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**Executive Board  
Annual Session**

**Rome, 12–16 June 2006**

# **ADMINISTRATIVE AND MANAGERIAL MATTERS**

**Agenda item 13**

*For consideration*

**E**

Distribution: GENERAL

**WFP/EB.A/2006/13-A\***

**(English only)**

30 May 2006

ORIGINAL: ENGLISH

## **REPORT ON POST-DELIVERY LOSSES FOR THE PERIOD 1 JANUARY–31 DECEMBER 2005**



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\* Reissued for technical reasons

## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for consideration.**

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

Director, ODM:

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



## EXECUTIVE SUMMARY

This report concerns country-specific and commodity-specific issues and describes the 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 2005.

Annexes I, II and III to this report list commodity losses by reason, commodity and country. Losses equal to or greater than 2 percent of the total net cost, insurance and freight value of commodities handled in any individual country and greater than US\$20,000 in absolute value are included in Annex III and ranked in terms of the amount lost in US\$. The largest losses, both in terms of absolute and proportional net cost, insurance and freight value, receive specific mention in this report; significant but proportionally small losses in countries where large programmes are being implemented are also mentioned.

The estimated total net cost, insurance and freight value of losses during the 2005 reporting period was US\$9.5 million, or 0.53 percent of the cost, insurance and freight value of all commodities handled: 5.07 million mt, at a total estimated cost, insurance and freight value of US\$1.8 billion. Compared with the 2004 reporting period, there was an increase in both absolute and proportional terms of US\$4.9 million or 0.16 percent. This increase may be attributable in part to improved reporting at the country level through greater training and awareness-raising on the issue of post-delivery losses. The fact that the proportional level of losses remained relatively low can be attributed to a number of remedial efforts, which are described in this report. In WFP's Strategic Plan (2004–2007), one of the five operational indicators is losses; this clearly indicates WFP's commitment to reducing losses wherever possible. –

## DRAFT DECISION\*

In considering the Report on Post-Delivery Losses for the Period 1 January - 31 December 2005 (WFP/EB.A/2006/13-A) the Board notes the country-specific and commodity-specific losses suffered and the corrective actions taken by WFP, governments and other partners to minimize post-delivery losses. It encourages the Secretariat to take all necessary measures to ensure that losses are reduced, to seek reimbursement from governments that lost commodities through negligence and to continue to report to the Board annually.

\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations (document WFP/EB.A/2006/16) issued at the end of the session.



## CORRECTIVE ACTIONS TO MINIMIZE FUTURE COMMODITY LOSSES

### Follow-up to External Audit of Post-Delivery Commodity Loss

1. In 2005, the National Accounting Office of the United Kingdom, at the request of WFP's Executive Board, conducted an audit of the arrangements for reporting post-delivery food losses to the Board. The findings of the audit were presented at the Board's first 2006 session in February.
2. The document "Review of the Arrangements for Reporting Post-Delivery Food Losses to the Executive Board: a Report by External Auditor" (WFP/EB.1/2006/6-B/1) provides a number of recommendations on loss reporting, in response to which WFP is taking action.
3. Recommendation 3 asks WFP to report the value and amount of commodities for which reports from cooperating partners have not been received. To do this there is an option in the WFP commodity tracking system to mark a distribution quantity as an estimate for the last three months of the year if the cooperating partner reports have not yet been received. The estimated distribution is based on planned distribution figures and commodities dispatched to cooperating partners. WFP does not estimate losses during this period. In 2005 WFP reported a total of 4,245,359 mt distributed. Of this, 37,537 mt – 0.9 percent – was based on estimates, with an estimated value of US\$10.7 million based on average free on board (FOB) prices.
4. Recommendation 5 asks WFP to estimate the value of "previous losses not previously reported". In 2005, WFP reported total losses sustained in previous reporting periods that were reported for the first time in 2005 as 342.3 mt, with an estimated value of US\$72,975 based on average FOB prices.
5. Recommendation 6 asks WFP to describe the methodology for estimating the value of previous losses not previously reported. For such losses, WFP's corporate reporting system, Data Collection Tool for WFP Reports (DACOTA), captures data by commodity and project and applies the average FOB price. Losses under this category have been minor.
6. Several other recommendations for which WFP is taking action are outlined in the response matrix paper submitted during this session of the Executive Board.

