



WFP Logistics

Transforming Logistics: Progress Made in 2013



World Food Programme

WFP Logistics in 2013

- Distributed 3.1 million metric tons of food.
- Coordinated an average of 5,000 trucks, 30 ships and 50 aircraft on any given day.
- Managed a network of 650 warehouses around the globe.
- Managed 700 WFP-owned trucks, which travelled 6.4 million kilometres.
- Operated 60 fleet workshops.
- Provided 80 humanitarian partners with bilateral logistics services, valued at US\$18 million.

Special Operations

Projects	38
Funded (88% of amount needed)	US\$296 million

UNHAS

Countries served	14
Passengers	364,236
Destinations	237
Light cargo transported	1,934 mt
Medical and security evacuations	2,068

UNHRD

Depots, strategically positioned around the world	6
Countries served	90
Humanitarian partners	59
Relief goods transported	30,000 m³

Logistics Cluster

Active operations	9
Countries supported	31

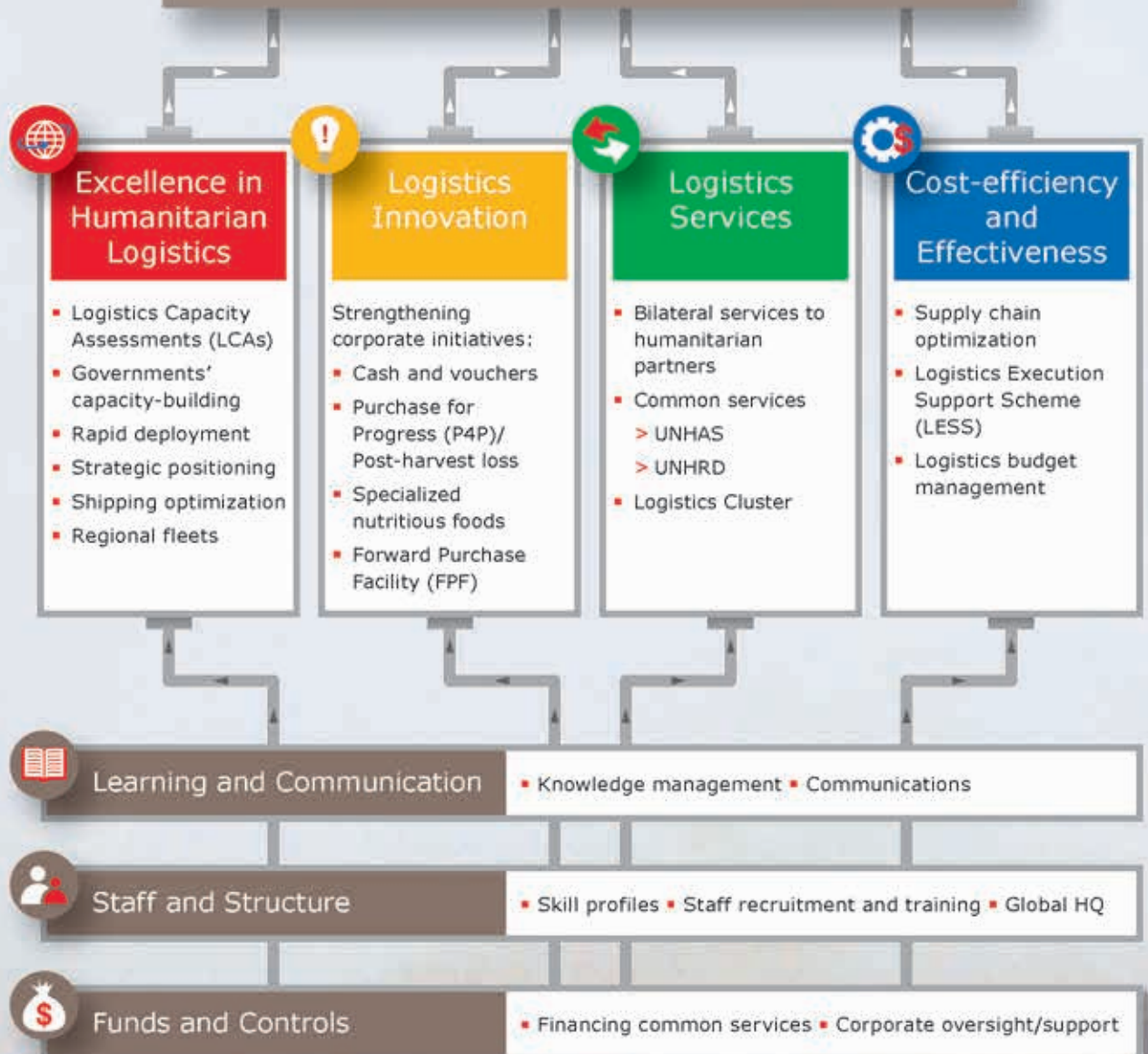
- Facilitated the provision of storage for 105 organizations in over 50 warehouse locations in Syria, Jordan, Lebanon, South Sudan and the Philippines.
 - Facilitated the dispatch of 104,284 cubic metres of relief items by road (81%), sea (10%), river (5%), and by air (4%) on behalf of 100 organizations.
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CHANGING THE WAY WE DELIVER

WFP Logistics 2013–2015



Foreword



In 2013, WFP Logistics once again had the opportunity to demonstrate its excellence in humanitarian logistics. Not only did we keep up with our core business of responding to operational challenges, including four simultaneous L3 emergencies; we also made very good progress with our transformative efforts as outlined in the WFP Logistics Strategy 2013-15 (see diagram opposite).

The biggest strategic achievements in 2013 included:

- Emergency preparedness and response being greatly enhanced through user-friendly Logistics Capacity Assessments for countries most at risk of disasters;
- Evolving our 'supply chain management' to include all modalities — In-kind food assistance as well as Cash & Vouchers — thus emphasizing WFP's unique strength as provider of hybrid solutions;
- The growing recognition of our role as a provider of logistics services, with increasing business volumes for common services (UNHAS, UNHRD, Logistics Cluster) as well as bilateral services;

- The corporate launch of the Logistics Execution Support System (LESS) as a state-of-the-art tool for food resource management;
- The production of guidelines for *Managing the Supply Chain of Specialized Nutritious Foods*, an inter-agency endeavor that supports the effective use of these innovative products;
- The growing institutionalization of Supply Chain Dashboards and the Supply Chain Working Group, both facilitated by the Logistics Development Unit; and
- The WFP fleet team in Sudan winning the 'Best Transport Achievement Award'.

2013 was a year where Logistics has remained one of WFP's core strengths and we demonstrated that we are also ready for the future — let's keep up the good work!

Wolfgang Herbinger,
Director, WFP Logistics



The WFP Logistics Service Chiefs on 2013



CESAR ARROYO

Chief, Aviation

‘The combination of constant capacity-building efforts and our long experience in responding to humanitarian emergencies empowered WFP Aviation to rapidly deploy specialized staff, charter the most suitable aircraft and procure the necessary equipment. Our focus on preparedness is one of the key factors underpinning WFP Aviation’s ability to effectively support the humanitarian response when and where it is most needed.’



TONY DOWELL

Chief, Logistics Risk Mitigation and Manager of the Captive Insurance

‘Our augmented staff capacity has allowed us to focus on our traditional role of loss mitigation, safeguarding the goods which are in WFP’s care and custody. The increase in specialized nutritious food products has emphasized the need for greater vigilance and effort in preventing losses to ensure WFP is able to maintain its reputation for delivering efficiently and effectively, whatever the commodity.’



PIERRE HONNORAT

Global Coordinator, UNHRD

‘UNHRD had a strong year in 2013, responding to various emergencies and dispatching urgent relief items on behalf of humanitarian partners within 24 hours upon request. We are now embarking on our 2014–2016 strategy, where we aim to improve existing processes, operational efficiency and effectiveness, diversify and expand our services and reach, and ensure UNHRD’s long-term sustainability.’



MIRJANA KAVELJ

Chief, Logistics Development Unit

‘The integrated supply chain management approach adopted by the Supply Chain Working Group, complemented by new, state-of-the-art tools, helped WFP to gain greater operational effectiveness, enabling us to reach people in need faster and more efficiently.’



JELENA MILOSEVIC

Chief, Funds Analysis, Commodity Accounting and Support

‘2013 brought a breakthrough for WFP’s commodity management: the new Logistics Execution Support System (LESS) was formally approved for corporate roll-out over the following three years. With LESS we will not only strengthen management oversight and accountability by making commodity information “real-time”; we will also be greatly helped in our push for more down-stream supply chain optimization. Another area of accomplishment has been LTSH funds management. Thanks to new management tools, developed jointly with logisticians in the field, we were able to achieve significant efficiency gains. We will continue our work on this to ensure that WFP remains at the forefront of measuring and managing efficiency in humanitarian logistics.’



JUDITH THIMKE

Chief, Shipping

‘In 2013, WFP’s Shipping service continued to play a pivotal role in the overall supply chain, responding with agility and flexibility to provide cost effective and efficient services. Our specialized team readily embraced the challenges posed by various emergencies. In the case of Syria, we worked closely with both field and HQ colleagues to come up with practical — and, at times, quite creative — solutions to cope with volatile and risk-prone shipping environments. In 2014 we are focusing on ensuring continued alignment with best practices in the industry, and exploring ways to translate these into additional efficiencies for WFP and in our service provision to partners in the coming years.’



THOMAS THOMPSON

Global Coordinator, Logistics Cluster

‘Logistics Cluster staff were deployed very early to support field operations in emergencies as well as filling key positions in Level 3 emergencies. All told, we spent over 1,000 days in the field in 2013. But we still managed to organize two very well attended global meetings of partners, in Dubai and Berlin, and conduct a Logistic Response training and a Standby Partner induction training. We were able to show that we prioritized emergency field operations, while being sufficiently versatile — and hardworking! — to pursue our strategic goals.’



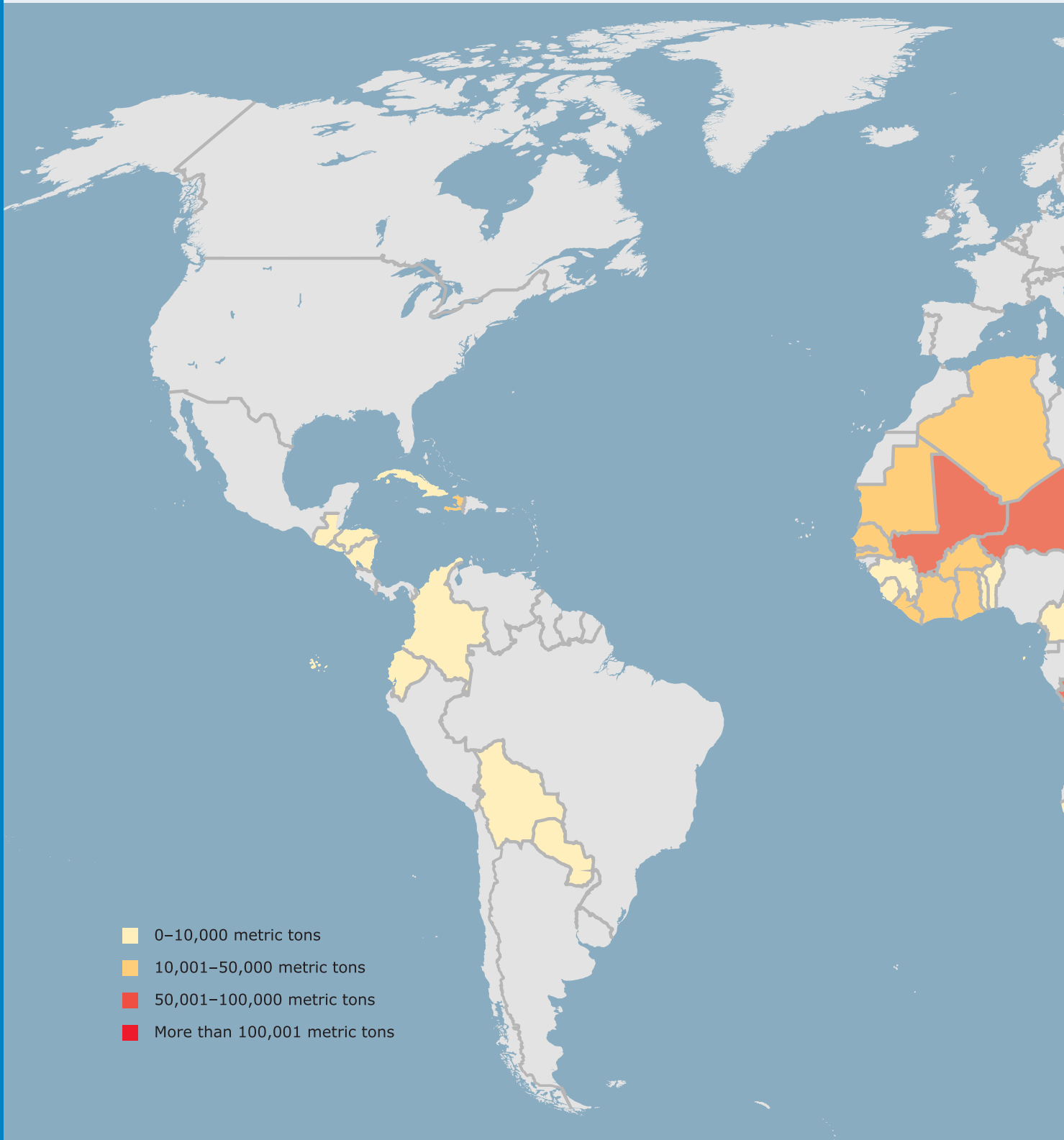
ADRIAN VAN DER KNAAP

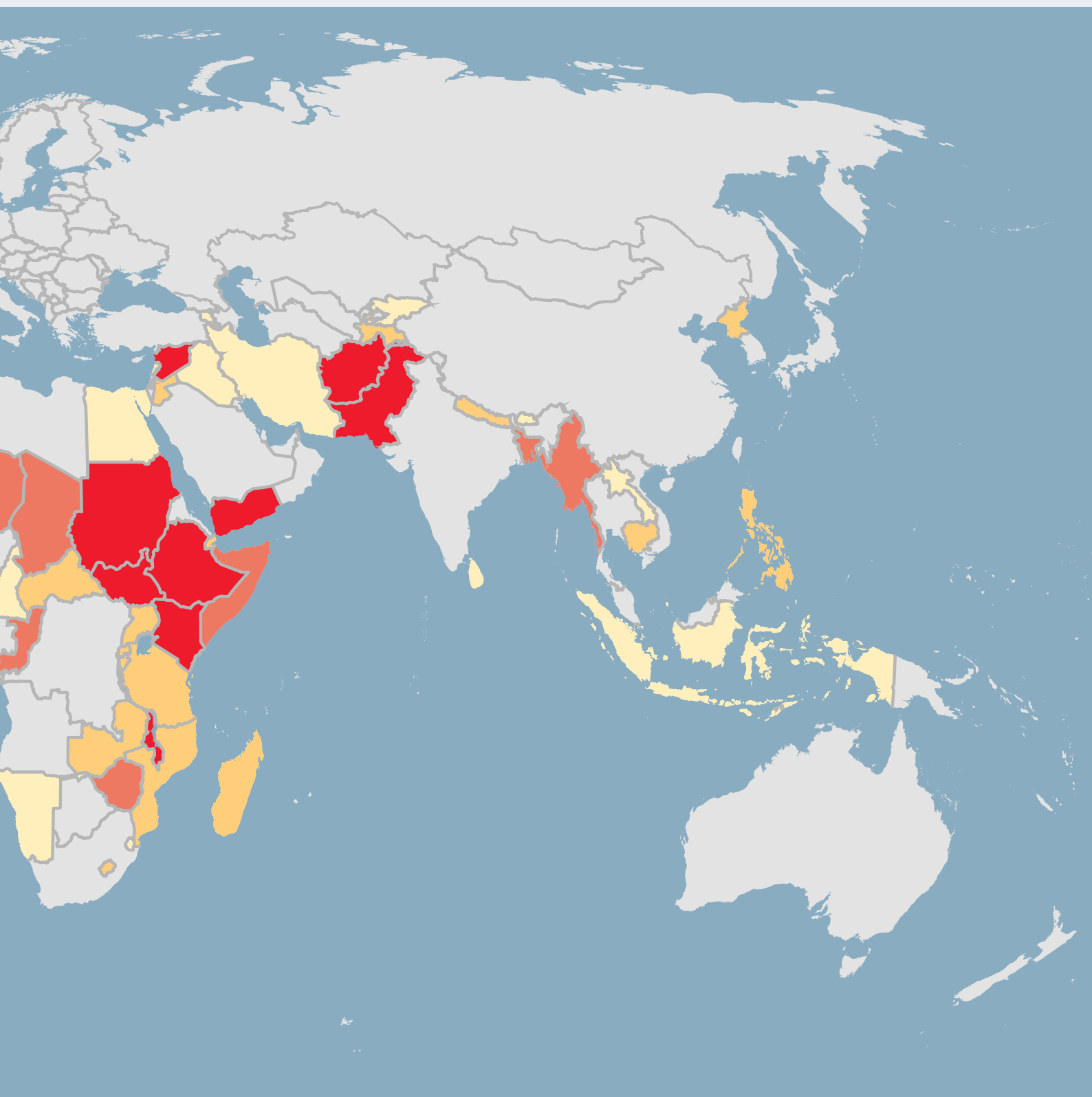
Chief, Logistics and Transport Services and Deputy to the Director

‘My logisticians are a humourless lot... they know if my campaign fails, they are the first ones I will slay.’ — Alexander the Great

Where WFP delivered food in 2013

Fig 1. Metric tonnage of food delivered, by country





How WFP delivers

Shipping

WFP's Shipping service, based at Headquarters in Rome, plays a pivotal role in the supply chain for all sea-bound cargo. Agility and flexibility are fundamental to our ability to respond to evolving humanitarian needs. In case of a sudden emergency, our charter party mandate of direct contracting with ship brokers and owners enables WFP's ocean transport team to divert cargo already en route. This was important in the Syria and Philippines emergency responses given the quickly changing requirements and volatile conditions.

