

World Food Programme

Introducing WFP Procurement

May 2016



World Food Programme

WFP Procurement

The World Food Programme provides food assistance to meet emergency needs and to support economic and social development.

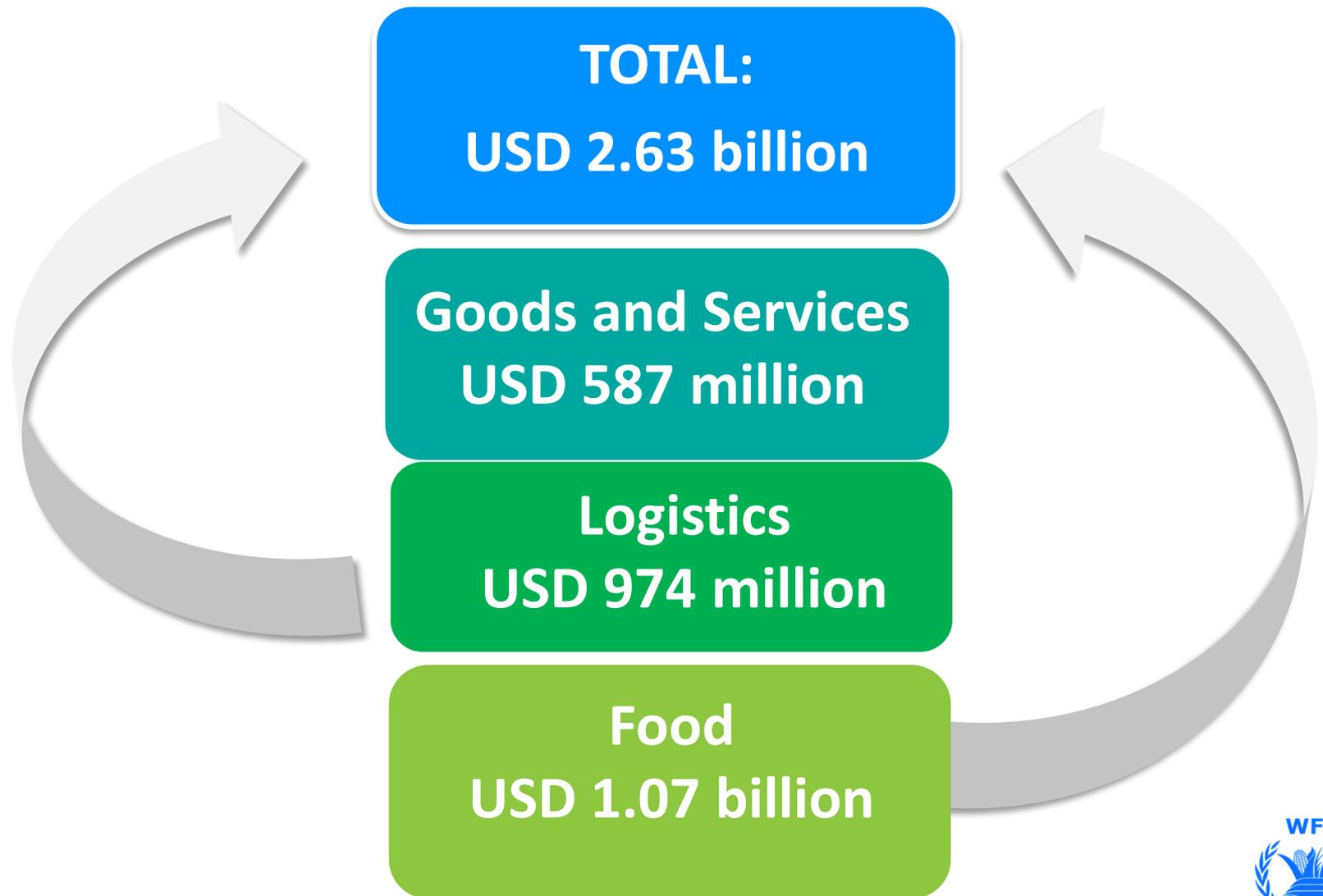


WFP aims to bring food assistance to more than 90 million people in 75 countries.

In 2015, WFP procured over USD 2.6 billion of food, goods and services to support the distribution of approximately 4-5 million metric tons of food.



