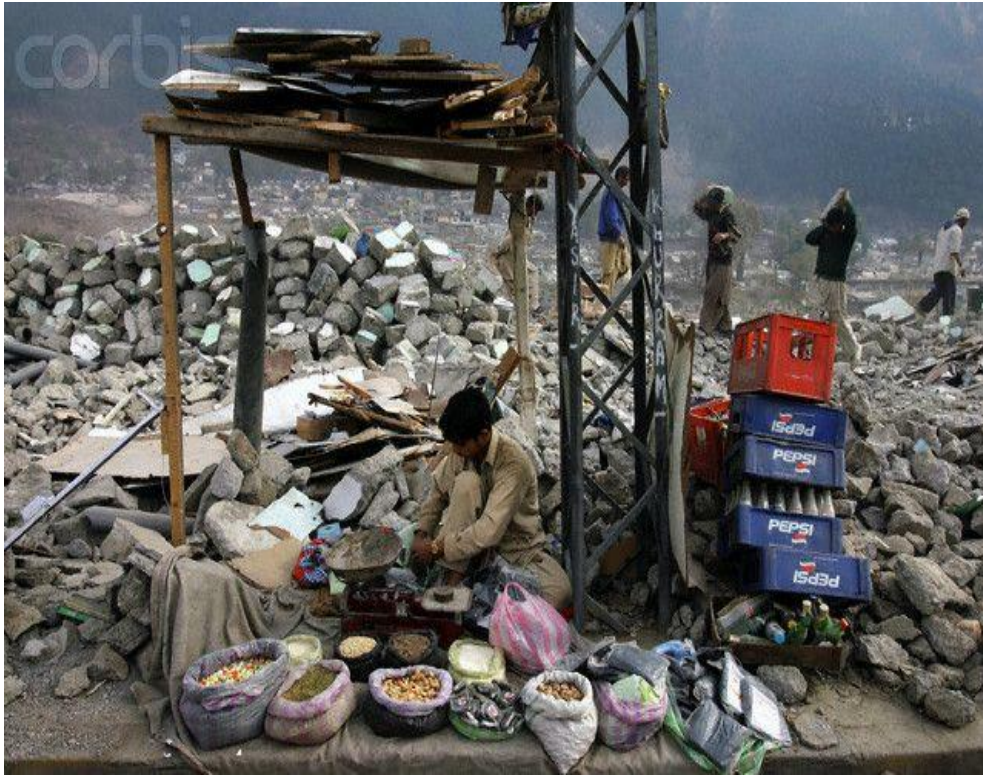


SUPPLY CHAIN IN CASH BASED TRANSFERS



ASSISTANCE THROUGH PURCHASING POWER

MARKETS



SUPPLY CHAIN



- Retailers/wholesaler Assessment.
- Identification & contracting of retailers..
- Supply chain monitoring & continuity Management.
- WFP retailers' strategy.

I. Needs Assessment & Response Analysis

- Retail logistics assessment & Risk identification
- Procurement options analysis & Risk identification

II. Intervention Setup

- Merchant identification
- Procurement process
- Contracting

III. Distribution Cycle

- Supply chain monitoring & Continuity management
- Tracking transfer delivery
- Invoice verification: service provider & merchant

