



World Food Programme Gabriela Vivacqu

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## Supply Chain

2022 Regional Achievements and Outlook

**April 2023** 

# **LEVERAGING INNOVATION, TECHNOLOGY, AND PARTNERSHIP TO IMPROVE EFFICIENCIES IN LOGISTICS AND SERVICE DELIVERY.**

## Logistics Fundamentals

The Regional Bureau for Eastern Africa Logistics oversaw the movement of 1,500,116 metric tons (mt) of food in 2022, representing 30 percent of the global tonnage. The total value of logistics services to move the food was USD 286 million. Together with the value of food procured (USD 267 million), the total supply chain value in Eastern Africa was USD 554 million. Corridor fixed costs were USD 19.5 million, which was lower than the planned USD 22 million for moving 1.7 million mt.

In 2022, WFP logistics in the Regional Bureau for Eastern Africa worked alongside country and field offices to ensure assistance is delivered on time while strengthening logistics across the region. The regional Logistics team spent 103 days overseeing operations in South Sudan, Sudan, Uganda, Ethiopia, Somalia, Burundi, and Rwanda. Additionally, the team cumulatively provided 476 days of field support and 592 days of temporary duty station (TDY) aimed at strengthening country office logistics processes and capacity.

Over 100 participants were trained in various areas, including port operations, transport, and cashbased transfers (CBT). Furthermore, there were three peer-to-peer staff exchange missions for Uganda and Burundi, Sudan and South Sudan, and Djibouti and Ethiopia.

In terms of external engagement, WFP strengthened its partnership with regional entities including, East African Business Council (EABC) and Trademark East Africa (TMEA), as part of the regional initiatives to expand the scale of WFP logistics and corridor development. The team engaged with new entrants in the transport platform market (Uber for Trucks) for transport optimization for WFP and food systems.

WFP also partnered with the United Nations Environment Programme (UNEP) and the MIT Center for Transportation and Logistics on <u>Scope 3 supply chain emission reduction</u><sup>1</sup>. Further, supply chain officers from the Djibouti government and WFP headquarters participated in a panel discussion on reducing Scope 3 supply chain emissions at the United Nations Climate Change Conference (COP27). Moreover, WFP engaged with Wageningen University & Research (WUR) to strengthen evidence generation, and the private sector on food cold storage for post-harvest loss reduction.

### Transformative Logistics

WFP logistics has progressively evolved, the focus has not only been on transporting food but also modernizing digitising logistics and service provision services to improve cost efficiencies, transparency, and reliability. Through its strategic partnerships, WFP logistics in Eastern Africa is also working on improving efficiency in last-mile delivery, reducing carbon footprint, and contributing to the food systems agenda by strengthening supply chain infrastructure.

<sup>1</sup> World Economic Forum: What is the difference between Scope 1, 2 and 3 emissions, and what are companies doing to cut all three? September 2022

#### 1. Tracking Carbon Footprint in the Region

WFP developed a carbon accounting methodology in line with international best practices, from both private commercial and humanitarian assistance sectors. The pioneering work resulted in the creation of a **carbon accounting system that measures Scope 3 supply chain carbon dioxide (CO2) emissions**.

WFP also developed a **dashboard** to capture daily emissions and collaborated with various WFP units to ensure comprehensive measurement of operational carbon footprint. This work includes emissions calculation from supplier food receipt to handover to cooperating partners for beneficiary distributions. WFP aims to scale this corporate solution to be shared with other humanitarian actors.

Noteworthy progress was also made in improving fuel management through tracking, standardization, and transparency. The solution is being piloted in the Sudan country office, with plans to launch it in other countries due to increased demand. Standard Operating Procedures and business processes have also been developed to ensure effective implementation of the solution.

#### 2. Optimization and Digitization

The regional supply chain team developed an optimized food basket, an online decision support system to identify the most efficient and cost-effective way to reach beneficiaries and the creation of diverse analyses at global, regional, and country levels to identify trends, risks, and mitigation measures.

The process of contracting transporters and partners' warehouse management systems were also automated. Digitisation efforts have contributed to more transparent, cost-efficient, and reliable supply chain services to the humanitarian community and the people we serve.

A budgeting and costing methodology was also developed. The concept is currently being utilized in Burundi, Sudan, Djibouti, and Ethiopia, facilitating accurate planning, budgeting, and costing of services. A newly developed dashboard was launched to enhance the visibility of logistics service provision operations in the region, this has been instrumental in contributing to optimal prepositioning within operational and funding constraints.

WFP Logistics team **integrated pharmaceutical quality standards into WFP supply chain** for handling temperature-sensitive commodities. WFP country office operations in Kenya, South Sudan, and Djibouti have integrated the standards for contracting third-party logistics service providers, transporting medical supplies via air transport, or storing temperature-sensitive items. WFP Logistics also created an automated reporting system for Africa Union Centres for Disease Control (Africa- CDC) and Prevention to keep track of all transport/storage requests.

#### 3. Strengthen Supply Chain Capacity

A study was conducted on how to identify ways to measure and improve the impact of supply chain in national emergency preparedness and response. Performance indicators were developed and integrated into the corporate Emergency Preparedness Capacity Indicator (EPCI) tool, which measures and monitors progress on strengthening institutional capacities. The Logistics team also established a knowledge exchange platform for Supply Chain Capacity Strengthening practitioners in the region, which facilitates the sharing of best practices. An example of this is the development of the Government of Somalia warehouse management system with support from WFP.

#### 4. Engineering in the Regional Bureau for Eastern Africa

Engineering in the Regional Bureau for Eastern Africa continued to support administration, programme, and logistics projects and external partners.

Of all WFP engineering projects valued over USD 100 million, 40 percent were in the Eastern Africa region. Over 50 percent of regional engineering projects in 2022 were logistics related. Engineering support for programme has been enhanced in the region over the years in country offices for engineering-related projects. Of all 200 plus WFP engineers, 30 percent are based in the Eastern Africa region.

In 2022, engineering continued to support, guide and advise country offices' projects through the planning, design, procurement, and implementation phases. Three projects valued at USD 5 million were managed directly by the Regional Bureau engineering team while 8 other projects valued at about USD 9 million were actively supported in several country offices in the region. In 2022, as part of emergency preparedness, the Bureaus engineering team finalised the development of documentation for long-term agreements identified as critical for emergencies. The process will be finalized in 2023.

The team also conducted four oversight missions, aimed at identifying gaps, and potential areas for support and improving the engineering and construction management processes and products in the region's country offices.





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