WFP Procurement in 2015



Food Procurement



Food Procurement – Key Roles

- Undertake all food procurement for WFP operations worldwide as well as for third parties such as UN Agencies, Governments and NGOs
- Provide oversight, technical expertise and guidance to all WFP offices to ensure that food procurement is undertaken in a cost effective, timely and transparent manner
- Support the development and implementation of strategies, policies and plans to meet WFP's mandate

2015 Key Categories: Food

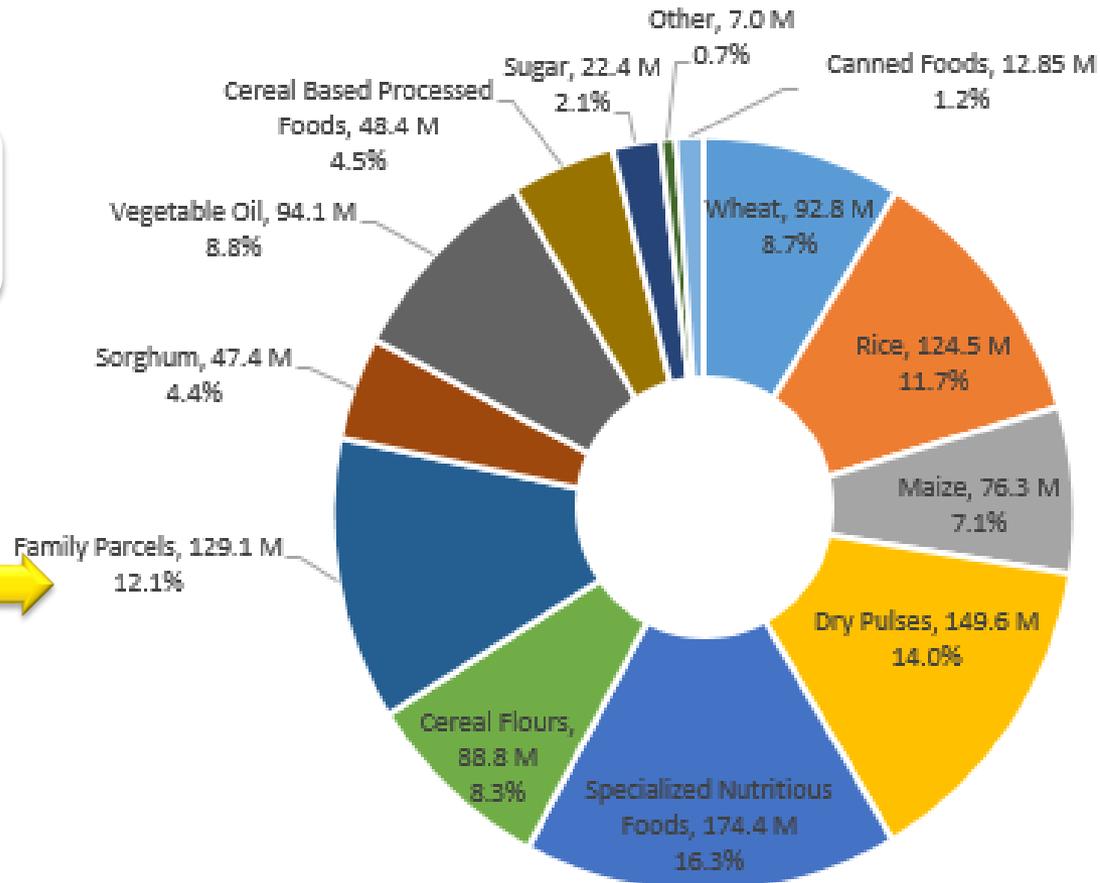
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TOTAL:
USD 2.63 billion

Goods and Services
USD 587 million

Food
USD 1.07 billion

Logistics
USD 974 million



2.2 million (MT)
Metric Tonnes

1.067 Billion USD

350 million USD
for L3 emergencies

Food Procurement – Conditions

Conditions affecting food procurement

- Donor country conditions/restrictions
(origin/ destination/quality /packing /marking etc.)
- Recipient country requirements
(product/origin/packing/import regulations)
- Impact on local market/economy
(harvest/lean period/surplus)

Where did we Purchase in 2014?

Food

93 Countries:

75 Developing / 18 Developed

Origin of Goods as per DAC Category

By each category

DAC Category	Quantity mt	% mt	Value (US\$ thousand)	% US\$
LDC	617,558	28%	254,667	21%
LIC	45,102	2%	18,733	1%
LMIC	549,889	25%	310,102	25%
UMIC	605,684	28%	394,709	31%
Sub total	1,818,233	83%	978,212	78%
Developed	374,399	17%	277,362	22%
TOTAL	2,192,632	100%	1,255,574	100%