Efficiency and cost savings in ocean transport

During 2013, WFP's Ocean Transport Service managed to contract and position the right charter vessels and provide sufficient container capacity to ensure a timely loading of relief commodities. Through its experience with shipping and the volume of food involved, WFP was able to negotiate more favourable prices than those offered by commodities

WFP Shipping: 2013 at a glance

1.95 million
metric tons of cargo shipped

69
ships chartered

43,000
containers booked

suppliers. Further savings were gained when WFP was able to arrange its own cargo unloading and bagging instead of relying on suppliers to provide these services.

In total, WFP saved US\$11.35 million on ocean freight in 2013 — some US\$3 million more than in 2012.

Ensuring safe and predictable ocean services to reach affected communities in Somalia

For nearly three years, WFP's time charter vessel, the *Caroline Scan*, has become a regular feature at all of the key ports along the coast of Somalia, shuttling humanitarian food and relief cargo to Mogadishu, Bosasso, Berbera and Kismayo. Successful rotations were achieved through excellent cooperation, and constant on-board protection provided by the European Union Naval Force (EUNAVFOR) Somalia through Operation Atalanta.* In 2013, WFP delivered more than 64,000 metric tons (mt) of WFP food assistance and humanitarian relief, which reached 1.2 million people in Somalia.

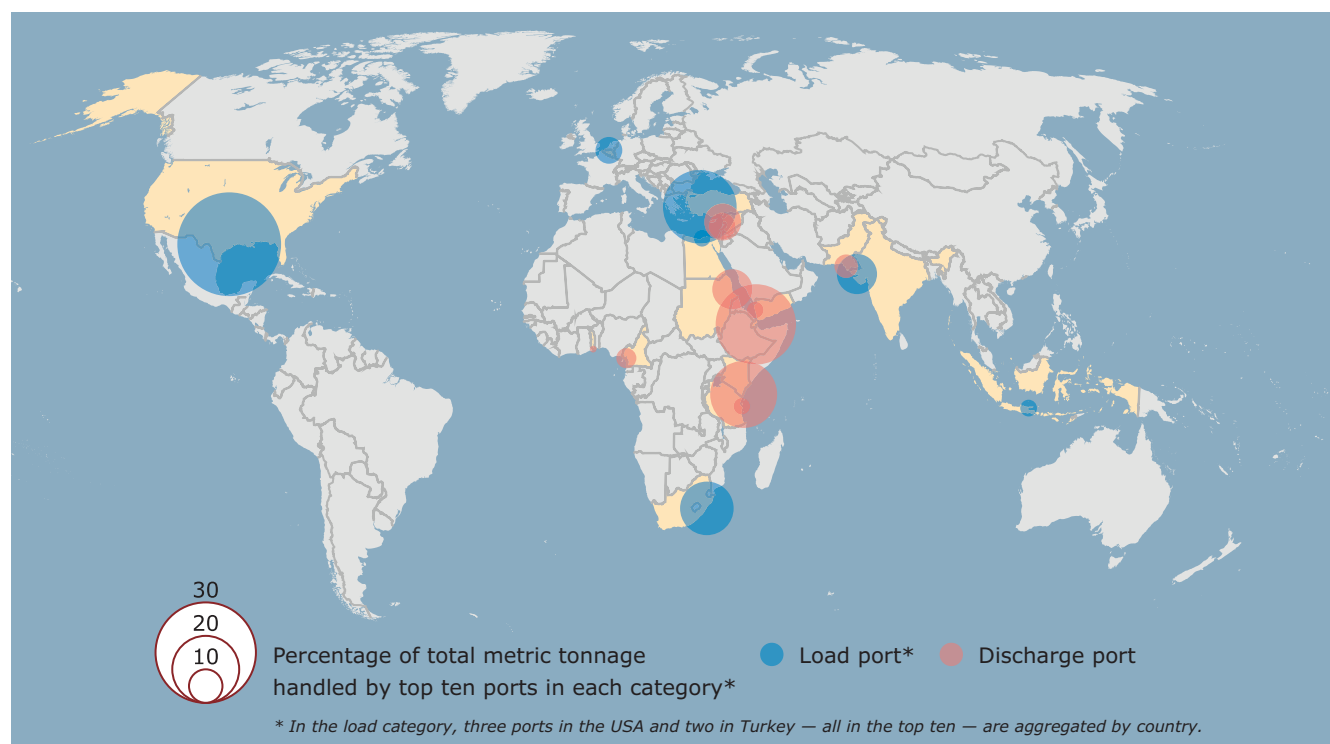
WFP also offers this service to the wider humanitarian community on a cost-recovery basis.

During 2013, over 5,600 cubic metres of inter-agency cargo was transported, with cost recovery of more than US\$653,000. Consolidation of partner cargo, facilitated by the Logistics Cluster, enabled 23 humanitarian organizations to support health, nutrition, protection and education programmes throughout Somalia.

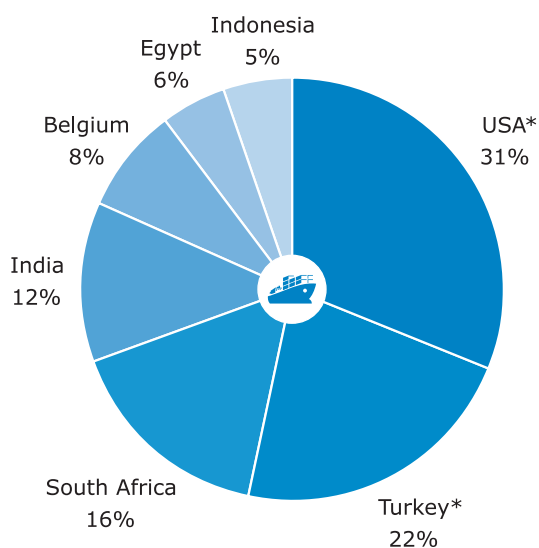
Both WFP and humanitarian partners have benefitted from this service, which is characterized by security, flexibility, reliability and cost-effectiveness.

** The EU's anti-piracy operation off the coast of Somalia.*

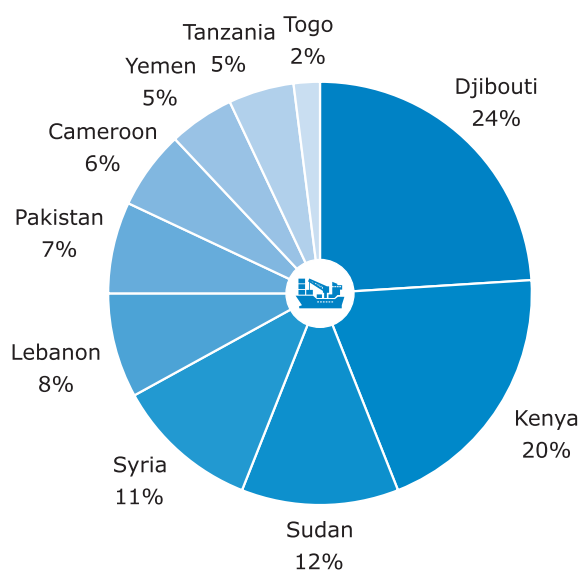
Fig 2. WFP's top 10 load and discharge ports in 2013



Top 10 load ports



Top 10 discharge ports



The vessel 'Caroline Scan' is loaded with inter-agency cargo.

Aviation

When access to communities affected by conflict or natural disaster is blocked by insecure roadways or damaged infrastructure, WFP turns to the skies.

WFP Aviation manages the United Nations Humanitarian Air Service (UNHAS), which enables non-governmental organizations (NGOs), UN agencies, donor representatives, the diplomatic community and humanitarian implementing partners with the access they need to promptly reach remote or inaccessible beneficiaries. In 2013, this constituted 80 percent of WFP Aviation's activities. (For details of UNHAS operations in 2013, please see the Common and Bilateral Logistics Services section on pages 16–17).

WFP Aviation also supports UN agencies, including WFP and other external clients on request. Services include: strategic airlifts of relief items and operational equipment in support of humanitarian interventions; airfreight services for the transportation of cargo; dedicated third party services (on a cost-recovery basis); and bilateral passenger services not covered by UNHAS. As a last resort, airdrops for food delivery can be organized.

In 2013, WFP Aviation delivered vital relief items in response to emergencies in the Central African Republic, the Philippines, South Sudan and Syria.

Between November and December 2013, WFP Aviation transported nearly 1,200 mt of cargo to Cebu and Manila in the Philippines. This was achieved using a combination of fully chartered aircraft, charters that were cost-shared with UNHCR partners, and commercial airfreight. This flexibility allowed WFP Aviation to make the best use of available air assets and cargo space while maintaining cost efficiency. Cargo transported included operational support items such as mobile storage and accommodation units, telecommunications equipment and generators. Specialized nutritious foods for children, such as High Energy Biscuits, were also delivered to assist affected populations.

In Syria, the humanitarian situation continued to deteriorate in 2013. Overland delivery of cargo was severely hampered, and so WFP Aviation performed several airlifts to transport operational equipment and

WFP Aviation: 2013 at a glance

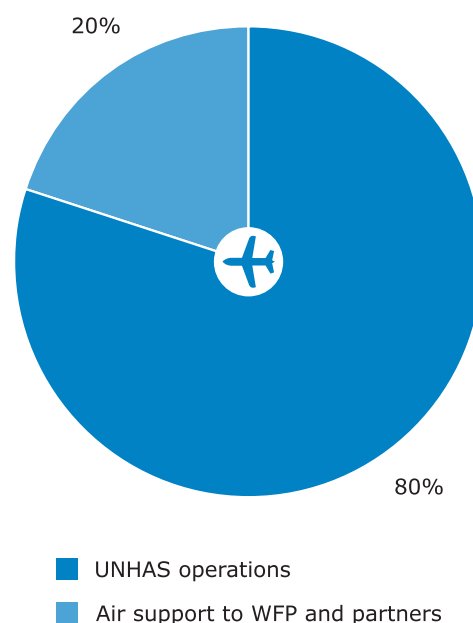
2,165
metric tons of cargo
transported

49
aircraft chartered

130
passengers

*(For UNHAS key figures,
please see page 16.)*

**Fig 3. Breakdown of
WFP Aviation's activities in 2013**



relief items. Some 700 mt of cargo was airlifted to and within the country.

In addition to its contribution to acute emergencies, WFP Aviation also transported food and non-food items to countries such as Bangladesh, Burkina Faso, Lebanon and Somalia.

Land transport

Using an intricate network of road, rail and river routes, WFP delivers food to some of the most remote and inaccessible areas of the world. In difficult operational environments, WFP relies on its own fleet of nearly 700 heavy duty-trucks that are designed to cope with the toughest road conditions. However, commercial transporters are used in most countries where WFP operates.

WFP surface transport management in 2013

With commercial transporters accounting for 95% of WFP's food deliveries, strong oversight and focus on efficiency in contracting is essential. Surface transport alone includes not only transportation, but also landside logistics services such as warehousing, storage and fumigation, etc. In 2013, WFP awarded 28,000 commercial contracts, the global value of which was US\$469 million.

Compliance and oversight of transport contracting

To ensure that staff resources and operational funding are appropriately allocated, WFP has in place strong global guidance and internal processes that serve as the foundation for all logistics contracting.

To enable effectiveness and efficiency in deep-field and emergency contexts, surface transport contracting is delegated to Country Offices and WFP logisticians at the local level. Oversight is ensured through systematic quarterly reviews of contracts by the Committee on Commodities and Transport. Chaired by the Deputy Executive Director, these quarterly meetings review a randomly-drawn sample of contracts, as well as cases of exceptional contracting. The Committee scrutinizes the agreements for compliance, and to detect any scope for further strengthening WFP's policies and systems for transport management.

In hard-to-reach, insecure areas where commercial transport capacity is not available, and cash or voucher schemes cannot be implemented, WFP must rely on its own trucks and regional fleets to deliver food.

In 2013, WFP succeeded in optimizing the use of its truck fleet, improving performance, emergency response capacities and reducing impact on the local environment.

WFP Land Transport: 2013 at a glance

3.1 million
metric tons of cargo
transported

28,000
contracts with
commercial providers

700
trucks in WFP's fleet

**Fig 4. Breakdown of
landside transport in 2013**

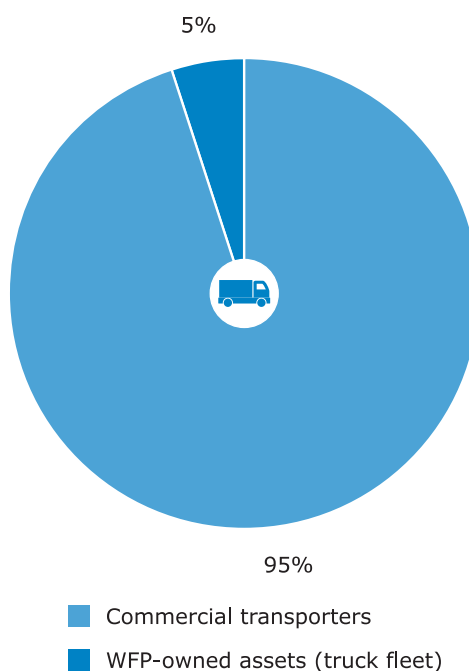
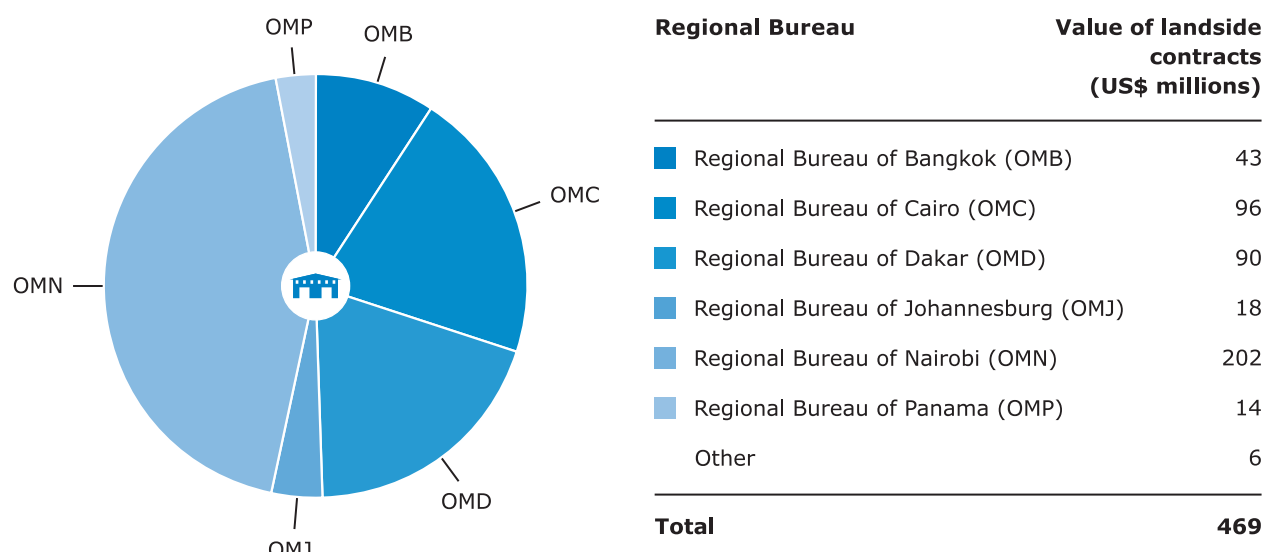


Fig 5. Value of landside contracts by region in 2013



Sudan Fleet team wins international Fleet Forum award for excellence in land transport

WFP's Sudan office won global recognition for humanitarian transport when they were presented with the Best Transport Achievement Award in March 2013. The award was given by Fleet Forum, which every year identifies a humanitarian organization that most exemplifies excellence in one or more fleet management areas. These include road safety, fleet safety, environmental impact and cost efficiency.

