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Executive Board
Third Regular Session

Rome, 19 - 22 October 1999

EVALUATION REPORTS

Agenda item 4

For consideration



Distribution: GENERAL
WFP/EB.3/99/4/2
30 August 1999
ORIGINAL: ENGLISH

SUMMARY EVALUATION REPORT ON WFP STRATEGIC FLEET OPERATIONS IN THE GREAT LAKES REGION¹

ABSTRACT

The first trucks of a WFP strategic fleet started operations in the Great Lakes region in late 1996. By the end of that year, a total of 56 trucks were deployed. The transport capacity was subsequently increased through the addition of 20 two-axle trailers. Contrary to the arrangements for the earlier fleets in Ethiopia and Uganda with WFP directly responsible for the operations, the day-to-day management of the Great Lakes Strategic Fleet was handled by private transport companies under contract with WFP. The mission's findings confirm the importance of the Fleet, particularly in Rwanda where during 1997 it carried 66.5 percent of all WFP deliveries.

The mission has compared the costs of operations under three scenarios: a) with the Fleet's management outsourced as under the present arrangement; b) with the Fleet under direct WFP management; and c) by using available commercial transport. Unit costs were found to be slightly lower with the Fleet under WFP's direct management as compared to the current system of outsourcing. The difference was, however, marginal and given the uncertainty of some of the data, the mission concluded that unit costs under the two arrangements were similar. With regard to the employment of the commercial sector for short-haul transport, the mission found it difficult to make comparisons as private companies would generally refuse to move in difficult terrain and where security was not guaranteed, conditions under which the Strategic Fleet was often required to operate. The mission has listed a number of issues to be addressed in order to improve the current operations. In addition, it has tried to identify preconditions for a successful replication of the Strategic Fleet concept elsewhere.

¹ The mission consisted of two WFP consultants, comprising a Transport Economist as Team Leader and a Fleet Planner.

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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LIST OF ACRONYMS USED IN THE DOCUMENT

ERRA	Eritrean Relief and Rehabilitation Agency
GDC	Glen D. Cohen and Company
LTSH	Land Transport, Storage and Handling
NRC	Norwegian Refugee Council
PRRO	Protracted Relief and Recovery Operation
SO	WFP Special Operations
UCTU	Uganda Co-operative Transport Union
WTOU	WFP Transport Operation Uganda



INTRODUCTION

1. In 1996, WFP decided to establish a Strategic Fleet in the Great Lakes region on the condition that a comprehensive evaluation would be carried out after the first two years of operations.

Strategic Fleet Size and Composition

2. The WFP Strategic Fleet, deployed in the Great Lakes cluster for secondary distribution, consists of 40 HINO trucks of 15-ton carrying capacity for medium- and long-haul transport and 16 (4x4) 6-ton Bedford trucks for short-haul and difficult-terrain operations. All vehicles had already been used in other emergencies (in Pakistan and Bosnia, respectively).
3. In order to increase the Strategic Fleet's carrying capacity and operational flexibility, 20 two-axle trailers (15-ton capacity) were added to the Hino fleet in June 1998. They were acquired from a WFP special operations (SO) budget. The same funds were used to provide two mobile container workshops and other essential support equipment.
4. At the time of the evaluation both the scale and complexity of the Rwanda regional emergency had become less dramatic, although a potentially volatile security situation in the region persisted. The evaluation provides an opportunity to take stock of events and to reflect on future fleet deployment needs. Moreover, sufficient time had elapsed to allow, in particular, a proper assessment of the Fleet's operations and impact on regional emergency supplies.

Evaluation Objectives

5. The primary objective of the evaluation was to review the efficiency and cost-effectiveness of the Strategic Fleet to determine whether the owned-fleet concept merited replication in future complex emergency operations. If replication was found to be feasible, the mission would make recommendations particularly with regard to fleet management.

Evaluation Coverage

6. The mission's findings are based on documentation collected at WFP headquarters and field offices in the Great Lakes region, and on information gained from interviews and personal observations during a field visit to Uganda, Rwanda and Burundi. This enabled the mission to identify:
 - a) achievements of the existing Strategic Fleet (Box No. 1);
 - b) shortcomings with regard to Strategic Fleet deployment and performance (Box No. 2);
 - c) issues to be addressed for improving the current Strategic Fleet deployment system (Box No. 3);
 - d) conditions and/or characteristics of deployment environment that facilitate Strategic Fleet set-up and operations (Box No. 4); and
 - e) possibilities of replicating the Strategic Fleet set-up in general (Box No. 5).



EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Fleet Implementation

7. The Strategic Fleet's day-to-day management was effected through an outsourcing arrangement whereby private transport companies were sub-contracted to manage, operate and maintain segments of the fleet on behalf of WFP.
8. An agreement for the region-wide management of the Hino fleet was concluded between the WFP regional office and the Uganda Co-operative Transport Union Ltd. (UCTU) in November 1996. For the Bedford trucks, an agreement was worked out with RIO Holding International Ltd. of Uganda in December 1996.
9. The decision to outsource fleet management was driven by a desire to optimize operational efficiency. Further, at the time of fleet deployment in late 1996, WFP Uganda—mainly due to a lack of human and technical resources within the WFP field offices concerned—was not in a proper position to assume responsibility for the Fleet's management. The urgency to get the Fleet operational, together with the underlying need to enhance the performance and cost-efficiency of fleet operations, prompted the management outsourcing arrangement.
10. Overall Strategic Fleet oversight responsibility remained with the WFP regional office in Kampala. It included tasking of the Fleet, monitoring of its deployment, programming of maintenance activities and manpower training. This responsibility was shared by a WFP Regional Fleet Manager and a Technician, based in Kampala.
11. During the review period, the Strategic Fleet served the whole Great Lakes cluster, including Uganda, Rwanda, Burundi, Eastern Congo and Tanzania, working almost exclusively in the more insecure areas. This is a strong indication of the validity and versatility of the Strategic Fleet concept.
12. Although well conceived at the project level by WFP, there were shortcomings with respect to implementation. There was, for instance, a notable lapse of time between the acquisition of Strategic Fleet operating assets and the fielding of WFP technical supervisory staff. As a consequence, fleet maintenance records for the first year of operation are generally lacking.



Project Justification and Role of the Strategic Fleet

13. The main achievements associated with the WFP Strategic Fleet are summarized in Box 1 below.

Box 1: Achievements associated with WFP Strategic Fleet Set-up

Externally:

- Rather quick start-up of operations through outsourcing of fleet management, even though the companies contracted may not have been comparable to the best on the international market. The hiring of local entities was driven by the objective of developing local capacities;
- Provision of highly useful supplementary transport capacity for secondary emergency relief operations in insecure areas;
- Food distribution targets set by WFP were met in a fairly timely manner;
- Fleet management set-up was flexible enough to cope with the requirements of widespread intra-cluster fleet deployments;
- Outsourcing locally led to national capacity-building and management formation through continued dialogue and collaboration with contracted Fleet management companies;
- Sharing of experiences between WFP and contracted Fleet management companies;
- Creation of sense of commitment and establishment of increasingly effective strategic partnership with the private sector which is indispensable in meeting future operational requirements.

For WFP:

- Outsourcing approach helped to minimize WFP staff engagements with regard to running and managing the Fleet at the field level; minimal support staff was required at headquarters;
- Acquisition of experience in mobilizing and managing intra-cluster fleet deployment mechanisms at WFP regional office level;
- Mobilization by WFP of financial resources required for initial and expanded Fleet deployment and day-to-day operations.

14. An analysis of the regional transport sector situation during 1994 confirmed that the existing transport capacity was inadequate for the anticipated operation and that an alternative solution had to be found. Although foreign fleets were leased and brought into the region (Nabresco, GDC, WTOU, ERRA), they were gradually phased out. Insecurity increased in the region, leading to escalating transport rates.
15. Although the return of the Rwandan refugees towards the end of 1996 meant a gradual decrease in (long-haul) transport requirements, the Strategic Fleet proved essential with regard to WFP's short-haul distribution ex main warehouses within the region. However, the dramatic lack of short-haul capacity is still apparent today: even the most recent (late 1998, early 1999) requests for quotations for transport of relief food between WFP warehouses and insecure distribution sites have received no response from short-listed commercial truckers.



