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**Executive Board  
Annual Session**

**Rome, 21 - 24 May 2001**

# **ADMINISTRATIVE AND MANAGERIAL MATTERS**

***For consideration***

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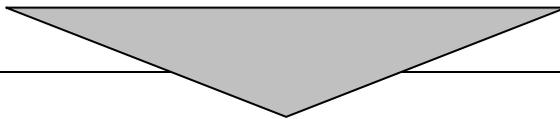
24 April 2001

ORIGINAL: ENGLISH

## **REPORT ON POST-DELIVERY COMMODITY LOSSES FOR THE PERIOD 1 OCTOBER 1999– 31 DECEMBER 2000**

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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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Director, Operations (ODD):

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



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## INTRODUCTION

1. The present report deals with country- and commodity-specific issues and describes the corrective measures taken by WFP to keep post-delivery losses to a minimum. It follows the same format as that of previous years, except that the reporting period has been extended by three months, i.e. through end-December 2000. It has been decided that all future reports on post-delivery commodity losses will follow the calendar year, as is the case with other major WFP reports such as the Executive Director's Annual Report, the Budgetary Performance Report, the Strategic and Financial Plan and donor Standard Project Reports.
2. For the purpose of this report, losses occurring after delivery to recipient governments or during internal transport arranged by WFP country offices and paid out of landside transport, storage and handling (LTSH) funds are defined as "post-delivery losses". Such losses are not covered by WFP's insurance fund and associated insurance, and they generally correspond with the passage of title from WFP to a recipient. On the other hand, losses that occur during ocean and overland transport (not covered by this report) are defined as "pre-delivery losses".
3. The three annexes to the report break down the 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 also 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 receive specific mention in this report. In this way, significant but proportionally small losses in countries where large programmes are under implementation are also captured.

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## CORRECTIVE ACTION TAKEN TO MINIMIZE POST-DELIVERY COMMODITY LOSSES

4. For the second consecutive year, in 1999/2000, the Programme secured a marked reduction in post-delivery commodity losses in both proportional and absolute terms compared with the previous reporting period, despite having handled a much larger volume of commodities than in 1998/1999. This improved performance may be attributed to a number of initiatives taken by WFP to address the problem of post-delivery losses, as described below.
5. As recommended by the Executive Board during its Annual Session in 2000, the Executive Director addressed letters to the governments of all countries that had incurred losses greater than or equal to 2 percent of total commodities handled by individual projects during the reporting period. The governments involved were requested to make every effort to minimize such incidents and, to the extent possible, make good any losses.



6. Countries where significant or repeated losses had been incurred over the last four or more consecutive years were particularly singled out for attention. The approval of activities in such countries, namely, Cape Verde, Chad, Guinea Bissau, Haiti, Liberia, Madagascar, Mauritania and Mozambique, was closely reviewed and subject to proof of action taken to address the causes of loss. It is gratifying to note here that post-delivery losses in all the above countries have considerably decreased, in both proportional and absolute terms, as the respective governments took the necessary measures to minimize such losses.
7. Governments of countries that incurred significant, one-off post-delivery losses during the previous (1998/1999) reporting period took remedial action both to minimize such incidents and to make good the losses. For example, the Government of Guatemala reimbursed the full value of its losses to WFP, while that of Burkina Faso took action to remedy its in-country loss situation.
8. When WFP was shortlisting its proposals for the School Feeding Initiative (SFI) in late 2000, the only countries that qualified for such funding were those with low loss rates. Other countries, especially those with large-scale and repeated losses, were urged to take the necessary corrective measures so as to become eligible for future funding under the initiative.
9. The Programme's oversight mechanisms, particularly the Office of Internal Audit and the Office of the Inspector-General, play an important role in preventing or troubleshooting potentially serious cases of loss and in reporting, *post facto*, on cases of fraud and mismanagement. In all such cases, the Programme takes appropriate action both to address the problems involved and to avoid similar incidents in the future.
10. In 2000, a quality control officer position was created within the Transport Division, the incumbent of which is responsible for setting up mechanisms for improving overall commodity management. During the course of the year, a workshop on quality control issues was held in Brindisi, Italy (site of the United Nations Humanitarian Response Depot managed by WFP), for WFP regional storage focal points.
11. With funding from the Canadian Impact Grant, the Programme has developed a standard warehouse training programme designed for the staff of WFP, implementing partners and government counterparts. Pilot training has taken already place in Afghanistan, Cameroon, Macedonia, Nicaragua, the Sahel region and Yemen, and another training course is to be held in Uganda shortly. Further funding would make it possible for more countries to benefit from such training.
12. WFP has stepped up implementation of its computerized commodity tracking system, COMPAS, which is expected to be fully operational in more than 60 countries by end 2001. COMPAS is a management information system that helps WFP and its counterparts track all commodity movements from their arrival in-country to the final delivery point (FDP). By means of this system, information on food commodity movements and stock positions can be shared at the sub-office, country office, regional office, regional bureau and Headquarters levels within WFP, 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 such complex operations.
13. Every effort has been made to improve and, to the extent possible, streamline WFP's commodity pipeline management system. The purpose here is to avoid situations of



