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SUPPLY CHAIN MANAGEMENT

WFP Myanmar

Context

After decades of stalled development and weak transport infrastructure, Myanmar is now experiencing rapid development. Projects to close the infrastructure gap are being implemented at an unprecedented rate and access to remote areas is improving. Still, challenges remain high. Despite being the largest country in mainland southeast Asia, Myanmar's road network is only 20 percent paved. In 2018, Myanmar was ranked 137th out of 160 countries on the World Bank's Logistics Performance Index and is frequently affected by armed conflict and natural disasters, complicating supply chain operations.

Local Procurement

Myanmar is one of the world's largest producers of rice and pulses. WFP strives to procure most food commodities from local suppliers, supporting the development of the local economy while shortening delivery times compared to international procurement. In 2018, WFP contributed US\$12 million to the local economy through the procurement of rice, pulses and iodized salt, amounting to more than 34,000 of the total 44,870 metric tons of food procured for Myanmar operations. WFP's local purchase agreements stipulate that 20% of total contract quantities is to be procured from smallholder farmers, while rice is procured in surplus areas to mitigate against a decrease in farmers' incomes and to support food systems.

Only food commodities which are not available in Myanmar (enriched vegetable oil, high energy biscuits and fortified blended food) are

procured internationally. All purchases are made through a competitive bidding process, which guarantees the best possible prices are obtained in a transparent manner. WFP has also engaged in a partnership with local suppliers and with an international NGO to promote and develop the local production and consumption of fortified rice.

Logistics

Every month, WFP delivers between 3,000-5,000 metric tons of food to vulnerable and food-insecure people across Myanmar. Pirogues, trucks, motor bikes, trains, sea vessels and river barges are on the move daily to bring WFP assistance to more than 2,000 remote locations across the country, as most of WFP's beneficiaries live in areas with poor transport infrastructure. In certain remote areas such as the Naga Self-Administered Zone, where many roads are inaccessible for

WFP's supply chain service at a glance

Year	Operation
2017	40,746 mt food procured locally
	42,213 mt commodities delivered
2018	34,000 tons food procured locally
	44,870 mt commodities delivered



Photo: WFP organized a logistic convoy for international humanitarian cross-line missions at Kachin State in 2014

- ▶ motorised vehicles, food deliveries are made by porters who transport the commodities on foot.

WFP works solely with local transporters to transfer commodities across the country, maximizing benefits to the local economy. During the Rakhine crisis response from 2017 onwards, WFP and the Government worked closely together to ensure sufficient transport capacity was available to reach those in need.

To keep track of the food movements across the country, WFP uses an advanced system that employs real-time tracking of all transport and food movement along the supply chain, from the day food is taken over from suppliers until it is distributed to beneficiaries. Through this system, WFP can access stock information in WFP warehouses anywhere in the country at any time.

One-UN Service

WFP is the lead agency of the Logistics Cluster on emergency logistics matters and also extends its common logistics services across the broader UN and humanitarian system in Myanmar. WFP advises other organisations on procurement and logistics, and collects and shares information on transport infrastructure and logistics services in Myanmar. Since 2014, UN common logistics services have provided transportation and storage services to sister UN agencies. During the 2017 emergency response in northern Rakhine, WFP provided partner organisations with mobile storage units capable of storing 2,000 tons of food. Throughout Myanmar, WFP partners with various international organisations to consolidate logistics services and reduce the costs of humanitarian operations. As an example, in Kachin State, WFP supports UNICEF with warehousing and storage services, saving significantly on both operation and overhead costs.

Emergency Preparedness - Strengthening the Government

To fulfil WFP's mandate to support long-term development in Myanmar, WFP offers technical support to the Government, sharing tools, equipment and best practices on emergency preparedness and response to strengthen national capacity. WFP works closely with the Government on disaster risk reduction, resilience building and poverty reduction and provides support on safety nets and social protection, strategic grain reserves and other strategic initiatives.

In addition to conducting trainings and simulation exercises on logistics, warehousing and supply chain management, WFP also sponsors study tours for Government officials to increase cooperation between countries in the region.

Through its strategic partnership with the Government, WFP supports the upgrading of warehouse management capacity. The programme includes capacity strengthening of Government staff, refurbishment of warehouse infrastructure, provision of equipment, review of Standard Operation Procedures and provision of technical assistance for relief commodity tracking systems.

Challenges

Armed conflict and a high risk of natural disasters often complicate WFP's supply chain activities in Myanmar. In the first half of 2019, WFP often experienced food delivery delays due to insecurity.

When roads and bridges are blocked or destroyed, WFP must find alternative routes. Logistics can be particularly challenging during Myanmar's monsoon season, from May through October. As a result, WFP may need to preposition food stocks in hard-to-reach areas or use pirogues to traverse wetlands or flooded areas. WFP maintains an agile supply chain that can quickly switch between cash and in-kind food assistance, taking costs and market conditions into consideration.

Food quality remains a challenge, as local farmers in Myanmar often lack resources, tools or expertise to properly store, transport and process products, causing losses and reduced shelf life. Committed to purchasing food that lives up to both international and WFP standards, WFP is working closely with local suppliers and superintendents to help promote and source high quality commodities.

The Road Ahead

As progress towards durable peace and security is made in Myanmar, the need for food assistance should decrease. WFP expects to increasingly focus on enhancing its value chain, strengthening the capacity of the Government, and training organisations on emergency preparedness and response. As part of WFP's Country Strategic Plan 2018-2022, emphasis is being placed on assisting the Government in developing sustainable food systems throughout Myanmar to enhance the environmental, economic and social impact of national food production.



Photo: Labourers at a jetty in Rakhine embrace self-reliance