

# World Food Programme

## *Introducing WFP Procurement*

*June 2016 - Copenhagen*



**World Food Programme**

# WFP Procurement

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

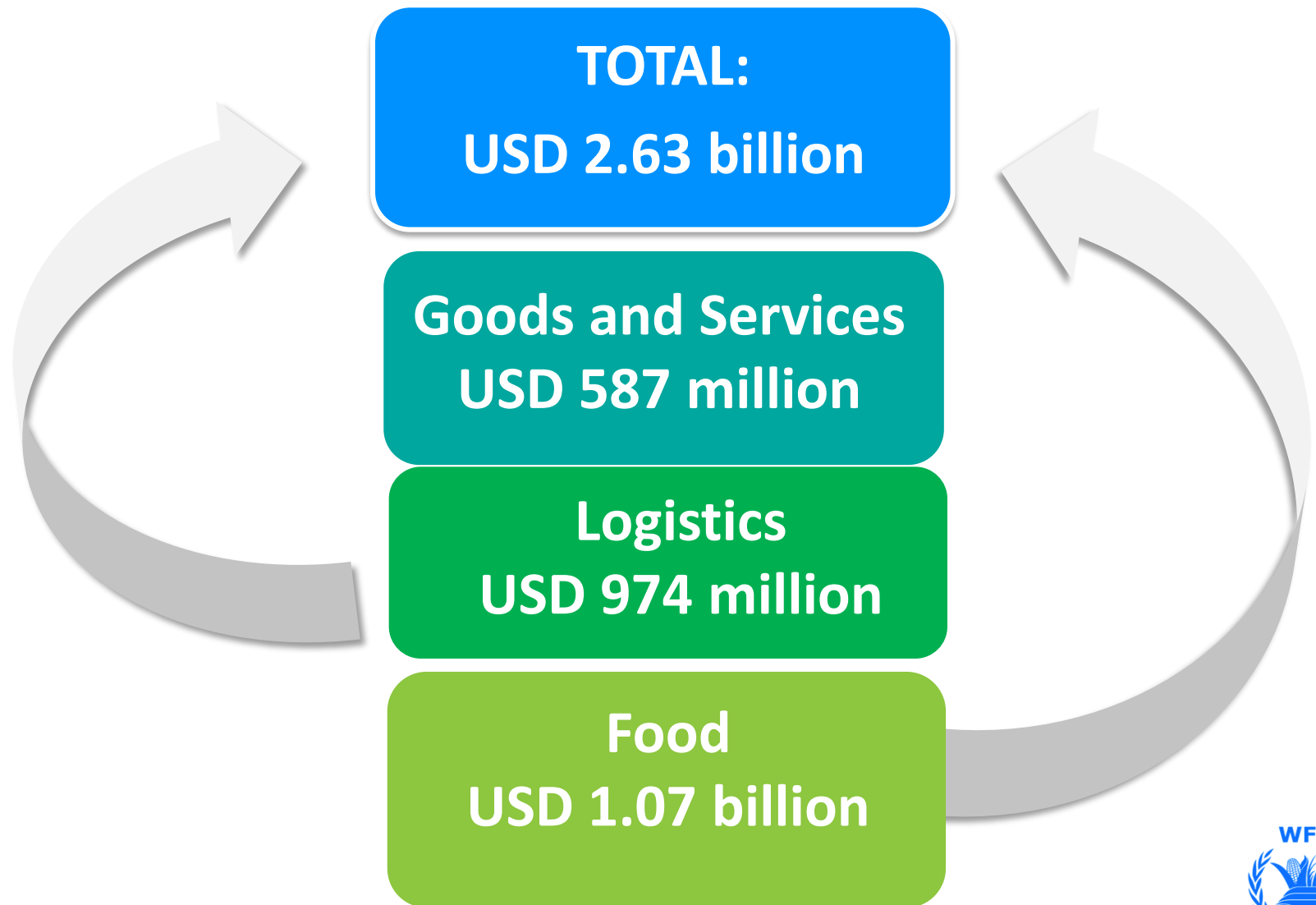


WFP aims to bring food assistance to more than 90 million people in 75 countries.