over-supply that lead to underutilization and deterioration due to prolonged storage. Commodity pipeline officers routinely assigned to major national and regional relief operations are entrusted with coordinating activities with their regional bureau counterparts and with other main actors, both upstream of the pipeline (Resources Division, Resource Programming Service, Transport Division and Procurement/Contracts Branch) and downstream (at the extended delivery point [EDP] and beneficiary level). Such coordination also helps to ensure timely delivery of well-balanced food baskets to the beneficiaries.

14. The Programme has opened a number of new sub-offices, thereby increasing its presence at the country level. Such sub-offices are usually located at major EDPs and are staffed by at least one internationally recruited officer or a United Nations Volunteer (UNV) food aid monitor. These officers reinforce WFP's project monitoring capacity and thereby help to minimize food losses and ensure that the food commodities reach the intended beneficiaries.
15. WFP continues to provide commodity storage and management training for its own staff and that of governments and non-governmental organization (NGO) implementing partners. Moreover, it is currently engaged in updating the Food Storage Manual for distribution to its warehouse keepers throughout the world.

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

### Overview

16. This report covers commodities provided worldwide through the Programme's 244 development projects, protracted relief and recovery operations (PRROs) and emergency interventions for the period 1 October 1999–31 December 2000. During that period, WFP handled 4.395 million metric tons of commodities, for a total c.i.f. value of US\$2.04 billion. The total net c.i.f. value of losses during the period under review amounted to US\$5.82 million, or 0.29 percent of the c.i.f. value of all commodities handled. In absolute terms, this represents a substantial decrease (US\$6.88 million) over the previous reporting period, despite the fact that the volume of commodities handled by the Programme in 1999/2000 was higher than in 1998/1999. In proportional terms, it represents a small (0.34 percent) but perceptible improvement. This is the second consecutive reporting period during which the Programme has reduced its post-delivery commodity losses in proportional terms.
17. The Programme recovered US\$188,000 through the sale of commodities no longer fit for human consumption, or through recovery action against private transport or warehouse contractors. 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.

### 📁 **Losses by Cause**

18. Annex I shows that 8 percent of all losses (amounting to US\$0.45 million) occurred as a result of problems at origin, while 92 percent (amounting to US\$5.37 million) were attributable to problems in the recipient countries. The main causes of loss in recipient



countries were poor commodity handling during transit, theft and pilferage, prolonged storage and infestation.

### ➤ **Losses by Commodity**

19. Annex II shows that the most significant losses in terms of net c.i.f. value were experienced with cereals (wheat, maize and rice), followed by pulses and vegetable oil. Losses in these three commodity groups amounted to US\$4.09 million in net c.i.f. value terms, or 70 percent of all losses reported. This is hardly surprising, however, as 76 percent of WFP's global food basket also included these commodity types.

### ➤ **Losses by Recipient Country**

20. As shown in Annex III, in 13 countries there were 21 cases of individual projects registering net commodity losses equal to or greater than 2 percent of the total value handled (involving only losses with an absolute net c.i.f. value of more than US\$20,000). These losses were net of salvage sale proceeds or other recoveries.
21. Sixteen countries incurred post-delivery commodity losses, either with a c.i.f. value of more than US\$100,000, and/or equal to or greater than 2 percent of the total value handled in-country—Angola, Bangladesh, Congo (Republic of), Dominican Republic, Eritrea, Ethiopia, India, Indonesia, Kenya, Niger, Pakistan, Sierra Leone, Sudan, Tanzania, Yemen and Yugoslavia. These cases are described in greater detail below, in decreasing order of absolute net c.i.f. value loss terms.