### Improvements in Commodity Procurement to Minimize Losses

7. WFP's Food Procurement Service continued to take measures to minimize commodity losses during 2005. WFP purchased over 2.5 million mt of food, valued at US\$712 million, in 2005, representing 39 percent of all food handled during the year. The commodities originated from 85 countries, of which 75 were developing or in-transition countries. Local and regional purchases assure that food is more acceptable to beneficiaries and requires less transport, handling and storage, which reduces losses.
8. WFP has strict food procurement procedures to control commodity losses: (i) it hires inspection companies to verify the quality, quantity and packaging of food prior to loading, with damaged lots rejected; (ii) performance bond and penalty clauses are enforced in case of a supplier's non-compliance with contractual obligations, providing WFP leverage against suppliers who fail to deliver the right product; (iii) only reliable, experienced suppliers with demonstrated capacity are maintained on WFP's supplier lists; and (iv) purchase contracts based on delivered duty unpaid (DDU) terms reduce losses because



only delivered quantities are charged to WFP and missing or damaged cargo is billed to suppliers. These loss-prevention actions have proven effective in decreasing delivery losses. New procurement staff in country offices and at Headquarters have been trained to ensure that lessons learned from experience are retained in WFP's institutional memory.

9. The Food Procurement Service has recently introduced the Good Manufacturing Practice and the Hazard Analysis Critical Control Point procedures (HACCP) for blended foods and wheat flour suppliers. Under these procedures, consultants visited blended-food processors, flour mills and local inspection agencies. In the past, a product was considered acceptable by WFP if the inspection agency confirmed compliance with product specifications. Under HACCP, the manufacturer is now responsible for delivering a high-quality product. The inspection agency's role is to audit the process control data in the factory and draw random samples for laboratory analysis. Manufacturers will retain the right to dispatch products as they are manufactured, but inspectors may stop production if the process control documentation is inadequate, incorrect or falsified, or if the samples do not meet specifications. Inspection agencies have been advised of these proposed procedures and WFP has already removed several corn-soya blend (CSB) producers from its vendor list until their plant and hygiene practices have been upgraded to meet HACCP requirements.
10. One of the initiatives undertaken by WFP's procurement service is the improvement in oil packaging through the use of sturdier plastic containers that also allow for better stacking. To reduce loss in pulses due to high moisture levels, WFP's procurement service initiated the practice of using containers that help absorb moisture.
11. At the regional level, WFP's regional bureau in Johannesburg undertook a new long-term service agreement for superintendent services to improve the quantitative and qualitative control of commodities. At the regional bureau in Kampala, WFP has initiated the Good Manufacturing Practice concept in milling facilities for maize meal and CSB production, which has led to reductions in losses of these commodities. At the regional bureau in Panama City, additional quality control inspections have been put in place at the load point to ensure suppliers are meeting WFP specifications. Regional purchases there are relatively new, and this measure will ensure that suppliers new to WFP meet the specifications and quality that WFP expects. Improvements are expected as the suppliers do more business with WFP.

### **Ensuring Low Losses during the Indian Ocean Tsunami Response**

12. In spite of the geographical scope of the tsunami disaster and the massive logistical challenges faced throughout the Indian Ocean Tsunami Emergency Operation (EMOP) 10405.0 — which provided more than 200,000 mt of food to 2.6 million beneficiaries in five affected countries — post-delivery losses remained low at 0.6 percent of project total. In Indonesia, where almost all WFP food aid was purchased locally, losses were contained to approximately 0.5 percent of the total cargo delivered. Purchasing locally supported the local economy and allowed WFP more control over management of the supply chain and resulted in shorter delivery times and lower costs. The Government of Indonesia also offered assistance to WFP efforts such as exceptions from the rice import ban and help with unloading and storing in-kind contributions. In the Maldives, logistic assistance was provided by the Government's National Security Service, which delivered food from the warehouses to delivery points; no losses were incurred. Despite some problems with infested commodities in Sri Lanka, post-delivery losses were 0.9 percent. In Somalia, where security incidents often disrupted food delivery to affected areas, losses were limited to 0.1 percent.



## Ongoing Work of the Commodity Management Working Group

13. The Commodity Management Working Group, established by WFP's Transport and Procurement Division (ODT) in 2001, continues to identify causes of commodity losses in order to develop commodity management policies, procedures and guidelines.

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## COMMODITY LOSSES SUSTAINED AFTER DELIVERY TO RECIPIENT GOVERNMENTS IN 2005

### Overview

14. This report covers the period from 1 January to 31 December 2005, during which WFP handled 5.4 million mt of commodities with an estimated cost, insurance and freight (c.i.f.) value of US\$1.8 billion. The net c.i.f. value of losses during the period was US\$9.5 million, or 0.53 percent of the c.i.f. value of all commodities handled.
15. WFP also recovered US\$2.5 million through the sale of commodities no longer fit for human consumption or through recovery actions for losses suffered by private contractors. Salvage sales take place only when commodities are certified unfit for human consumption but have value as animal feed or for industrial purposes. These sales are subject to strict controls to ensure that they cannot be reintroduced for human consumption.

