

DOING BUSINESS WITH WFP

November 2022



World Food Programme



WFP is the world's largest humanitarian organization working towards zero hunger by 2030.

WFP delivers food, cash and other assistance in emergencies. At the same time we focus on sustainable development, promoting long-term change by working in partnership with national governments and communities.

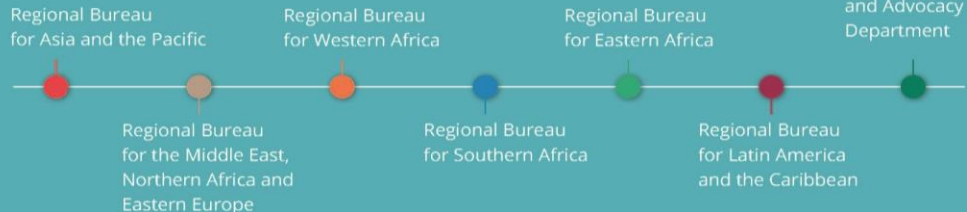
WFP is funded entirely by donations from governments, companies and private individuals.



Global Presence Map



- Country Office
- Multi-country Office
- Regional Bureau
- ★ Rome Headquarters
- Global Office
- Centre of Excellence
- Humanitarian Response Depot
- Innovation Accelerator
- COVID-19 Humanitarian Response Hubs



April 2022

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The organizations employed and the presentation of material in this map does not imply the expression of any opinion whatsoever on the part of WFP concerning the legal or constitutional status of any country, territory or the cities or concerning the delimitation of boundaries.

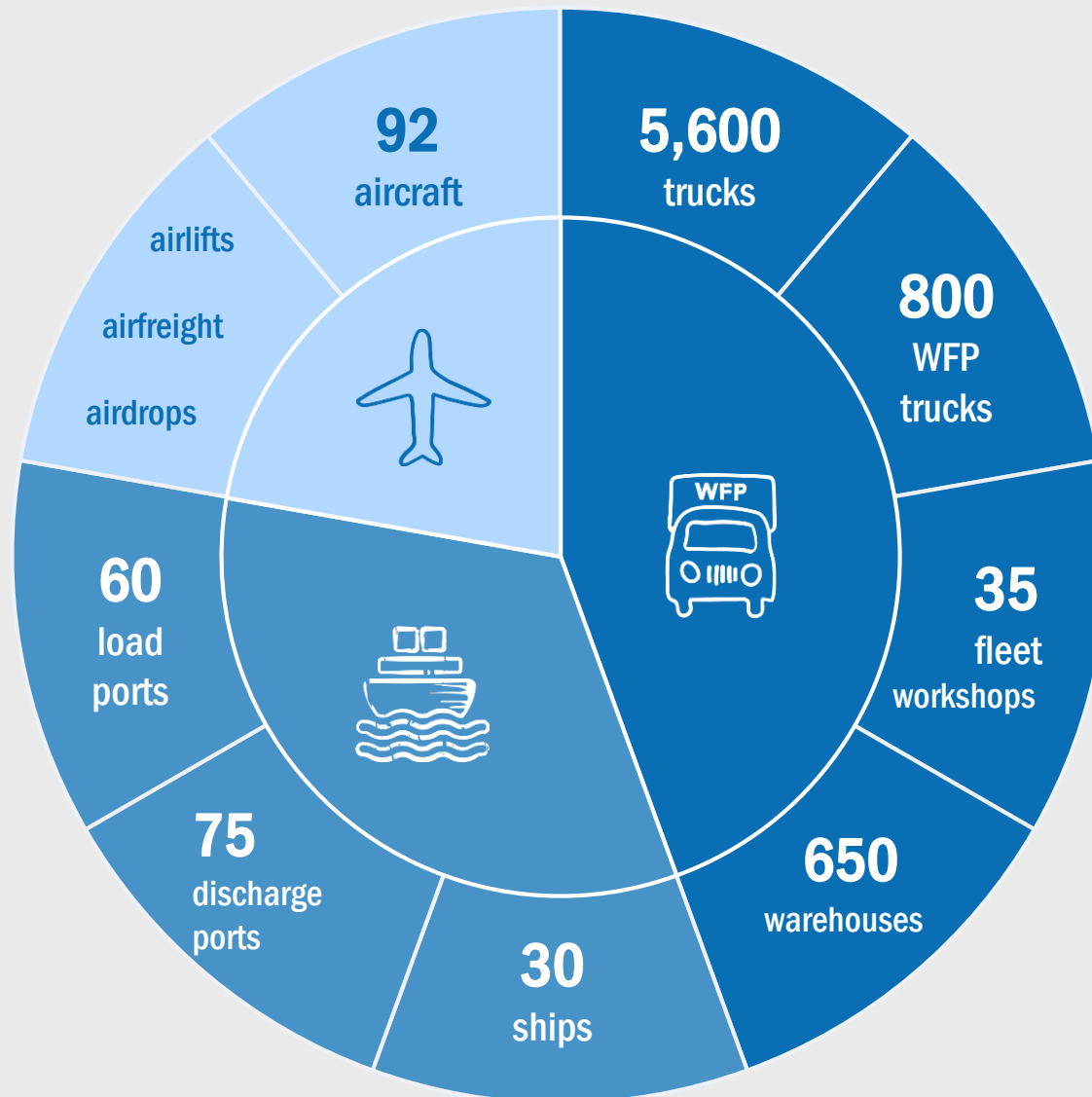
* A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).

** Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties.

*** Dotted boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined.

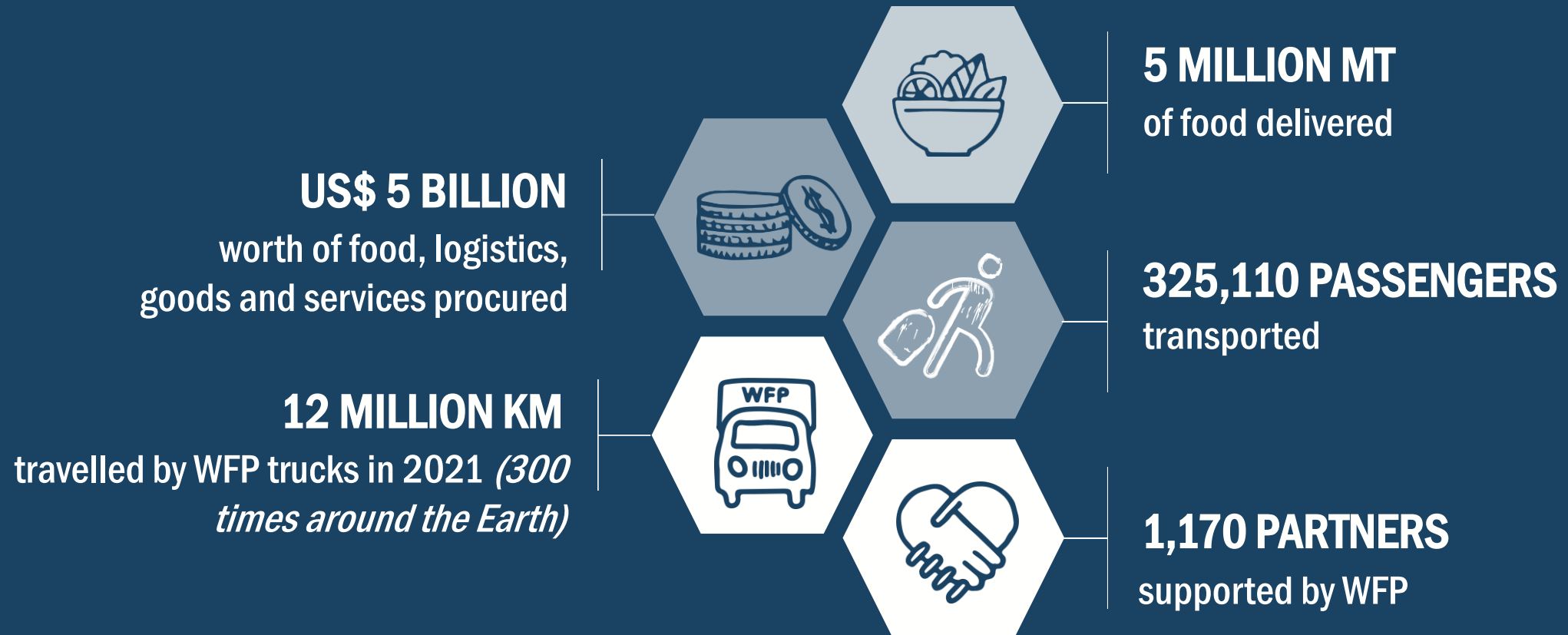
— International Boundary - - - - - Armistice or International Administrative Line - - - - - Other Line of Separation - - - - - Special boundary line