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

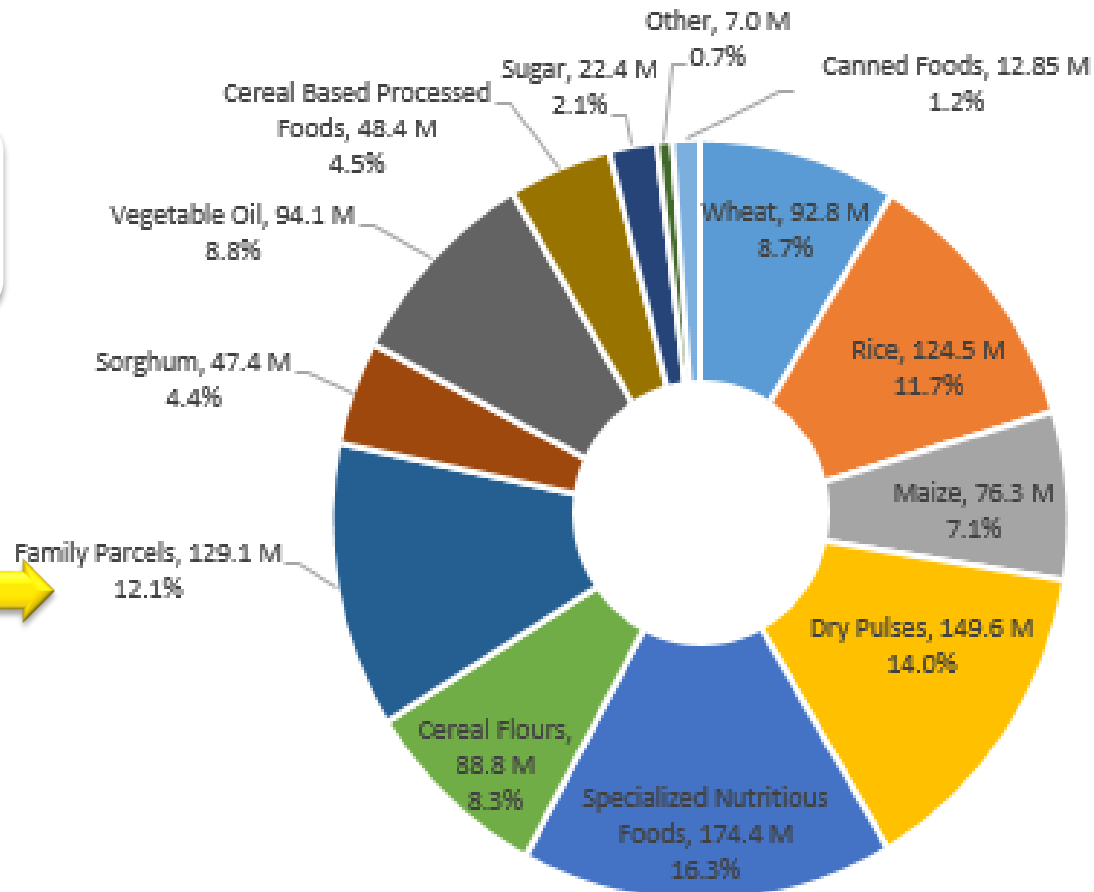
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**TOTAL:**  
**USD 2.63 billion**

**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%
<b>Sub total</b>	<b>1,818,233</b>	<b>83%</b>	<b>978,212</b>	<b>78%</b>
Developed	374,399	17%	277,362	22%
<b>TOTAL</b>	<b>2,192,632</b>	<b>100%</b>	<b>1,255,574</b>	<b>100%</b>



### 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%
<b>Sub total</b>	<b>375,117</b>	<b>65%</b>
Developed	200,154	35%
<b>TOTAL</b>	<b>575,271</b>	<b>100%</b>

Food

Goods and Services

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 2013-2016 (sorted by value in USD)