16. WFP's long-haul delivery needs, especially on cross-border operations, were met through the commercial dedicated fleet and spot hire arrangements which are characterized by an increase in long-haul capacity.
17. In reality, the Strategic Fleet deployment helped WFP meet its mandates, that is to quickly and cost-effectively respond to emergencies while at the same time help to build assets and promote self-reliance in the recipient countries.
18. It demonstrated, in particular with regard to the UCTU company (the Hino Fleet component), that the outsourcing arrangement helped to mould a more skilled entrepreneurship, clerks and drivers. WFP field staff have noted an improvement of UCTU's management capability over time.
19. With regard to the Hino fleet management, therefore, flexibility of truck deployment and volume performance were altogether satisfactory. On the other hand, the low utilization rate resulting from recurrent problems of lack of fuel, spare parts and maintenance in connection with the Bedford operations in Uganda indicate a lack of commitment and/or planning capability on the side of the RIO company.
20. In 1997, the Strategic Fleet moved a total of 90,000 tons. In 1998, the volume dropped almost by half (48 percent) to 47,000 tons. This represented an estimated 6.9 million ton-kilometres in 1997 versus 4.1 million in 1998. When measured in ton-kilometres the reduction is thus less pronounced (41 percent). This decrease in volume performance was mainly due to the redeployment of 10 Hino Fleet units to Liberia.
21. Through deployment to all Great Lakes region countries, especially in insecure areas difficult to access with commercial transport, both Strategic Fleet components (Hino and Bedford) fulfilled their strategic task, that is to bridge gaps of transport supply in emergencies. Thus far, the outsourcing arrangement has proved successful. In fact, it was the unanimous opinion of the WFP field staff and representatives of implementing partners, such as the Norwegian Refugee Council (NRC), that secondary distribution without Strategic Fleet support would have been rather difficult and expensive (Uganda), or impossible (Rwanda).
22. The share of the Strategic Fleet in total WFP deliveries within the region for the past two years underlines its paramount importance for the secondary distribution. In Rwanda, the Fleet was the backbone of the WFP emergency operation, carrying 66.5 percent of the deliveries ex main warehouses during 1997 and 31.3 percent in 1998.
23. In these two years, the share of the whole Fleet in total distribution effected by WFP amounted to 38.5 percent for Hino and 24.2 percent for Bedford.
24. The present Fleet's truck-trailer combination which allows 15 to 30 tons load capacity is ideal from an operational point of view. With the trailer facility in place, it can be employed in both short- and long-distance transportation. It also conforms to the planned regional policy with regard to axle-load limitations.
25. As a result of the economic liberalization policy and privatization programmes of the Governments in Uganda and Rwanda, the private-sector trucking industry is growing. Private initiatives have developed mainly around the long-haul transport business and light vehicle transport. Future long-haul transport requirements of the Great Lakes region are likely to be met through commercial fleet hire. This clearly does not exclude occasional capacity constraints arising from extraordinary emergency situations.
26. Problems of intra-cluster fleet deployment might arise from national licensing/vehicle plating regulations. In order to facilitate cross-border deployment of the Strategic Fleet, the



mission recommends that WFP prepare a Memorandum of Understanding (MOU) to be discussed with the governments concerned. The MOU should stipulate that the Strategic Fleet belongs to no specific country but is a regional arrangement.

Operational Effectiveness of Management Outsourcing

27. Reviewing practical aspects of operations, in particular with regard to fleet availability, serviceability and capacity utilization, the following key indicators were established:

Operational Management Efficiency—Key Indicators (average values in %)				
	Hino fleet UCTU-managed			Bedford fleet RIO-managed
	Rwanda	Burundi	Uganda	Uganda
Availability	85.1	88.5	100	100
Serviceability	87.9	94.45	82.73	92.5
Fleet utilization rate	64 ¹	67 ²	71	57

¹ for 7 months

² average out of 8 months of normal activities, excluding airlift support operations

28. From the rather low Fleet utilization rates, the following can be concluded: the professionalism and commitment of the present management companies are questionable; and the management approach is reactive instead of forward-looking and pro-active.
29. The mission's field visit of the Bedford Fleet operated in Gulu, Northern Uganda, confirmed the managerial weaknesses deducted above from the Fleet's low utilization rate. On the day of the visit, the Bedford Fleet was idle for lack of fuel. Other problems observed included delayed payment to drivers, an apparent lack of cash and repeated lack of fuel resulting in extensive vehicle down-times and low serviceability.
30. RIO Management Company and other commercial private operators met by the mission complained about delayed payments from WFP. This may have contributed to the occasional liquidity problems of the management company. The reasons for delayed payments were often administrative: although by contract the management companies are supposed to submit regular reports to the WFP regional office, reporting generally is behind schedule, irregular and uneven in quality.
31. With regard to the continued deployment of the Strategic Fleet, it is recommended to float a new request to offer for the Bedford Fleet. Criteria for company selection should be "financial standing" and "technical capacity". Finally, since delayed payments of operators by WFP seem to be a general problem of out-contracting, the mission recommends that WFP address the invoice processing and payment issue.