Fleet Forum is an interagency organization which works to promote sustainable efficiency and effectiveness in the transport sector in low- and middle-income countries. The jury was made up of representatives from UPS, TNT Express and Indiana University, who recognized efforts made

by WFP's team in Sudan to better reach isolated communities in Darfur and South Kordofan — while at the same time, improving the efficiency of their fleet.

‘Despite the harsh and dangerous environment where WFP operates in Sudan, they still managed to make a huge improvement in the effectiveness and efficiency of their fleet. They achieved a truck fleet utilization rate of 79 percent; 11 percent better than the year before. This meant saving US\$1 million while even reaching more beneficiaries in South Kordofan, making them a great example for other organizations in the humanitarian sector.’
— Paul Jansen, Executive Director, FleetForum



Adra Oumaliya village, Damascus, Syria, 3 December 2013. A truck carrying bags of wheat flour arrives at the Adra Oumaliya distribution site where Syrian Arab Red Crescent (SARC) volunteers distribute monthly WFP food rations to internally displaced families.

Common and bilateral logistics services

The United Nations Humanitarian Response Depot

The United Nations Humanitarian Response Depot (UNHRD) is a network of six depots around the world. Supplies are pre-positioned in the depots for humanitarian partners, ready for immediate dispatch during emergencies. From tents and blankets to medicines and emergency food rations, UNHRD procures, stores, transports and assembles on the ground the most crucial emergency relief equipment and supplies on behalf of 59 partners.

In 2013, the UNHRD Network stockpiled approximately US\$60 million worth of relief items at its strategic locations worldwide. It also provided comprehensive supply chain solutions to 32 of its humanitarian partners. With nearly 30,000 cubic metres of relief goods dispatched through 951 shipments to 90 countries, the total value of services provided to humanitarian partners amounted to US\$35 million. Emergencies in Mali, Syria, South Sudan, Central African Republic and the Philippines were all supported by relief items dispatched from the UNHRD Network on behalf of the humanitarian community.

UNHRD strengthened its operational capacity in 2013 through enhanced upstream pipeline coordination and cargo consolidation, as well as increased field deployments and capacity-building. It also established a sixth depot in Las Palmas, Spain, to serve as a gateway to West Africa and the Americas and improve the network's emergency response capacity in those regions.

Improving operational effectiveness was one of UNHRD's priorities during 2013. Reducing its carbon footprint, in line with WFP's strategic goal, was another. To this end, UNHRD installed a 24kW photovoltaic system and solar panels at the Accra hub, which provide most of the electricity needed for the office.

UNHRD: 2013 at a glance

59
humanitarian partners

951
shipments worldwide

90
countries served

30,000
cubic metres of relief goods
transported

Typhoon Haiyan: rapid multi-hub response served 24 partners

The Philippines crisis and the scale of the emergency response were massive. The nearest UNHRD in Subang (Malaysia) was assisted by those in Dubai (United Arab Emirates) and Brindisi (Italy).

Within 24 hours of the onset of the emergency, UNHRD dispatched life-saving commodities from the Dubai and Subang hubs on behalf of WFP, governments and humanitarian partners. Between November 9th and the end of 2013, UNHRD consolidated and dispatched 1,500 mt of commodities, valued at over US\$ 8.2 million, on behalf of 24 partners.

Daily chartered flights and commercial freight consignments were dispatched to Cebu, Manila and Tacloban airports in the Philippines. Emergency dispatches from Dubai included 42 mt of High Energy Biscuits and IT equipment. Shipments from Subang included 20 mt of mobile storage tents for Cebu. An entire crew was deployed to set them up. Depleted stocks were immediately replenished to preserve UNHRD's emergency response capacity.

Fig 6. UNHRD global outreach in 2013

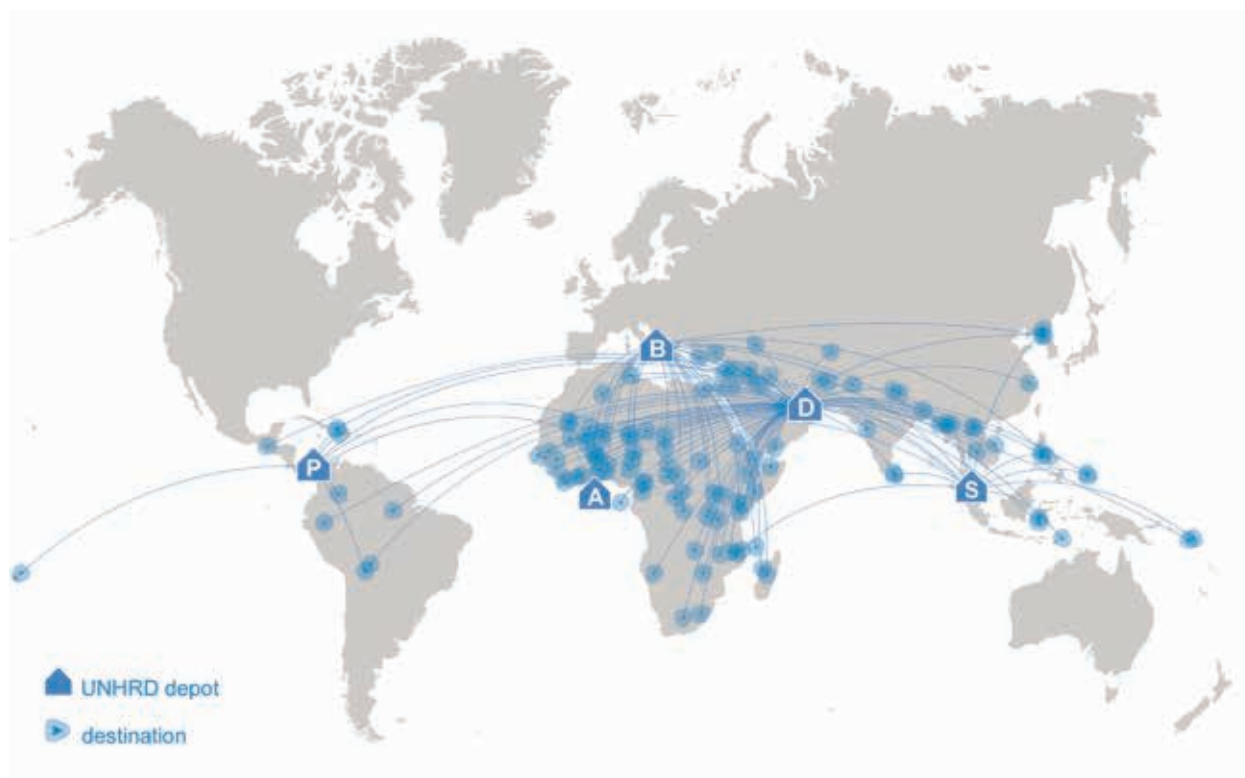
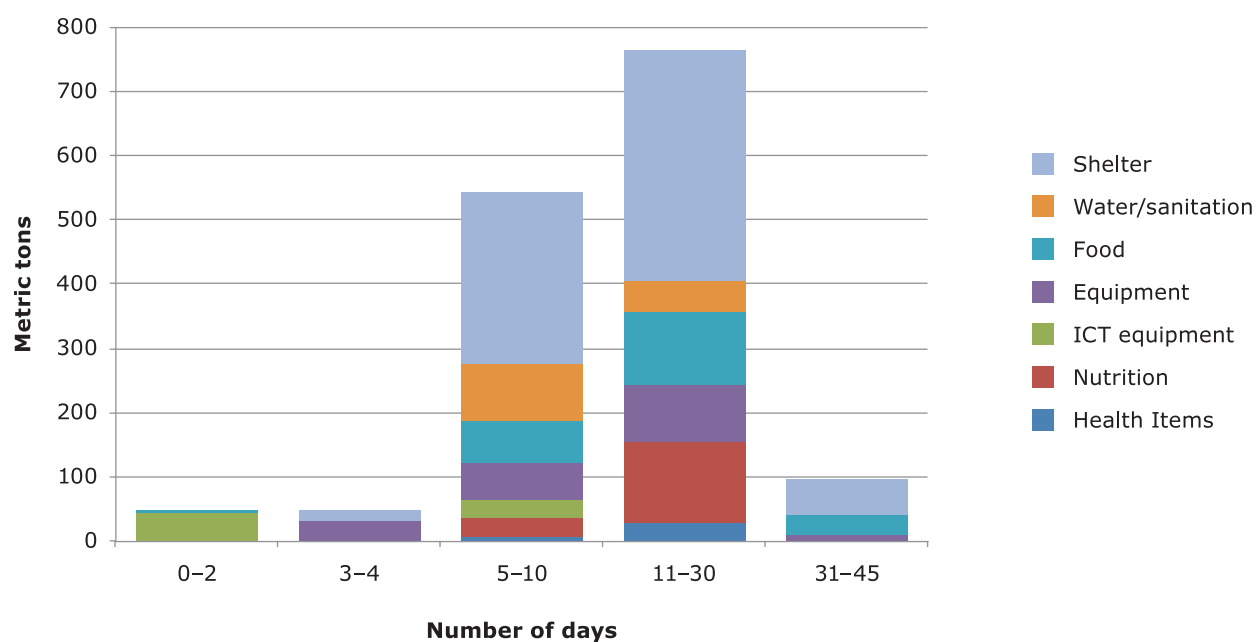


Fig 7. Types of relief items dispatched by UNHRD in the six weeks following Typhoon Haiyan



The United Nations Humanitarian Air Service

The United Nations Humanitarian Air Service (UNHAS) provides common air services to some of the world's most remote and challenging locations. With no other way of reaching isolated communities, aid workers can rely on UNHAS to facilitate access, helping them to carry out their life-saving work. What sets UNHAS apart from any other commercial airline is their mission: to fly to remote destinations where others do not usually go.

Where access is limited by insecurity, poor infrastructure, long distances and a lack of safe, reliable commercial providers, UNHAS conducts flights for humanitarian actors at the request of the UN Country Team or the Humanitarian Coordinator.

In 2013, UNHAS transported 364,236 passengers and 1,934 mt of light cargo. Nearly 240 regular, and over a hundred ad hoc destinations were served. UNHAS operated in Afghanistan, Central African Republic, Chad, Democratic Republic of Congo, Ethiopia, Mali, Mauritania, Niger, Somalia/Kenya, South Sudan and Sudan, and also in the Philippines in response to Typhoon Haiyan. It also provided an air passenger service in Yemen.

Mali: growing humanitarian needs triple air transport requirements

In Mali, where humanitarian access is constrained by insecurity, UNHAS has become the backbone of interventions — especially in conflict-affected areas in the North, where many fragile communities reside. Road travel is extremely dangerous, and the lack of safe accommodation in the three northern regions of Gao, Timbuktu and Kidal make overnight stays for humanitarian staff difficult, limiting UN presence in these areas. As a result, agencies have been providing assistance mainly through local non-governmental organizations (NGOs). Thanks to UNHAS Mali, humanitarian aid workers can now make one-day trips to these locations to monitor and oversee their projects.

UNHAS: 2013 at a glance

14
countries served

237
regular destinations served

364,236
passengers transported

2,068
medical and security
evacuations

1,934
metric tons of light cargo
transported

In 2013 there has been a significant increase in demand for UNHAS services due to the scale-up of humanitarian presence in the country. During the first three months of 2013, average monthly passenger numbers rose from 441 to 1,255, and light cargo from 1.8 to 4.3 mt. In response to increased demand, a second aircraft was added to the fleet in mid-June.

As well as providing regular air passenger services, UNHAS conducts emergency evacuations. The value of medical and security evacuations is difficult to quantify. However, the cost savings for humanitarian agencies are likely to be very significant: commercial providers often charge tens of thousands of US dollars per patient.

Table 1. Performance overview of UNHAS Special Operations in 2013

Country	Fleet size*	Hours flown	Passengers	Cargo (mt)	Medical and security evacuations	Number of regular destinations	Number of user organizations
Afghanistan	3	2,118	23,321	88	6	22	159
C.A.R.	2	2,091	9,401	272	50	15	67
Chad	3 (+1)	3,779	57,838	227	121	19	112
DRC	4 (+1)	4,277	40,374	320	79	33	180
Ethiopia	3	2,556	9,096	32	80	8	60
Mali	2	1,952	11,614	37	6	5	97
Mauritania	2	1,032	4,547	14	10	6	40
Niger	1	1,675	17,140	40	5	6	139
Somalia/Kenya	7	6,706	60,540	356	43	25	133
South Sudan	9	7,346	83,841	255	1,624	35	291
Sudan	7	5,733	43,359	279	32	40	120
Philippines	4	466	2,262	13	12	20	82
Yemen	1	100	903	1	0	3	20
Total	48 (+2)	39,831	364,236	1,934	2,068	237	N/A **

* Fleet size varies according to operational demands, and figures given here represent the average. The numbers of stand-by helicopters operating in Chad and DRC have been added in brackets. Statistics for Emergency Response stand-by helicopters and fixed-wing aircraft have been included in figures reported for the countries into which they were deployed (Chad, DRC, Niger, Somalia/Kenya, South Sudan and Sudan). The same applies for ad hoc aircraft that supported various operations.

** Some user organizations operated in several different countries, which is why no total is given in this column.



An UNHAS plane at Cebu airport in the Philippines.

The Logistics Cluster

In 2013, the Logistics Cluster supported humanitarian logistics activities globally, including Central African Republic (C.A.R.), Democratic Republic of Congo (DRC), Mali, Mozambique, South Sudan, Syria, Yemen, and the Philippines. Logistics Cluster staff assisted in providing coordination, information management and logistics services (air, sea, river and road transport, storage and fuel distribution).

Providing 30 organizations with humanitarian logistics solutions in the aftermath of Typhoon Haiyan

Typhoon Haiyan raged through the central Philippines on 8 November, killing nearly 6,000 people and displacing some four million. Rapid transportation of relief goods to the affected area was vital.

The geographic area affected was vast and included numerous islands. At the outset, damaged infrastructure impeded access and severely hampered humanitarian operations.

In order to provide life-saving supplies quickly and efficiently to those in need, particularly in hard-to-reach areas, relief agencies needed logistics support.

The Logistics Cluster established coordination cells in six locations, including the worst-hit cities of Tacloban and Guiuan. Together, the cells provided a support platform for logistics coordination and information for all humanitarian actors.

Congestion at airports, ports and ferry crossings initially hampered relief efforts. The Logistics Cluster worked closely with the Philippine Government to ease constraints, minimize duplication of activities, limit congestion, provide up-to-date information on logistics capacity, and facilitate access to civil-military assets.

In the first weeks of the response, several other governments helped to ensure the rapid dispatch of life-saving assistance by providing operational support and military assets including ships, helicopters and cargo planes. By 31 December, the Logistics Cluster had facilitated the transport of 3,000m³ of inter-agency cargo for 32 organizations, using military assets.