Goods and Services

128 Countries:

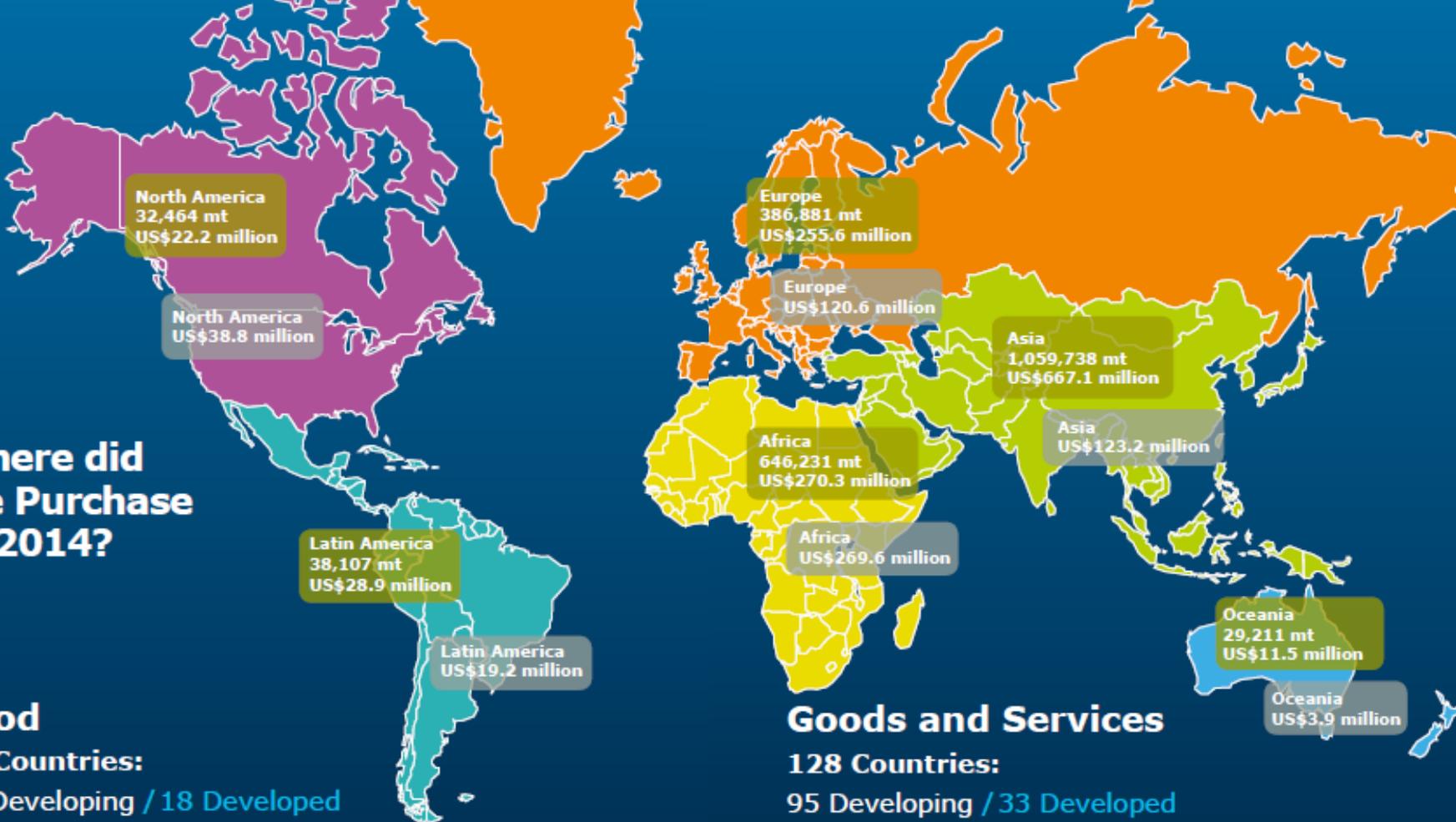
95 Developing / 33 Developed

Origin of Goods as per DAC Category

By each category

DAC Category	Value (US\$ thousand)	% US\$
LDC	255,361	43%
LIC	37,654	7%
LMIC	49,568	9%
UMIC	32,534	6%
Sub total	375,117	65%
Developed	200,154	35%
TOTAL	575,271	100%

DAC: Development Assistance Committee
 LDC: Least Developed Countries
 LIC: Other Low-Income Countries (per capita GNI < \$1,045 in 2013)
 LMIC: Lower Middle-Income Countries (per capita GNI \$1,046 - 4,125 in 2013)
 UMIC: Upper Middle-Income Countries (per capita GNI \$4,126 - 12,745 in 2013)



Top WFP Food Vendor countries in 2015 (sorted by value)

Rank	Country	Volume (MT)	Value (USD)	% volume	% value
1	Turkey	461,767	269,336,834		
2	Netherlands	333,325	72,916,210	15%	7%
3	Italy	110,083	58,860,129		
4	Singapore	90,931	52,199,444		
5	Belgium	75,721	44,671,270		
6	Ethiopia	117,905	35,190,094		
7	France	12,059	34,220,225		
8	Jordan	36,780	30,774,245		
9	Russia	41,288	30,730,464		
10	Pakistan	43,790	23,207,615		
	Grand Total	2,208,414	1,065,110,308		

Food Purchases from Dutch Suppliers in 2015

Commodity	Volume (MT)	Value (USD)	% of global volume
WHEAT	329,495.98	69,638,216.17	84.04%
SUGAR	1,564	618,562	0.03%
RICE	1,318.97	735,500.03	0.00%
DRIED WHOLE MILK	775	1,759,250	100.00%
BEANS	170.6	164,681.6	0.18%
Grand Total	333,324.55	72,916,209.8	15.09%