#### Bangladesh

22. Bangladesh sustained post-delivery losses totalling 5,138 metric tons, for a net c.i.f. value of US\$972,051, from a total quantity handled of 351,191 metric tons. Compared with the value of total commodities handled in the country, in proportional terms this was still below the 2-percent ceiling (1.2 percent). The most significant losses were experienced with wheat, owing mainly to wastage during lightering of bulk commodities from large shipments on chartered vessels. WFP recently assigned a temporary port captain to work with the Government of Bangladesh in improving commodity discharge operations and related procedures.



## Kenya

23. Kenya sustained post-delivery losses totalling 1,102 metric tons, for a net c.i.f. value of US\$486,871. Compared with the value of total commodities handled in the country, in proportional terms this was well below the 2-percent ceiling (0.2 percent). The most significant losses involved maize and vegetable oil, owing mainly to theft and damage during transit between the extended and final delivery points. Here, the value of the loss was recovered through deductions from payments due to the transporters. The other main cause of loss was the poor condition of the maize when it arrived in the country. It therefore required reconditioning, during which losses occurred. While every effort was made to salvage as much as possible of the consignment, a 418-metric-ton shortfall was registered. In order to reduce such losses in future, WFP has arranged for more thorough post-delivery inspections upon arrival.

## Angola

24. Angola sustained post-delivery commodity losses totalling 964 metric tons, for a net c.i.f. value of US\$444,794. However, in proportional terms, this loss was small (0.3 percent) compared with the value of total commodities handled during the reporting period. The most significant losses concerned maize and beans, mainly as a result of deterioration due to prolonged storage in humid weather, reconditioning of original packaging and ambushes of WFP food convoys during periods of civil strife. While current milling losses are well within expected limits, the WFP country office will continue to liaise closely with commercial millers and to monitor losses to ensure they remain within acceptable limits. Storage periods in primary warehouses will also be kept to a minimum. More than 60 percent of Angola's inland food deliveries are transported by air, which means that consignments are handled at least six times. Appropriate measures have been taken to ensure prompt reconditioning of any damaged packaging, and the Angola country office will continue to use secure terrestrial corridors to avoid exposure to attacks and ambushes.

## Indonesia

25. Indonesia sustained post-delivery losses of 1,020 metric tons, for a net c.i.f. value of US\$426,158. Compared with the total net c.i.f. value of commodities handled in the country, the losses amounted to only 0.4 percent, well below the 2-percent ceiling. The most significant losses concerned rice, mainly as a result of moisture, pilferage during delivery and loss of moisture content during storage. The reason for such small losses in proportional terms is to be found in the Government's acceptance of all liability up to district warehouse level. There are well over 1,200 food distribution points in Java island alone, which is a clear demonstration of how effective WFP and the Government have been in handling the complex commodity logistics involved and in achieving and maintaining such low loss rates.

## Yugoslavia

26. Yugoslavia sustained post-delivery losses totalling 498 metric tons, for a net c.i.f. value of US\$413,945. Compared with the value of total commodities handled in the country, in proportional terms this is significantly below the 2-percent ceiling (0.3 percent). The most significant losses were experienced with wheat flour, mainly during the reconditioning of wet and torn packaging after prolonged and unsuitable storage and while the goods were in transit. Every attempt was made to recondition damaged commodities. WFP has taken the following corrective action to minimize such losses in the future: (i) staff of all implementing partners



have been trained in commodity management techniques; (ii) the capacity of implementing partners has been carefully assessed, and appropriate levels of responsibility for commodity management have been delegated to them; (iii) damaged commodities have been reconditioned to increase the quantities salvaged; and (iv) transporters are being held responsible for food commodity losses, with the value of such losses during transit being deducted from payments due to them.

#### Yemen

27. Post-delivery losses of 319 metric tons were sustained in Yemen, for a net c.i.f. value of US\$286,630. Compared with the value of total commodities handled in the country, in proportional terms this exceeded the 2- percent ceiling (6.1 percent). The most significant losses concerned wheat, mainly during milling and reconditioning and as a result of infestation due to prolonged storage in hot weather. Some warehouses were forced to handle large quantities of wheat, which led to congestion and prolonged storage and spoilage. A considerable quantity of wheat was lost also as a result of unauthorized distribution to non-targeted beneficiaries. WFP has taken the following remedial action: (i) due to mismanagement and unauthorized releases of food commodities, the school feeding project was suspended during the period April–October 2000 and new logistics modalities were introduced to track food releases more closely from the warehouses; (ii) WFP staff were assigned to all storage facilities to ensure adherence to proper commodity management procedures; (iii) WFP is playing a leading role in all food transportation so as to avoid diversions and ensure that the food commodities reach the intended beneficiaries; (iv) central warehouses have been relocated to Sana'a to facilitate improved monitoring and management; (v) commodity storage and management training has been provided for all WFP and government staff engaged in handling food aid from the Programme; and (vi) the COMPAS commodity tracking system has been installed at the country office.