Rank	Vendor countries	2013-2016	2013	2014	2015	2016
1	Turkey	1,024,772,963	218,481,431	390,945,642	269,336,834	146,009,057
2	Singapore	278,606,750	122,333,676	81,597,511	52,199,444	22,476,119
3	France	176,659,174	44,176,775	54,132,156	34,220,225	44,130,019
4	Netherlands	175,889,857	26,765,508	35,717,532	72,916,210	40,490,607
5	Italy	174,122,927	31,347,566	60,469,594	58,860,129	23,445,637
6	Belgium	163,446,566	41,764,548	48,343,011	44,671,270	28,667,738
7	Ethiopia	143,101,217	53,053,062	41,053,879	35,190,094	13,804,182
8	South Africa	119,234,911	58,219,697	30,075,341	22,873,459	8,066,415
9	Pakistan	108,787,764	44,412,376	27,874,901	23,207,615	13,292,872
10	Great Britain	92,414,981	50,627,695	17,298,540	21,229,112	3,259,633
64	Norway	4,215,871	4,215,871			
82	Denmark	696,129		48,072	374,724	273,334
	Grand Total	3,968,013,329	1,152,795,949	1,250,788,141	1,065,110,308	499,318,931

# Food Purchases from Nordic Countries

<i>VENDOR COUNTRY</i>	<i>YEAR</i>	<i>COMM. DESCRIPTION</i>	<i>ORIGIN COUNTRY</i>	<i>Sum of QTY MTN.</i>	<i>Sum of VALUE US\$</i>
<b>DENMARK</b>	2010	SPLIT PEAS	CANADA	460	180,090
			DENMARK	4,781	1,833,859
	2011	SPLIT PEAS	DENMARK	3,361	1,582,478
	2014	MICRONUTRITION TABLETS	DENMARK	1	48,072
	2015	MICRONUTRITION TABLETS	DENMARK	11	374,724
	2016	MICRONUTRITION TABLETS	DENMARK	10	273,334
<b>DENMARK Total</b>				<b>8,624</b>	<b>4,292,556</b>
<b>NORWAY</b>	2011	BP5 EMERGENCY RATIONS	NORWAY	207	997,812
	2012	BP5 EMERGENCY RATIONS	NORWAY	17	67,683
		READY TO USE SUPPLEMENTARY FOOD	INDIA	955	2,816,604
			NORWAY	91	269,654
	2013	READY TO USE SUPPLEMENTARY FOOD	INDIA	1,260	4,215,871
<b>NORWAY Total</b>				<b>2,530</b>	<b>8,367,623</b>
<b>Grand Total</b>				<b>11,154</b>	<b>12,660,180</b>