Logistics Cluster: 2013 at a glance

9
active operations

31
countries supported

>26,000
cubic metres of relief items
transported, via WFP-
contracted vessels, trucks
and aircraft, on behalf of
37 organizations in the
Philippines

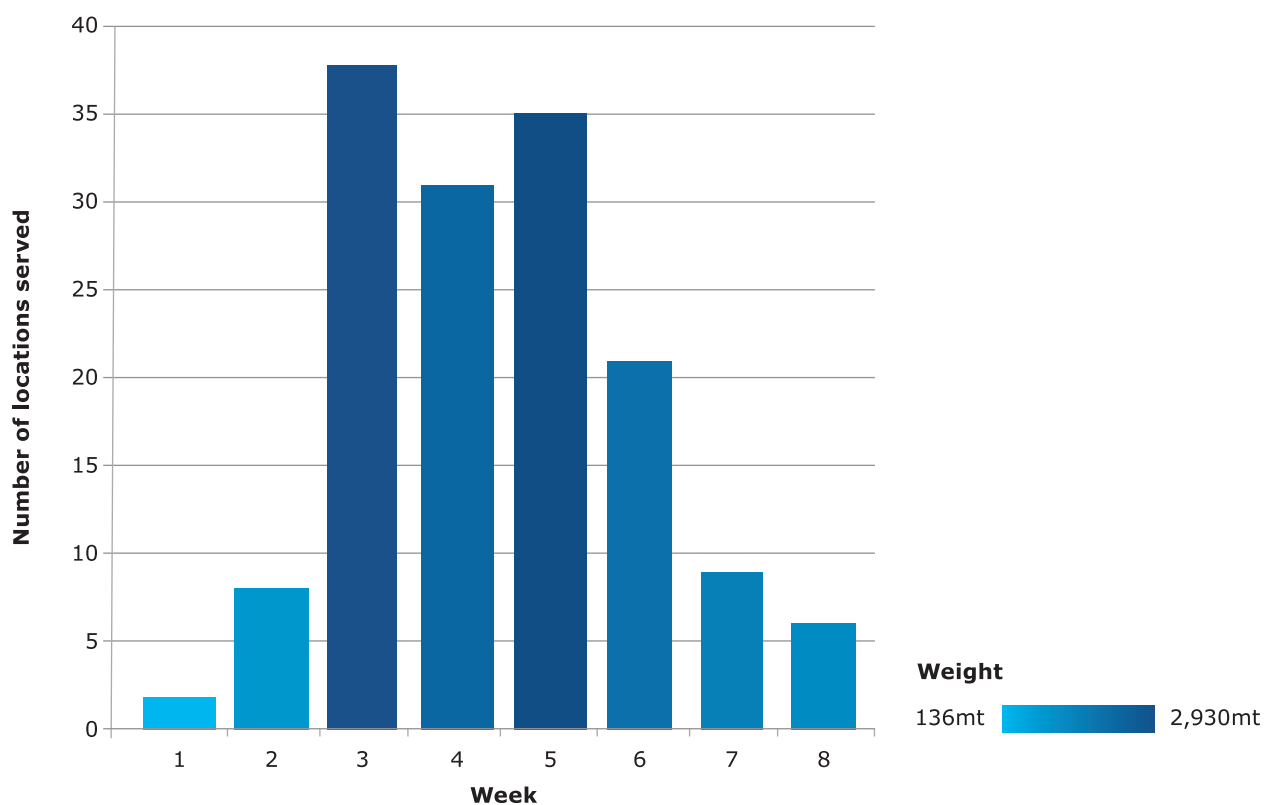
>24,280
cubic metres of relief items
stored on behalf of over
60 organizations in
South Sudan

Between 18 November and the end of 2013, WFP-contracted vessels transported over 10,300m³ of inter-agency cargo from Cebu to Bantayan Island, Guiuan, Iloilo, Ormoc, Tacloban and Roxas for 29 different organizations.

Road transportation services, augmented by the Logistics Cluster, also assisted in the delivery of priority relief cargo and urgent fuel supplies to support 26 different organizations in and around Cebu, Roxas and Tacloban. Support was also given to the Philippines Department of Social Welfare and Development (DSWD) with their distribution activities on Leyte Island.

WFP, as the lead agency of the Logistics Cluster, provided some 8,000m² of storage space to humanitarian organizations in the key locations of Cebu, Guiuan, Ormoc, Roxas and Tacloban, including assistance in the assembly of various Mobile Storage Units for partners.

Fig 8. Metric tonnage of cargo transported and number of locations served in support of the Typhoon Haiyan response



A Logistics Cluster truck departs Roxas warehouse carrying High Energy Biscuits and Plumpy'doz, a ready-to-eat food, on behalf of humanitarian partners.

Bilateral Service Provision

As well as common services provided through UNHAS, UNHRD and the Logistics Cluster, WFP offers bilateral logistics services to humanitarian partners such as NGOs and UN agencies. With a presence in more than 70 countries, WFP delivers aid and relief on behalf of partners. The organization is able to do so thanks to its extensive experience in humanitarian logistics, and more than 2,500 skilled staff with unrivalled local knowledge. WFP's range of logistics services spans the entire supply chain, and includes shipping, land transport and aviation.

In 2013, WFP completed its first service provision catalogue, outlining all of the services that can be provided to partners upon request.

These include:

- shipping and chartering solutions;
- land transport, storage and handling;
- fleet and workshop management;
- fuel provision;
- management of complex logistics operations, covering the entire supply chain; and
- a range of air services that includes third-party services, airfreight and executive passenger services, and medical and security evacuations.

In 2013, WFP provided logistics services in 20 countries. The number of WFP's customers rose from 80 from the previous year's 63, and included DFS, MSF, Mercy Corps, UNDSS, UNHCR and UNICEF.

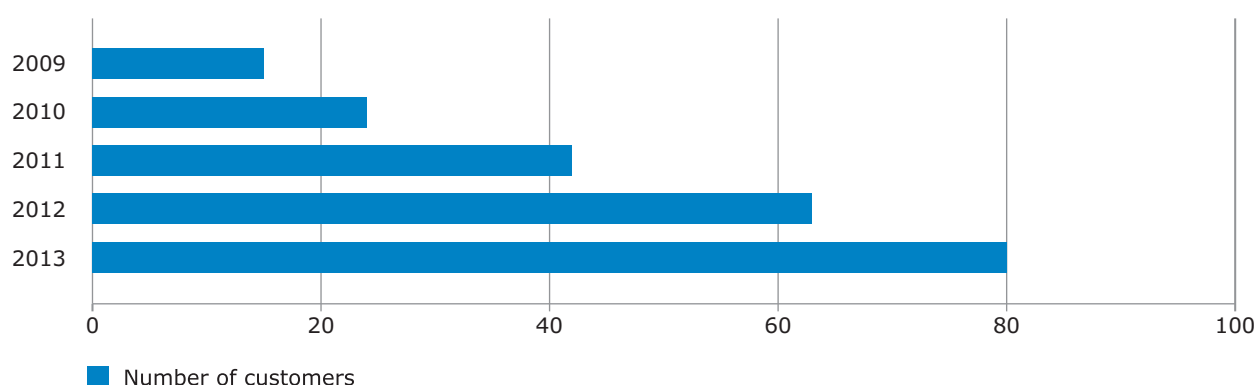
Bilateral Service Provision: 2013 at a glance

80
humanitarian customers

20
countries

US\$18 million
service portfolio value

Fig 9. Number of WFP Logistics Service Provision customers, 2009–2013





UNMIS on the move

WFP supports the UN Sudan Peacekeeping Mission

When South Sudan became independent in July 2011, the United Nations Mission in Sudan (UNMIS) relocated southwards, thereby creating a corresponding mission in South Sudan (UNMISS).

With nearly 15,000 personnel, UNMIS had been a vast operation. WFP was asked to help move nearly 3,300 pieces of heavy equipment — including containers, generators, fork-lifts and other vehicles — from the old UNMIS logistics base in El Obeid to the new, UNMISS one in Juba. Using barge operations, WFP started to transport the cargo from the port at Kosti, down the River Nile to Malakal, Bor, Juba and other locations in South Sudan.

Towards the end 2012, the border between the two countries was closed and a new transport route had to be identified. The alternative was to move the cargo by road to Port Sudan. There, it was containerized

and loaded onto WFP-contracted ships, which sailed around the Horn of Africa to Mombasa. The first ship was the M/V Jolly Perla, a Roll-on/Roll-off vessel carrying all 256 units of equipment, followed by 461 containers on two liner vessels. All arrived safely at Mombasa port during February/March 2013. There, at the request of UNMISS, badges had to be allocated for forwarding to Kenya and Uganda. The joint WFP/UNMISS presence at Mombasa — for daily dispatch prioritization — and at Nimule border crossing — to ensure continued follow-up with authorities to minimize costly transit delays — proved to be of key importance. By the end of 2013, all 3,300 items had been successfully relocated.

This complex operation involved coordination between several WFP Country Offices, and close collaboration with the UN Department of Field Support (DFS). The project has helped pave the way for WFP to provide large and complex logistics services to UN missions and other partners.

Excellence in humanitarian logistics

Emergency response

In 2013, WFP experienced an unprecedented number of simultaneous, large-scale emergencies — in Central African Republic, South Sudan, Syria and the Philippines. All of these crises were Level 3 emergencies — the highest WFP category, which requires the mobilisation of a global, corporate response to support the Country Office and/or Regional Bureau involved.

Surge teams of experienced logisticians were deployed to all four countries. For the first time, WFP Logistics also deployed supply chain analysts, who developed the field-level foundation for the Supply Chain Dashboard, a management information and decision support tool that was first introduced in 2012 in response to the Sahel crisis. (Please see 'Efficiency savings: supply chain management' on page 41.)

Responding to the Syrian crisis

Syria crisis: 2013 operational snapshot

Since the beginning of the Syria crisis in March 2011, the number of Syrians in need of humanitarian assistance has risen dramatically. As the humanitarian situation deteriorated in March 2013, WFP scaled up its response and increased its food assistance target from 1.5 million Syrians to 4 million by the end of the year.

Inside Syria:

- People in need of humanitarian assistance: **9.3 million**
- Internally displaced population: **6.5 million**
- WFP's target reach in January: **1.5 million**
- WFP's target reach in December: **4 million**
- Reached by WFP in 2013: **3.7 million**

In neighbouring countries:

- Syrian refugees in neighbouring countries and North Africa: **2.2 million**
- Syrian refugees in neighbouring countries and North Africa assisted by WFP: **1.48 million**



Safita Warehouse (near Tartous), Syria. In 2013, staff at the warehouse repackaged enough food for nearly 15,000 people every day. WFP's food assistance programme in Syria has created jobs for over 5,000 people including drivers, staff implementing WFP's assistance programmes and people working in repackaging facilities. Most of the people working in Safita repackaging facility, including the woman in the photo, are internally displaced people.

WFP's integrated supply chain solutions

A flexible logistics set-up was established to sustain the upscale. Against a backdrop of growing insecurity, it was designed to ensure continuity of operations. Components included:

- alternative supply routes to prevent bottlenecks caused by constantly shifting access conditions;
- a multi-country corridor plan;
- a diverse ocean transport operation offering a variety of options, such as contracting cargo liners and securing time charters;
- a decentralized warehouse and packaging operation — hubs in Damascus, Safita and Lattakia

were expanded, and were designed to operate independently so that disruption in one would not compromise operations in another;

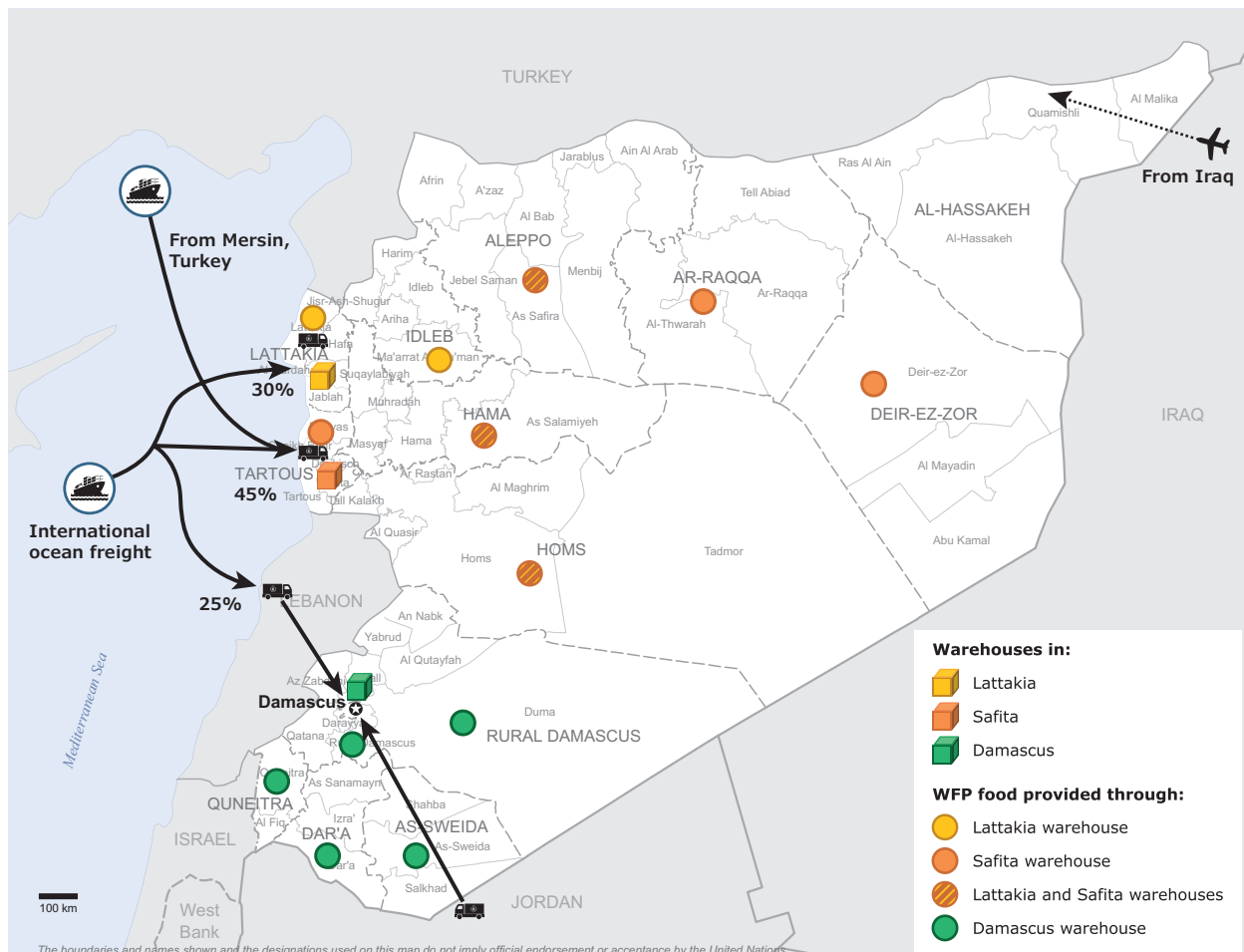
- targeted airlifts when roadways were blocked or inaccessible;
- facilitating humanitarian access to partners through the Logistics Cluster. In 2013, 31 joint humanitarian convoys to the most inaccessible areas were organized on behalf of 13 organizations.

WFP receives cargo for Syria in bulk. The rations are pre-packaged into a maximum of 800,000 family-sized parcels before distribution every month. The process involves a large, flexible network of supply routes and hubs, as shown below.

'A concerted effort to coordinate between all levels of the WFP supply chain is the main reason for our success in reaching 3.7 million people in Syria last year. Despite the challenges WFP faced, this integrated approach was the key to our building a supply chain of agility, flexibility and continuity.'

— Matthew Dee, Head of Logistics, Syria

Fig 10. Key supply routes and warehouse networks into and within Syria in 2013



Philippines typhoon response: docking in damaged ports

From the onset of WFP's emergency response to the Philippines Typhoon, it was evident to our shipping experts that sea transportation would be an operational mainstay. Numerous island populations were affected. To reach them with life-saving assistance, WFP and its humanitarian partners would require vessels immediately.

In the first week, WFP hired three Philippine-flagged vessels to visit the islands and deliver various types of humanitarian aid for WFP and partners. Decisive action was critical as local vessels were in short supply in the aftermath of the typhoon.

Damaged ports; limited berthing and port-handling capacities; an initial lack of port-based operating staff; and, occasionally, heavy rains all added to the challenge for WFP's maritime specialists.

Versatility in chartering was particularly important to enhancing WFP's shipping capacity. Shipping staff contracted ocean vessels, self-propelled landing

craft and barges — as well as a roll-on roll-off vessel, aptly named the 'Super Shuttle RoRo'. This fleet enabled WFP to move very different types of cargo — for instance, WFP trucks preloaded with food; non-food items in boxes for partners; and break-bulk commodities, such as bagged rice. Crucially, the variety of vessel sizes and characteristics enabled WFP to reach all the ports in the affected area — whatever the harbour's size, condition or capacity.

