Introducing WFP Procurement

Copenhagen

November 2018
The World Food Programme (WFP) is the leading humanitarian organization fighting hunger worldwide and working towards the global goal of ending hunger by 2030.

WFP has been delivering life-saving food in emergencies since 1962. We also work in recovery and sustainable development.

WFP is funded entirely by donations from governments, companies and private individuals.

The entire UN system procured 18.6 billion USD in 2017, the size of Latvia or Bosnia Herzegovina.

In 2017, WFP procured a combined total of 3 billion USD.
Adequate nutritious food is a basic human need. We believe it’s also the foundation of a full and dignified life.

- We reach an average of 80 million people with food assistance in around 80 countries each year.
- We have unrivalled experience operating in the world’s most difficult environments, both war zones and disasters.
- More than 15,000 people work for WFP. Most are locally recruited staff who work in remote areas, directly serving the hungry poor.
The World Food Programme is best known for its life-saving work in emergencies.

When disaster strikes, WFP gets vital food assistance to people in need.

We also provide food and support that bridges the gap between relief and recovery.
WORKING TOGETHER

WFP works in partnership with national and local governments, other humanitarian agencies and the private sector.

We lead the humanitarian Logistics and Telecommunications Clusters to help coordinate humanitarian response. We co-lead the Food Security Cluster with the Food and Agriculture organization of the United Nations (FAO).

We manage humanitarian response services that are used by the whole humanitarian community:

- A network of 6 United Nations Humanitarian Response Depots (UNHRD) that procure, store and transport emergency supplies.
- The United Nations Humanitarian Air Service (UNHAS) which enables humanitarian workers and supplies to reach isolated or inaccessible communities in need.
GLOBAL PRESENCE

WFP is headquartered in Rome. We have a global presence that includes:

- 83 Country Offices worldwide
- 6 Regional Bureaux (Bangkok, Cairo, Dakar, Johannesburg, Nairobi and Panama)
- 14 Liaison Offices
- A vast supply chain logistics network that enables us to quickly deliver life-saving food assistance anywhere in the world
- Specialist centres for innovation and development of sustainable solutions to hunger
OUR WORK

We do whatever it takes to ensure those furthest behind can get the safe, nutritious food they need.

We tackle causes, not just symptoms, by:

- Helping governments develop and implement anti-hunger strategies
- Helping the most vulnerable people eat more nutritious food
- Ensuring people have access to food — even in emergencies
- Helping make food systems in countries more resilient to shocks
When food is not available on local markets, or people cannot get to the shops, we deliver food to them. We work with local NGO partners to organize the distributions.

Foods provided can include:
- Flour/rice/bulgur
- Lentils/split peas
- Cooking oil
- Iodized salt

To prevent and treat malnutrition we provide specialized nutritional products formulated for particular nutritional needs.
HUMANITARIAN LOGISTICS

WFP’s supply chain logistics expertise helps many humanitarian organizations reach people in need.

- We manage the **United Nations Humanitarian Air Service (UNHAS)**. In 2017, WFP flew approximately 327,000 humanitarian workers and 2,700 tons of cargo to 286 regular destinations.

- We manage the **United Nations Humanitarian Response Depots (UNHRD)**, a network of six strategically located emergency hubs around the world. In 2017, we dispatched US$45 million in relief supplies to 95 countries.

- We provide **Logistics Services** directly to the humanitarian community. For example, the World Health Organization chose us to provide logistics and engineering services for them during the Ebola Outbreak in West Africa.
WFP Procurement

WFP buys food, goods & services and logistics items to support our operations, our regular programs and the emergency relief.

WFP also buys to support the global humanitarian community (UN, non-UN, NGOs, Governments).