# 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

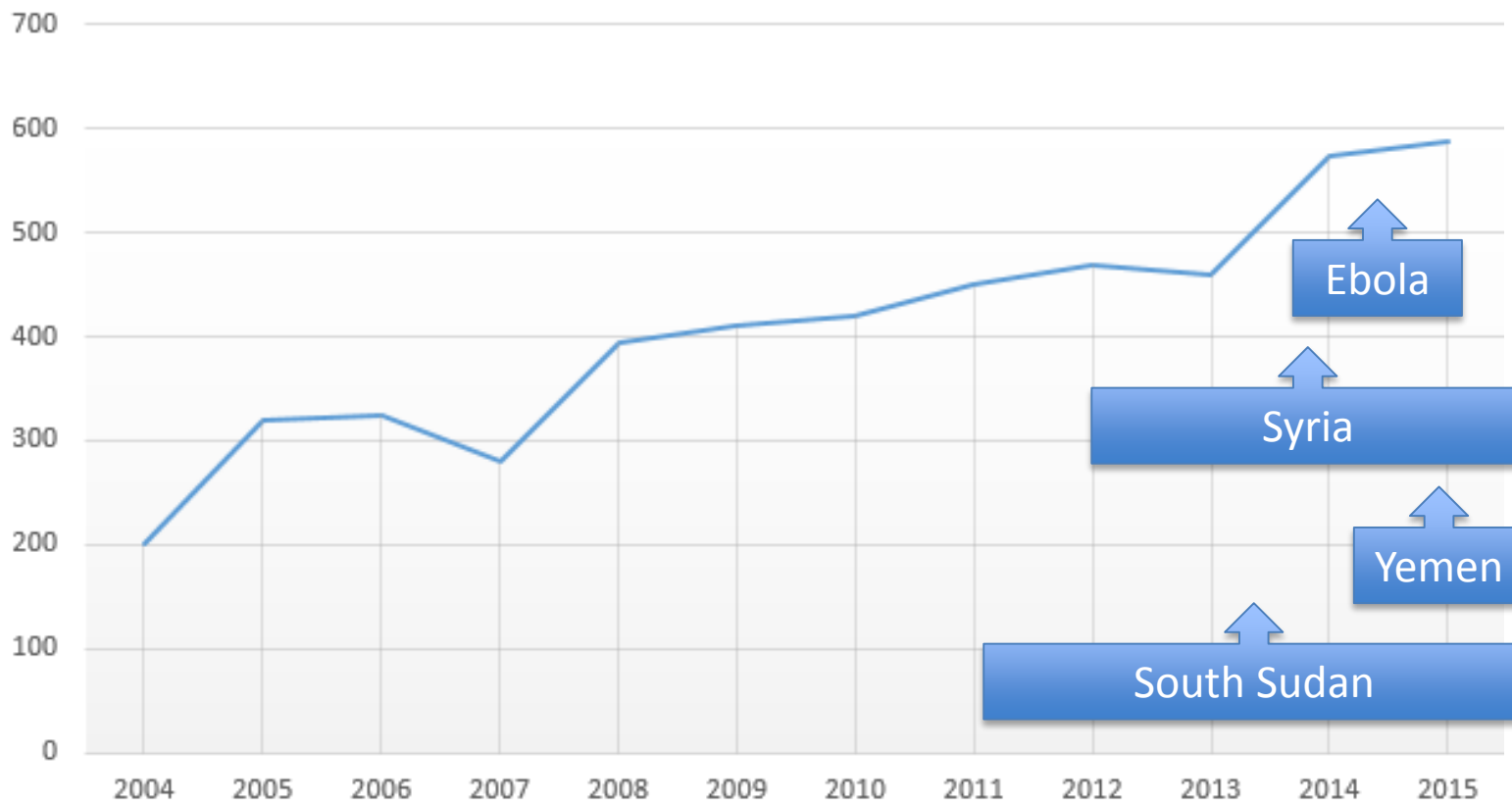


# 2010-2015 Procurement G&S

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In 2015 WFP Procurement purchased USD587m of G&S.