“Retail shop visit Tool“

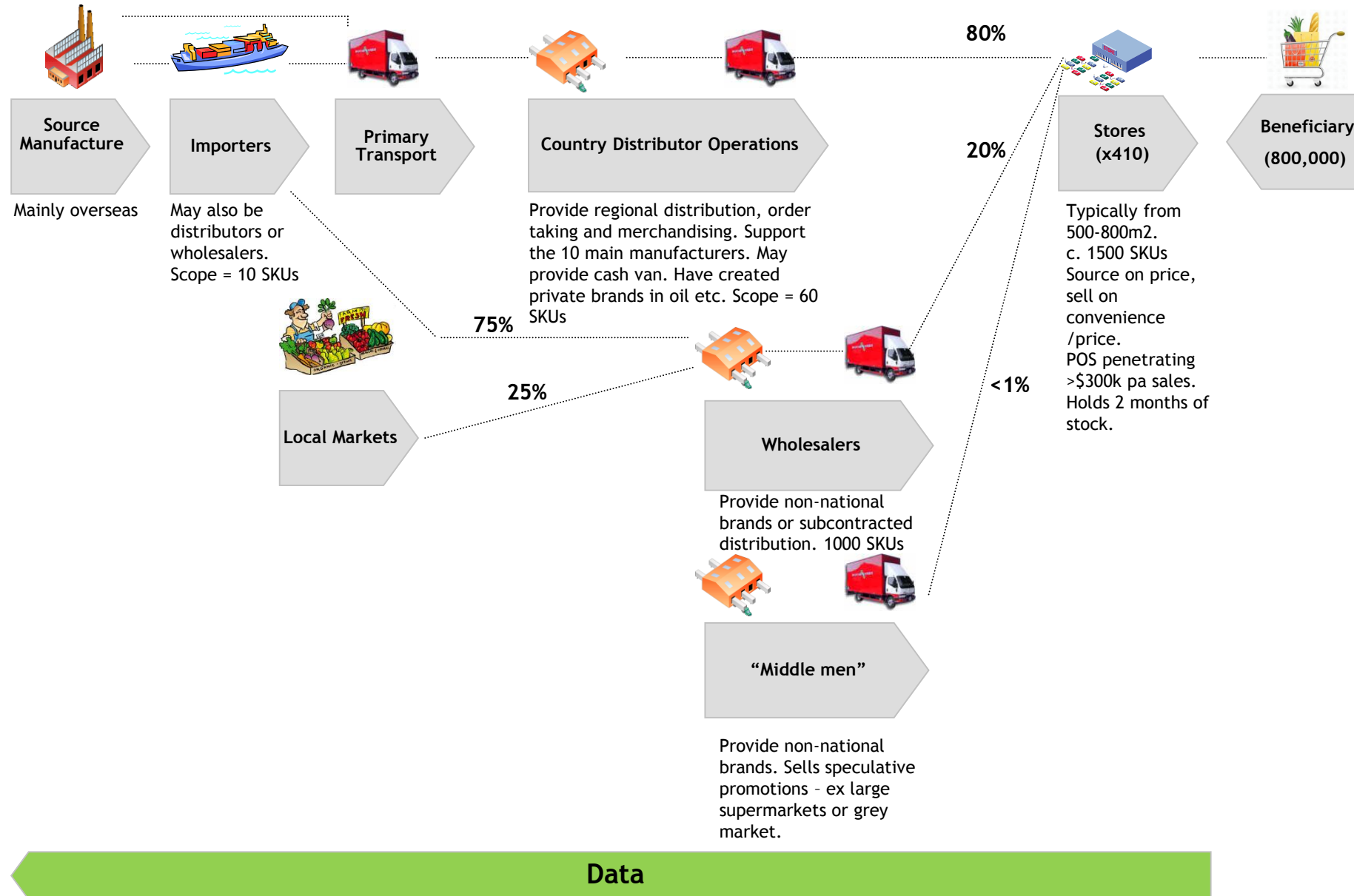
RETAILER TO MANUFACTURER OR FARM

1. Who are the main players in this segment? ie Retailers
2. How do these players get THEIR goods?
3. Where do they get their goods from?
4. Who delivers these goods, when and how?
5. How well does it work?
6. Where are the main costs?
7. Where are the main risks? (Players, infrastructure)
8. Where are the challenges for improvements?

By adding cost data, we can get a useful view of efficiency...

The Supply Chain 'Players'

We define Supply Chain as the flow of GOODS from Supplier to customer and the flow of DATA back



SUPPLY CHAIN

Ensure & Enable Supply Contracting Options Emergency Preparedness & Response



I. Ensure & Enable Supply

- Can the traders ensure supply on WFP's behalf (absorb increased needs)?
- Can the market be trusted to continue to avail the commodities, reliably?