Procurement of food, relief items and operational equipment:
- Emergency stockpiling and pre-positioning
- Cargo transportation
- Telecommunications and IT services
- Air passenger transport
- Warehousing and handling
- Engineering support
- Medical wellness and accommodation services
**WFP Procurement**

TOTAL IN 2017: **USD 3.07 billion**

- **Goods and Services**: USD 652.3 million
- **Food**: USD 1.4 billion
- **Logistics**: USD 1.02 billion

- WFP operates with a **decentralized procurement model**, based on value thresholds to activate/approve procurement actions at local, regional and HQ level
GOODS AND SERVICES PROCUREMENT
TOTAL Goods & Services PURCHASE TREND: 2010-2017 WORLDWIDE

- Syria
- Yemen
- CAR
- South Sudan

- Ebola

Millions

2010: $452
2011: $439
2012: $463
2013: $451
2014: $582
2015: $587
2016: $584
2017: $652
Categories of Goods & Services
PURCHASE TREND: 2010-2018 WORLDWIDE

G&S procurement

Millions

Fuel, Oil & Lubricant
Office/Admin Equipment & Services
ICT Equipment & Services
Permanent & Temporary Infrastructure
Air, Land & Sea Vehicles incl parts
Premises Rent & Utilities
Consultancy Services
UN Joint & Statutory
Safety & Security
Transport Air/Ocean/Landside
Logistics Handling & Storage
Inspection, Insurance
Other

2015  2016  2017  2018 (Q1-Q2)
**Key Categories**

**Goods & Services purchased in 2017:**
USD 652.3 million

- **Fuel, Oil & Lubricant:** 23%
- **Office/Admin Equipment & Services:** 12%
- **ICT Equipment & Services:** 11%
- **Consultancy Services:** 8%
- **Premises Rent & Utilities:** 8%
- **Air, Land & Sea Vehicles incl parts:** 7%
- **Transport Air/Ocean/Landside:** 7%
- **Permanent & Temporary Infrastructure:** 7%
- **Safety & Security:** 5%
- **UN Joint & Statutory:** 5%
- **UN Joint & Statutory*:** 3%
- **Logistics Handling & Storage:** 2%
- **Inspection, Insurance:**

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

* Other:**

**Other**
- **Fuel, Oil & Lubricant:** 23%
- **Office/Admin Equipment & Services:** 12%
- **ICT Equipment & Services:** 11%
- **Consultancy Services:** 8%
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* Other:**
### Vendor countries

**Goods & Services purchased in 2017:** USD 652.3 million

- At Headquarters in **Rome, Italy** contracts with commercial providers are managed by WFP’s Goods & Services Procurement Branch.

#### 2016

<table>
<thead>
<tr>
<th>Vendor countries</th>
<th>Value US$</th>
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</thead>
<tbody>
<tr>
<td>EU28</td>
<td>$ 104,653,401.73</td>
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<tr>
<td>Ethiopia</td>
<td>$ 45,842,704.99</td>
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<tr>
<td>South Sudan</td>
<td>$ 45,420,878.05</td>
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<tr>
<td>USA</td>
<td>$ 39,201,142.13</td>
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<tr>
<td>Sudan</td>
<td>$ 28,849,930.92</td>
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<tr>
<td>Kenya</td>
<td>$ 26,482,986.54</td>
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<td>Utd.Arab Emir.</td>
<td>$ 23,307,632.69</td>
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<tr>
<td>Yemen</td>
<td>$ 17,863,681.07</td>
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<tr>
<td>Afghanistan</td>
<td>$ 16,913,997.91</td>
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<tr>
<td>Norway</td>
<td>$ 11,967,618.20</td>
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<tr>
<td>Other</td>
<td>$ 227,773,837.78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 583,518,898.71</strong></td>
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</table>

#### 2017

<table>
<thead>
<tr>
<th>Vendor countries</th>
<th>Value US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU28</td>
<td>$ 131,426,350.90</td>
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<tr>
<td>Ethiopia</td>
<td>$ 61,567,212.95</td>
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<td>South Sudan</td>
<td>$ 44,506,016.66</td>
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<td>Kenya</td>
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<td>Sudan</td>
<td>$ 31,832,219.70</td>
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<td>USA</td>
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<td>Utd.Arab Emir.</td>
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<td>Yemen</td>
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<td>Afghanistan</td>
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<td>Jordan</td>
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<td>Switzerland</td>
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<tr>
<td>Other</td>
<td>$ 248,948,291.00</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 652,269,455.64</strong></td>
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</table>