**ON ANY
GIVEN
DAY**



**TO REACH
130+ MILLION
PEOPLE**

SUPPLY CHAIN 2021 IN NUMBERS



WFP 2021 PROCUREMENT DISTRIBUTION

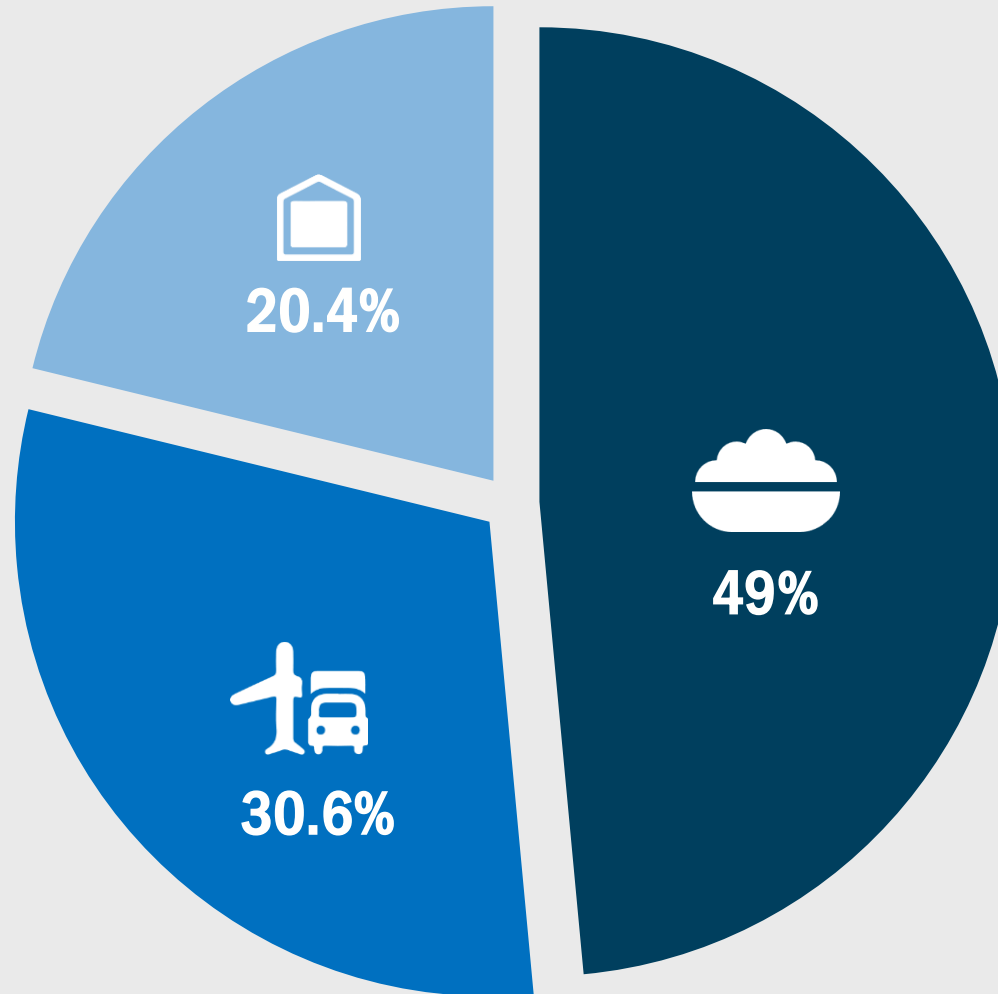
Goods and Services

USD 1 billion



Logistics

USD 1.5 billion

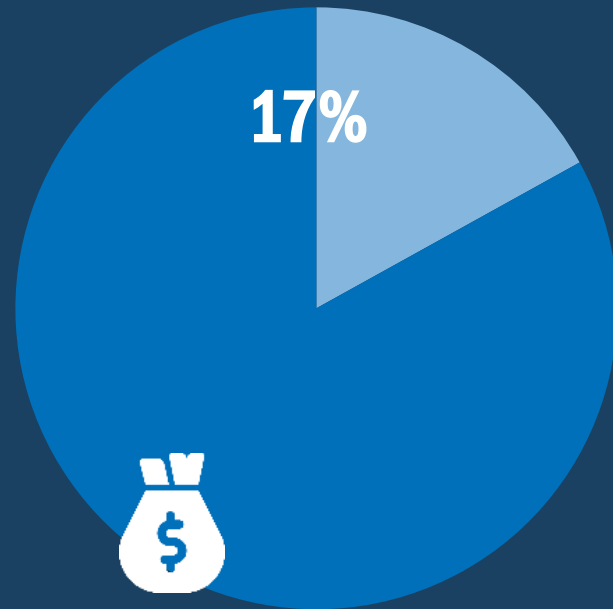


Food Procurement

USD 2.4 billion



2021 UN PROCUREMENT LANDSCAPE



WFP made up 17% of total UN procurement
USD 5 billion out of USD 29.5 billion in 2021