Technical/Administrative Effectiveness of Management Outsourcing Arrangement

32. Technical and administrative responsibilities are included in the management contract for the Fleet operators. The efficiency, however, of vehicle servicing and maintenance as a whole leaves much to be desired. A number of factors contribute to this situation: lack of skilled manpower, dependency on private workshops, reduced availability of maintenance equipment and spares, and cash-flow problems of the management company. Both



management companies, motivated by cost-cutting interest, provided inadequate technical support services and resources at the field level and also neglected regular servicing, at the expense of the Fleet's operational efficiency.

33. Problems identified which are associated with Strategic Fleet operations include those listed in Box 2 below.

Box 2: Shortcomings associated with WFP Strategic Fleet Performance

With respect to outside actors:

- Locally sub-contracted companies lacked an established tested system of fleet management but the policy to hire local companies permits local capacity-building;
- Lack of up-to-date operational fleet evaluation and feedback to WFP regional office, with associated problems of fleet targeting;
- Reporting by management companies was irregular and of uneven quality, particularly at the beginning of the operation, resulting in delayed payments by WFP which in turn caused problems such as cash flow;
- Insufficient familiarization of drivers with vehicles and operations procedures;
- General trend of under-staffing of management companies; shortage of qualified staff in the maintenance service field;
- Inadequate maintenance and consequently poor condition of essential vehicle components such as brakes and tyres;
- Diverted utilization of managerial manpower for other business by the private companies;
- Irregular fuel supplies leading to immobilization of trucks;
- Lack of awareness about logistical requirements from the side of implementing partners (NGOs) with negative impact on fleet capacity utilization.

With respect to WFP:

- Management contracts are of short duration, representing a disincentive for timely fleet maintenance works which have an impact on the vehicles' life-time;
- In spite of the noted poor reporting capacity of the local companies, payment order processing procedures are lengthy, possibly contributing to cash flow problems;
- Difficulty in controlling operations with insufficient WFP support staff capacity;
- Lack of initial technical control due to late fielding of required WFP supervisory staff;
- Problematically long lead time for procurement of parts.

Appropriateness of the Management Contract

34. The mission found that great progress had been made since the start-up of operations with regard to the development of a realistic remuneration formula acceptable to both WFP and the Fleet management companies. While initial remuneration was mostly fixed and based on market prices, the current formula is costs-oriented and to a large extent performance-based. It differentiates between fixed and variable costs and retainer fees.
35. In view of the risks associated with operations and the difficulties in operating according to plan, maintaining an appropriate fixed-cost remuneration element will remain an important incentive for attracting private operators to enter into partnership with WFP.



36. The current composition of the remuneration formula has the following effects:
- a) it obliges the operator to keep the fleet in good operating condition in order to receive the fixed-cost element;
 - b) it guarantees the operator fixed-cost recovery independently of actual fleet operation, which is largely determined by external factors such as food availability and area security; and
 - c) at the same time, it provides an incentive for better performance. Since the variable cost element still includes a number of direct fixed costs (such as visa, lump sum for spares and repairs), higher ton-kilometre performance evidently benefits both WFP and the operator: WFP pays less per ton-kilometre, while the operator receives higher net earnings on each unit.
37. The revised contracts, though adequate for the intended purpose, can be further improved by detailing the extent of maintenance-related responsibilities, the role of the management company in stock-holding matters and specifying penalties for non-performance.

Comparative Costing of Strategic Fleet Operations

Case 1. Costs of Operation for Outsourced Fleet Management

38. Based on a full-costing approach, the operating costs for outsourced fleet management — on a two-year (1997/1998) average—before depreciation—were US\$0.28 per ton-kilometre for the Hino Fleet and US\$0.65 for the Bedford Fleet.
39. The high average operations cost of the Bedford trucks is related to their deployment under extremely difficult conditions in Tanzania, where they were used on bad roads and — though designed for short-distance movements—over longer distances.
40. With regard to the cost-effectiveness of the Strategic Fleet as compared to lease or hire arrangements, it should be noted that the Hino and Bedford Fleet operations were limited to short-haul distribution. The resulting costs per ton-kilometre can only be compared with similar types of operations. It is, therefore, not appropriate to compare these costs to those incurred for the WFP dedicated fleets (of about US\$0.11 per ton-kilometre as agreed by contract), using heavy-duty trucks operating on the long-haul portion of the movements.