### Losses by Cause

16. Annex I shows that 33 percent of all losses during 2005 (US\$3.1 million) were the result of quantities shortlanded. The second most prominent cause was problems at origin, amounting to US\$1.5 million — 16 percent of all losses for the year. Other major reasons for losses include poor handling, theft, poor packaging and incorrect or excessively long storage.

### Losses by Commodity

17. Annex II shows that the most significant losses in terms of net c.i.f. value were of cereals such as bulgur wheat, maize, maize meal, rice, wheat and wheat flour, followed by pulses and vegetable oil. Losses in these three commodity groups amounted to 80 percent of all those reported. This is not surprising because WFP's global food basket included the same percentages of these commodity types.

### Losses by Responsible Party

18. Approximately 76 percent of all post-delivery commodity losses were incurred while under the direct management of WFP, 4 percent were suffered by government counterparts and 20 percent were incurred by non-government implementing partners. WFP is managing an increasing proportion of the food entrusted to it by donors, especially in large and complex emergency operations. For this reason, WFP suffers a correspondingly higher proportion of all losses. The accurate reporting of commodity movements not under WFP's direct management continues to receive closer attention.



## Losses by Recipient Country

19. As Annex III indicates, there were 16 projects in 14 countries registering net commodity losses equal to or greater than 2 percent of the total value handled, with an absolute net c.i.f. value of US\$20,000. The countries involved are Angola, Chad, Haiti, Liberia, Madagascar, Malawi, Mauritania, Mozambique, Pakistan, Sierra Leone, Sri Lanka, Sudan and Uganda. Eight countries – Afghanistan, Indonesia, Liberia, Madagascar, Pakistan, Sri Lanka and Sudan – incurred post-delivery commodity losses with an absolute net c.i.f. value greater than US\$100,000. They are described in greater detail below.

### ⇒ *Afghanistan*

20. The total post-delivery commodity losses sustained in Afghanistan were 1,509 mt from a total quantity handled of 204,194 mt, 0.72 percent of the total quantity handled, 0.62 percent in value terms. The most significant losses concerned wheat — 1,286.5 mt, or 0.91 percent of the total — and vegetable oil — 125.8 mt, or 0.64 percent of the total. The losses are mainly attributable to mishandling by cooperating partners; WFP suspended cooperation with partners found to be responsible. The Government and WFP agreed to strengthen monitoring capacities to ensure that insecure areas are accessible for food monitors. Joint refresher training courses on commodity management were conducted for warehouse staff of WFP and cooperating partners to enhance their warehouse expertise in standard operational procedures. There are plans to train transporters in minimizing transit losses. Training aims to ensure transparency and accountability in the process and ultimately to minimize post-delivery losses.

### ⇒ *Angola*

21. Angola's losses totalled 461.4 mt, with an estimated net c.i.f. value of US\$ 213,603, of a total of 84,576 mt. The most significant part of the losses is related to long periods of storage along the transport chain and at WFP and cooperating partners' warehouses. This is directly linked to poor logistics infrastructure, particularly during the prolonged rainy season, which obliged WFP to pre-position food well in advance in areas where, according to the Office of the United Nations High Commission for Refugees (UNHCR) estimates, large numbers of external returnees were expected. Significantly fewer returnees arrived than were expected and the pre-positioned CSB could not be distributed in a timely fashion. CSB is often received in large consignments and needs to be stored for a long period, while the shelf life generally recommended under normal storage conditions is between three and six months. To help reduce losses, training is now given to cooperating partner personnel and during field monitoring missions WFP is reinforcing the quality control at cooperating partner warehouses.

### ⇒ *Chad*

22. Chad's losses amounted to 264 mt of 57,439 mt handled. In two cases, losses exceeded 2 percent of the commodity handled for a specific project. There were 31.3 mt of vegetable oil, with an estimated net c.i.f. value of US\$32,374, lost during reconditioning. The major reason for the loss was that some plastic containers were too weak and not suitable for storage in Chad's climatic conditions. WFP is exploring options for more suitable packaging and will choose suppliers who provide better containers. There were also important post-delivery commodity losses of high energy biscuits: 14.1 mt, for an estimated net c.i.f. value of US\$35,315. The biscuits were intended for arriving refugees but not all were distributed before they expired. To strengthen warehouse management the country office has recruited a large number of warehouse staff and invested heavily in



warehouse management training during 2005. Systems have been put in place to alert warehouse personnel and management about shelf-life, commodity conditions and expiring commodities.