2nd

Ranking among UN organizations in
2021

150+

Number of countries WFP buys
from annually

WHAT WE BUY

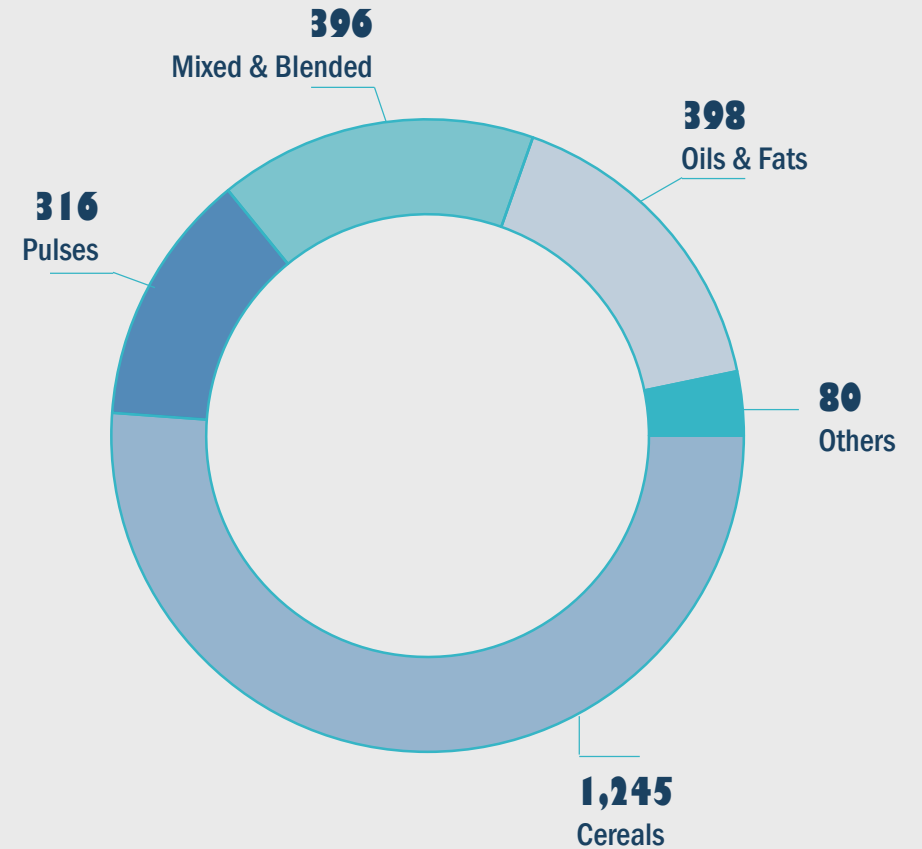
80+

Different food commodities

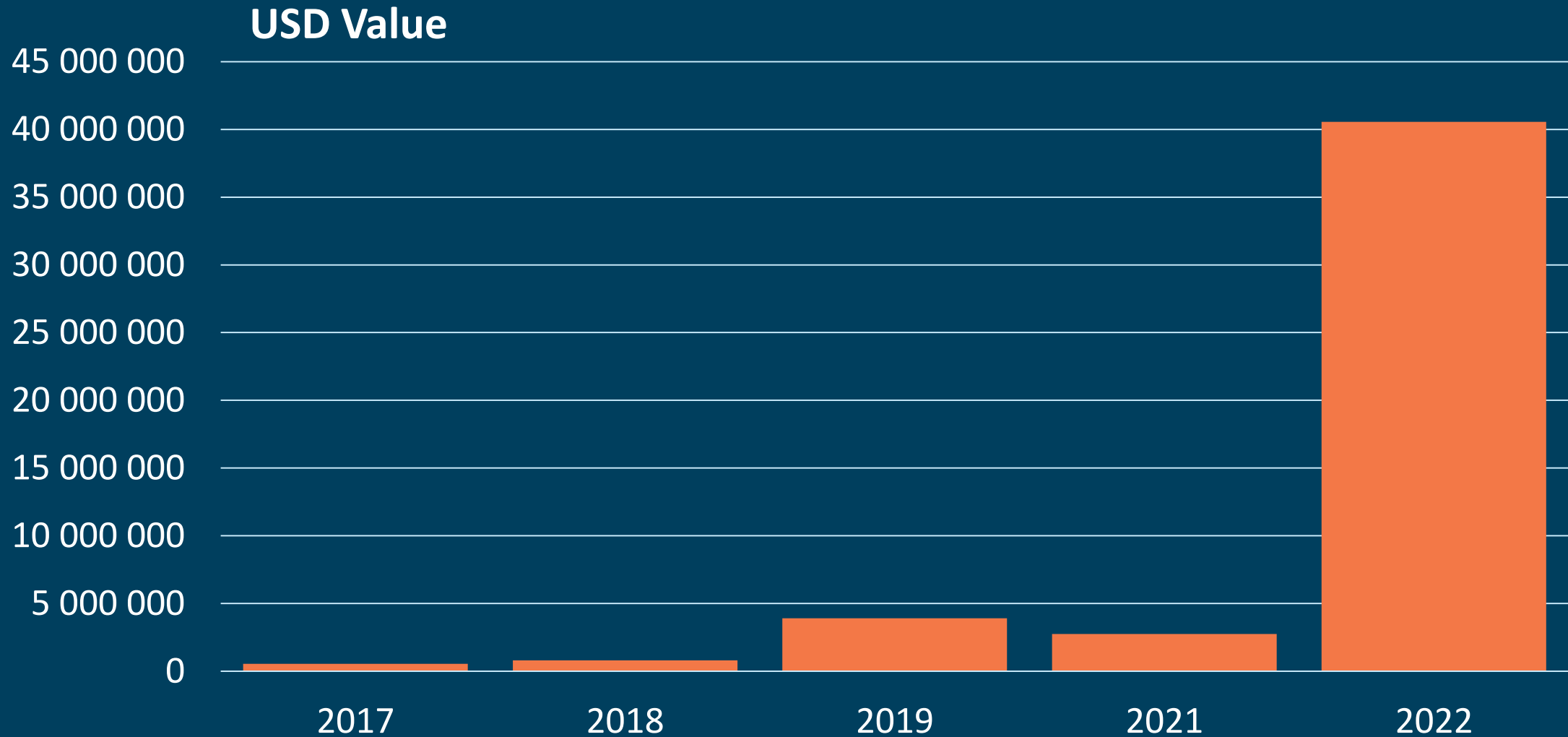
Key commodities we buy:

- Wheat (grain and flour)
- Rice
- Lentils and split peas
- Sugar
- Vegetable and Sunflower Oil

2021 PROCUREMENT BY CATEGORY
(USD million)

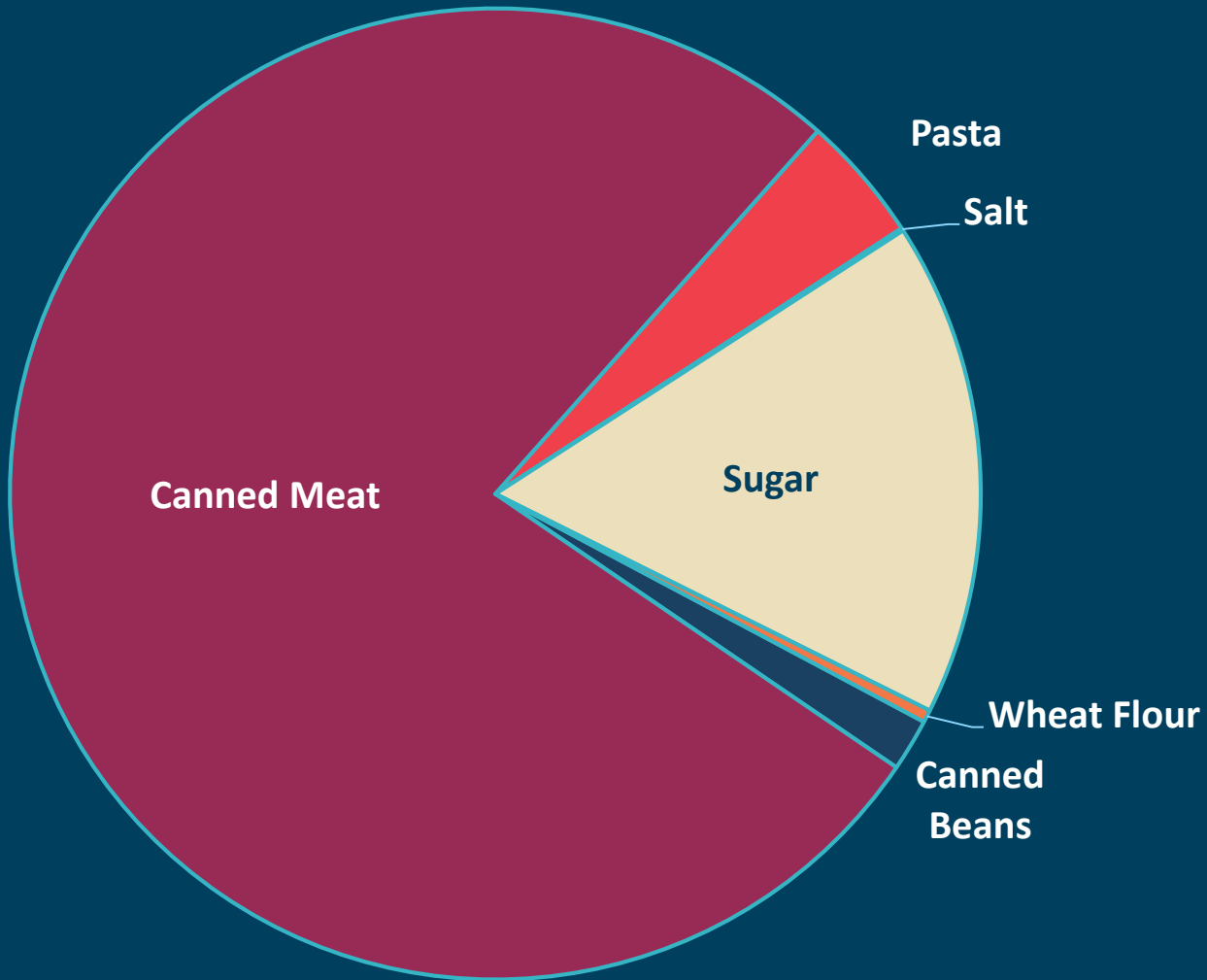


Procurement from Poland: trends 2017 - 2022 (1)

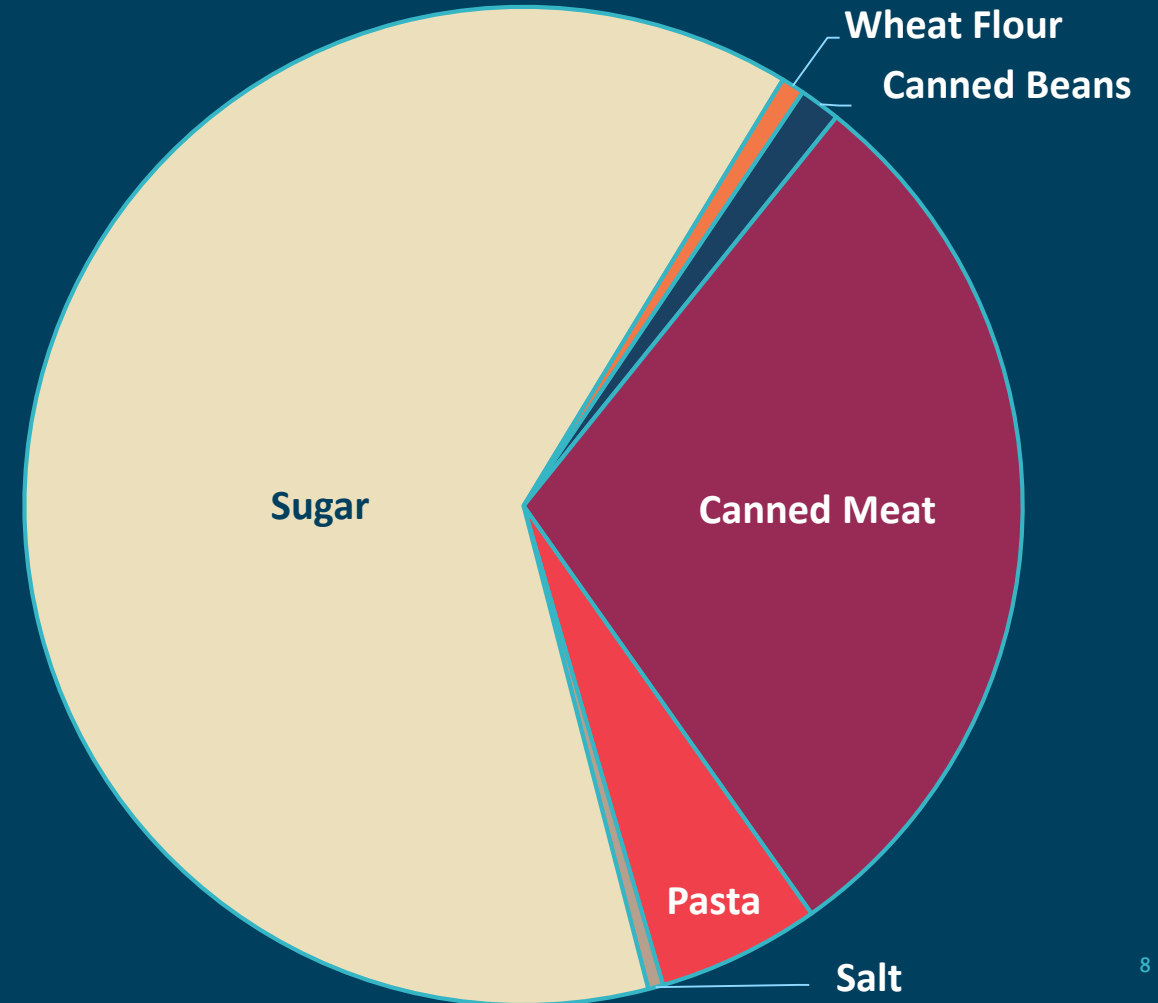


Procurement from Poland: trends 2017 - 2022 (2)