Purchases over years 2004-2015



# 2015 Key Categories: Goods & Services

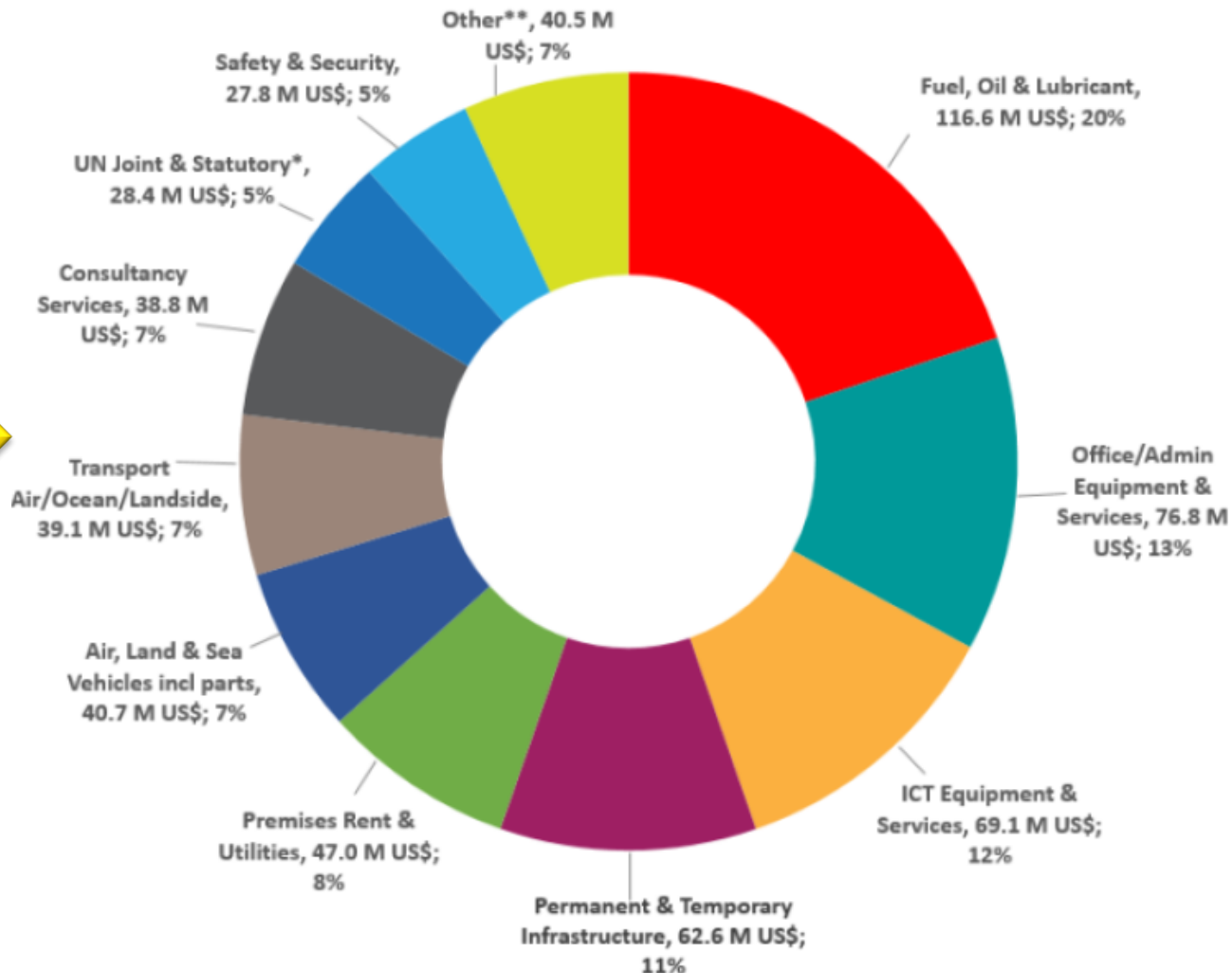
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**TOTAL:**  
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**Food**  
USD 1.07 billion