In that initial phase, WFP, through the Logistics Cluster, facilitated the movement of humanitarian relief for 29 organizations on WFP-chartered vessels. (For more details, please see pages 18–19 of the Logistics Cluster section.)

As 2013 drew to a close, WFP shifted its focus to supporting the regional food procurement efforts of the Haiyan response. Four international charter vessels and several container shipments were chartered to carry some 50,000 mt of bagged rice from Thailand and Vietnam into the affected areas.

Tacloban shore staff save the day

Other challenges faced at the ports were solved with innovative solutions pioneered by WFP's experienced shore staff in Tacloban. Continuous rains were slowing the unloading process, posing a risk not only to the commodities but also to

the supply pipeline. Our shore staff rose to the challenge by coming up with a new application for WFP Mobile Storage Units (MSUs). Erecting the structures over ships' holds, they invented 'all-weather shelters', and in so doing saved the day.

Connecting aid workers to typhoon-affected island communities

Inaccessibility was a significant constraint to the humanitarian response in the Philippines. Damaged infrastructure, including blocked roads and debris-scattered airfields, was a major logistical obstacle — particularly when multiplied across numerous, devastated islands.

On 16 November, UNHAS Philippines commenced operations. Using a combination of fixed-wing aircraft

and helicopters operating out of Manila and Cebu, it provided air transport services for the humanitarian community to 20 different locations.

By the end of the year, UNHAS Philippines had transported 2,262 passengers and over 13mt of light cargo, consisting of medical relief items, emergency telecommunications equipment and nutritional foods. More than 80 humanitarian organizations, including NGOs, UN agencies, donors and the diplomatic community, relied on UNHAS to transport them to numerous locations across the Philippines so that they



The humanitarian logistics storage area in the Philippines, nicknamed the 'Palo Hub'. This facility was managed by WFP as well as the Logistics Cluster, who facilitated the storage of inter-agency relief items.

Strengthening emergency air transport capacities

To minimise lead-time in deployment to emergency locations, WFP Aviation maintains a roster of pre-evaluated service providers across the world. In recent years, in an effort to further enhance the effectiveness of WFP Aviation's

emergency response capacity, the division has invested in enlarging the roster to include local operators in the Americas and Asia. It also has stand-by air assets in Africa, and a shortlist of operators for ad hoc charters.

could conduct needs assessments, and implement and monitor humanitarian projects. Visiting representatives of various institutions, such as the UN Secretary General and the Norwegian Minister of Foreign Affairs, also travelled with UNHAS to reach affected areas.

An outbreak of dengue fever accounted for most of the 12 medical evacuations of humanitarian personnel conducted by UNHAS. The patients were uplifted from various remote locations and flown to Cebu, where adequate medical facilities were available.

By January 2014, roads had reopened and commercial flights had resumed, greatly reducing the need for a humanitarian air service in the Philippines. In line with WFP's exit strategy, the regular UNHAS operation was discontinued on 15 February 2014.

Emergency responses in Africa: bringing food that final mile

In crisis-afflicted countries, numerous factors conspire to make delivery of emergency assistance to beneficiaries a highly complex, and often dangerous undertaking. Globally, WFP relies on the expertise and local knowledge of more than 2,500 logisticians, managing the last leg of delivery in over 70 countries. The ability to go that final mile has earned WFP its reputation as the world's leading humanitarian logistics organization.

WFP usually uses surface transport to deliver food to distribution points. This final stage of the supply chain is accomplished using whichever means is best suited to the context. Where possible, trucks are used. But often, circumstances require other means, such as river barges, trains or even animals to bring commodities to where they are needed.

WFP reviews transport options continuously,

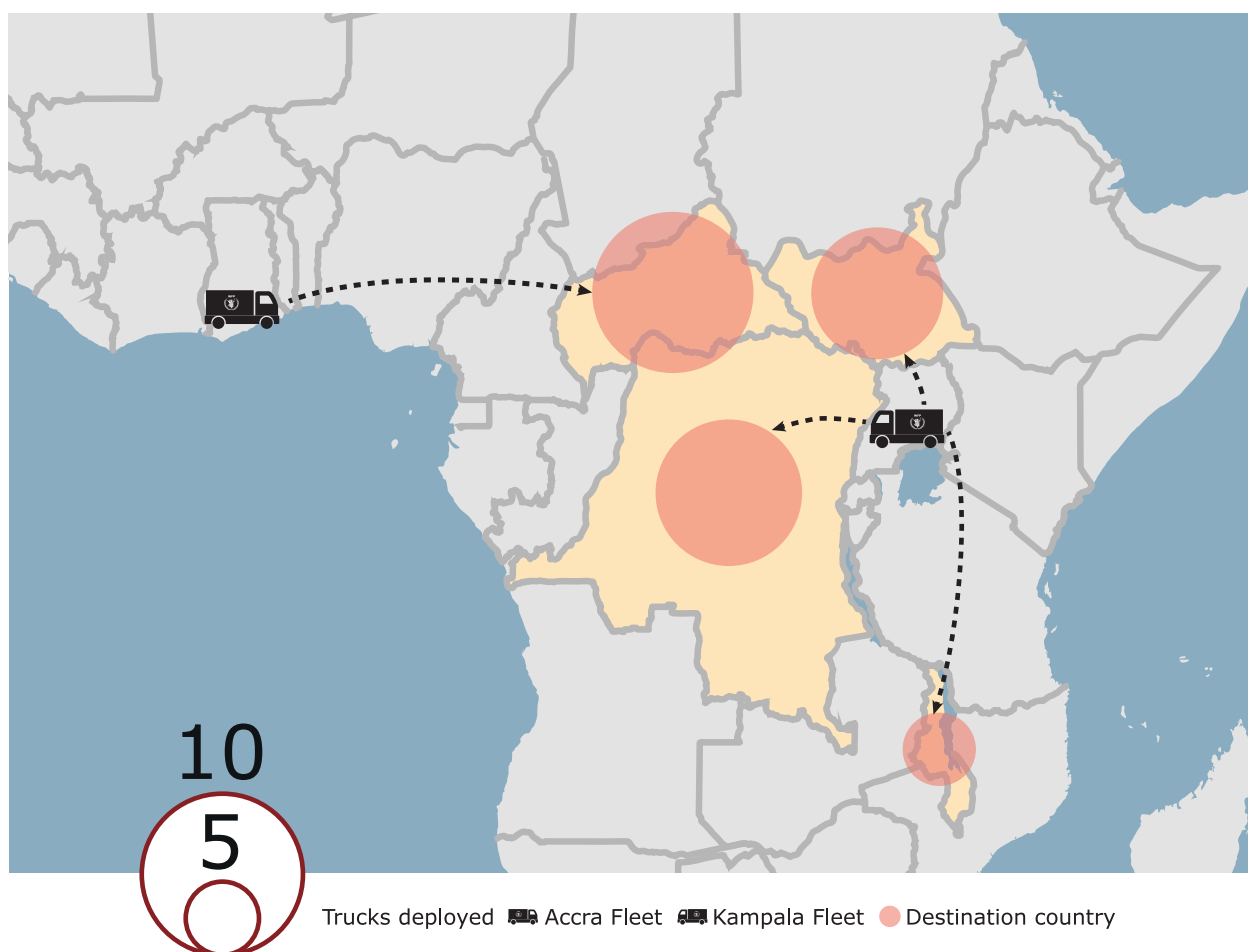
constantly striving to prepare for all eventualities and eliminate pipeline bottlenecks. Deploying WFP-owned trucks to speed up assistance to beneficiaries in African emergencies is one such example.

Regional truck fleets respond to emergencies across Africa

In 2010, WFP kicked off a new project in which surplus trucks from WFP's Country Offices were used to establish regional fleets to support emergency response.

Two of these regional truck fleets are based in Africa — in Accra, Ghana and Kampala, Uganda — and were created to enable WFP to rapidly deploy trucks to locations in which little or no local trucking capacity exists. In 2013, these supported emergency responses in C.A.R., DRC, Malawi and South Sudan.

Fig 11. Regional fleet deployments serving emergency responses in Africa



Central African Republic

The crisis in Central African Republic was a massive challenge to the entire humanitarian community, including WFP, particularly in terms of logistics. The country is one of the world's most remote and least

developed areas, and the dynamics of the conflict impacted heavily on commercial trucking capacities. Thanks to the regional fleet in Accra, WFP was able to send trucks to C.A.R. at only a few days' notice. The resulting local fleet, which was managed by WFP, proved indispensable to the humanitarian effort.

Story from the field: strengthening WFP's fleet capacity in Central African Republic

'Send as many trucks as you can.'

So came the request from Central African Republic Head of Logistics, Jean-Pierre Leroy. As the conflict escalated, so, too, did the humanitarian crisis. By now, several hundred thousand internally displaced people were scattered across the country and in desperate need of assistance. WFP's emergency operation faced a major challenge. There was not enough local trucking capacity to deliver the food.

Fortunately, Thomas Goransson, Manager of WFP's regional truck fleet in Ghana, was in a position to help. The Accra-based fleet of 40 trucks was on stand-by and ready for emergency deployment.

What's more, the regional fleet base is located next to WFP's Accra UNHRD. Humanitarian equipment — such as storage tents, office modules and generators — were promptly loaded onto 11 trucks, along with spare parts and a mobile maintenance workshop for the vehicles.

In December, the convoy's long journey to Bangui began. Loaded onto a roll-on, roll-off vessel at the commercial port of Tema, Accra, it travelled by sea to Doula, Cameroon. There, staff from WFP's Doula warehouse loaded food into any spare space on the trucks before the overland leg to C.A.R. commenced.

The 1,500km journey to Bangui was long and tough. Once in C.A.R., the trucks required armed escort by the African Union because of the security situation.

When they reached their destination, the fleet was serviced, repaired, and deployed for food distribution, mainly in the Bangui area. When security allows, they will be used in the rest of the country.

The eleven trucks have almost doubled the capacity of WFP's fleet in C.A.R. In 2014, the capacity will be further increased with the arrival of approximately 40 Kamaz trucks from WFP's operations in Afghanistan — all new additions to the Accra regional fleet.

Partnerships for emergency preparedness and response

Logistics Emergency Teams support the humanitarian community's response in the Philippines

Logistics Emergency Teams (LETs) are groups of experienced logistics personnel, such as warehousing, fleet, and air officers, who are ready to provide surge capacity to humanitarian relief efforts in disaster-stricken countries. Response teams deploy to emergencies within 48 hours of a request by WFP on behalf of the Logistics Cluster.

As a cross-company, private partnership, LET members Agility, Maersk, TNT Express and UPS have provided logistics expertise, human resources, and in-kind services such as logistics assets. In recent years, LET partners have also contributed to emergency preparedness by providing staff, as well as knowledge of local infrastructure for the production of Logistics Capacity Assessments. Their input has been invaluable, particularly in emergency-prone countries where WFP has no presence.

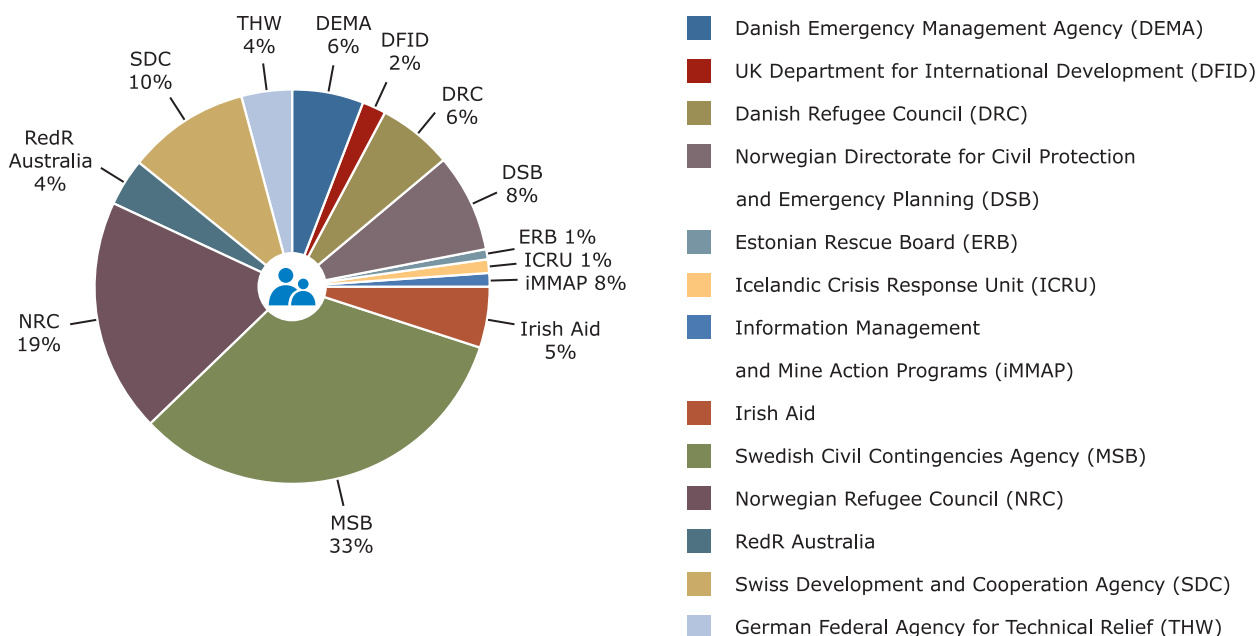
In 2013, in response to Typhoon Haiyan in the Philippines, LET partners contributed important logistics support in the form of heavy equipment, logistics assets, fuel and staff, in all the main ports receiving humanitarian cargo.

Standby Partner deployments in 2013

WFP Standby Partners are organizations that maintain a roster of rapidly-deployable staff and equipment to augment WFP's capacity in emergency operations. WFP currently has agreements with 20 organizations. In 2013, 13 of them supported WFP operations in 41 countries with 166 staff and with service packages. Two additional partners supported with service packages which included the provision of operational equipment. In so doing, they contributed staff and equipment worth US\$16.1 million.

On the day Typhoon Haiyan made landfall, WFP's Standby Partners responded rapidly. Within days of WFP's request, their first expert arrived. Over the next few weeks, 70 candidates were proposed and all deployment requests were met. Some partners even continued to provide assistance in the most affected locations 3-to-5 months later. Another request was made to the International Humanitarian Partnership (IHP) to deploy three light and one heavy base camp to accommodate 64 people in Guiuan. IHP deployed the camps on short notice, together with camp management staff to handle the facilities. In the Philippines crisis, every second counted, and the speed at which the Standby Partners increased WFP's capacity greatly strengthened the response.

Fig 12. Standby Partner staff deployments in 2013, by organization



Tools for emergency preparedness and response

The Relief Item Tracking Application: streamlined cargo management

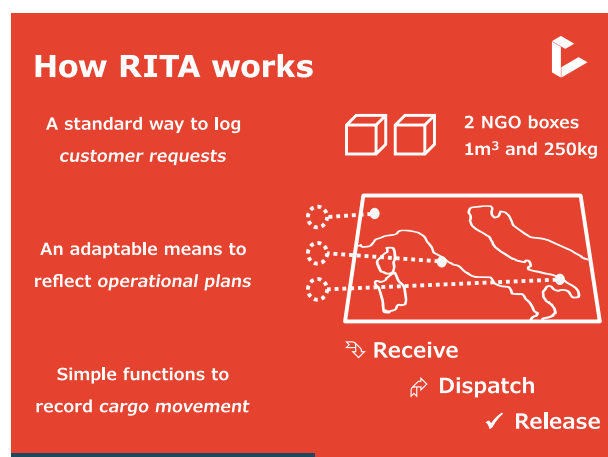
The Relief Item Tracking Application (RITA) is a globally-accessible system that keeps track of all cargo moved through the Logistics Cluster. It is a web-accessible application, developed by WFP Logistics, that allows any trained logistics officer to monitor and report on in-country transport and storage services in emergencies. RITA has been successfully field tested by Logistics Cluster operations in the Philippines, South Sudan and Syria, and also supports WFP service provision activities in Mozambique, Zambia and Zimbabwe.