Food Purchases of Dutch Origin in 2015

Commodity	Volume (MT)	Value (USD)	% of global volume
DRIED WHOLE MILK	775	1,759,250	100%
SUGAR	1,564	618,562	3%
Grand Total	2,339	2,377,812	0%

Recipients Countries of Food from Dutch Suppliers

Commodity	Recipients	Volume (MT)	Value (USD)
BEANS	CO-CUBA	91	66,682
	CO-PHILIPPINES	80	98,000
DRIED WHOLE MILK	CO-DPR KOREA	775	1,759,250
RICE	CO-HONDURAS	1,021	547,268
	CO-NICARAGUA	298	188,233
SUGAR	CO-CAMEROON	184	75,256
	CO-SYRIA	1,058	411,608
	FORWARD PURCHASE NOMINAL PLANT	322	131,698
WHEAT	CO-DPR KOREA	1,104	343,344
	CO-YEMEN	62,208	12,358,542
	FORWARD PURCHASE NOMINAL PLANT	128,483	25,698,495
	GCMF-FPF MIDDLE EAST ZONE	40,000	8,438,000
	WFP HEADQUARTERS	97,700	22,799,835
Grand Total		333,325	72,916,210

Historical Purchases from Dutch Suppliers

Year	Volume (MT)	USD Value
2013	77,781	26,765,508
2014	107,582	35,717,532
2015	333,325	72,916,210
2016 (May)	201,386	40,490,607

Historical Purchases of Dutch Origin

Year	Volume (MT)	USD Value
2013	8,690	4,681,299
2014	12,445	7,908,895
2015	2,339	2,377,812
2016	9,154	4,090,711

Goods & Services (G&S) Procurement



G&S Procurement

Contracts with commercial providers are managed by WFP's Goods & Services Procurement Branch*.

- Headquarters at Rome, Italy
- Regional Bureaux at 5 locations worldwide
- Field Offices in 80 countries worldwide

G&S Procurement has always been a core functional area within WFP. Since 2004 the volume of G&S procurement by value has grown by 200%

The G&S Procurement branch procures on behalf of WFP, however, some linked structures like UNHRD also procure on behalf of the wider UN and governmental/non-governmental agencies.

*with the exception of warehouse leasing, fleet management, shipping & contracting of air assets covered by WFP logistics

