	0.2
Faffa, Likuna Phala and Indiamix	12 417 000	5 400	negligible
Salt	1 021 000	1 300	0.1
Corn- and wheat-soya milk	7 401 000	650	negligible
Miscellaneous	5 670 000	5 550	0.1
All commodities	1 037 706 000	3 333 000	

¹US\$187,400 of wheat losses were a result of milling into flour.

²US\$443,900 of maize losses were a result of milling into meal.



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
Eastern and Central Africa region						
Burundi	6 146 000	55 800	0.9			
Congo (Democratic Republic of the)	18 282 000	29 800	0.2			
Congo (Republic of)	2 177 000	8 700	0.4			
Djibouti	4 092 000	less than 1 000	negligible			
Eritrea ¹	19 437 000	66 550	0.3	High energy biscuits	28.6	46 500
Ethiopia	70 431 000	51 600	0.1			
Kenya	50 954 000	44 750	0.1			
Rwanda	5 999 000	4 250	0.1			
Somalia	4 749 000	2 800	0.1			
Sudan	46 753 000	60 500	0.1			
Uganda ²	13 729 000	41 850	0.3			
Total, Eastern and Central Africa region³	242 749 000	367 550	0.2			



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
Southern Africa region						
Angola ⁴	38 003 000	161 400	0.4			
Lesotho ⁵	9 072 000	269 400	3.0			
Madagascar	2 753 000	2 800	0.1			
Malawi ⁶	35 539 000	20 400	0.1			
Mozambique ⁷	18 941 000	140 500	0.7			
Namibia	1 039 000	less than 1 000	negligible			
Swaziland	2 543 000	less than 1 000	negligible			
Tanzania (United Republic of)	26 009 000	131 800	0.5			
Zambia	23 818 000	127 250	0.5			
Zimbabwe	29 067 000	112 150	0.4			
Total, Southern Africa region⁸	186 784 000	965 700	0.5			



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
West Africa region						
Benin	2 307 000	13 000	0.6			
Burkina Faso	3 195 000	2 800	0.1			
Cameroon	1 526 000	5 350	0.4			
Cape Verde	1 412 000	2 550	0.2			
Central African Republic	1 562 000	5 350	0.3			
Chad	1 999 000	4 100	0.2			
Côte d'Ivoire	1 965 000	54 000	2.7	Canned fish	5.4	41 650
Gabon	142 000	1 250	0.9			
Gambia, The	2 220 000	58 100	2.6	Rice	9.2	52 200
Ghana	900 000	4 650	0.5			
Guinea	7 526 000	15 850	0.2			
Guinea-Bissau	1 157 000	less than 1 000	negligible			
Liberia	7 221 000	24 750	0.3			
Mali	4 024 000	1 600	negligible			
Mauritania	3 434 000	10 850	0.3			
Niger	8 227 000	64 450	0.8	Corn-soya blend	22.4	25 200
São Tomé and Príncipe	430 000	4 450	1.0			
Senegal	3 363 000	2 650	0.1			
Sierra Leone	15 177 000	9 350	0.1			
Total, West Africa region	67 787 000	286 100	0.4			



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
Asia region						
Bangladesh	39 272 000	9 700	negligible			
Bhutan	4 393 000	less than 1 000	negligible			
Cambodia	16 188 000	20 900	0.1			
China	17 581 000	20 850	0.1			
Timor-Leste, Democratic Republic of	1 330 000	5 700	0.4			
India	16 907 000	11 550	0.1			
Indonesia	21 114 000	83 650	0.4			
Korea, Democratic People's Republic of	109 336 000	11 200	negligible			
Lao People's Democratic Republic	2 602 000	7 050	0.3			
Myanmar	907 000	less than 1 000	negligible			
Nepal	13 461 000	102 850	0.8	Rice	2.9	94 850
Sri Lanka	6 773 000	41 850	0.6	Corn-soya blend	40.8	36 750
Total, Asia region	249 864 000	315 300	0.1			



