

Final Report



151 Ellis Street NW
Atlanta, GA. 30303

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**Program Title: Commodity Management Enhancement Project
(CMEP)**

USDA Grant No. 58-3148-9-003

**Countries: Guatemala, Honduras, Bolivia, Peru, India, Bangladesh,
Niger, and Somalia**

Project Partners: CRS and World Vision

**Time Period Covered by This Report:
October 1, 1998 to April 30, 1999**

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I. Background

CARE's food assisted programs are valued at over \$200 million dollars annually, accounting for nearly 50% of CARE's total resources. Proper management of these assets is critical to ensure that the resources reach the intended beneficiaries. It is imperative for the success of these food programs that commodity losses and CARE's liability for such losses are kept at a minimum.

To proactively address issues related to improved commodity management and commodity loss reduction, CARE applied for and was awarded a Cooperative Agreement No. AOT-A-00-96-90130-00 from the United States Office of Foreign Disaster Assistance (OFDA) to conduct the Commodity Loss Reduction Project, or CLRP. The project was carried out over a two year period, from September 11, 1996 to September 30, 1998. It was a joint partnership project in collaboration with Catholic Relief Services, World Vision, and Food Aid Management (FAM). It included the close involvement of US Government agencies (OFDA, USAID Office of Food for Peace and USDA).

The primary objective of the CLRP was to develop feasible cost-effective methods of reducing commodity losses to ensure that food commodities reach the beneficiaries for which they were intended. Other project objectives included testing methods and formats to track and identify commodity losses and their causes.

CARE-USA CLRP staff worked in conjunction with members of six CARE Country Offices. Angola, Ethiopia, India, Guatemala, Peru and Honduras were the countries chosen to test alternative methods for reducing commodity loss throughout the food aid supply chain. Activities included working with Country Office staff to determine types and causes of loss, innovations and alternatives to be tested, commodity management workshops, technical support and training. Coordination and partnering with collaborating NGO's, FAM and donor agencies were also key activities.

Some of the activities and accomplishments from the Commodity Loss Reduction Project were:

- ✓ Pilot test shipments of various types of vegetable oil packaging, handling methods, and modes of transport
- ✓ Containerization test studies conducted on shipments to India
- ✓ Development of a Commodity Status Report (CSR) database program
- ✓ Field tests of hermetic PVC canvas storage cocoons
- ✓ Improvement and repair of pre-existing food warehouses
- ✓ Technical assistance from Kansas State University and the University of Tennessee.
- ✓ Purchase and distribution of needed equipment to reduce warehouse storage and handling losses such as reconstitution materials, pallets, scales, and storage units
- ✓ Moisture tests of wheat shipments to determine the extent of moisture loss
- ✓ Conducted two joint workshops with CRS, WVRD and FAM to disseminate CLRP project findings, address commodity management issues and identify recommendations
- ✓ Commodity management training of field staff

II. Executive Summary

The primary goal of the Commodity Management Enhancement Project was to assist in the implementation of findings and outcomes from CARE's Commodity Loss Reduction Project; and address broader commodity management issues within the CARE organization as well as externally with other PVO's and donors. The project's role was to also support the objectives and activities of CARE's Commodity Management and Logistics Unit.

A proposal was submitted and approved by USDA for funding of the CMEP. The budget totaled \$112,186 for activities over a six month period from October, 1998 to March, 1999. An additional one month no-cost extension was requested and approved by USDA.

The CMEP continued to strengthen relationships formed between CARE, associated NGO partners, namely CRS and World Vision, and donors through the CLRP. This included working collaboratively on project activities including a joint Training of Trainers Workshop, a Food Aid Logistics Operations Handbook, and production of a warehouse best practices poster.

The CARE CMEP project staff also worked closely with CARE's Commodity Management and Logistics Unit (CMLU) throughout the course of the project. The CMLU encompasses Institutional Strengthening initiatives under the umbrella of CARE's Partnership and Household Livelihood Security Unit. The objectives of the CMLU are to provide technical assistance in developing and implementing CARE-wide strategies for information sharing and capacity building of CARE and it's partners' in managing commodity resources in development and emergency programs.

The focus of CARE's Commodity Management Enhancement Project was concentrated on three main objectives. These objectives were:

1. To Implement Recommendations Produced from the Commodity Loss Reduction Project

Related Activities/Outputs:

- ◆ Conducted a joint Training of Trainers Workshop in Nairobi, Kenya for management staff in partnership with CRS, WV, and OIC. CARE Country Offices represented were Bolivia, Niger, Somalia, India, and Bangladesh. Two members of CARE-USA HQ also attended.
- ◆ In partnership with CRS and WV, produced 150 laminated posters which listed Food Aid warehousing best practices. These posters were distributed to all the CARE Country Offices which have food programs for placement in warehouses to be used as training material for warehouse managers and workers. Posters were also sent to Albanian Refugee Camps during the recent Kosovo crisis to assist emergency staff in proper warehousing/storage techniques.
- ◆ The CMEP staff who were also involved in the former CLRP organized a joint presentation to key donor staff with the assistance of Food Aid Management to review findings and action steps taken from the CLRP. The meeting was held at the offices of USDA in Washington, D.C. and attendees included members of USAID FFP, OFDA and USDA.