Logistics Capacity Assessments: ensuring a baseline for operations and assessments

Having quick access to well-structured information about a country's logistics infrastructure is often a critical factor for effective emergency response. A Logistics Capacity Assessment (LCA) is a single data source that details, for example, the capacity of ports, main transport routes, warehousing, and customs regulations. LCAs are prepared and regularly updated by WFP logistics officers, increasingly with support from our private sector partners.

WFP Logistics has been using LCAs for many years. In 2008, it became a standardized tool. In 2013, it was developed into a wiki format and rolled out online for use by the entire humanitarian community. The new web-based, user-friendly format, which can be viewed at dcla.logcluster.org, offers significant

Fig 13. Overview of RITA's functions and uses



benefits to anyone needing comprehensive, up-to-date information, and it provides a simple system of reference for Logistics Officers updating an LCA.

The new LCA platform:

- is easy to update (this is critical in sudden on-set emergencies);
- is made up of moderated content, allowing for WFP Heads of Logistics and Regional Logistics Officers to ensure data accuracy;
- features up-to-date mapping, provided by the WFP's Geographic Information Systems (GIS) team;
- allows attachments containing in-depth information to be uploaded in any file format;
- exports easily to the ubiquitous PDF and Word document formats;
- is versatile and can accommodate new content sections if needed.

Fig 14. Overview of LCAs



What is an LCA?

A BASELINE for operations and assessments

Developing staff skillsets to deliver new food assistance solutions

WFP staff are the backbone of the organization. Their knowledge and practical experience inform the strong internal processes that ensure efficiency and effectiveness, and it is they who implement corporate policy. WFP's shift from food aid to food assistance is causing change throughout the organization, and staff have been busily preparing to move this transition forward.

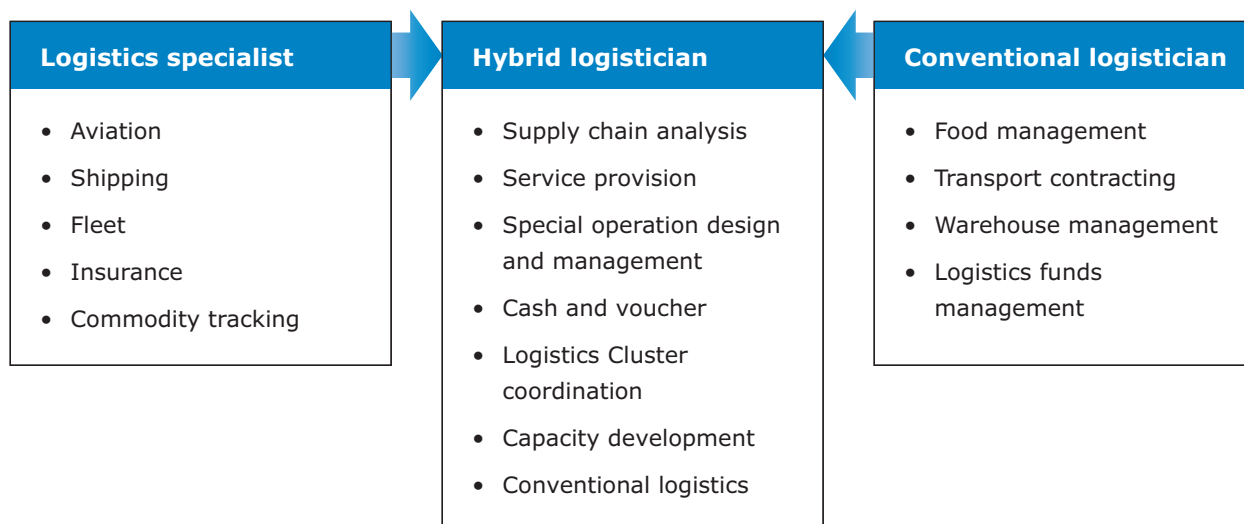
In 2013, WFP Logistics began developing an innovative staffing strategy that includes the design of supply chain-oriented profiles, and analysis of the skills or capacity-building required. The initiative stemmed from an assessment of current logistics competencies among staff, and this was measured against future needs. For Logistics, this has been a necessary move because WFP's range of food assistance interventions has expanded and we need to ensure that we can adequately support the full spectrum.

The knowledge we have gained from this process will also enable us to better support humanitarian partners and governments. WFP is increasingly being asked to help strengthen national preparedness and capacities, and logistics can link directly with a country's National Disaster Management Authority (NDMA). Offering them the benefit of our experience in training and capacity-building, and helping them build their own response and resilience mechanisms, is a good example of emergency preparedness in action.

WFP Logistics has also strengthened its human resource capacity in emergencies by developing our emergency surge pool. This pool consists of more than 450 individuals, both internal and external, who can be mobilized quickly in the event of a sudden-onset disaster.

In 2014–15, we will continue to develop tools and trainings to build and diversify the skills of logistics staff. We will model this global staff development framework based on our forecasts of competencies required to support an evolving WFP.

Fig 15. Diversifying skillsets of logistics staff: the 'hybrid' logistician



Left: WFP warehouse staff in C.A.R., and food distribution in Yemen; and (right) at camps in C.A.R. and Mozambique.



OPweb: logistics information now easily accessible and integrated

In October 2013, a new joint project was launched, involving three WFP divisions — Logistics, Emergency Preparedness and IT. OPweb is an internal, common operational portal, created by merging two existing platforms: EPweb, managed by Emergency Preparedness, and the Logistics Portal, managed by Logistics. A mock-up can be seen below.

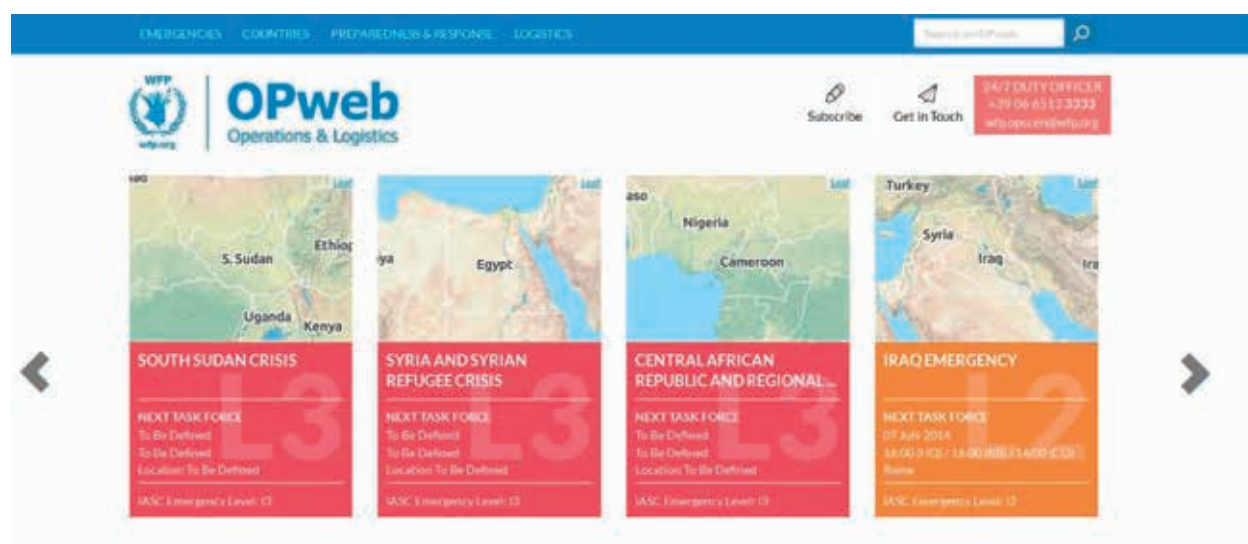
OPweb will provide several benefits.

- The system will host WFP's key operational information in a single location.
- It will be the central working tool for WFP HQ, Regional Bureaux and field staff on matters of food assistance, emergency preparedness and response, logistics and supply chain.

- It will highlight capacity development and coordination issues.
- By enabling a more interactive operational response, it will ensure that content and updates on large-scale operations and emergencies are published quickly and are easily accessible.
- By encouraging and facilitating greater interaction among operational staff, it will serve and enhance emergency coordination.
- It will reduce overlaps and increase information-sharing, thereby promoting overall operational efficiency.

The first version of OPweb will be launched in the third quarter of 2014.

Fig 16. A mock-up of the new OPweb



National preparedness: sharing our logistics expertise

In major emergencies, the effectiveness and efficiency of international humanitarian response often depends greatly on the state of preparedness of the affected country's national disaster management organizations. Where gaps or weakness exist at the national level, WFP is increasingly being asked to extend capacity-building training to these authorities. Often, governments also need to design and build emergency response networks to implement preparedness strategies. WFP helps them accomplish this through strategic, long-term projects. Three examples from Pakistan, Indonesia and Nigeria illustrate this work.

Pakistan: building a humanitarian response network

In July and August 2010, heavy monsoon rains triggered devastating floods in Pakistan. They resulted in nearly 2,000 deaths, as well as destruction of homes, population displacement, loss of livelihoods and damage to public infrastructure on an unprecedented scale. Nearly 20 million people were affected.

The extent of the destruction threw into sharp focus the need for enhanced national response preparedness in disaster-prone areas.

Following consultations with the National Disaster Management Authority (NDMA), the Provincial Disaster Management Authorities (PDMA), the humanitarian community and other stakeholders, WFP and its partners concluded that a countrywide network of Humanitarian Response Facilities (HRF) was the key to building national response capacity.

In 2012, WFP drew up initial designs and began the construction of the facilities, taking this project from a shared vision to a reality.

Locations for the hubs were selected through consultation with partners, and on the basis of statistical analysis of historical disaster frequency and population density. Eight hubs are planned, with a dedicated facility in each province, and two facilities in each of the larger provinces of Punjab and Sindh.

Significant progress was made in 2013 towards achieving this goal. By the end of the year, the first warehouse had been built. In 2014 WFP plans to complete construction of two more warehouses and hand them over to the Government. The facilities will be managed and maintained by the Government, and will store national contingency stocks of food and relief items from humanitarian organizations.



Quetta, Pakistan. This is one of six humanitarian response facilities constructed by WFP for Pakistan's National Disaster Management Authority. The warehouses are fully equipped with essentials, such as pallets, forklifts and office space.

The hubs are state-of-the-art and environmentally friendly, and include large open spaces for training and temperature-controlled storage areas. Managed by the Pakistan Country Office and supported by WFP Field Engineering, a second Special Operation will be launched in mid-2014 to complete the remaining five facilities.

Indonesia: a multi-year partnership strengthens disaster preparedness and response

Due to its tectonics, climate and topography, Indonesia is subjected repeatedly to natural disasters. In recent decades, earthquakes, tsunamis, volcanic eruptions, mudflows and severe flooding have caused huge loss of life, disablement, and destruction of property.

Emergency preparedness and response planning could save thousands of lives. To this end, WFP and the Indonesian National Board for Disaster Management (BNPB) have launched a multi-year capacity-building partnership. Three main areas of focus have been identified: emergency operational planning, supply chain management and training. Substantial progress was made in each of them in 2013.

The first milestone was the completion of a thorough supply chain analysis, based on a hypothetical international response to an earthquake and tsunami affecting the Padang region. In 2014, the results of this analysis will serve as the platform for more detailed planning by the Government of Indonesia. To further inform supply chain planning, WFP has also conducted five Logistics Capacity Assessments across five different regions.

Guidance in stock management of humanitarian relief supplies is another key component. WFP was asked to lend assistance in developing the functional design and a set of Standard Operating Procedures (SOPs) for optimizing management of food and

relief items in a planned new Government-managed warehouse in Jakarta.

WFP also developed and delivered humanitarian logistics trainings for over 560 Government staff in 2013. These were held in disaster-prone provinces throughout the year, contributing to logistics emergency preparedness at the provincial level.

Lastly, WFP staff provided hands-on training to the national disaster management authority, BNPB, on practical aspects of emergency logistics, such as setting up mobile storage hubs and supporting logistics operations in response to three emergencies across the country, including an earthquake in Aceh, floods in Jakarta, and a volcanic eruption in North Sumatra.

Nigeria: strengthening emergency preparedness

WFP and the National Emergency Management Authority (NEMA) of Nigeria have been working together to promote and reinforce the country's emergency preparedness and response capacity. NEMA is responsible for ensuring national preparedness, and is often involved further afield as a first responder to emergencies in countries across the Sahel region.

For this project WFP partnered with UPS, whose presence in Nigeria permitted sharing its expertise in local logistics. The objective is to support NEMA's enhancement of Nigeria's emergency response capacity to ensure stability and food security in the case of a natural disaster.

During 2013, a WFP team conducted assessment missions to identify NEMA's gaps, opportunities, and effective practices. The final mission identified three key areas for WFP to focus on: developing NEMA's institutional logistics capacity; improving operational planning and processes; and developing a national emergency logistics plan.

Special Operations

WFP launches Special Operations (SOs) to address specific logistics project requirements.

WFP manages four main types of SOs:

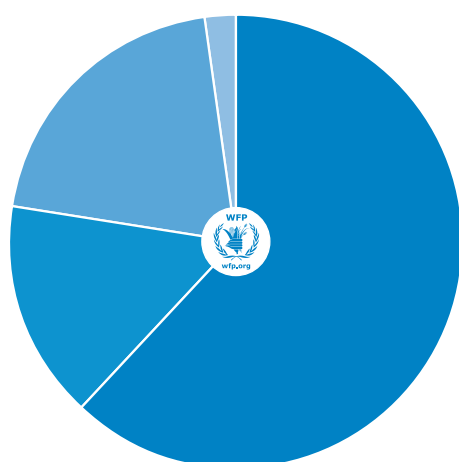
- logistics augmentation — road construction, port rehabilitation, etc.;
- UNHAS — common air passenger services for the humanitarian community;
- Cluster — common services or coordination for partners, via the Logistics Cluster, ETC, and Food Security Cluster; or
- a mixture of two or more of the above.

The number and types of SO have grown considerably in the past decade, and funding contributions have been steady.

In 2013 there were total of 38 projects with a combined annual value of US\$336 million. Of these, 88% (US\$296 million) were funded, including cost recovery.

UNHAS operations were fully funded by generous contributions from donors and income generated from cost recovery. Logistics and Emergency Telecommunications Cluster was 81% funded; and Logistics Augmentation projects were 54% funded.

Fig 17. WFP Special Operations in 2013: funding needs by project type (US\$ millions)

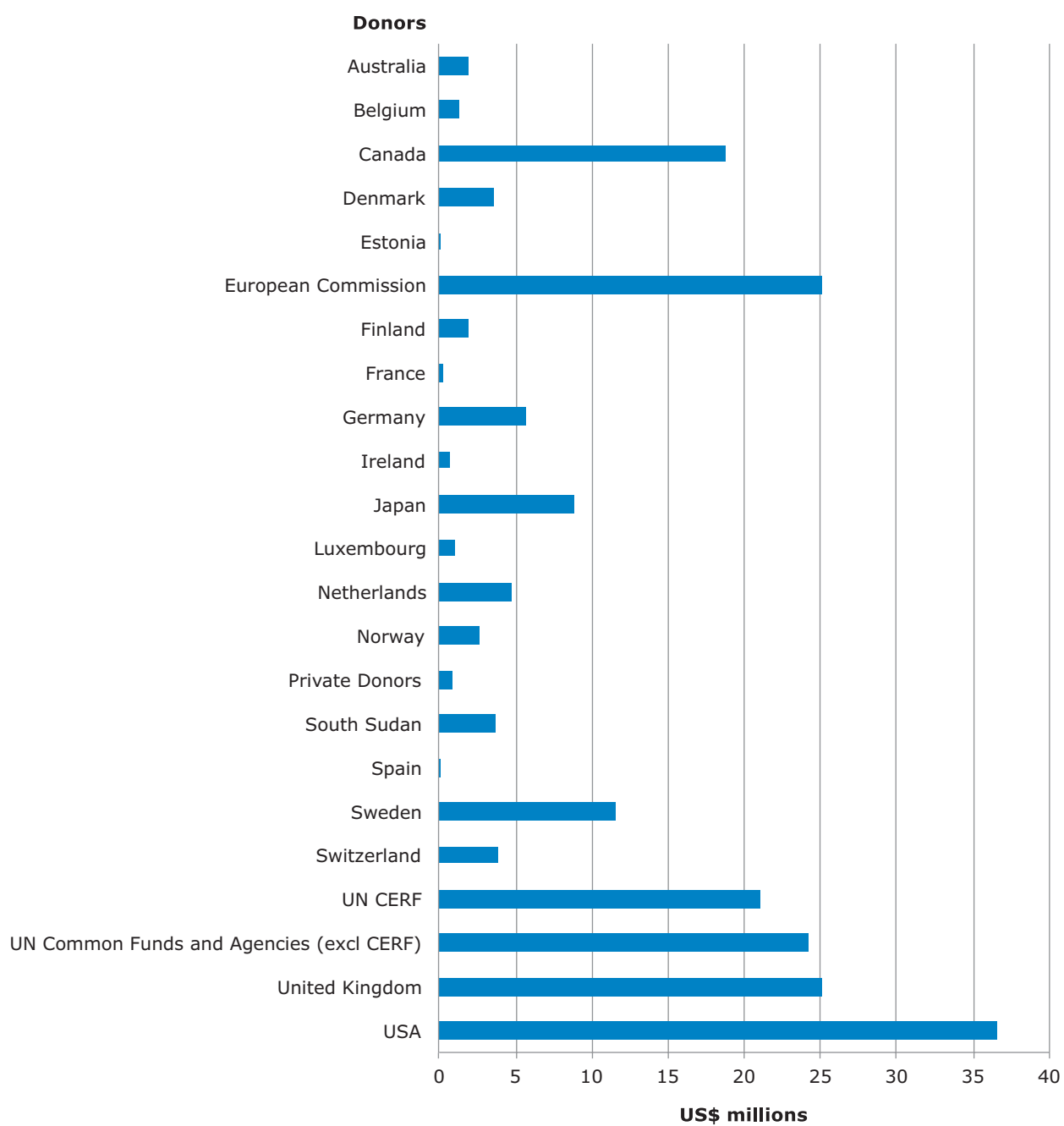


Project type	Sum needed (US\$ millions)	Sum needed as % of total
UNHAS	208	62
Logistics and ETC Cluster	52	16
Logistics Augmentation	68	20
Other	7	2
Total	336	100

Two of the Special Operations in 2013 — in (left) the Philippines, and (right) Syria.