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
Mediterranean, Middle East and Central Asia						
Afghanistan	112 231 000	945 900	0.8	Wheat	2.5	411 850
Algeria	5 256 000	13 850	0.3			
Egypt	4 220 000	less than 1 000	negligible			
Iran	3 762 000	3 400	0.1			
Iraq	2 604 000	less than 1 000	negligible			
Jordan	1 841 000	less than 1 000	negligible			
Morocco	1 305 000	3 750	0.3			
Pakistan	18 247 000	65 950	0.4	Vegetable oil	8.9	24 550
Palestinian Territory	9 063 000	106 750	1.2	Wheat flour	2.1	72 400
Syrian Arab Republic	1 111 000	less than 1 000	negligible			
Tajikistan ⁹	26 832 000	73 250	0.3			
Yemen	1 714 000	1 350	0.1			
Total, Mediterranean, Middle East and Central Asia¹⁰	188 189 000	1 216 200	0.6			



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
Latin America and the Caribbean region						
Belize	24 000	less than 1 000	negligible			
Bolivia ¹¹	6 889 000	109 750	1.6			
Colombia	8 513 000	5 500	0.1			
Cuba	5 593 000	less than 1 000	negligible			
Dominican Republic	2 219 000	1 600	0.1			
Ecuador	2 970 000	26 800	0.9			
El Salvador	5 476 000	1 650	negligible			
Guatemala	5 279 000	1 150	negligible			
Haiti	4 066 000	less than 1 000	negligible			
Honduras	5 749 000	less than 1 000	negligible			
Nicaragua	7 261 000	less than 1 000	negligible			
Peru	8 196 000	less than 1 000	negligible			
Total, Latin America and Caribbean region¹²	62 235 000	146 450	0.2			



**POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY
(1 JANUARY–1 DECEMBER 2002)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$)	Estimated net c.i.f. value of commodity loss (US\$)	Loss as % of total value handled	Losses of commodities equal to or greater than 2% of value of quantity handled in individual projects (only losses of more than US\$20,000)		
				Commodity	%	Value (US\$)
Eastern Europe region						
Albania	1 950 000	less than 1 000	negligible			
Armenia	6 178 000	2 250	negligible			
Azerbaijan	3 960 000	less than 1 000	negligible			
Georgia	6 071 000	5 350	0.1			
Russian Federation	7 032 000	5 300	0.1			
Serbia and Montenegro	14 911 000	25 300	0.2			
Total, Eastern Europe region	40 102 000	38 200	0.1			
TOTAL, ALL REGIONS¹³	1 037 706 000	3 333 000	0.32			

¹Eritrea: excluding milling, the loss value is US\$58,650 (0.3% of total value handled).

²Uganda: excluding milling, the loss value is US\$34,500 (0.3% of total value handled).

³Eastern and Central Africa region: excluding milling, the loss value is US\$352,300 (0.1% of total value handled).

⁴Angola: excluding milling, the loss value is US\$137,150 (0.4% of total value handled).

⁵Lesotho: excluding milling, the loss value is US\$2,050 (negligible compared with the total value handled).

⁶Malawi: excluding milling, the loss value is US\$2,700 (negligible compared with the total value handled).

⁷Mozambique: excluding milling, the loss value is US\$13,150 (0.1% of total value handled).

⁸Southern Africa region: excluding milling, the loss value is US\$529,050 (0.3% of total value handled).

⁹Tajikistan: excluding milling, the loss value is US\$3,150 (negligible compared with the total value handled).

¹⁰Mediterranean, Middle East and Central Asia region: excluding milling, the loss value is US\$1,146,100 (0.6% of total value handled).

¹¹Bolivia: excluding milling, the loss value is under US\$1,000 (negligible compared with total value handled).

¹²Latin America and the Caribbean region: excluding milling, the loss value is US\$37,700 (0.1% of total value handled).

¹³Total for all regions: excluding milling, the loss value is US\$2,733,000 (0.26% of total value handled).



ACRONYMS USED IN THE DOCUMENT

c.i.f.	Cost, insurance, freight
CMWG	Commodity Management Working Group
COMPAS	Commodity Movement Processing and Analysis System
DFID	United Kingdom Department for International Development
EMOP	Emergency operation
FMPM	Food Market Profile Map
IFS	Integrated food security
NGO	Non-governmental organization
NRI	Natural Resources Institute (United Kingdom)
OT	Transport and Logistics Division
ProcuWeb	WFP's procurement website
PRRO	Protracted relief and recovery operation
VGD	Vulnerable group development