⇒ *Haiti*

23. In Haiti, WFP sustained a loss of 140 mt on a consignment of 547 mt of beans with an estimated net c.i.f. value of US\$63,251, in a total of 12,141 mt of commodities handled. The loss was attributable to insecurity in Port-au-Prince, which worsened dramatically from September 2004 and entailed recurrent operational breakdowns in the industrial area where port, container terminals and WFP warehouses are located. From October to December 2004, an influx of containers previously stranded in Freeport, Bahamas, put excessive stress on the container terminals. Containers became inaccessible, which entailed massive sweat damage to the commodities. To address this, WFP called upon the United Nations Stabilization Mission in Haiti forces to secure the industrial area, and developed a better tracking system with the shipping community.

⇒ *Indonesia*

24. Indonesia's losses totalled 519 mt valued at US\$289,783 from a total quantity of 127,595 mt handled — 0.40 percent. The most significant losses were related to rice and to canned fish in tins which exploded due to prolonged exposure to heat. Some of the fish tins were also damaged during trans-shipment, in particular using landing craft. WFP provided training to staff and cooperating partners on warehouse procedures and charged the value of the lost commodity to the responsible cooperating partners.

⇒ *Liberia*

25. Losses in Liberia totalled 1,940 mt — 2.8 percent of the 63,035 mt of food handled — with an estimated net c.i.f. value of US\$784,012, mainly because of theft and transit losses. To address the problem, country office took actions including strengthening control and monitoring, reviewing the fleet/workshop and dispatch system, reviewing the performance of cooperating partners, training WFP and cooperating partner staff in warehouse and commodity management and reporting, reinforcing security mechanisms to avoid theft or diversion of commodities and suspending staff members linked to food diversion, pending investigation. In cases where commercial transporters are held responsible for losses, the value of losses is deducted from invoices during payment.

⇒ *Madagascar*

26. Madagascar's losses totalled 534 mt of a total 20,870 mt; the estimated net c.i.f. value was US\$353,737. The most significant losses involved rice and beans. Losses were mostly a result of diversions by a subcontracted transporter, an error on vessel reception report made by the surveyor, poor quality of commodities upon arrival and thefts at cooperating partners' warehouses. Other minor losses occurred in WFP warehouses, mainly during handling operations. To address such losses, WFP has reviewed the shortlist of selected transporters and introduced a tracking system with partners to verify reception of transported commodities. The Malagasy Ministry of Foreign Affairs has been requested to initiate a formal claim against the transporter responsible for the food diversion. WFP has also strengthened its supervision during receipt of commodities and has appointed a new surveyor. The monetary values of the losses where cooperating partners are deemed responsible have been deducted from the overall payments to the concerned partners. The





country office has also increased the number of monitoring visits to the warehouses of partners and has conducted training for WFP storekeepers.

⇒ *Malawi*

27. Malawi sustained losses totalling 380 mt in a total quantity handled of 140,529 mt; the estimated net c.i.f. value was US\$156,498. The most significant losses were in maize meal — 123 mt, valued at US\$53,762 — and corn-soya blend — 69 mt, valued at US\$29,034. The main reason for maize meal loss is faulty production: the commodity was reportedly bitter and was rejected by the communities. To mitigate the loss, WFP collected the damaged maize meal and conducted a salvage sale from which US\$2,871 were recovered. Of the lost corn-soya blend, 58 mt were returned from Maternal and Child Health centres after long storage in inadequate stores and was destroyed because it was not fit for human or animal consumption. Corrective measures have been taken to avoid loss due to long storage.

⇒ *Mauritania*

28. Mauritania's losses totalled 334 mt in a total quantity handled of 50,681 mt; the estimated net c.i.f. value was US\$146,057. The most significant losses concerned corn-soya and wheat-soya blends and are attributable to inadequate food commodity supply planning and poor storage of these fragile commodities in government-managed warehouses. The situation greatly improved in the second half of 2005 due in part to the establishment of a food pipeline committee to adjust donor contributions to real needs. In addition, the use of the Commodity Movement Processing and Analysis System (COMPAS) with dedicated staff enabled better commodity tracking. This included quarterly physical inventories and daily reconciliation of warehouse data with COMPAS data in order to minimize the difference between physical and COMPAS stocks. WFP also undertook periodic quality analysis of stored food commodities and storage infrastructure and promoted greater involvement of government storekeepers through the provision of incentives. Commodity and warehouse management training sessions are planned in the first semester of 2006 for storekeepers from WFP, the government and cooperating partners.