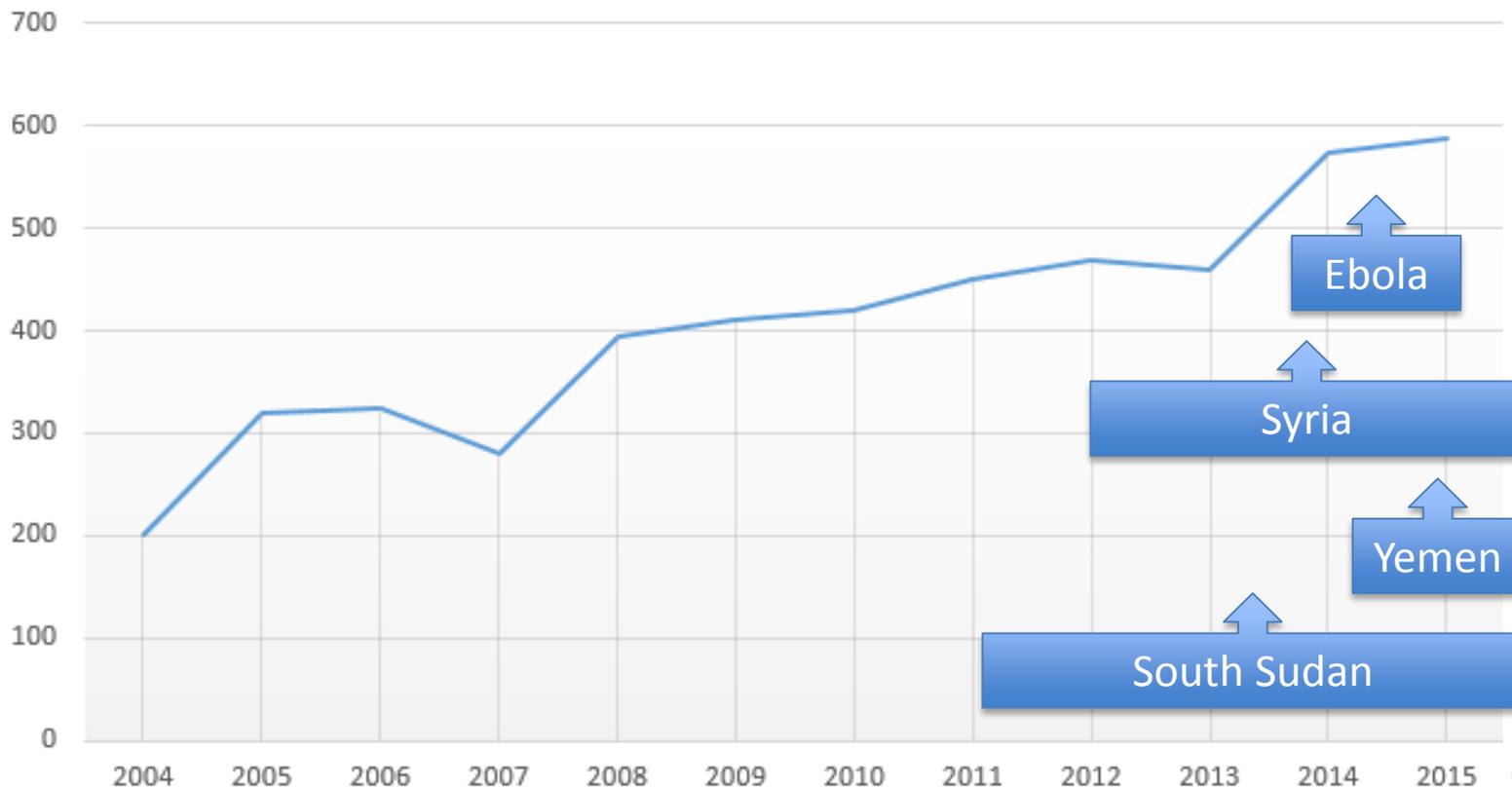


2010-2015 Procurement G&S

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In 2015 WFP Procurement purchased USD587m of G&S.

Purchases over years 2004-2015



2015 Key Categories: Goods & Services

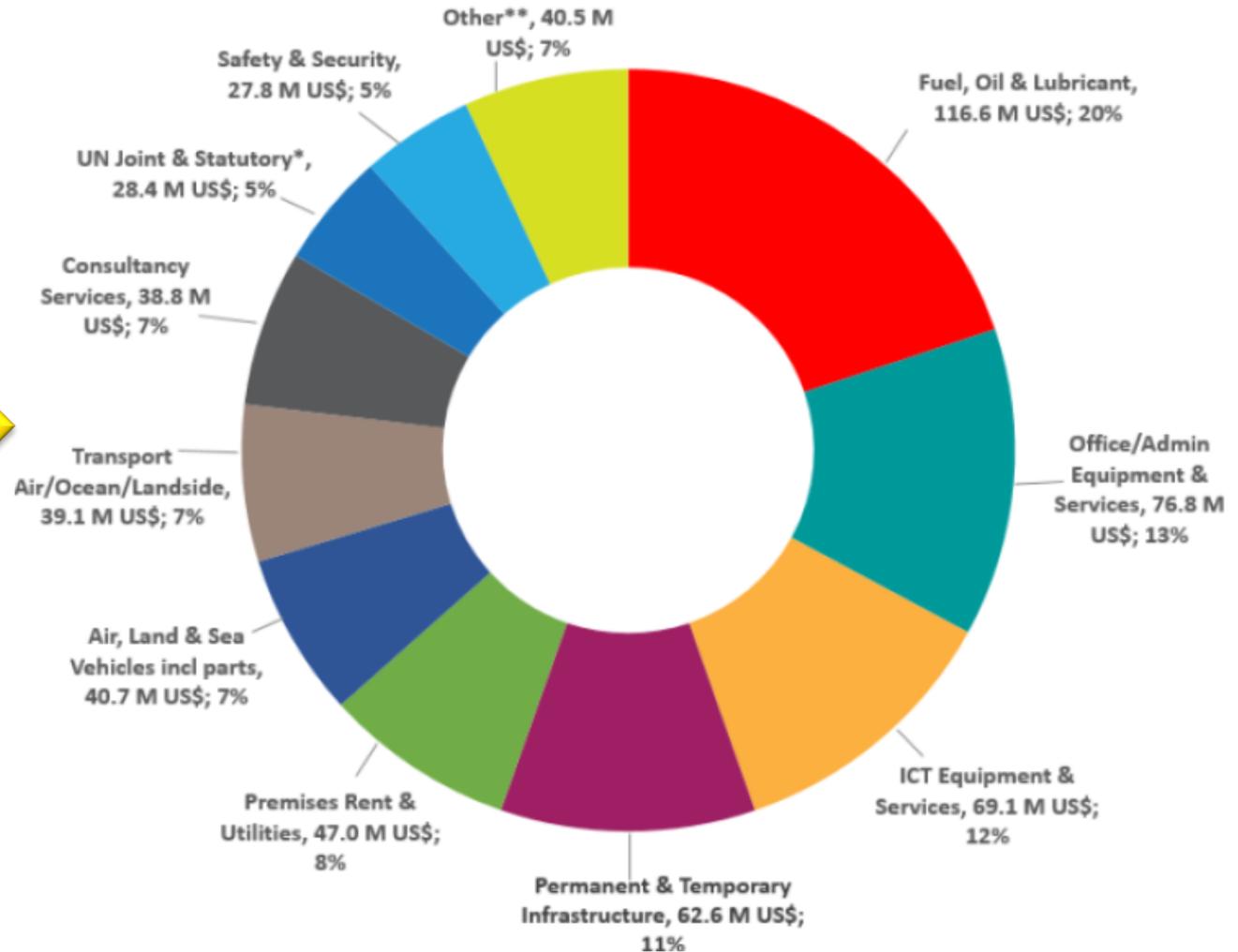
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TOTAL:
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Logistics
USD 974 million