II. Contracting Options

- Merchants and service providers
- Maximize efficiencies

III. Emergency Preparedness & Response

- Should the market fail, beneficiaries need to be fed: In-depth knowledge and monitoring of merchant's supply chain
- Triggers for changes between transfer modalities (plan, source & deliver food transfers)
- Emergency Solutions project to shorten lead times for C&V in emergencies

Micro Retail Assessment



Why assess retailers?

How to assess?

What to assess?

How do we use the assessment data? Engagement etc

Why we assess Retailers?



SOUTH SUDAN
**Food Security &
Livelihoods Cluster**
Strengthening Humanitarian Response

- 1) Quality & Quantity of food
- 2) Reliability of supplies
- 3) Adherence to WFP and Gov't rules and regulations
- 4) Accessibility and security
- 5) Assessment time
- 6) Contractual needs
- 7) Contingency Planning etc.



How and what to Assess retailers? – EOI / Shop Visits.

- Location/access
- Prices
- Quality & Availability of the right commodities
- Reliability of supply/storage facilities
- Technology – POS
- Payment terms
- Laws/rules/taxation policies
- Development opportunities/strengthened supply chain
- Humanitarian Accessibility.
- Choice
- Resources & skills

ASSESSING RETAILERS



SOUTH SUDAN
Food Security &
Livelihoods Cluster
Strengthening Humanitarian Response

1. The retailer **must be willing and suitable** to provide services.
2. Beneficiaries should get the best experience as we can get
3. The local team is well placed to judge – and need to be thorough and clear
4. Its fair to all if we have a common list of what we look for.

The best way to do this is to ‘be a shopper’.



Think about the importance of:

1. Being welcomed
2. Feeling fairly treated – good value
3. Finding shopping pleasant (smell, crowding)
4. Feeling safe
5. Other things...?

The best way to do this is to ‘be a shopper’.

- Operational:

- Inflation
- Failure of delivery mechanism
- Fraud/loss
- Supply failure
- Corridor failure, high SC costs, lead times
- Retailer/wholesaler capacity

- Contextual:

- Security
- Gov't regulations constricting trade
- Transparency
- (Global) price fluctuations
- Exchange rate fluctuations
- Infrastructural constraints
- Production failure

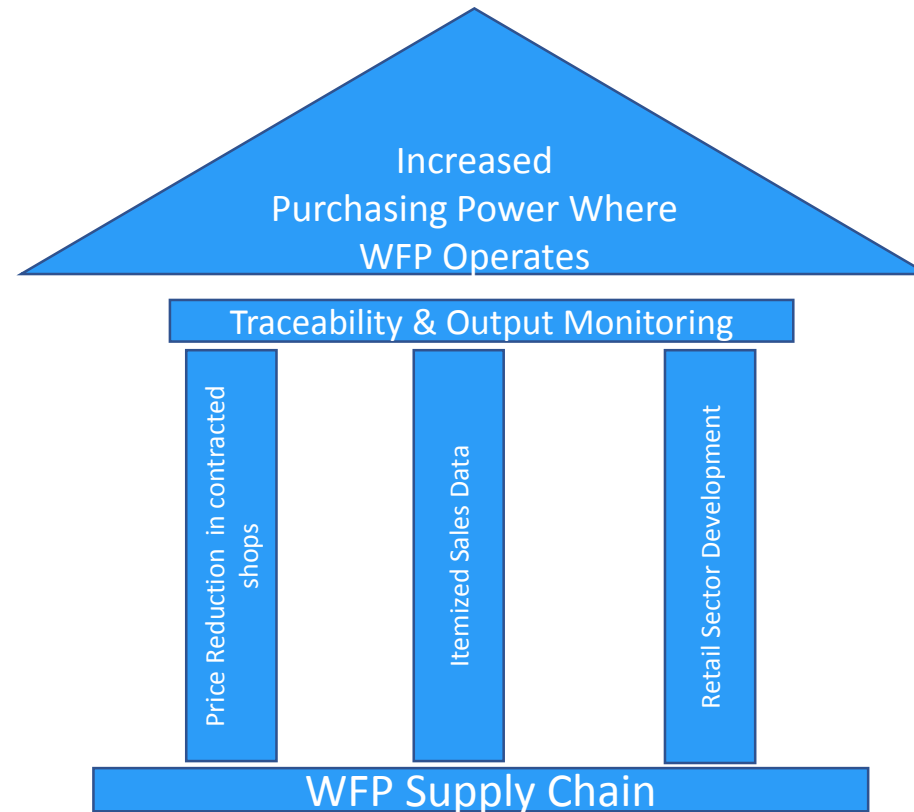
- Sudden price hikes or price changes earlier than normal (global/national) for specific commodities;
- More external traders in local markets, to meet demand local traders cannot meet;
- Demand increase for cheaper products (in wider area).