⇒ *Mozambique*

29. In Mozambique, losses totalled 873 mt of a total of 103,560 mt handled; the estimated c.i.f. value was US\$299,480. The most significant losses relate to consignments of beans assigned to protracted relief and recovery operation (PRRO) 10310.0 and maize and vegetable oil assigned to country programme (CP) 10097.0. Spoilage was a result of extensive infestation to maize, climate conditions, poor-quality of packing material and long periods of storage. To address this, the country office has strengthened its commodity handling practices and inspection routines and, in late 2005, initiated efforts to consolidate transport and storage arrangements, including timeliness of reporting. Workshops on food management and secondary logistics supply chain were held for over 60 cooperating partners working in the three southern provinces.

⇒ *Pakistan*

30. In Pakistan, WFP reported losses of 486 mt, valued at US\$650,973, of a total of 40,787 mt, 2.62 percent of all commodities handled. The most significant losses were of vegetable oil and wheat-soya milk. To help mitigate such losses in the future, external and in-house experts conducted refresher training courses for warehouse staff on fumigation



and pest control, and commodity care and management. WFP's logistics unit conducted one-day commodity management training for the government counterpart from the regions of Azad Jammu and Kashmir, focusing mainly on storage and handling of vegetable oil.

⇒ *Sierra Leone*

31. In Sierra Leone, losses were 302 mt, valued at US\$174,166, of a total of 25,456 mt of commodities handled. The most significant losses were in maize meal and beans. The maize meal loss is attributable to weevil infestation. Fumigation and reconditioning salvaged most of the shipment, but 124 mt were lost; the spoilt meal was sold for animal feed by competitive tender for US\$13,610. The losses in beans were primarily due to infestation and aflatoxin contamination. The shipment was fumigated and reconditioned, which salvaged the majority of the cargo. Aflatoxin was found in 36.5 mt and could not be salvaged; the spoilt beans were sold for animal feed by competitive tender for US\$3,692. Corrective and preventative action taken by the regional procurement officer in Dakar included a review of the transport logistics used for regional purchases in West Africa. Long transit times, particularly for deliveries involving both sea and rail, are now being avoided, above all for sensitive commodities such as pulses and maize meal. This has reduced the options available for Sierra Leone in terms of countries of origin for regional purchases. WFP is conducting a technical review of milling facilities available in the region to look for ways of improving the quality of milled products.

⇒ *Sri Lanka*

32. WFP's Sri Lanka losses totalled 1,140 mt from a total quantity handled of 119,089 mt, or 1.15 percent; the estimated net c.i.f. value was US\$442,520. The most significant warehouse losses involved canned fish, resulting from a defect in the opening devices, and CSB, which contained vitamins above the limit accepted for human consumption. Both losses were identified only after the Government had received the commodities and they had remained in storage. The supplier of the canned fish paid for the destruction of damaged tins and replaced stocks with 136 mt of canned fish accounted as lost. WFP sold 177.86 mt of over-fortified CSB for animal feed.

⇒ *Sudan*

33. In Sudan, WFP reported a loss of 10,630 of mixed commodities under five projects out of 802,752 mt of commodities handled, 1.4 percent of the total. High cereal losses were due in great part to insecurity in Darfur areas, including frequent looting of trucks, attacks on convoys and other banditry, and transporters transporting extra drums of fuel (due to long distances covered), which contaminated some of the food. There were also significant losses due to the collapse of a permanent warehouse in Port Sudan and extreme weather conditions that ripped open numerous portable storage units in Geneina, exposing all cargo to heavy rains. All 40 portable storage units in Geneina have been repositioned and placed on permanent foundations, and trucks are no longer permitted to transport fuel drums alongside food. The high loss of oil is mostly attributed to problems with the supplier's packaging material, which led to in-transit losses aggravated by poor road conditions, and to subsequent repackaging and reconstitution at the warehouses. At the time of reporting, the country office had recovered US\$1,731,591 from the parties concerned, mainly WFP-contracted transporters; deductions are still being made from invoices submitted for 2005. The small amount of CSB lost is a result of re-mixing of over-fortified CSB at three locations, which salvaged an otherwise unusable commodity; the value of CSB is high, however.



⇒ *Uganda*

34. Uganda sustained losses totalling 241.8 mt — 0.14 percent — with an estimated net c.i.f. value of US\$128,385, of a total quantity handled of 264,566 mt. There was a significant loss of maize meal — 5.28 percent — which is primarily attributable to theft by the staff member of a cooperating partner. The cooperating partner subsequently reimbursed WFP in cash for the entire amount of food lost and dismissed its staff member. Post-delivery losses due to food mismanagement are generally avoided by monitoring activities and distributions at field level and by verifying cooperating partners' distribution reports to see if the information is consistent. In 2006, field monitors will be trained to identify food mismanagement.