- In EU28, the major vendor countries are Italy (37M), France (28M), Denmark (18M), UK (17M), Netherlands (14M), Germany (8M). 2017 G&S data.
WFP Procurement purchased from EU28 USD **131.4 million** of goods and services in **2017** and USD **104.7 million** in **2016**

In 2017 leading categories of goods and services procured from EU28 suppliers:

- Jet-A1 (28 million USD)
- IT equipment (9 million USD)
- Rents (6 million USD)
- IT services (5.2 million USD)
- Laptops (4 million USD)

**Total value of purchases**

USD **104,653,401.73**

**2016**

USD **131,426,350.9**

**2017**
FOOD PROCUREMENT
Key Role

- Undertake all international food procurement for all 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.
- Review and authorize all food procurement actions from the field above the authority of field offices.
WFP Global Food Purchases In 2017: USD 1.4 billion

- Specialized Nutritious Foods, 292,334, 10%
- Dry Pulses, 344,220, 12%
- Sorghum, 613,306, 20%
- Vegetable Oil, 172,979, 6%
- Cereal Flours, 335,777, 11%
- Maize, 308,258, 10%
- Rice, 272,968, 9%
- Family Parcel, 94,567, 3%
- Cereal Based Processed Foods, 59,079, 2%
- Canned Foods, 1,551, 0%
- Other, 46,397, 2%
- Sugar, 59,965, 2%

(in thousands of MT and %)

FOOD suppliers undergo a Vendor-evaluation process
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)
WFP Procurement of food from EU28 was worth **USD 240.9 million** in 2017.

In 2017 the leading **categories of food purchased from vendors in EU28** was:

- Corn-Soya blend
- Ready to use supplementary food
- Wheat-Soya blend
- UHT milk
LOGISTICS PROCUREMENT
Logistics Procurement

In 2017 procured: USD 1.02 billion and handled 4.5 million metric tons of food

- Land: USD 403 million
- Ocean: USD 183 million
- Air*: USD 245 million
- Other transport related costs**: USD 183 million

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

** Like: Equipment, Utilities, Supplies, Materials, and other related products
WFP Food purchased from EU28 vendors

WFP Logistics procured from EU28 suppliers:

**USD 155 million** in **2017**

In 2017 leading **categories procured from EU28 suppliers:**

- Aircraft contracts/charters
- Ocean freight
- Air transport
For new vendors

How to do business with WFP?

1. Check out procurement page on [www.wfp.org](http://www.wfp.org)
2. Understanding WFP’s G&S requirements
3. Send a presentation of your products to WFP at [newsuppliers@wfp.org](mailto:newsuppliers@wfp.org)
4. Read & acknowledge the UN Supplier Code of Conduct
5. Register on [www.ungm.org](http://www.ungm.org) to be in the Vendor lists of UN
6. **When requested**, register on WFP e-tendering platform In-tend
7. Respond to solicitation requests, when invited

**UNGM**

It is the UN global marketplace and serves as point of entry and for sourcing vendors for entire UN

**In-tend**

It is WFP’s e-tendering portal. Vendor shall register there when requested so they can be invited to submit offers to specific tenders for their products.
How does it work

Study what WFP does
Know WFP structure, operations and purchasing pattern (on UNGM or on WFP website)

Local tenders vs global tenders
Focus on HQ, UNHRD, some Country offices or a specific thematic area

Check UNGM and promote your products
WFP publishes more and more opportunities on UNGM; contact procurement at relevant level to promote the product/solution you propose

Check the news
News on international crisis and WFP intervention could help your company to seize the moment

How to do business with WFP?
QUESTIONS, COMMENTS