Food
USD 1.07 billion



*UN Joint and Statutory relates to payments made internally between UN Agencies, Funds, and Programmes (AFP)

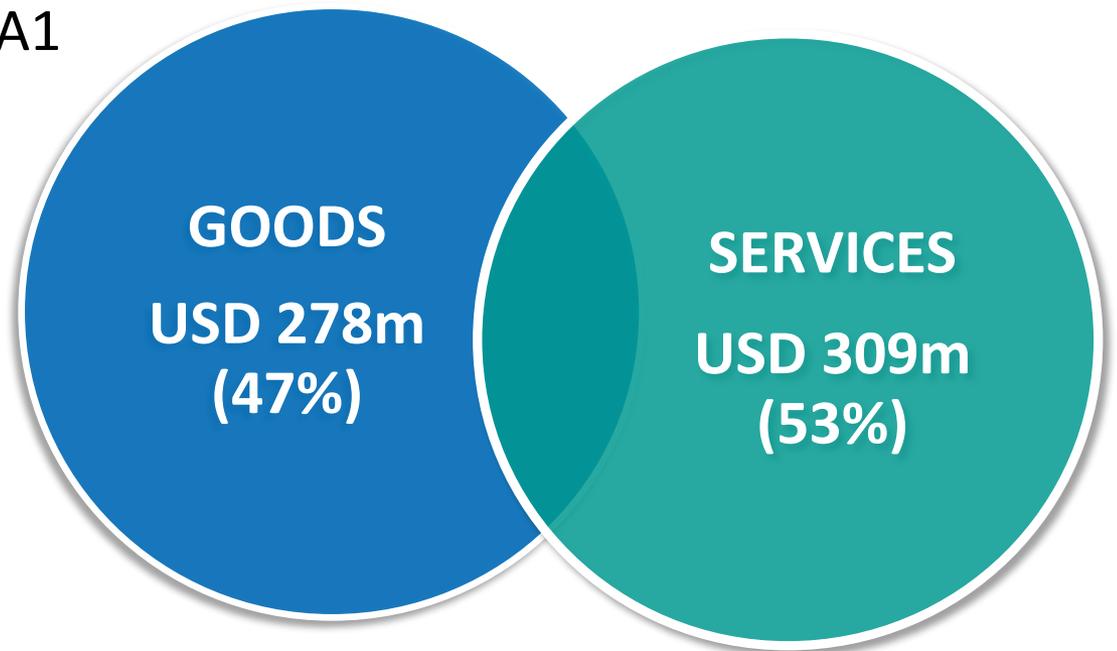
**Other includes categories such as handling & storage, inspection, insurance, medical/health eq., etc.

G&S Procurement – Key Role

- Four Principal Functions
 - Oversee & manage large value G&S field procurement
 - Undertake all G&S procurement at WFP headquarters.
 - Manage all policy guidance and support to WFP offices worldwide;
 - Engage with external clients, when WFP commits to procure on behalf of other UN Agencies/other actors.
- Ensure all G&S procurement is undertaken in a consistent, cost effective and transparent manner respecting the guiding principles of UN procurement.
- Provide procurement expertise to external actors, as required