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**LOSSES SUSTAINED DURING PREVIOUS REPORTING PERIODS BUT  
REPORTED FOR THE FIRST TIME DURING 2005**

35. In 2005, 12 commodity losses from previous reporting periods were reported for the first time. The total quantity lost was 89 mt in Bhutan, Kenya and Mozambique, with small losses for each. Losses concerned mainly pulses and resulted from poor handling.

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

36. In 2004, losses under investigation by WFP were reported in Bangladesh, Cambodia, Côte d'Ivoire, Eritrea, India, Myanmar, Nepal, Sierra Leone, Yemen and Zimbabwe.

⇒ *Cambodia, Madagascar and Mauritania*

37. Upon review, there were no extra losses for Cambodia, Madagascar and Mauritania in 2004.

⇒ *Ghana*

38. Ghana confirmed the loss of 9 mt of rice. The loss incurred as a result of some bags being exposed to rain and becoming caked or mouldy.

⇒ *India*

39. India confirmed a loss of 17 mt of Indiamix during transport. WFP recovered the full amount in-kind.

⇒ *Kenya*

40. Kenya confirmed losses of 68 mt, the largest of which was 53 mt of CSB lost due to improper storage in cooperating partners' warehouses.

⇒ *Lao People's Democratic Republic*

41. Lao People's Democratic Republic confirmed the loss of 6 mt of rice attributable to poor handling.



⇒ *Mozambique*

42. Mozambique confirmed the loss of 49 mt of commodities; the largest was 19 mt of sorghum lost due to infestation and long storage at cooperating partners' warehouses. Approximately half of the value of the loss was recovered from cooperating partners.

⇒ *Niger*

43. Niger confirmed the loss of 24 mt of commodities; the largest was 20 mt of sorghum.

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

44. WFP is currently verifying commodity losses in Bangladesh, Kenya, Lao People's Democratic Republic, Liberia, Niger, Pakistan, Tajikistan, Tanzania, Zambia and Zimbabwe. Updated accounts of these losses will be provided in future reports.

## ANNEX I

<b>POST-DELIVERY LOSSES OF COMMODITIES, BY MAJOR REASON FOR LOSS (1 JANUARY–31 DECEMBER 2005)</b>		
<b>Reason for loss</b>	<b>Estimated net c.i.f. value of commodity lost (US\$ million)</b>	<b>Share of total loss (%)</b>
<b>Losses mainly attributable to problems at origin</b>		
Deterioration of food commodities	0.290	3.0
Deterioration of packaging materials	0.650	6.8
Other	1.491	15.7
<b>Subtotal</b>	<b>2.431</b>	<b>25.5</b>
<b>Losses mainly attributable to problems in recipient country</b>		
Shortlanded quantities	3.138	33.0
Poor handling	0.616	6.5
Civil strife	0.005	0.1
Processing of commodity	0.026	0.3
Other	1.305	13.5
Theft/pilferage/unauthorized distribution	0.755	8.0
Improper or excessively long storage	0.520	5.5
Natural disasters and fires	0.353	3.7
Reconditioning/bagging	0.235	2.5
Infestation	0.132	1.4
<b>Subtotal</b>	<b>7.085</b>	<b>74.5</b>
<b>Total</b>	<b>9.516</b>	<b>100.0</b>

## ANNEX II

<b>POST-DELIVERY LOSSES OF COMMODITIES, BY COMMODITY (1 JANUARY–31 DECEMBER 2005)</b>			
<b>Commodity</b>	<b>Estimated net c.i.f. value of quantity handled (US\$ million)</b>	<b>Estimated net c.i.f. value of quantity lost (US\$ million)</b>	<b>Loss as % of net c.i.f. value of quantity handled</b>
<b>Cereals</b>			
Maize meal	87.022	0.354	0.41
Bulgur wheat	28.340	0.432	1.52
Maize	209.969	0.312	0.15
Rice	165.995	0.572	0.34
Wheat	320.961	1.420	0.44
Wheat flour	75.437	0.167	0.22
Sorghum	95.786	0.708	0.74
Other cereals	8.458	0.014	0.17
<b>Oil and fats</b>			
Vegetable oil	283.404	2.217	0.78
Other fat	2.614	0.001	0.04
<b>Dairy products</b>			
Dried whole milk	0.332	0.000	0.00
Enriched dried skim milk	4.561	0.004	0.09
Other dairy	12.055	0.008	0.07
<b>Pulses</b>			
Peas	36.962	0.078	0.21
Beans	89.867	0.688	0.77
Lentils	31.468	0.153	0.49
Other pulses	61.307	0.530	0.86
<b>Other</b>			
Wheat-soya milk	1.834	0.309	16.85
Corn- and wheat-soya blend	149.189	0.940	0.63
Sugar	25.116	0.144	0.57
Canned fish and canned meat	39.135	0.330	0.84
Salt	3.184	0.019	0.59
Biscuits	37.877	0.082	0.22
Faffa, Likuna Phala and Indiamix	15.169	0.005	0.03
Miscellaneous	25.43	0.029	0.11
<b>All commodities</b>	<b>1 811.472</b>	<b>9.516</b>	<b>0.53</b>