#### Tanzania

28. Tanzania sustained post-delivery losses totalling 636 metric tons, for a net c.i.f. value of US\$259,465. Compared with the value of total commodities handled in the country, in proportional terms this was well below the 2-percent ceiling (0.4 percent). The most significant losses concerned maize and pulses, mainly as a result of damaged packaging and its reconditioning, as well as theft during storage and transportation. In an effort to reduce such losses, WFP continues to train its warehouse staff in commodity storage and management techniques.

#### India

29. India sustained post-delivery losses totalling 677 metric tons, for a net c.i.f. value of US\$197,227. In proportional terms, compared with the value of total commodities handled in the country, this was below the 2 percent ceiling (0.5 percent). The most significant losses concerned wheat and peas in the States of Gujarat and Bihar, respectively, mainly as a result of poor commodity handling, inadequate and prolonged storage at the project site, and inadequate warehouse storage practices. To remedy the situation, WFP is training counterpart project staff in proper commodity management techniques.

#### Pakistan



30. Pakistan sustained post-delivery losses totalling 88 metric tons, for a net c.i.f. value of US\$138,776. Compared with the value of total commodities handled in the country, in proportional terms this was below the 2-percent ceiling (0.9 percent). The most significant losses were experienced with vegetable oil, the main cause of loss being damage to fragile packaging during transportation over poor roads and during distribution and storage. In order to minimize such losses in future, WFP is pursuing efforts to persuade the Government and other implementing partners to improve their food storage facilities. The WFP country office has expressed the hope that future consignments of vegetable oil will be shipped in sturdier packaging, as tin containers are more vulnerable to damage/leakage than are strong plastic containers.

#### Sierra Leone

31. Sierra Leone sustained post-delivery losses totalling 441 metric tons, for a net c.i.f. value of US\$135,956. Compared with the value of total commodities handled in the country, in proportional terms this was below the 2-percent ceiling (1.0 percent). The most significant losses concerned bulgur wheat and maize meal, the main causes of loss being poor handling and prolonged storage under extremely humid conditions. In order to reduce future losses, the following corrective measures have either been implemented or are under consideration: (i) stronger packaging for some commodities, especially vegetable oil; (ii) introduction of penalties against transporters sustaining transit losses; (iii) improved store management, including reporting, rapid stock rotation, regular fumigation and the introduction of new stacking methods to reduce pilferage; (iv) improved quayside commodity handling; and (v) implementation of the COMPAS commodity tracking system.

#### Eritrea

32. Eritrea sustained post-delivery losses totalling 474 metric tons, for a net c.i.f. value of US\$135,220, which, in proportional terms, was well under the 2-percent ceiling (0.3 percent) compared with the total value of commodities handled in-country. The most significant losses were of wheat. These losses occurred while the wheat was being milled and during transportation and handling. In order both to minimize losses and to track them more accurately, the Government and WFP agreed to carry out joint monthly inventories at all warehouses and to implement a new waybill system. As of December 2000, WFP also started to introduce the COMPAS commodity tracking system in the WFP country office and the government counterpart's office. Both COMPAS and the waybill system are expected to become fully operational by mid-2001.

#### Niger

33. Niger sustained post-delivery losses totalling 382 metric tons, for a net c.i.f. value of US\$131,476. In proportional terms, this was above the 2-percent ceiling (2.3 percent) compared with the value of total commodities handled in the country. The most significant losses were experienced with beans, owing mainly to the need to recondition the packaging and to poor handling during loading and offloading. To avoid such losses in the future, the WFP country office plans to limit its procurement of locally produced pulses to small quantities, thus minimizing the need for prolonged storage. Consideration will also be given to providing imported lentils, which generally have a longer shelf life and are less fragile than the local variety. A separate central warehouse has been set up in Niamey to store sensitive food items such as beans, corn-soya blend (CSB) and milk.