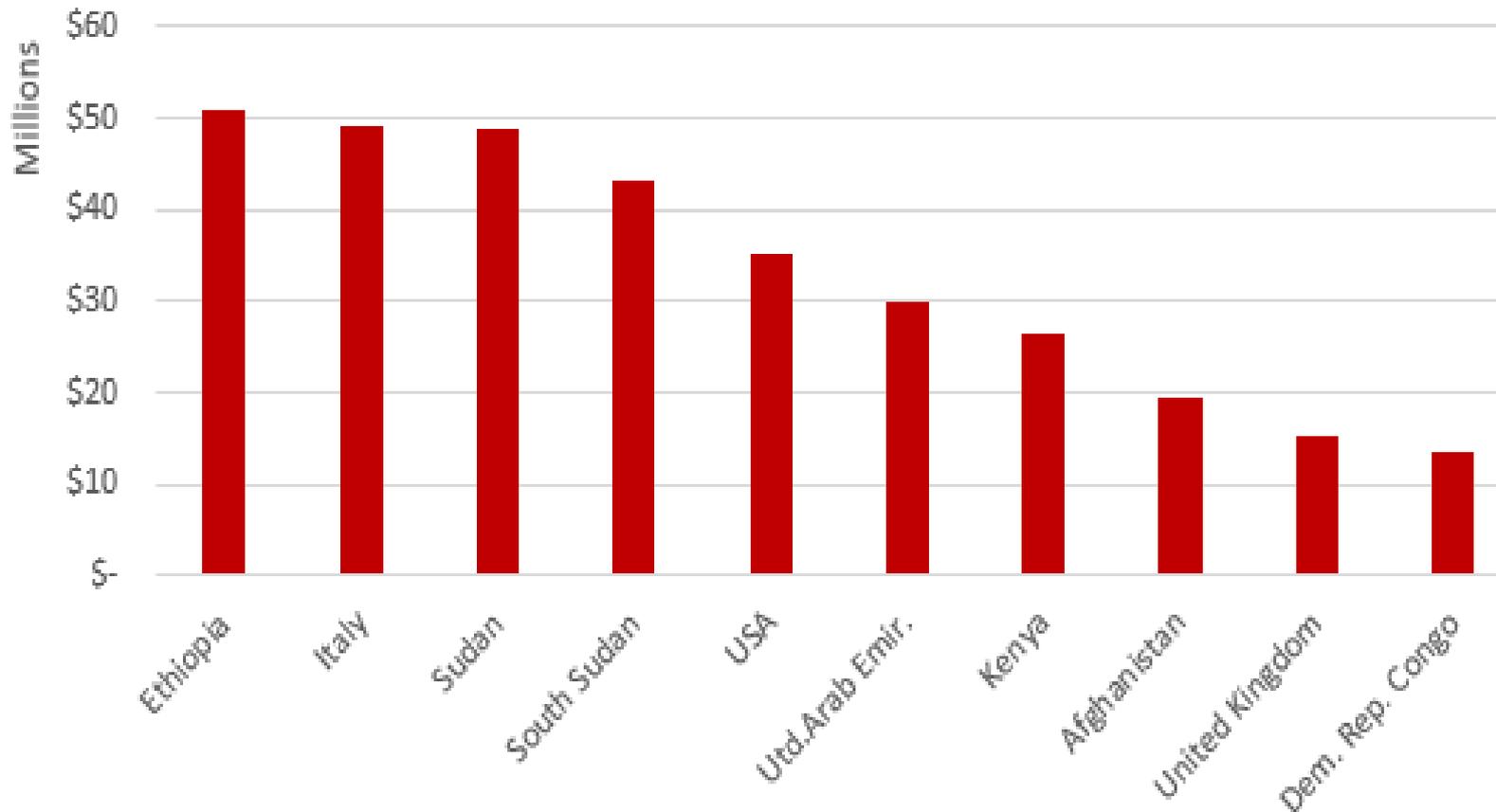
G&S Procurement - Key categories

- Fuel, in particular Jet-A1
- Construction
- ICT
- Consultancy services
- Vehicles



G&S Procurement – Main Vendor Countries 2015

Top 10 Vendor countries



Goods & Services Procurement from Netherlands 2015

Top 10 categories for Netherland vendors

Categories	Sum of Value US\$
TRUCKS	\$ 2,140,486.80
VEHICLE SPARE PARTS	\$ 274,307.90
CONNECTIVITY (FOODLINK)	\$ 236,556.00
FOOD QUALITY INSPECTION	\$ 182,607.59
CONSULTANCY SERV - PROGRAMMING	\$ 151,922.15
CONSULTANCY SERV - LOGISTICS	\$ 92,480.00
COMMUNIC EQUIP OTHER	\$ 91,862.63
EXTERNAL TRAINING COURSES	\$ 58,437.40
CONTRIBUTION TO JOINT BODIES	\$ 56,689.34
TYRES	\$ 37,552.50
Other	\$ 130,061.90
Grand Total	\$ 3,452,964.21

Top 10 European vendor countries

Italy	\$ 49,077,605.91
UK + Gibraltar	\$ 16,281,070.54
France	\$ 11,151,016.87
Germany	\$ 9,401,751.49
Denmark	\$ 8,268,549.04
Netherlands	\$ 3,452,964.21
Ireland	\$ 2,775,719.35
Finland	\$ 1,087,752.73
Belgium	\$ 957,602.36
Spain	\$ 537,826.64
Sweden	\$ 128,960.04

Top 10 Vendor Countries

EU 28	\$ 103,186,125.83
Ethiopia	\$ 50,801,169.02
Sudan	\$ 48,787,049.52
South Sudan	\$ 43,209,128.80
USA	\$ 35,207,915.13
UAE	\$ 30,121,717.93
Kenya	\$ 26,520,458.25
Afghanistan	\$ 19,517,637.62
DRC	\$ 13,695,767.80
Norway	\$ 9,475,033.16
Other	\$ 206,943,527.02
Total	\$ 587,465,530.08

By continent

Africa	\$ 284,968,002.89
Asia	\$ 126,919,153.93
Europe	\$ 123,035,393.34
Latin America	\$ 13,794,828.75
North America	\$ 37,157,729.53
Oceania	\$ 1,590,421.64
Grand Total	\$ 587,465,530.08

G&S Procurement – Construction

Construction was **10.7%** of WFP's Goods and Services budget in 2015

Construction accounts for the third-largest goods and services spending category. WFP uses its in-house expertise in the areas of logistics, procurement and engineering to successfully carry out numerous construction projects around the globe.