Commodities by USD value



Commodities by MT



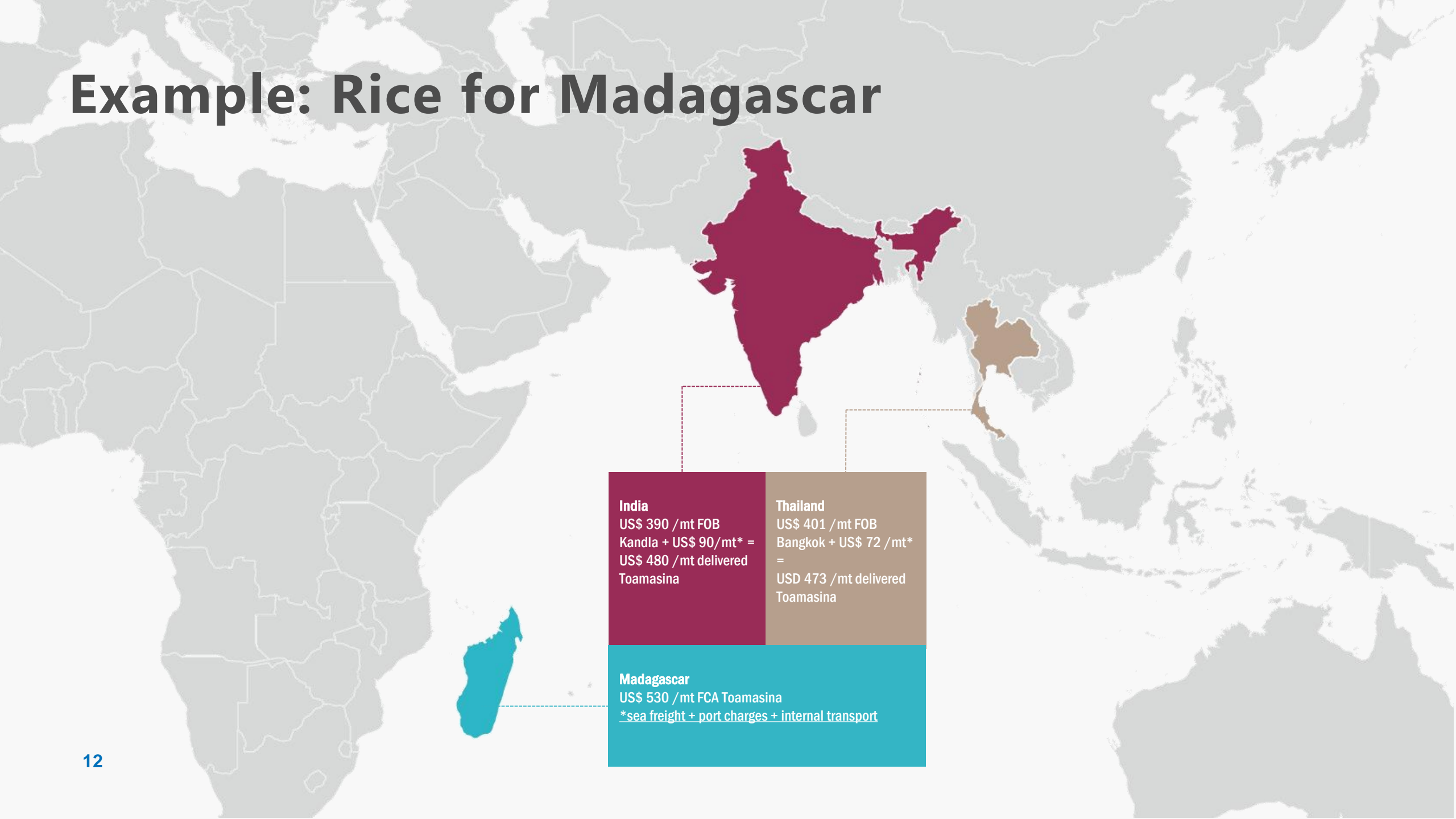
BEFORE DECIDING WHERE TO PURCHASE

WFP conducts an Import Parity cost comparison of international, regional and local markets that includes:

- Considering various delivery options
- Donor country conditions/restrictions
(origin/destination/quality/packing/marketing/GMO etc.)
- Recipient country requirements
(product/origin/packing/import regulations/GMO etc.)
- Impact on local market/economy
(harvest/lean period/surplus)
- Cost effectiveness and lead time

Total cost of commodity and associated delivery costs to final destination are considered when deciding where the commodity will be procured.