Fig 18. 2013 Donor funding received for Special Operations in 2013 (US\$ millions)



Logistics innovation

Cash and vouchers: assuring supply and supporting local markets

The introduction of cash and vouchers has brought new ways for WFP to provide food assistance to people in crisis. However, for cash and voucher schemes to work, participating local traders need to have functioning, uninterrupted supply chains.

In 2013, Logistics has been increasingly active in supporting cash and voucher projects, in two main areas:

- assuring the supply chain, and
- stimulating local market recovery.

Worldwide, various WFP operations are implementing cash and vouchers programmes, and the organization is researching best practices. Below are two examples.

Sudan: monitoring retail vouchers

In 2013, WFP delivered vouchers to 550,000 people in Sudan. Before this large project was rolled out, Logistics conducted a thorough market assessment and analysis, visiting more than 20 locations across Darfur, Kassala and North Kordofan states.

A large single contract with a sole supplier is not the best option for a voucher project. In order to aid microeconomic recovery, WFP is increasingly trying to encourage beneficiaries to spend locally. With this in mind, Logistics sought and assessed more than 1,000 small traders who were close to beneficiaries and could meet the supply criteria. The selection process was meticulous: each trader completed a questionnaire and was then visited by WFP at their store. Of the 1,000 traders assessed, 300 were selected to supply 23 locations.

Supply chains, particularly in these locations, are fragile and can take time to respond to different shocks. To ensure an uninterrupted supply of food for which beneficiaries could exchange their vouchers, Logistics in Sudan reviewed each vendor each month

Sudan logistics team: vendor performance criteria

Vendors must be able to:

- provide good quality food;
- reliably supply food per their declared capacity;
- offer a good variety and amount of foodstuffs; and
- complete required voucher distribution reports in a timely manner.

using a tailored-made performance assessment tool, summarised here in the box.

As the year progressed, the logistics team was able to standardize their trader selection process, streamline staff roles, and maintain a reliable list of shortlisted and contracted traders in all locations.

Ecuador: integrated supply chain approach underpins groundbreaking cash and voucher project

In Ecuador, a unique cash and voucher project developed by WFP provides an excellent example of an integrated supply chain in action.

WFP technical experts in logistics, finance, programme and IT teamed up to plan, implement and monitor the roll-out of cash and vouchers, which, by the end of 2013, accounted for 60% of WFP's food assistance in the country.

At the core of the project is beneficiaries' need for nutrition and a well-balanced diet. WFP gives beneficiaries a rechargeable e-card that they can use to purchase select nutritious foods from local retailers. To recharge the card, recipients must attend monthly trainings on nutrition and healthy eating.

Logistics' role was to source and vet retailers; distribute e-cards to beneficiaries; and monitor



WFP Ecuador uses vouchers in the form of electronic cards to improve the diet and integration of people affected by conflict

products purchased, transactions made and vouchers redeemed.

To monitor cash and voucher distributions, ICT and Logistics developed a transfer and tracking system. This captures key information for several WFP departments. For example, information on changing dietary habits can be used by Programme for targeting, and monthly retailer payments are used by finance staff for accounting and audit purposes.

An analysis of the cash and voucher project, conducted jointly with the International Food Policy Research Institute (IFPRI), noted that the scheme achieved:

- higher cost efficiency than general food distribution, and
- a positive impact on dietary diversity, especially in urban environments.

Encouraged by these results, WFP Ecuador expanded the scope of food voucher projects in Ecuador. By 2015, WFP plans to deliver all of its food assistance in the country through cash and vouchers.

Post-harvest losses

Every year a significant portion of food is lost in the supply chain. For all their hard work in the fields,

farmers often lose part of their harvest because of problems with storage, transport and handling.

This is where innovative logistics comes in. WFP Logistics has become involved in agricultural education initiatives designed to minimise supply chain losses, including the provision of new storage technologies.

On behalf of the Purchase For Progress (P4P) initiative, we managed the production of a *Training Manual for Improving Grain Postharvest Handling and Storage*, and also helped develop models for reducing 'on-farm' losses. An action research pilot project involving 400 farming families in Burkina Faso and Uganda produced highly encouraging results (please see the box on the next page).

Following the success of the research trials, WFP launched a 14-month Special Operation to help 41,000 farming families across Burkina Faso and Uganda reduce their post-harvest losses. The Special Operation will promote equal participation of men and women, and it aims to increase farmer incomes through:

- reduction of post-harvest losses by >70%;
- increased farmer control over the timing of crop sales; and
- increased farmer ability to access quality-oriented markets.

Changing lives, changing communities

Esther is a low-income farmer in Eastern Uganda. Every year she and her neighbours lost up to 40% of their harvested crops due to insect infestation, birds, rodents, weather, and inadequate drying and storage equipment. To reduce the impact of spoilage on their income, they were forced to sell their crops as quickly as possible. This meant that they could not capitalize on market fluctuations to maximize their return. In 2013, Esther's world changed.

WFP Logistics, in collaboration with P4P and local farmer organizations, invited 400 low-income farmers in Burkina Faso and Uganda to participate in an action research trial. Designed to measure the impact of reducing post-harvest losses, the project offered participants training in post-harvest management techniques, and new technology in the form of farming equipment from developed countries.

The trial was conducted in eight different farming districts between September 2013 and April 2014. Participating farmers, including Esther, were given training and new storage technology to try out during their next harvest. In return, each farmer was asked to store a small portion of their crop in their traditional storage units, with the rest being stored in the new units. The crops stored in both types of unit was examined at 30, 60 and 90 days. At the end of the three-month trial, participants discovered that the new units achieved a 98–100% reduction in losses.

Top and middle: Esther and her family with their traditional storage unit, and then their new one.

Bottom: Maize (left) after 90 days in the traditional storage unit; (right) after 90 days in the new one.

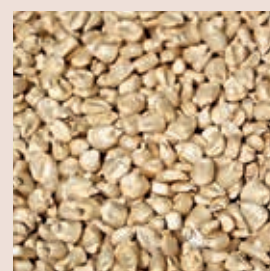


Fig 19. Average recorded post-harvest losses using traditional storage units

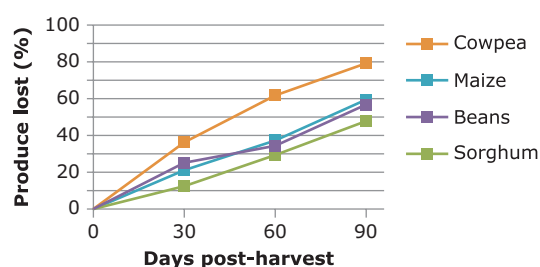
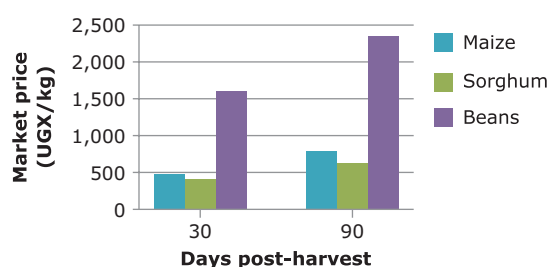


Fig 20. Market price (UGX/kg) at 30 and 90 days for maize, sorghum and beans



Specialized nutritious foods

Specialized nutrition products make up a growing share of the food WFP provides to the world's hungry, and use of these products is set to grow by 15% in 2014. However, managing a supply chain for these products is a major logistical challenge.

Since WFP's inception in 1962, the organization has accumulated vast expertise in procuring, transporting and storing bagged and bulk commodities. But specialized nutritious foods (SNF) present a new set of challenges due to their limited availability, longer production cycles, sensitivity to temperature and humidity, and comparatively short shelf life. They are also more expensive than traditional commodities. Every aspect of WFP's supply chain has had to adapt to deliver SNF quickly and safely to vulnerable, malnourished individuals.

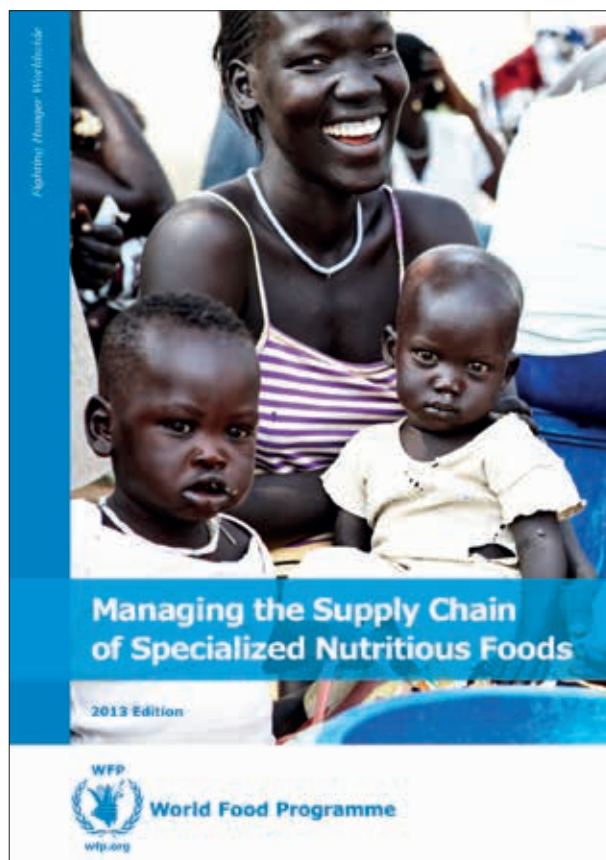
In 2013, we achieved two important milestones.

The first was publishing a new set of guidelines by WFP: *Managing the Supply Chain of Specialized Nutritious Foods*. At more than 200 pages, the manual shares best practices and provides practical guidance on the special characteristics of SNF, supply chain planning, determining demand, food quality, procurement, logistics and distribution. As well as explaining how SNF should be used, it contains a wealth of information on safety considerations, such as adapting warehouses to improve temperature control, stock management, and detecting and managing food incidents.

Produced by a dedicated team within the Logistics Development Unit (LDU) that brought together eight humanitarian organizations and three academic institutions, this manual is now available to support field operations for not only WFP, but the humanitarian community as a whole.

On the basis of these guidelines, a three-day training was developed for WFP staff, partners and governments, and was successfully piloted in Ethiopia.

In the coming year, WFP will continue to focus on improving supply chain management for SNF. This includes rolling out trainings in various countries, developing a new supply chain assessment tool, quality control, and working towards standardization of SNF products, including packaging and labelling, regardless of the supplier.



WFP's new guideline for the humanitarian community: Managing the Supply Chain of Specialized Nutritious Foods.



SNF distribution in Sindh Province, Khairpur, Pakistan.

Cost efficiency and effectiveness

Greater cost savings allow WFP to reach more people in need

In 2013, WFP Logistics achieved a US\$25 million reduction in the cost of handling and transportation of food assistance. From the moment that food enters a country — most commonly at the discharge port — all costs, such as vessel unloading, land transport, storage and handling, etc., that are incurred during the journey to its final destination are referred to as Land Transport Storage and Handling, or LTSH. In 2012, average LTSH costs amounted to US\$ 179/mt. Despite parity in transport rates and the complexity of supply routes, in 2013, WFP achieved cost savings of US\$7/mt. This was accomplished by WFP Logistics through the following actions.

- We re-established a team of budget management experts in the Freight Analyses and Commodity Accounting Unit. Based at HQ, the team oversees and coordinates global LTSH costing, budgeting and funds utilisation in close collaboration with experts in the six Regional Bureaux in Bangkok, Cairo, Dakar, Johannesburg, Nairobi, and Panama.
- We introduced more streamlined, analytical processes to encourage logistics staff in Country Offices to optimise supply chain efficiency, for example by selecting multiple corridors and transport modes.
- We launched new, easy-to-use oversight tools to support detailed analytics and data-gathering. These tools allow logistics staff and funds managers to compare budgeted LTSH rates with actual expenditures. Among other things, this enables them to make timely adjustments through the new Budget Revision Lite process.

For WFP this is a big success, as it means more funds are available to reach more people with life-saving assistance.

LESS: enhanced efficiency for WFP's food supply chain

The Logistics Execution Support System (LESS) is a new integrated system for supply chain management, inventory accounting and real-time tracking. LESS will put WFP's entire food supply chain online for the first time, meaning that all WFP offices will be connected and able to monitor commodity information in real-time. That includes port offices and warehouses, all the way up to HQ. We began piloting LESS in 2011 by introducing it in Sierra Leone and Liberia. The pilot has proved very successful, paving the way for roll-out to WFP's operations around the world.

In 2013, LESS received strong backing from an independent external evaluation, which concluded that the new system will yield a return of US\$1.35 for every US\$1 invested. Following this positive feedback, the Executive Director declared LESS a corporate priority, and WFP's Executive Board approved an appropriate financing mechanism at its November 2013 session. Implementation will begin in 2014, and the global roll-out will take three years.

LESS is scheduled to be introduced in Afghanistan and Pakistan, starting in mid-2014. Other large and medium-scale operations, which account for more than 80% of WFP's food commodity value, will be next on the list to receive the system. All locations where WFP operations take place will be supported by the end of 2016.

Supply chain optimization

During 2013, WFP faced a massive supply chain challenge in managing four simultaneous L3 emergencies – Central African Republic, the Philippines, South Sudan and Syria. Supply chains for some 450,000 mt of food commodities needed to be managed through multiple corridors to ensure that around 6.5 million people affected by these crises received timely humanitarian assistance.

To support these enormously complex operations, the Supply Chain Management Working Group (SCM WG) and the Supply Chain Management Dashboard were institutionalized and activated within 48 hours of emergencies.

Chaired by the Assistant Executive Director of Operations Services and consisting of senior management from budget, pipeline, donor relations, procurement and logistics divisions at HQ and relevant field offices, the SCM WG makes collective operational decisions on the basis of information provided by the Dashboard.