### Congo, Republic of

34. The Republic of Congo sustained post-delivery losses totalling 174 metric tons, for a net c.i.f. value of US\$130,517. In proportional terms, this was still under the 2-percent ceiling (1.6 percent) compared with the value of total commodities handled in-country. The most significant losses were experienced with rice and CSB, mainly as a result of the commodities arriving with damaged packaging and in poor condition. The situation was aggravated by rough commodity handling by stevedores in the port of Pointe Noire and by unavoidably prolonged storage at the port because the railway link from the coast to Brazzaville was operating irregularly. WFP intends to assess the viability of shipping commodities in containers, which could then be de-stuffed either outside the port or at the final destination, thus avoiding the problem presented by the scarcity of covered wagons on the Congolese railway. WFP's forwarding agents would be responsible for taking care of the commodities up to delivery at the EDP, and any losses incurred before that point would be the responsibility of the forwarding agent.

### Sudan

35. Sudan sustained post-delivery losses totalling 113 metric tons, for a net c.i.f. value of US\$122,899. Compared with the value of total commodities handled in the country, in proportional terms this was below the 2-percent ceiling (0.4 percent). The most significant losses involved vegetable oil and maize, due mainly to leakage from fragile packaging, spillage during transit over poor roads and poor handling. Planned remedial action to minimize such losses in the future will include: (i) commodity management training for warehouse staff; (ii) more careful selection of transporters; and (iii) improving the condition of access roads, possibly by means of a WFP Special Operation.

### Ethiopia

36. During 2000, WFP Ethiopia handled more than 700,000 metric tons of food in connection with two emergency operations (one of which constituted the Programme's largest operation worldwide for that year), one PRRO and three development projects. Ethiopia reported post-delivery losses totalling 263 metric tons, for a net c.i.f. value of US\$113,765. Compared with the value of total commodities handled in the country, in proportional terms this was well below the 2-percent ceiling (0.1 percent). The most significant losses were with wheat and vegetable oil, mainly as a result of infestation and spillage due to burst packaging, respectively. In order to improve in-country commodity management, WFP has: (i) reinforced its existing sub-offices and established new ones; (ii) hired additional food aid monitors for each sub-office; these monitors are expected to submit monthly details of losses and their causes, and to report on remedial action taken at the local level; (iii) held several commodity management workshops for counterpart staff, thus training more than 200 persons to date; (iv) contracted a full-time officer for commodity fumigation and reconditioning; (v) instituted a rigorous system under which internal transport, storage and handling subsidies are paid to the Government only after careful reconciliation with original waybills; and (vi) in collaboration with its major government counterpart, commenced the installation of COMPAS in all its major EDPs and sub-offices; the system is expected to be fully in Ethiopia operational by mid-2001.



## Dominican Republic

37. The Dominican Republic sustained post-delivery losses totalling 207 metric tons, for a net c.i.f. value of US\$104,707, which in proportional terms exceeded the 2-percent ceiling (4.2 percent) compared with the value of commodities handled in the country. The most significant losses were of peas, mainly as a result of fungal, yeast and insect contamination. After three fumigation treatments, the Ministry of Public Health found the peas to be unsuitable for human or animal consumption and they were, therefore, incinerated. Some relatively small losses occurred as a result of theft at the central project warehouses, and the Government immediately requested a police investigation. The Government has agreed to reimburse WFP for all losses due to infestation and theft.

## LOSSES SUSTAINED DURING PREVIOUS REPORTING PERIODS BUT REPORTED FOR THE FIRST TIME DURING THE REPORTING PERIOD UNDER REVIEW

38. A total of 40 commodity losses in nine countries, sustained in previous reporting periods, were reported for the first time this year. The overall quantity lost amounted to 1,269 metric tons (1.3 percent of total quantity handled), and most individual country losses were small. The countries involved were Côte d'Ivoire, El Salvador, Ethiopia, Guatemala, Kenya, Lesotho, Morocco, Senegal and Uganda. Most losses concerned maize and maize meal, mainly because the commodities were in poor condition or infested upon arrival and, as a result, their shelf life expired during storage.

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

39. As mentioned in the previous (1998/1999) report, losses of which the Programme was aware but which were still under investigation were reported in three countries—Côte d'Ivoire, Ethiopia and Lesotho. The following provides a full account of these cases, together with a corrigendum of the information provided in the previous report on Indonesia.