**ANNEX III: POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY  
(1 JANUARY–31 DECEMBER 2005)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$ million)	Estimated net c.i.f. value of commodity loss (US\$ million)	Loss as percent of total value handled	Losses of commodities equal to or greater than 2 percent of value of quantity handled in individual projects (only losses over US\$20 000)		
				Commodity	Percent	Value (US\$)
<b>Eastern and Central Africa region</b>						
Burundi	33.500	0.083	0.25			
Democratic Republic of the Congo	44.993	0.180	0.40			
Congo (Republic of)	4.590	0.019	0.41			
Djibouti	5.083	0.007	0.13			
Eritrea	51.264	0.059	0.12			
Ethiopia	186.932	0.081	0.04			
Kenya	78.573	0.179	0.23			
Rwanda	17.022	0.004	0.02			
Somalia	14.795	0.031	0.21			
Tanzania	34.932	0.095	0.27			
Uganda	92.730	0.128	0.14	Maize meal	5.28	20 628
<b>Total: Eastern and Central Africa region</b>	<b>564.414</b>	<b>0.866</b>	<b>0.15</b>			
Sudan	258.389	3.590	1.39	Vegetable oil	4.40	1 055 327
				Sorghum	2.36	523 020
				Split peas	3.06	89 577
<b>Southern Africa region</b>						
Angola	31.955	0.213	0.67	Corn-soya blend	2.00	47 108
Lesotho	15.892	0.011	0.07			
Madagascar	7.525	0.354	4.70	Rice	2.90	94 947
				Beans	37.05	204 997
Malawi	39.181	0.299	0.76	Maize meal	3.20	53 762



**ANNEX III: POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY  
(1 JANUARY–31 DECEMBER 2005)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$ million)	Estimated net c.i.f. value of commodity loss (US\$ million)	Loss as percent of total value handled	Losses of commodities equal to or greater than 2 percent of value of quantity handled in individual projects (only losses over US\$20 000)		
				Commodity	Percent	Value (US\$)
				Corn-soya blend	2.59	29 036
Mozambique	37.296	0.156	0.42	Maize	2.11	56.456
				Vegetable oil	2.02	44 836
				Beans	6.06	64 868
Namibia	1.405	0.031	2.20			
Swaziland	5.176	0.004	0.07			
Zambia	26.901	0.053	0.20			
Zimbabwe	35.392	0.097	0.27			
<b>Total: Southern Africa region</b>	<b>200.723</b>	<b>1.218</b>	<b>0.61</b>			
<b>West Africa region</b>						
Benin	3.582	0.006	0.16			
Burkina Faso	8.622	0.023	0.27			
Cameroon	2.541	0.007	0.27			
Cape Verde	2.245	0.018	0.79			
Central African Republic, the	4.061	0.018	0.44			
Chad	32.545	0.203	0.62	High-energy biscuits	87.20	35 314
				Vegetable oil	2.00	32 374
Côte d'Ivoire	16.464	0.036	0.22			
Gambia	2.102	Less than US\$1 000	0.01			
Ghana	4.593	0.016	0.34			
Guinea	9.015	0.015	0.17			
Guinea-Bissau	3.179	0.001	0.03			





**ANNEX III: POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY  
(1 JANUARY–31 DECEMBER 2005)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$ million)	Estimated net c.i.f. value of commodity loss (US\$ million)	Loss as percent of total value handled	Losses of commodities equal to or greater than 2 percent of value of quantity handled in individual projects (only losses over US\$20 000)		
				Commodity	Percent	Value (US\$)
Liberia	27.957	0.784	2.80	Rice	6.98	35 145
				Bulgur wheat	2.18	387 921
				Corn-soya blend	2.56	65 610
				Vegetable oil	2.00	69 426
				Beans	6.29	54 519
				Yellow split peas	9.30	162 482
Mali	15.714	0.02	0.02			
Mauritania	16.440	0.146	0.89	Corn-soya blend	10.66	82 245
				Wheat-soya blend	31.94	29 447
Niger	38.349	0.057	0.15			
São Tomé and Príncipe	0.935	0.001	0.15			
Senegal	7.633	0.004	0.05			
Sierra Leone	11.545	0.174	1.51	Maize meal	47.13	57 789
				Beans	25.15	59 906
Togo	0.113	Less than US\$1 000	0.52			
<b>Total: West Africa region</b>	<b>207.635</b>	<b>1.53</b>	<b>0.73</b>			
<b>Asia region</b>						
Bangladesh	42.042	0.004	0.01			
Bhutan	4.511	0.035	0.77			
Cambodia	11.752	0.001	0.01			
China	7.446	0.003	0.04			
India	14.924	0.006	0.04			