Case 2. The Costs of Commercial Fleet Hire

41. For short-haul operations, WFP has paid commercial truckers in the region the following averages in dollars per ton-kilometre: Rwanda: 0.30; Uganda: 0.45; Burundi: 0.30. It has to be kept in mind, however, that for security considerations commercial short-haul operators generally refuse to move in the type of terrain and under the conditions the Strategic Fleet is used. Therefore, their costs cannot be directly compared with the actual costs incurred by the Fleet. If the commercial transporters were to be engaged in similar operations, it can be assumed that the rates would be much higher. As an example, it may be mentioned that commercial operators contracted for the Western Uganda operation charged WFP up to US\$0.65 per ton-kilometre.

Case 3. Costs of Operation under WFP Fleet Management

42. The mission tried to establish a realistic costs estimate for a Hino Fleet operated directly by WFP, simulating one year (June 1997-May 1998) of effective fleet operation. The assumptions used were: 100 percent availability; 90 percent serviceability rate;



staff/vehicle ratio of 1:9 as compared to 1:3 at present; same deployment and operations pattern as recorded for Hino Fleet.

43. A fleet under WFP's own management would result in unit costs of US\$0.24 per ton-kilometre, before contingency. Thus, compared to the unit costs of operation for the outsourced fleet management alternative, savings per ton-kilometre for short-haul movements would amount to US\$0.04, equal to some US\$175,000 per annum. However, considering the many assumptions contained in the cost estimate and the problem of data insecurity, it can be concluded that the operating costs of outsourced operations as compared to own WFP management are more or less the same.

The Depreciation Issue

44. There was no need to consider the depreciation costs element for the purpose of the above comparison of costs, since both cases would have to bear the same depreciation charge. However, the different ways of dealing with depreciation could affect financing choices and therefore should be analysed.
45. As an alternative to single-sum payments, fleet renewal could be financed from depreciation charges accumulated over the utilization period. In practical terms this would mean that instead of considering depreciation as a "calculatory cost item" in the context of comparative costs analysis, depreciation charges could be factored into the rates and, hence, into the landside transport, storage and handling (LTSH) costs. The depreciation charge could then be accumulated in an "appropriated depreciation fund" used to finance fleet replacements.
46. Such a procedure would have the advantage that a) reinvestments could be more easily effected on short notice, in line with individual vehicle replacement needs; b) reinvestment funding would also not be a single-sum requirement for the donors; and c) it would avoid repetitive appeals.
47. In the particular case of a Strategic Fleet arrangement, intended for emergency preparedness and longer-term response in a regional context, renewal becomes an issue. Therefore, the creation of a fund through regular depreciation charges factored into the rates is proposed. It is recognized that WFP has its established financial rules, and therefore, whether such an approach is compatible with usual practice needs to be assessed in-house.

Future Strategic Fleet Requirements

48. With insecurity in rural areas of Burundi, Rwanda and Northern Uganda continuing, there is no justification for reducing or demobilizing the Strategic Fleet. On the contrary, it is suggested that the Fleet be operated by WFP as long as the Programme is assisting internally displaced persons in the Great Lakes region.
49. Assuming necessary fleet overhaul and reconditioning is carried out in a timely manner, the available vehicles have an estimated economic lifetime of at least another two to three years on average, i.e. until 2001. This is based on an assessment of the present technical status of the Fleet and an estimated maximum road performance of 180,000 kilometres per vehicle.
50. The WFP regional office in Kampala carried out an initial cost estimate of US\$100,000 for required spare parts for a major overhaul of the Hino Fleet. As regards the Bedford Fleet component, essential spare parts and tyres have already been supplied. The mission



recommends that the funding request and purchase process be immediately initiated for required parts for major Hino Fleet overhaul.

51. Based on food distribution needs as outlined in the regional protracted relief and recovery operation (PRRO) for the years 1999 to 2001, and also the need of one additional fleet module of 10 units to prepare for emergency situations, total Strategic Fleet requirements for secondary distribution operations—measured in 15-ton Hino units—are 45 units in 1999 and 43 in 2000. Accordingly, the mission recommends that WFP acquire 15 additional Hino type units, each with a capacity of 15 tons.
52. The mission is in favour of keeping the Fleet base in Kampala for the following reasons:
 - a) relative security;
 - b) facilitated area deployment;
 - c) relatively advanced administrative, communications and banking structures; and
 - d) well established working relations with implementing partners, such as government agencies and UCTU Fleet management company.
53. If WFP decides to strengthen the Strategic Fleet as recommended, then the base in terms of both structures and equipment should also be improved.
54. In view of current shortcomings, the improvement programme outlined in Box 3 is proposed for immediate action.