- Consumers ask to purchase on credit earlier than normal (in wider area).
- Production areas affected.
- Change in trade traffic / supply volumes.

- Greater costs than normal for merchants.
- Changes in government regulations, customs fees, licenses required, trade restrictions.

7. WHAT IS WFP'S RETAIL SUPPLY CHAIN STRATEGY?

Retail Supply Chain Strategy - Cash Based Transfers



Leveraging WFPs supply chain expertise and purchase volumes

WFP's retail supply chain strategy:

1. Remove inefficiencies to increase beneficiary purchasing power

- Gather discounts from our retail partners
- Remove excess retailer and wholesalers profit in camps
- Create Aggregate buyers to capture buying synergies

2. Gather beneficiary buying data for multiple uses

- Demand and analyze the retail Point of Sale data

3. Develop the retail sector (particularly the independent shops) to sustain lower prices on exit

- Systems, access to finance, commercial and operational



Strategy pillar 1: Better purchasing power – tools

1. Gaining discounts:

- WFP uniquely places extra demand on shops
- This adds profit at low incremental cost
- We can seek discounts for our beneficiaries (typically 3-7%)

2. Aggregating demand

- Help the small shops buy like BIG shops using the POS data

3. Creating the right retail network

- How many shops, where. Camp shops fit for purpose.

4. Add NFI's

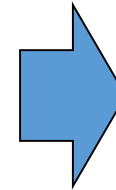
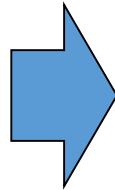
- Offer our discounts / efficiencies on NFI's

INVOLVES: AGGREGATING DEMAND & BEST VALUE DEALS



Strategy Pillar 2: Beneficiary visibility

A retailer that has a retail point of sale system (barcode scanner at checkout generating an itemised receipt) they can provide WFP with amazingly powerful data. Each transaction shows prices paid, items bought and method of payment, without breaching confidentiality.



Strategy Pillar 2: Beneficiary data at the centre of assistance

Beneficiary education:

Nutritional profile of purchases?
Better spend patterns (bulk)?
Promotional availability?
Seasonal products?
Better price availability?

Monitoring and targeting:

Automatic price monitoring?
Focus on beneficiaries with lowest spend?
Review assistance for high cash spenders?
Location of card / beneficiary movement?
Unusual purchase patterns?

Spend patterns:

Amounts spent on non-food items?
Purchases by donor country?
Affect of funding cuts?

Retailer development:

On shelf availability data?
Promotional effectiveness?
Linked purchases?
Product profitability?
Sales growth patterns?
Price impacts...?

Food security:

Product availability?
Price movements?
Availability of key nutrients?

Tax calculation

Tax contribution paid by beneficiaries?