### Côte d'Ivoire

40. Côte d'Ivoire sustained further post-delivery losses totalling 924 metric tons, for a net c.i.f. value of US\$284,398. The most significant losses concerned maize meal and CSB, mainly because, upon arrival, the commodities were found to be both in poor condition and infested. Their shelf life therefore expired during storage. There were also some cases of theft during transport from the port to the regional warehouses and unauthorized sales of deteriorated commodities. The following remedial action was taken to redress the situation and minimize future losses: (i) WFP lodged a formal complaint with the Government regarding the mismanagement of food commodities; as a result, project management was totally overhauled, a new project director and food warehouse staff were assigned, an accountant was recruited and project supervision was strengthened; (ii) WFP trained the new warehouse supervisors in proper food storage and management techniques; (iii) WFP and its implementing partners stepped up project monitoring; and (iv) regular joint WFP/government food stock inventories were instituted.



### Ethiopia

41. Ethiopia sustained further post-delivery losses totalling 39 metric tons, for a net c.i.f. value of US\$24,123. The most significant losses were experienced with lentils and wheat, mainly owing to prolonged storage at counterpart warehouses. As a result, WFP now stores most of its food commodities in its own central warehouses and limits releases for storage in the counterpart warehouses to smaller quantities.

### Lesotho

42. Lesotho sustained further post-delivery losses totalling 183 metric tons, for a net c.i.f. value of US\$62,730. The most significant losses were experienced with maize meal, mainly because the commodity arrived in poor condition, and thus its shelf life rapidly expired during storage. The commodity was declared unfit for human consumption and sold as animal feed. The funds realized from the sale were deposited in the Government's project account.

### Indonesia

43. In the case of Indonesia, the previous report indicated a post-delivery loss of 3,146 metric tons of rice. However, this should have been considered as a short-delivery (or pre-delivery loss) and not as a post-delivery loss.

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

44. Commodity losses that the Programme is generally aware of but is currently investigating have been reported in eight countries: Bangladesh, Cameroon, Congo (Democratic Republic of), Egypt, Ethiopia, Honduras, Indonesia and Uganda. Full accounts of these losses will be provided in future reports.
45. In the case of Bangladesh, WFP is collaborating with other major food aid donors, the Government and NGOs to address the problem of suspected food leakages to non-targeted beneficiaries through unauthorized distribution channels. The exact quantities involved are not yet known, but it appears from a recent sample study that sizeable quantities (in both absolute and proportional terms) might be involved. Once full details are available, WFP will formally request the Government to take immediate remedial action and, if necessary, request assistance from donors. The Programme has already taken the following action to redress the situation: (i) the problem of leakages was already identified in WFP's 1995 Country Strategy Outline, and a strategy for containment was developed; (ii) since 1995, the problem of food leakages has been on the agenda of discussions with the Government; (iii) in 1997, WFP requested the International Food Policy Research Institute (IFPRI) to carry out a preliminary study to investigate the magnitude of the problem and develop a monitoring methodology; (iv) in 1998, a comprehensive food commodity tracking system appraisal was carried out; (v) in 1999, the country office established a food transport and storage monitoring unit; (vi) as part of the country office's innovative efforts, vulnerable group development and emergency operation beneficiaries, as well as the public at large, are now advised of their rights and entitlements by means of posters displayed at project sites; (vii) more WFP food aid monitors have been engaged to collect implementation data on a systematic basis; and (viii) WFP



intends to implement a new comprehensive monitoring plan, with particular emphasis on the problem of leakages.



## ANNEX I

LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY MAJOR REASON FOR LOSS (OCTOBER 1999–DECEMBER 2000)
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	Net c.i.f. value of commodity lost (US\$)	Share of total loss (%)
<b>Losses attributable mainly to problems at origin</b>		
Deterioration of packaging material	221 759	3.8
Deterioration of food commodities	191 993	3.3
Other	39 019	0.7
<b>Subtotal</b>	<b>452 771</b>	<b>7.8</b>
<b>Losses attributable mainly to problems in recipient country</b>		
Poor handling	1 092 579	18.8
Theft/pilferage	1 029 291	17.7
Other	996 442	17.1
Improper or excessively long storage	671 651	11.5
Infestation	572 534	9.8
Reconditioning/rebagging	427 698	7.3
Processing of commodity	292 166	5.0
Natural disasters	235 831	4.1
Civil strife	47 196	0.8
Unauthorized distribution	2 053	0.0
<b>Subtotal</b>	<b>5 367 441</b>	<b>92.2</b>
<b>Total, all causes</b>	<b>5 820 212</b>	<b>100.0</b>



## ANNEX II

LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY  
COMMODITY (OCTOBER 1999–DECEMBER 2000)