Example: Rice for Madagascar



India US\$ 390 /mt FOB Kandla + US\$ 90/mt* = US\$ 480 /mt delivered Toamasina	Thailand US\$ 401 /mt FOB Bangkok + US\$ 72 /mt* = USD 473 /mt delivered Toamasina
Madagascar US\$ 530 /mt FCA Toamasina <u>*sea freight + port charges + internal transport</u>	

INCOTERMS 2010

WFP Food Procurement concludes contracts using Incoterms 2010 rules, which specifies:

-
- The obligations of each party (e.g. who is responsible for services such as transport import and export clearance etc.)
- The point in the journey where risk transfers from the seller to the buyer

Incoterms are chosen with the aim of providing the safest and most economical solution for WFP.



WFP ISSUES TENDERS USING THE BELOW INCOTERMS

INCOTERMS	DEFINITIONS
Free On Board (FOB)	Seller delivers goods, cleared for export, loaded on board the vessel at the named port. Once the goods have been loaded on board, risk transfers to the buyer, who bears all costs thereafter.
Cost and Freight (CFR)	<p>Seller arranges and pays for transport to named port. Seller delivers goods, cleared for export, loaded on board the vessel.</p> <p>Risk transfers from seller to buyer once the goods have been loaded on board, i.e., before the main carriage takes place. Seller is not responsible for insuring the goods for the carriage.</p>
Free Carrier (FCA)	<p>Seller arranges loading goods onto the truck etc. at the named place, normally the seller's premises. In all cases, the seller is responsible for export clearance the buyer assumes all risks and costs after the goods have been delivered on board the truck at the named place.</p>
Delivered at Place (DAP)	<p>The seller is responsible for arranging carriage and for delivering the goods, ready for unloading, at the named place. Risk transfers from seller to buyer once the goods are offloaded; offloading is at the buyer's risk.</p> <p>The buyer is responsible for import clearance and any applicable local taxes or import duties.</p>

SUPERINTENDENT SERVICES

WFP contracts an inspection company to undertake the quality and quantity inspection on the commodities:

- The Quality and Quantity (Q&Q) survey occurs prior to WFP taking possession of the goods to ensure that they meet the contractual specifications and requirements.
- The inspection company acts on behalf of WFP to do the Q&Q inspection before taking possession of the cargo.
- The inspection company must be given free access to the Commodity at the time and place of delivery to carry out the inspection.
- The final survey report is required prior to releasing payments to supplier.

PAYMENT

WFP does not work with Letters of Credit.

- Funds are obtained from donors or using an advance financing mechanism, before WFP starts the procurement action.

WFP normally pays within 10 days after:

- Receipt of invoice, which are verified against contractual terms invoices must include banking instructions, mt, Incoterms and price
- Delivery is certified as received
- Receipt of required documentation and verification, including Final Inspection Report.



HOW TO WORK WITH WFP



COMMERCIAL RELATIONSHIPS

- **Contract (one-off)** - Legal Agreement for provision of specific goods and services for defined cost within defined timeframe.
- **Long Term Agreement** – Framework contract for provision of an unspecified volume of Goods and Services to WFP over a defined period of time.

NON-COMMERCIAL RELATIONSHIPS

- **Partnership** – Collaborative relationships, not based on commercial grounds, that achieve positive outcomes for the people we serve.

VENDOR REQUIREMENTS

FOOD PROCUREMENT

Minimum criteria:

- a. Provide food commodities relevant to WFP programme requirements;
- b. Legal capacity to enter into a contract i.e., certificate of incorporation or an equivalent;
- c. Audited financial statements for 3 years, USD 5 million;
- d. 3 letters of recommendation;
- e. 3 years of experience in trading/manufacturing of commodity for which applying;
- f. Vendor must not appear on the UN Security Councils Sanctions List
- g. Not previously sanctioned for fraudulent, unethical or illicit acts
- h. Completion of Initial Paper assessment (IPA).

For more details contact:

newsuppliers@wfp.org

HOW TO REGISTER AS A VENDOR WITH WFP



Vendors must complete:

1. UNGM Level 2 Registration (for international procurement): <https://www.ungm.org/>

2. Initial Paper Assessment (IPA) form – a joint assessment is done by the Procurement and Food Safety and Quality teams available through: newsuppliers@wfp.org

* Vendors can Access specifications of commodities that WFP procures at:
<https://foodqualityandsafety.wfp.org/specifications>



QUESTIONS