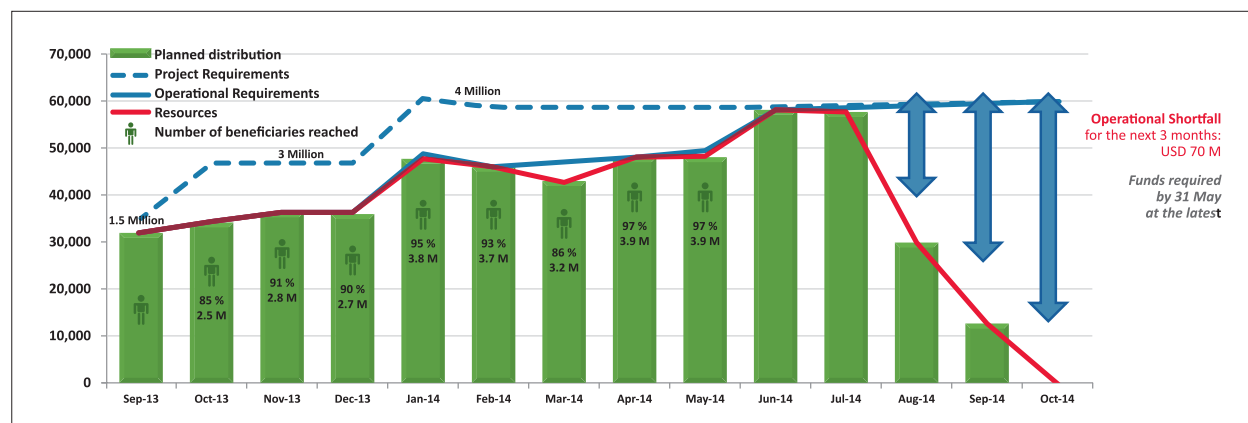
Developed by Logistics Development Unit, the Supply Chain Management Dashboard (please see example below) is a key tool for operational

‘The integrated supply chain management approach adopted by the Supply Chain Working Group helped us realize the strength that comes with unity – how each of us has a role to play, regardless of unit, division or department. In working together towards greater operational efficiency, we are ultimately reaching people in need faster and more effectively.’ — *Mirjana Kavelj, Head of the WFP Logistics Development Unit*

analysis, discussions and decisions. The Dashboard consolidates supply chain information from all corporate levels. In so doing, it provides an integrated, visual overview of operational status, including needs, funding and advanced financing options, as well as information on food assistance sourcing and delivery status, risks and opportunities.

The SCM WG has been using the Dashboard to support operational decision-making in L3 emergencies since the 2012 Sahel Crisis. The tool has enabled lead time reductions, and maximized use of available resources and financing mechanisms to assist populations in need.

Fig 21. Supply Chain Dashboard overview: operational requirements vs. supply



Please note that this graph is for visualization purposes only and displays hypothetical data.

What can be visualized on the Dashboard?

- Global demand
- Supplier mapping
- Sourcing plan and status
- Delivery routes
- Storage locations
- Stock positions
- Stock rotation management via alerts on 'best before' dates

Tangible results of an integrated supply chain approach

In 2013, one of the L3 emergency operations was only 79% funded. But integrated supply chain management helped WFP to reach 90% of planned beneficiaries.

This was achieved by optimizing food basket, sourcing and delivery options, as well as the use of advance financing.

Contributing to this success were the following:

- **US\$2.9 million** was saved, without compromising nutritional impact or beneficiaries' dietary preferences, by using less costly lentils and introducing chick peas;
- **US\$1.8 million** was saved through leveraging opportunities in the pulses market;
- **US\$2.4 million** was saved by reducing delivery network costs.

Review of the supply chain Business Process

In 2013 WFP set up a Business Process review (BPR) to ensure that core business processes are fully in line with the WFP's new organizational design and strategic priorities, and optimized for delivering maximum efficiency and effectiveness. A need for short- and long-term improvements was identified in several process areas (Supply Chain Management, Programme Cycle Management, Resource Management Allocation & Utilisation, and Monitoring Reporting & Evaluation), and several short-term improvements were implemented during 2013.

Several key recommendations were identified for improving the management of WFP's supply chain. Each recommendation includes key performance

indicators. These are measured by their efficiency, effectiveness and economy, or cost savings, and include the following.

- Institutionalizing supply chain management across WFP, including coordinated operational planning, and cost and lead time analyses.
- Strengthening the deployment of new initiatives, including the supply chain of specialized nutritious foods.
- Integrating cash and vouchers into the WFP supply chain to ensure efficient transitions between in-kind and cash/voucher operations, and to assure supply.

Enhancing the performance of UNHAS operations

In 2013, WFP Aviation launched a new project to increase the efficiency and effectiveness of UNHAS operations. The Performance Management Project aims to strengthen UNHAS' ability to achieve Value for Money — both for its passengers and for the many donors who support its operations.

For UNHAS, achieving Value for Money means balancing the level of access and service it provides to passengers (effectiveness) against the costs of operating to each destination (efficiency). A performance management tool is currently under

development to assess and monitor these indicators. Quantifying and visualizing the data will help WFP Aviation optimize its fleet, route structuring, destinations served, flight schedules and operational processes at both HQ and the field level.

Measuring efficiency and effectiveness in UNHAS operations

The new tool will provide WFP Aviation staff with a situational awareness of how an UNHAS operation is being managed. Key performance indicators are being

established for operations, and the tool will enable users to compare benchmarks with progress made, and monitor and improve performance until the required level is attained.

How efficiency and effectiveness for a countrywide UNHAS operation can be visualized

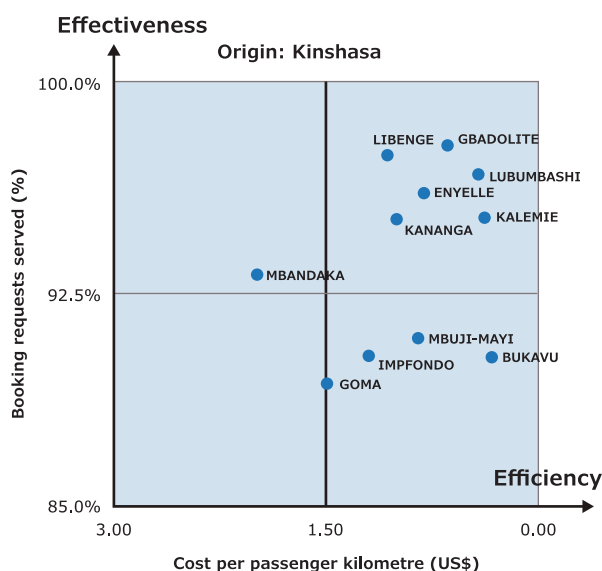
In the following demonstration, based on a hypothetical scenario in DRC, UNHAS destinations are plotted on a chart to measure effectiveness

(booking requests served) against efficiency (cost per passenger/kilometre). Thus, the tool provides WFP Aviation staff with an instant snapshot of each route's performance.

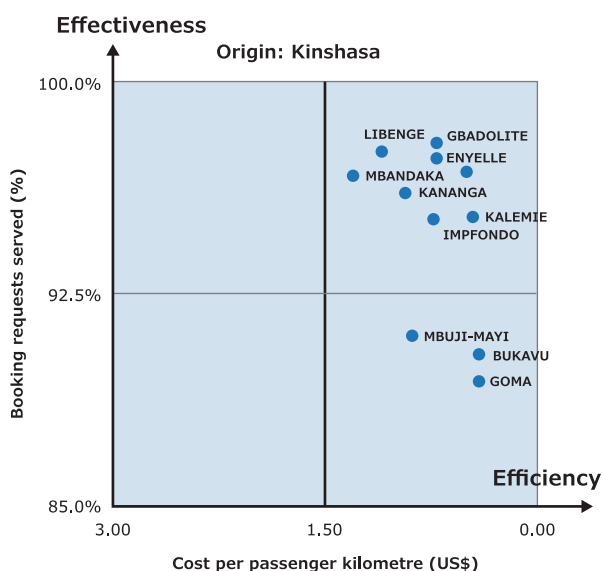
The dots on the graph represent individual routes, all of which, in this example, originate from Kinshasa. The graph on the left illustrates a conventional scenario, while the graph on the right factors in benchmarks to demonstrate what optimization might achieve.

Fig 22. Comparing actual and potential efficiency and effectiveness

Scenario A: The status quo



Scenario B: Potential optimization



Please note that this information is an example for visualization purposes, and is based on hypothetical data from UNHAS DRC. Both graphs depict routes with Kinshasa as the origin.

Interpreting the data and finding scope for improvement

What does it mean to be efficient, but not effective? And vice versa?

By picking one point on the chart — Goma — one can see this destination's efficiency is reasonably good while its effectiveness could be improved.

This discrepancy might be explained as follows. If the aircraft is at full occupancy, then it is running at

an optimal level (high efficiency). However, if more passengers need to fly to this destination than there are seats available, then the service is not optimal in terms of UNHAS' remit, and that equates to low effectiveness.

Picking another point — Mbandaka — one can see that efficiency is relatively low while effectiveness is high. This might be because UNHAS needed to charter a specialized aircraft, thus incurring higher running costs, in order to provide access to the destination. Although all passengers are reaching their destination

in a timely manner, the cost of transporting them is relatively high.

What does it mean to be both efficient and effective?

For a flight service to be both efficient and effective, UNHAS needs to:

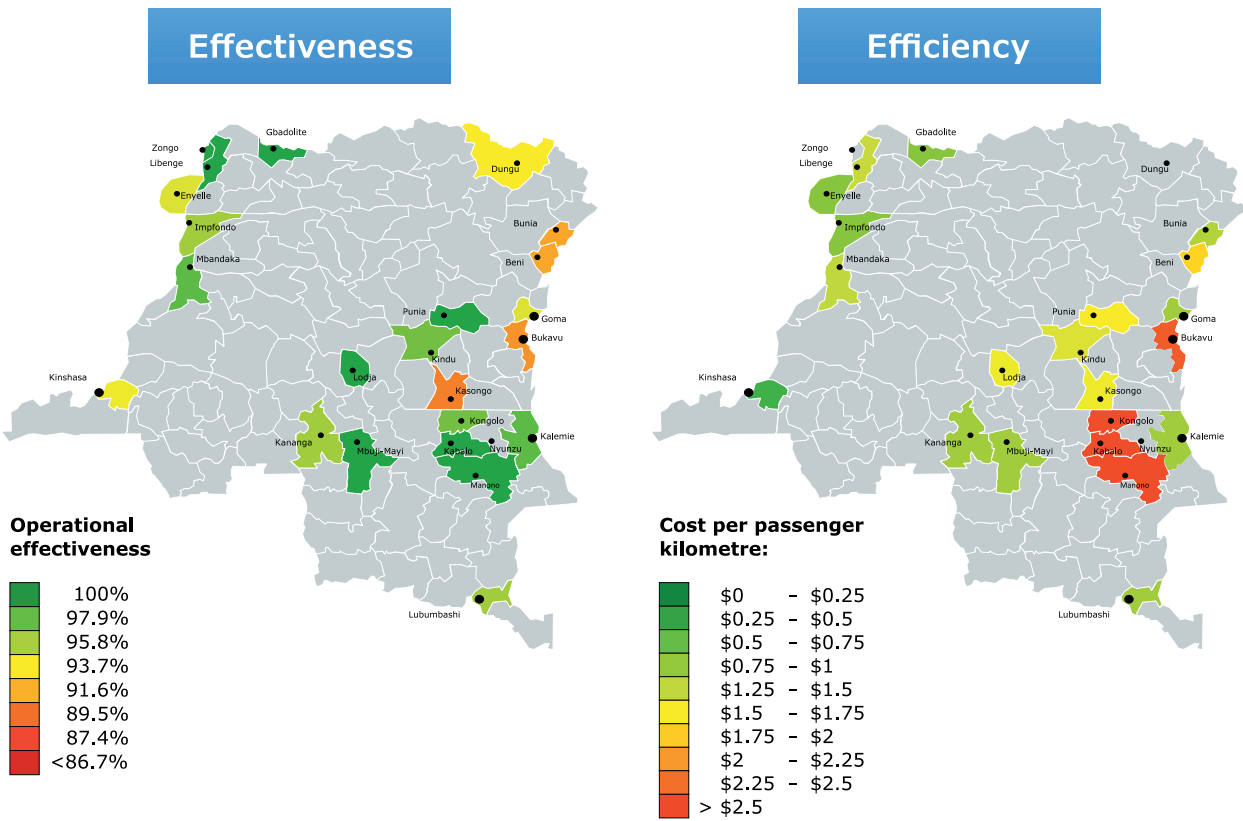
- use the right aircraft with the right capacity to meet current demand, and ensure that all passengers who

need to travel are transported; and

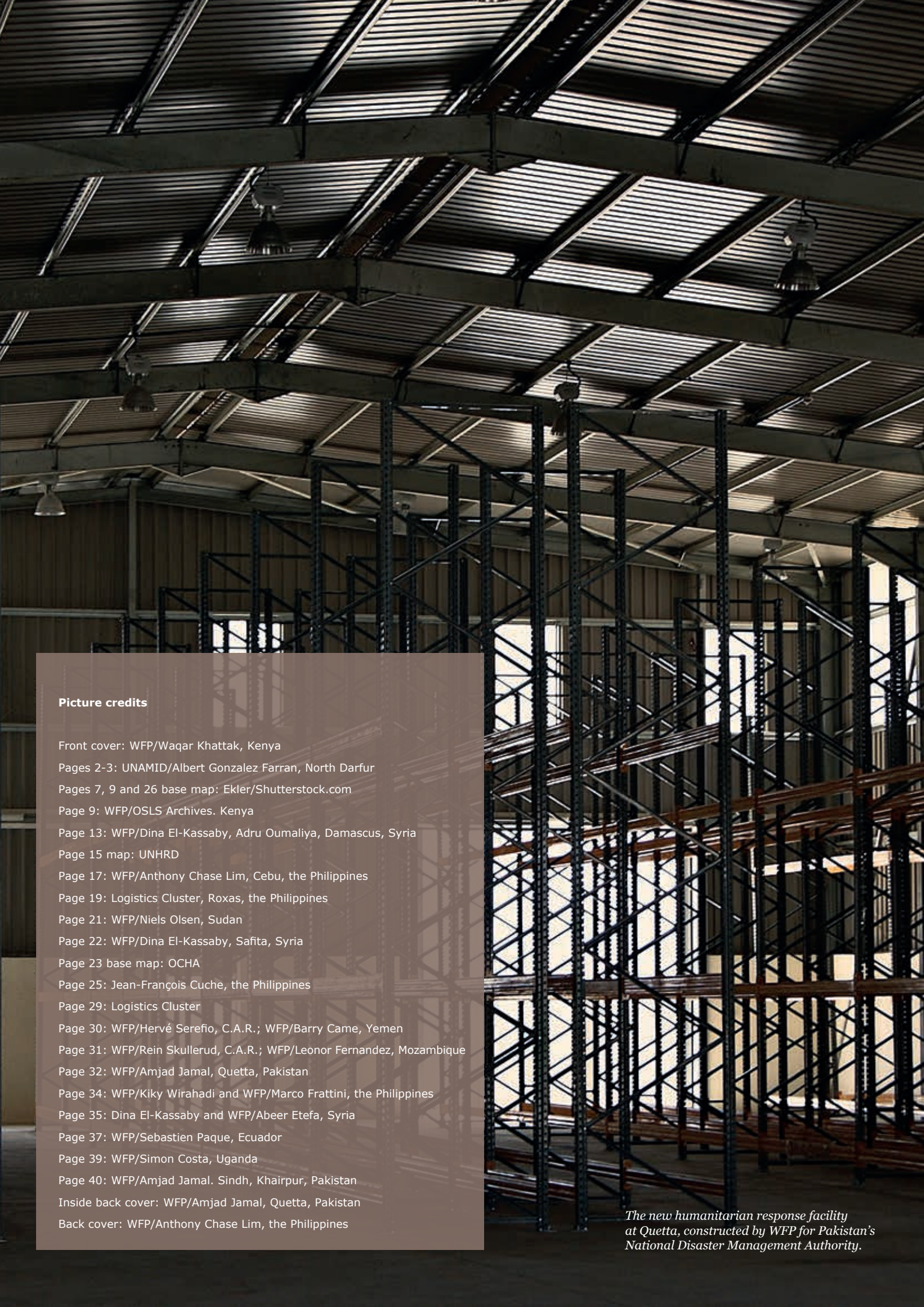
- optimize costs per passenger/kilometre to ensure operational sustainability within the resources available.

This final example, which depicts a different scenario, demonstrates how the Tool can assist in identifying, at a glance, disparities between effectiveness and efficiency in all routes within a country from a single point of origin.

Fig 23. Geographic visualization for comparison of efficiency and effectiveness



Please note that this information is an example for visualization purposes, and is based on hypothetical data from UNHAS DRC.



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Back cover: WFP/Anthony Chase Lim, the Philippines

*The new humanitarian response facility
at Quetta, constructed by WFP for Pakistan's
National Disaster Management Authority.*



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