Commodity	Quantity handled (metric tons)	Quantity lost (metric tons)	Net c.i.f. value of quantity lost (US\$)	Loss as % of net c.i.f. value of quantity handled
<b>Cereals</b>				
Wheat	1 351 766	6 917	1 396 269	0.42
Maize	908 905	2 131	756 827	0.23
Rice	578 660	1 785	721 801	0.20
Wheat flour	436 129	872	332 263	0.20
Maize meal	169 752	611	174 573	0.26
Bulgur wheat	58 500	295	118 770	0.51
Maize flour	11 300	382	79 892	3.35
Millet	20 885	218	53 554	1.04
Sorghum	7 024	25	7 427	0.38
<b>Oil and fats</b>				
Vegetable oil	253 260	525	605 574	0.19
Edible fat	11 293	3	2 355	0.02
<b>Dairy products</b>				
Enriched dried skim milk	2 950	26	30 393	0.37
Dried whole milk	973	8	17 510	0.86
Plain dried skim milk	10 928	3	8 910	0.03
<b>Canned fish</b>				
Canned fish	17 582	115	120 623	0.34
<b>Meat</b>				
Canned meat	5 182	7	13 849	0.13
<b>Pulses</b>				
Beans	154 300	836	609 768	0.56
Peas	117 159	571	241 917	0.19
Lentils	19 903	8	4 263	0.03
<b>Other</b>				
Biscuits	19 475	149	195 454	0.09
Corn-soya blend	165 367	311	140 797	0.15
Dates	6 100	83	57 063	0.07
Faffa	6 579	52	27 149	0.71
Wheat-soya blend	3 569	42	20 632	1.19
Salt	12 298	24	7 080	0.21
Miscellaneous	45 167	184	75 499	0.12
<b>All commodities</b>	<b>4 395 005</b>	<b>16 183</b>	<b>5 820 212</b>	<b>0.29</b>



LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY REGION AND RECIPIENT  
(OCTOBER 1999–DECEMBER 2000)

Recipient Country	C.i.f. value of total commodity handled (US\$)	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 quantity handled in individual projects		
				(only losses over US\$20,000)		
				Commodity	%	Value (US\$)
<b>Sub-Saharan Africa Region</b>						
Angola	129 858 331	444 794	0.34	Beans	2.33	88 404
				Canned fish	6.38	24 596
				Maize flour	4.97	61 507
Benin	2 337 518	980	0.04			
Burkina Faso	11 518 150	18 113	0.16			
Burundi	18 998 920	65 077	0.34			
Cameroon	3 580 145	11 564	0.32			
Cape Verde	3 041 273	36 743	1.21			
Central African Republic	3 760 601	17 794	0.47			
Chad	13 075 805	50 453	0.39			
Congo ( Dem. Rep. of )	22 539 948	49 867	0.22			
Congo ( Rep. of )	8 257 671	130 517	1.58	Corn-soya blend	8.65	55 565
Cote d'Ivoire	2 375 872	9 227	0.39			
Djibouti	4 254 280	12 689	0.30			
Eritrea	50 182 728	135 220	0.27			
Ethiopia	89 729 165	113 765	0.13			
Gambia, The	3 179 789	17 890	0.56			
Ghana	1 907 664	6 545	0.34			
Guinea	17 812 959	46 433	0.26			
Guinea-Bissau	4 697 003	21 830	0.46			

ANNEX III



LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY REGION AND RECIPIENT  
(OCTOBER 1999–DECEMBER 2000)

Recipient Country	C.i.f. value of total commodity handled (US\$)	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 quantity handled in individual projects		
				(only losses over US\$20,000)		
				Commodity	%	Value (US\$)
Kenya	304 038 452	486 871	0.16	Maize	3.19	141 583
Lesotho	1 523 260	0	0.00			
Liberia	17 103 050	83 790	0.49			
Madagascar	4 858 405	3 325	0.07			
Malawi	3 853 188	3 070	0.08			
Mali	4 385 132	1 455	0.03			
Mauritania	4 464 469	11 183	0.25			
Mozambique	31 920 959	22 355	0.07			
Niger	5 787 069	131 476	2.27	Millet	15.29	38 622
				Beans	54.80	59 655
Rwanda	27 348 727	53 871	0.20			
Sao Tome & Principe	972 996	7 607	0.78			
Senegal	14 718 654	87 568	0.59	Mixed and blended foods	2.26	44 627
Sierra Leone	13 146 088	135 956	1.03			
Somalia	21 033 851	41 003	0.19			
Sudan	30 649 237	122 899	0.40	Vegetable oil	11.21	71 097
Tanzania	73 642 083	259 465	0.35			
Uganda	36 583 496	67 977	0.19			
Zambia	9 379 347	21 640	0.23			
<b>Total Sub-Saharan Africa Region</b>	<b>996 516 285</b>	<b>2 731 012</b>	<b>0.27</b>			



LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY REGION AND RECIPIENT  
(OCTOBER 1999–DECEMBER 2000)

Recipient Country	C.i.f. value of total commodity handled (US\$)	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 quantity handled in individual projects		
				(only losses over US\$20,000)		
				Commodity	%	Value (US\$)
<b>Asia and Eastern Europe Region</b>						
Albania	6 491 492	10 901	0.17			
Armenia	7 627 676	12 456	0.16			
Azerbaijan	10 527 854	507	0.00			
Bangladesh	80 778 667	972 051	1.20	Wheat	2.30	391 408
Bhutan	1 914 838	3 351	0.17			
Cambodia	31 695 296	27 792	0.09			
China	22 901 720	59 465	0.26			
DPRK	229 151 473	0	0.00			
East Timor	11 913 879	56 637	0.48			
Georgia	6 197 674	1 058	0.02			
India	36 767 660	197 227	0.53	Split beans	2.33	49 332
				Wheat	8.64	78 008
Indonesia	123 257 324	426 158	0.35	Rice	5.23	231 717
				High-protein biscuits	21.60	88 393
Laos	887 520	108	0.01			
Macedonia	5 661 333	19 905	0.35			
Myanmar	4 621 344	336	0.01			
Nepal	22 539 546	44 593	0.20			
Russian Federation	19 455 390	646	0.00			
Sri Lanka	29 929 563	25 854	0.09			
Viet Nam	15 731 762	2 238	0.01			



LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY REGION AND RECIPIENT  
(OCTOBER 1999–DECEMBER 2000)

Recipient Country	C.i.f. value of total commodity handled (US\$)	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 quantity handled in individual projects		
				(only losses over US\$20,000)		
				Commodity	%	Value (US\$)
Yugoslavia	120 705 047	413 945	0.34			
<b>Total Asia and Eastern Europe Region</b>	<b>788 757 048</b>	<b>2 275 228</b>	<b>0.29</b>			
<b>Middle East and North Africa Region</b>						
Afghanistan	85 904 678	24 419	0.03			
Algeria	4 914 129	21 402	0.44			
Egypt	6 618 495	84	0.00			
Iraq	3 701 672	9 372	0.25			
Iran	4 051 128	15 895	0.39			
Jordan	6 763 414	51 840	0.77	Dates	8.89	51 840
Morocco	3 984 108	450	0.01			
Pakistan	16 146 987	138 776	0.86			
Palestinian Territory	6 160 873	907	0.01			
Syria	7 309 985	5 898	0.08			
Tajikistan	14 249 975	12 475	0.09			
Yemen	4 674 389	286 630	6.13	Wheat flour	6.16	80 825
				Wheat	5.81	92 576
				Sugar	33.42	36 260
				Vegetable oil	11.01	29 957
<b>Total Middle East and North Africa Region</b>	<b>164 479 833</b>	<b>543 729</b>	<b>0.33</b>			



LOSSES OF COMMODITIES AFTER DELIVERY TO RECIPIENT GOVERNMENTS, BY REGION AND RECIPIENT  
(OCTOBER 1999–DECEMBER 2000)

Recipient Country	C.i.f. value of total commodity handled (US\$)	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 quantity handled in individual projects		
				(only losses over US\$20,000)		
				Commodity	%	Value (US\$)
<b>Latin America and Caribbean Region</b>						
Bolivia	11 033 906	7 716	0.07			
Colombia	1 039 115	0	0.00			
Cuba	4 836 218	0	0.00			
Dominican Republic	2 490 609	104 707	4.20	Peas	25.47	66 952
Ecuador	3 957 871	0	0.00			
El Salvador	8 375 917	25 088	0.30			
Guatemala	12 325 980	7 249	0.06			
Haiti	7 021 795	35 017	0.50			
Honduras	13 205 254	24 160	0.18			
Nicaragua	15 411 303	53 155	0.34	Canned fish	50.61	26 238
Peru	7 059 884	13 151	0.19			
<b>Total Latin America and Caribbean Region</b>	<b>86 757 852</b>	<b>270 243</b>	<b>0.31</b>			
<b>ALL REGIONS</b>	<b>2 036 511 018</b>	<b>5 820 212</b>	<b>0.29</b>			