This involves building roads, bridges, airstrips and ports, offices, guesthouses, warehouses, schools and camps.

WFP undertakes construction to support the longer-term needs of national governments, the humanitarian community and WFP's own operations. Projects vary in scale and complexity depending on their location, the local context, and scope.



WFP Construction



WFP Ebola
response
entailed more
than **35.5**
million USD
(2014 and 2015)

In response to the unprecedented scale of the Ebola Virus Disease outbreak in West Africa, WFP was heavily involved in the procurement of goods and services to support the emergency response.

To assist the wider humanitarian community, the organization made first-time purchases of ambulances, treatment units, incinerators and medical beds - items specific to the large scale health response.

These items required Procurement to undertake rapid market assessments and identify suppliers that could quickly fulfil orders to meet specifications. Due to the urgent timelines, WFP often made special arrangements for the transport of goods, including airlifting items when required to shorten delivery time.

ICT – Corporate IT & FITTEST



In 2015 WFP's
ICT expenditure
exceeded
USD 70m

WFP's IT Division at its Rome Headquarters is responsible for the establishment, implementation and governance of WFP's IT strategy worldwide. It is supported by IT officers at Regional Bureaux and in WFP Field Offices.

In addition, WFP's Fast IT and Telecommunications Emergency Support Team (FITTEST) is a leader in establishing vital IT and communications infrastructure during emergencies.

WFP is the UN cluster lead for Emergency Telecommunications. FITTEST operates within the cluster.

Logistics



2015 Key Categories: Logistics

2

Logistics Division – USD 974.2 millions

In 2015, logistics handled **2.2 million metric tons of food**

TOTAL:
USD 2.63 billion

Goods and Services
USD 587 million

Food
USD 1.07 billion

Logistics
USD 974 million

Land	USD 400.2 m
Ocean	USD 148.1 m
Air*	USD 260.9 m
Other transport related costs **	USD 165.0 m
TOTAL	USD 974.2 m

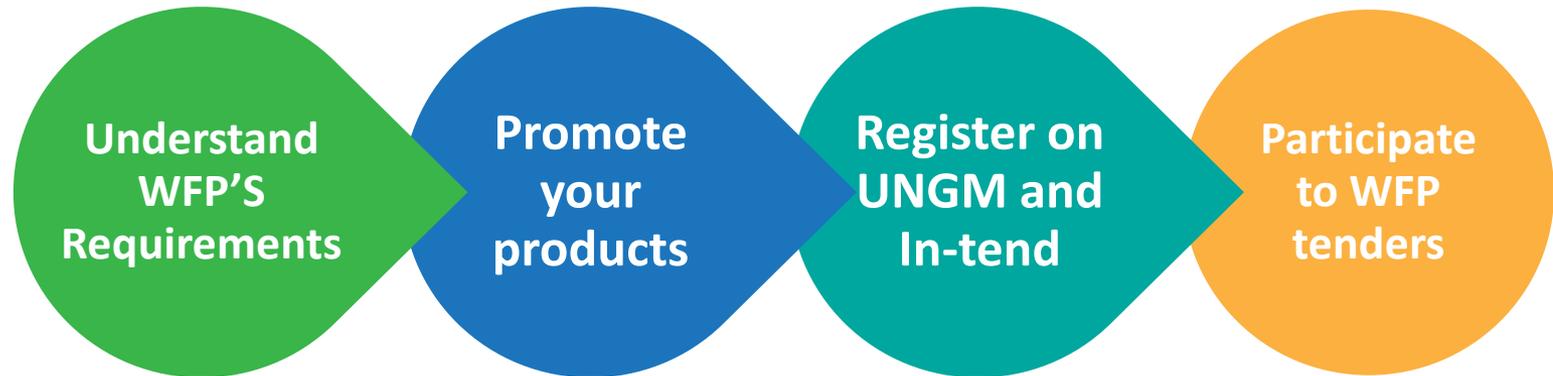


WFP is the UN Cluster lead for Logistics

*Air: cost cover the transport of food, passengers and misc.

** Like: Equipment, Utilities, Supplies, Materials, and Other Related Products

How to do business with WFP?



1. Check out the document “how to do business with WFP” on www.wfp.org
2. Understanding WFP’s G&S requirements
3. Send a presentation of your products to WFP.
4. Register on www.ungm.org to be in the Vendor lists of all UN
5. Register on <https://ungm.in-tend.co.uk/wfp.aspx/Home> to be ready if selected for a WFP tender
6. Participate to WFP tenders when invited

Requirements to Contract with WFP

- Goods and services are of interest to WFP
- Legal capacity to enter into a contract with WFP
- Has the financial standing to honor a contract
- Has proven ability to perform
- Company has a minimum of three years' experience as an established business
- Company accepts WFP's general terms and conditions, including its payment terms

World Food Programme

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