\*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.

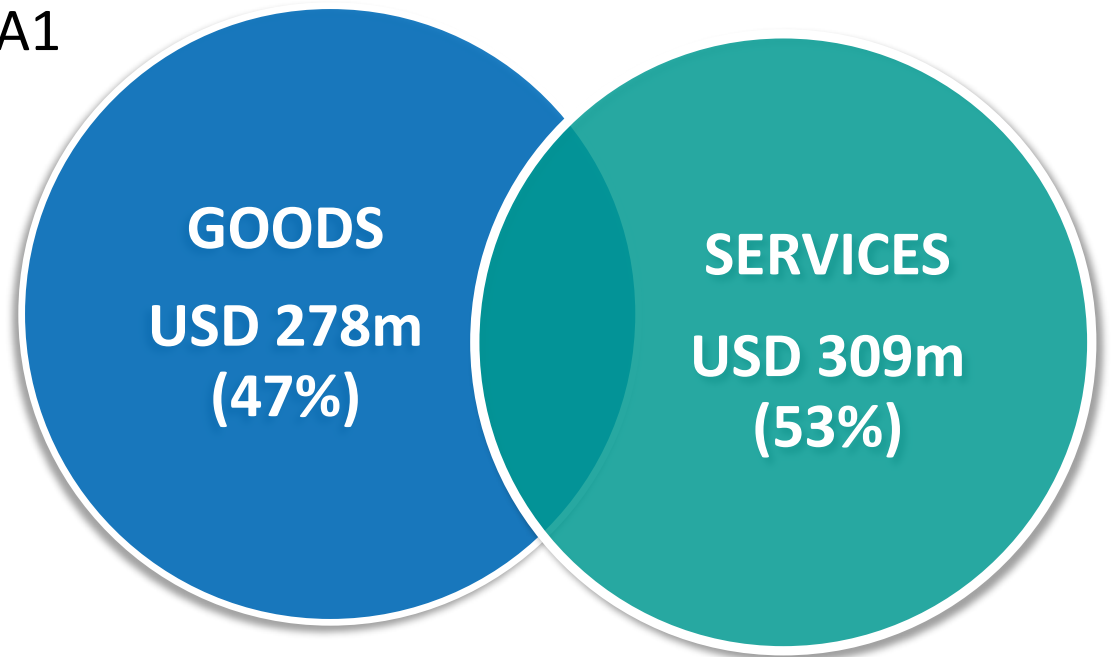
# G&S Procurement – Key Role

- 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



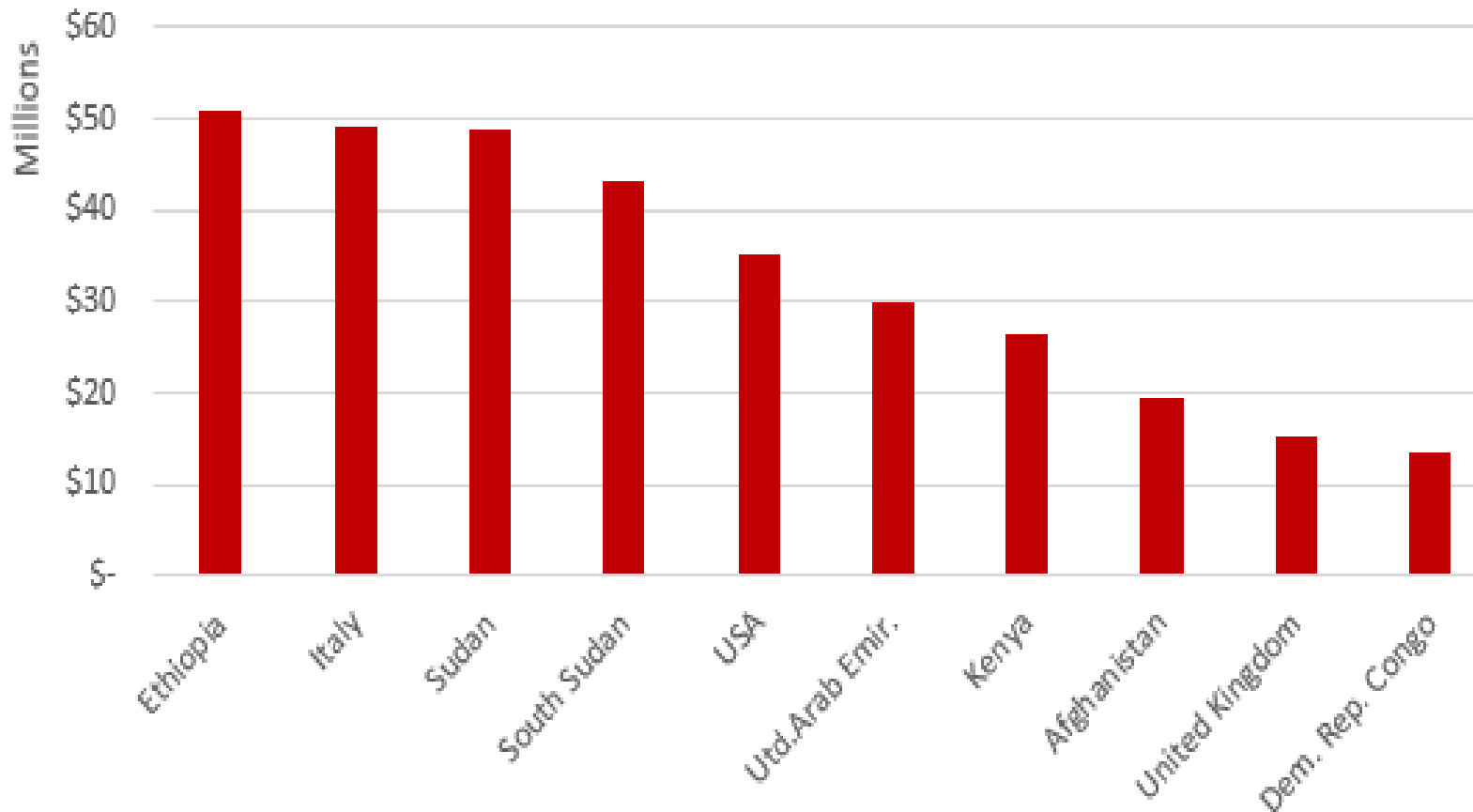
# G&S Procurement - Key categories

- 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 Nordic countries 2015

## Top 10 categories

Category	Denmark	Finland	Norway	Sweden	Grand Total
BUILDINGS/STRUCTURES - MOBILE WAREHOUSES			\$ 7,332,192.92		\$ 7,332,192.92
IT EQUIPMENT - LAPTOP COMPUTERS	\$ 1,597,897.79				\$ 1,597,897.79
IT EQUIPMENT - IT EQUIPMENT, OTHER	\$ 1,278,785.26				\$ 1,278,785.26
CONSULTANCY SERVICES - OTHER	\$ 549,878.07		\$ 265,012.00	\$ 40,861.06	\$ 855,751.13
TELECOMM. EQUIP. - COMMUNICATION EQUIPMENT, OTHER	\$ 711,586.48	\$ 90,131.55	\$ 36,461.65		\$ 838,179.68
TELECOMM. EQUIP. - ICT EQUIPMENT, SPARE PARTS	\$ 572,738.65	\$ 428.10	\$ 181,748.60		\$ 754,915.35
POWER SUPPLY - SOLAR POWER SYSTEMS		\$ 116,608.80	\$ 526,416.65		\$ 643,025.45
SAFETY & SECURITY - BALLISTIC VESTS		\$ 490,426.31			\$ 490,426.31
SAFETY & SECURITY - SAFETY & SECURITY, OTHER	\$ 132,298.19	\$ 208,768.48			\$ 341,066.67
POWER SUPPLY - POWER SUPPLY, OTHER	\$ 15,139.32	\$ 392.35	\$ 276,472.00		\$ 292,003.67