Box 3: Proposal for Improving Current Strategic Fleet Set-up and Operations

Symptoms: High accident rates; low fleet serviceability and utilization rates; inadequate maintenance; shortage of qualified maintenance manpower; lack of performance-oriented information exchange; limited or inappropriate private sector response to WFP invitations to tender; excessive fixed costs margin in remuneration formula.

Responses with respect to outside actors:

- Development of a system of up-to-date performance indicators for (1) monitoring operational and technical efficiency levels of the Fleet management companies and assessing the progress of managerial capability development, in order to improve and stabilize the fleet capacity utilization rate;
- Strengthening of the management information and reporting system at the field (management company) level for assuring timely feedback of information on performance indicators to WFP regional office;
- Improvement of maintenance skills and technical capacity of management companies through organized training and use of mobile workshops.

Responses with respect to WFP:

- Strengthening of the linkages and information flow between WFP regional office (Regional Fleet Manager) and Fleet management companies;
- Quicker payment order processing in order to reduce advance payment burden of private operators under contract and avoid negative repercussions on operations (such as delayed payments to drivers, etc);
- Organization of briefing meetings prior to competitive tender; it was learned from discussions in Kigali that the success of invitation to tender is largely dependent on the briefing work carried out by WFP logistics field staff.

Responses with respect to management contract:

- Review the possibility of shifting from lump-sum payments for maintenance work to direct refunding of expenses for work carried out against invoice; negotiation of realistic profit margin in order to avoid excessive cost-cutting efforts;
- Strengthening of penalty system;
- Establishment of minimum staffing ratio.

Fleet Management

55. Considering the strengths and shortcomings of the present management approach, the mission concludes that management outsourcing merits replication under the condition of a mixed management approach, with WFP providing contracted local companies with close technical and managerial guidance and monitoring.
56. Programmed assistance is required, particularly at the beginning, for understanding and setting up operations procedures and reporting structures for the intervention. Assistance from WFP is indispensable in those situations where problems of initial fleet deployment overlap with new emergency programme development.
57. The mission recommends the following for the ongoing operation:



- a Fleet Assistant (Operations) Manager be employed by WFP in support of the Regional Logistics Manager, to move with major fleet deployments in order to secure feedback;
- following the recommended modular approach to fleet deployment (by units of 10 trucks), each module be staffed by WFP with a Chief Mechanic/Driver and Assistant Mechanic/Driver;
- the recommended additional modular fleet group for emergencies be staffed by a WFP team for rapid intervention purposes.

58. It is assumed that there will be only minimal, if any, extra support staff requirements at the headquarters level.

Conditions for Successful Fleet Deployment

59. Criteria for a successful fleet deployment are summarized in Box 4 below.

Box 4: Characteristics of Deployment Environment that Facilitate Strategic Fleet Set-up, Management and Operations

With respect to choice of fleet base:

- Host country government is committed to regional operation, acknowledging the area deployment character of Strategic Fleet operations;
- Host country government and UN/WFP maintain good relations;
- Host country is institutionally strong, providing functioning communications, customs and banking systems.

With respect to management outsourcing:

- Professional human and financial resources are available at local transport operators level;
- The managerial capability is enhanced by training and procedural guidance during initial fleet deployment;
- Transport operators are familiar with tendering procedures and requirements.



60. The evaluation further revealed some conditions and initiatives conducive to the functioning of a Strategic Fleet set-up that merit further attention. These are outlined in Box 5 below.

Box 5: Promising Approaches for Replication of Strategic Fleet Set-up

External:

- Outsourcing of Fleet Management Functions: Valuable participatory approach to development. It satisfies the WFP mandate by assisting in local capacity-building;
- Establishment of modern computerized management information system for sharing knowledge in support of fleet operations;
- Organization of workshops sponsored by the WFP regional office that bring together representatives of major players like WFP, contracted companies, and implementation partners involved in emergency food distribution in the field such as NGOs, etc.;
- Provision of WFP Strategic Fleet management support staff in case of out-contracting in areas (i) in which management companies lack professional competence and (ii) which experience coordination problems;
- Promotion of capacity building with contracted management companies through concrete operational initiatives;
- Introduction of method for "objective testing" of qualifications for professional competence and repute (adequate financial standing; appropriate technical capability; compliance with legal requirements) of interested operators.

Internal:

Provision of professional counterparts as a way of know-how transfer and building local capacity.