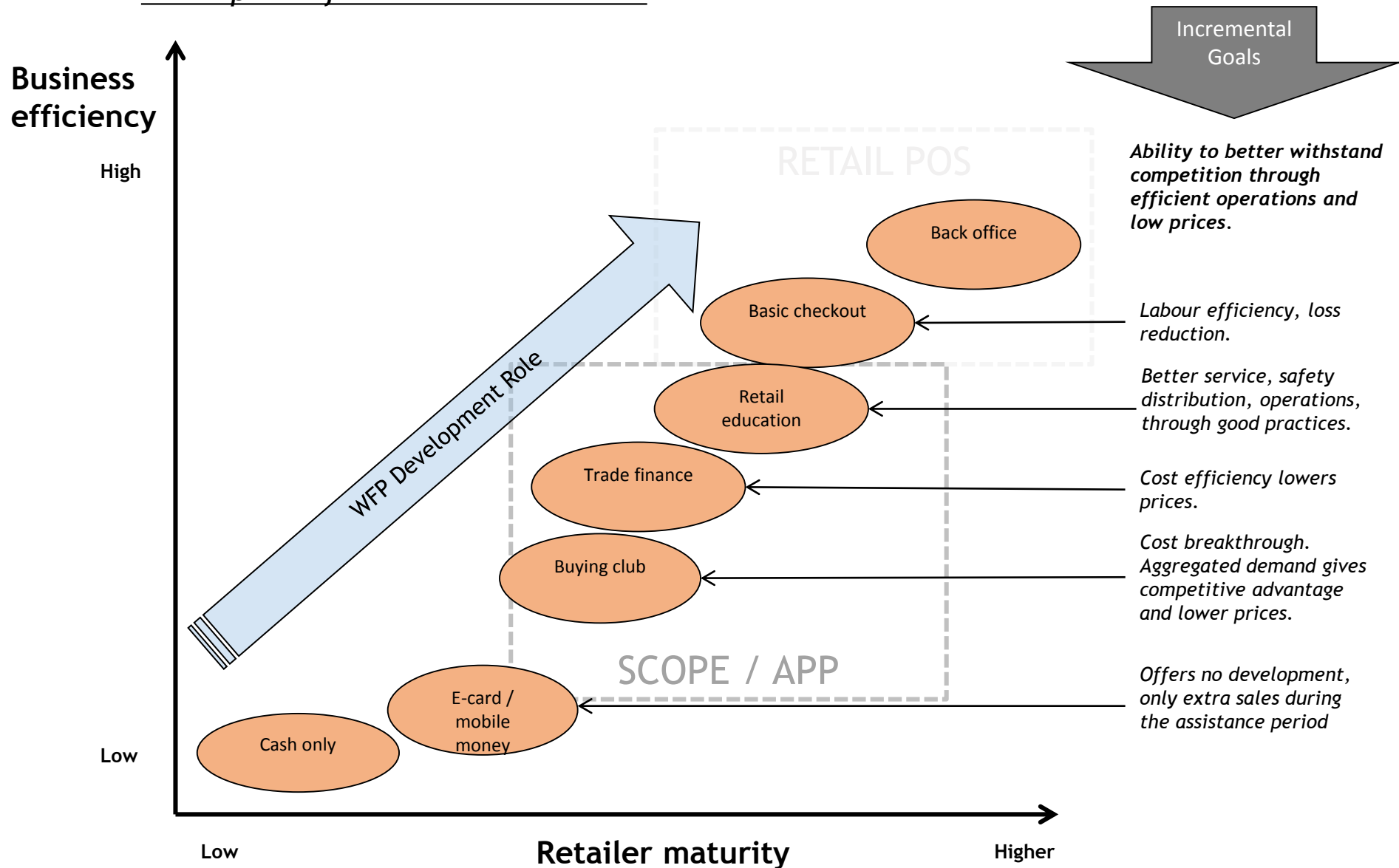
Local market impact:

Extent / success of local produce initiatives?
Promotion communication of local products?



Strategy Pillar 3: WFP's role in retailer development:

Through its assistance, WFP has the chance to help retail partners develop capability and maintain lower prices for all their customers



Thank you for coming 😊