Other	\$ 3,410,225.28	\$ 180,997.14	\$ 856,729.34	\$ 88,098.98	\$ 4,536,050.74
<b>Grand Total</b>	<b>\$ 8,268,549.04</b>	<b>\$ 1,087,752.73</b>	<b>\$ 9,475,033.16</b>	<b>\$ 128,960.04</b>	<b>\$ 18,960,294.97</b>

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
<b>Grand Total</b>	<b>\$ 587,465,530.08</b>

## Top 10 european vendor countries

		Overall rank	Rank in European countries
Italy	\$ 49,077,605.91	2	1
UK + Gibraltar	\$ 16,281,070.54	9	2
France	\$ 11,151,016.87	11	3
<u>Norway</u>	\$ 9,475,033.16	12	4
Germany	\$ 9,401,751.49	13	5
<u>Denmark</u>	\$ 8,268,549.04	16	6
Switzerland	\$ 8,047,947.58	17	7
Netherlands	\$ 3,452,964.21	36	8
Ireland	\$ 2,775,719.35	45	9
<u>Finland</u>	\$ 1,087,752.73	67	10

# 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

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USD 1.07 billion

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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
<b>TOTAL</b>	<b>USD 974.2 m</b>

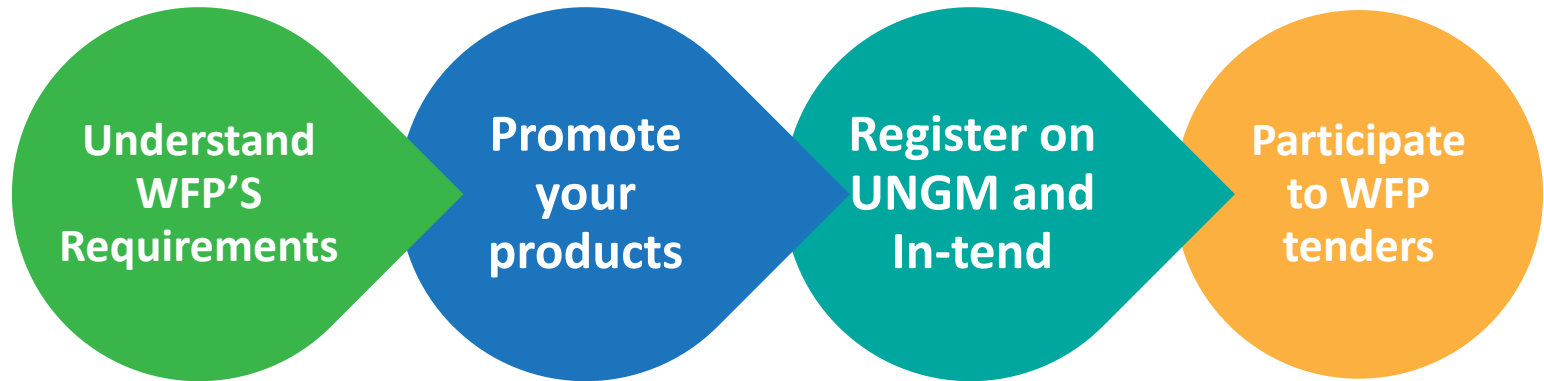


**WFP is the UN Cluster lead for Logistics**

\*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](http://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](http://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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