**ANNEX III: POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY  
(1 JANUARY–31 DECEMBER 2005)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$ million)	Estimated net c.i.f. value of commodity loss (US\$ million)	Loss as percent of total value handled	Losses of commodities equal to or greater than 2 percent of value of quantity handled in individual projects (only losses over US\$20 000)		
				Commodity	Percent	Value (US\$)
Indonesia	56.223	0.290	0.52			
Lao People's Democratic Republic	3.708	0.039	1.04			
Myanmar	4.710	0.005	0.11			
Nepal	15.554	0.041	0.27			
Sri Lanka	38.445	0.442	1.15	Canned fish	13.84	171 805
				Corn-soya blend	6.67	100 261
Timor-Leste	0.849	0.004	0.46			
<b>Total: Asia region</b>	<b>285.187</b>	<b>0.870</b>	<b>0.31</b>			
<b>Middle East, Central Asia and Eastern Europe</b>						
Afghanistan	84.614	0.521	0.62			
Albania	1.602	0.002	0.14			
Algeria	10.581	0.022	0.20			
Armenia	2.909	Below US\$1 000	0.01			
Azerbaijan	4.798	0.001	0.03			
Egypt	4.471	Below US\$1 000	0.01			
Georgia	4.587	0.009	0.19			
Iran	2.522	0.002	0.07			
Iraq	17.130	0.008	0.04			
Jordan	2.098	Below US\$1 000	0.00			
Occupied Palestinian Territory	24.584	0.008	0.03			
Pakistan	24.866	0.651	2.62	Vegetable oil	4.67	335 350
				Wheat-soya milk	23.78	309 100



**ANNEX III: POST-DELIVERY LOSSES OF COMMODITIES, BY REGION AND RECIPIENT COUNTRY  
(1 JANUARY–31 DECEMBER 2005)**

Recipient country	Estimated c.i.f. value of total commodity handled (US\$ million)	Estimated net c.i.f. value of commodity loss (US\$ million)	Loss as percent of total value handled	Losses of commodities equal to or greater than 2 percent of value of quantity handled in individual projects (only losses over US\$20 000)		
				Commodity	Percent	Value (US\$)
Russian Federation	7.724	0.005	0.07			
Syria	4.859	0.002	0.05			
Tajikistan	15.546	0.008	0.05			
Yemen	8.596	0.017	0.20			
<b>Total: Middle East, Central Asia and Eastern Europe</b>	<b>221.487</b>	<b>1.257</b>	<b>0.57</b>			
<b>Latin America and Caribbean region</b>						
Bolivia	3.878	0.003	0.07			
Colombia	7.067	0.046	0.65			
Cuba	7.910	0.009	0.11			
Dominican Republic	0.090	Less than US\$1 000	0.42			
Ecuador <sup>1</sup>	0.148	Less than US\$1 000	0.00			
El Salvador	4.494	Less than US\$1 000	0.02			
Guatemala	8.819	0.004	0.05			
Haiti	20.417	0.134	0.66	Beans	18.48	63 250
Honduras	7.299	0.001	0.02			
Nicaragua	9.437	0.003	0.03			
Peru	4.650	0.001	0.03			
<b>Total: Latin America and Caribbean region</b>	<b>73.636</b>	<b>0.203</b>	<b>0.28</b>			
<b>TOTAL: ALL REGIONS<sup>2</sup></b>	<b>1 811.472</b>	<b>9.516</b>	<b>0.53</b>			

<sup>1</sup> Ecuador currently implements only bilateral operations, which are not covered by this report.

<sup>2</sup> Total includes quantities handled in all countries, including those reporting zero post-delivery losses, which are not specifically listed in the table.



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## ACRONYMS USED IN THE DOCUMENT

c.i.f.	cost, insurance and freight
COMPAS	Commodity Movement Processing and Analysis System
CP	country programme
CSB	corn-soya blend
DACOTA	Data Collection Tool for WFP Reports
DDU	delivered duty unpaid
EMOP	emergency operation
FOB	free on board
HACCP	Hazard Analysis Critical Control Point
ODM	Programming Management Division
ODT	Transport and Procurement Division
PRRO	protracted relief and recovery operation
UNHCR	Office of the United Nations High Commission for Refugees