2. To Review and Implement CARE's Generic Inventory Management System (GIMS)

Related Activities/Outputs:

- ◆ Worked closely with the CARE Information Services Department to assist and provide input in relation to the development and testing of the GIMS software application
- ◆ Sponsored and provided assistance with funding for the development of GIMS

- ◆ Coordinated and participated in a GIMS Training Workshop for CARE Country Office staff from four Latin American countries: Peru, Bolivia, Guatemala and Honduras
- ◆ Developed a GIMS implementation plan
- ◆ Purchased laptops to assist in GIMS training, field testing and implementation
- ◆ Actively promoted the use of GIMS for improving commodity management and tracking of inventory with the cooperation of CARE's Emergency Group, PHLS Unit, and Finance Information System team.

3. To Produce a Joint Commodity Management Operations Handbook

Related Activities/Outputs:

- ◆ Conducted a review of existing material on the subject
- ◆ Collaborated with CRS on topics and areas to include in the handbook
- ◆ Hired a consultant to assist in the preparation of the handbook
- ◆ Edited and produced an electronic version of the "CMEP Food Aid Logistics Operational Handbook" in both a MS Word document and HTML format
- ◆ Distribute and electronically post the handbook so that it is made easily available to interested parties at low cost via the internet or email

The CMEP scope focused mainly on training, capacity building, systems and operations in regard to commodity management. Staff holding varied positions were selected from the participating Country Offices for training and implementation of project objectives. The participant selection process was based on the recommendations of the Country Offices. Candidates that displayed good leadership and training skills were nominated.

Critical needs identified:

- technical assistance
- staff training and capacity building
- access to training materials and best practices information
- dissemination and sharing of information within the CARE organization, donors and the NGO community

Geographic locations of all major program activities:

The project was based at CARE-USA headquarters in Atlanta, Georgia as a function of the Emergency Group. CARE Country Offices (CO's) that had staff participate in the CMEP were Guatemala, Honduras, Bolivia, Peru, Niger, Somalia, India, and Bangladesh.

As mentioned previously, the Training of Trainers Workshop was held in Nairobi, Kenya. A Generic Inventory Management System training workshop was also held as part of the CMEP function in Lima, Peru.

III. Program Performance:

Objective 1.

To implement recommendations from the Commodity Loss Reduction Project. This was to include a Training of Trainers Workshop and production of Commodity Management training materials.

Output:

A joint CMEP Training of Trainers Workshop was held at the Holiday Inn in Nairobi, Kenya from February 22 to 26, 1999. The workshop was organized by CARE, CRS and World Vision. Also participating were representatives from OIC. There were a total of 23 participants from the various NGO's missions. CARE had seven representatives from Country Offices in Bolivia, India, Bangladesh, Somalia, Niger and CARE-USA. Terry Bergdall of MAP, Methods for Active Participation, was hired to act as the trainer/facilitator.

The purpose of the ToT workshop was to enhance each participant's abilities to effectively use adult learning principles when training staff in their respective countries or regions when required. The workshop was intended to strengthen each trainer's ability to communicate policies, procedures, and sound rationale related to commodity management practices.

This was an interactive, skills-building workshop. The goal was to teach each participant at least three different training techniques other than lecturing which enhance adult learning. Also, it was intended that the participants identify a minimum of three measurable objectives for improving commodity management practices in their respective countries.

The workshop assisted in increasing the training skills of the trainers with the intention of capacity building, increasing efficiency of staff, improving commodity management related operations at the country or mission level. The successful result would be a reduction in commodity losses, increased collaboration, intra- and interagency training initiatives and a decrease in regional training costs.

The workshop was very successful judging by the participants post workshop responses and feedback. A more detailed workshop summary and lessons learned final report was prepared by Terry Bergdall. It is included as an attachment to this report.

Output:

The production and distribution of 150 laminated "Food Aid Warehousing Best Practices" posters. World Vision kindly shared their own poster and allowed CRS and CARE to respectively produce copies for distribution. CRS and CARE jointly arranged the printing of the posters to minimize production costs.

CARE distributed the posters to all country offices receiving food aid shipments, for both development and emergency programs. The CO's were asked to place the posters in a visible area of the warehouses used to store food aid shipments and review the posters as an aid in training warehouse staff in warehousing best practices. This would help educate staff and hopefully leads to improved warehouse operations and minimized commodity losses due to poor warehouse storage and handling practices.

A total of fifteen CARE country offices received the posters. In addition, several posters were distributed for use in the refugee camps set up in Albania and Macedonia in response to the Kosovo crisis.

Output:

A joint presentation of the Commodity Loss Reduction Project findings was made to the donor agencies. The presentation was held at USDA headquarters in Washington, D.C. on January 14, 1999. The presentation was made by the respective CLRP Project Managers from CRS, World Vision and CARE. Some of the members of the donor agencies in attendance were:

USDA – Roy Williams, Jim Firth, Ben Myatt,
USAID FFP - Jeanne Markunas, Jon Brause, and Jim Thompson
OFDA – Ray Meyer, Beth Stanford

The presentation was very well received. The donor members in attendance were satisfied with the information provided and there was positive dialogue between the donor agencies and the NGO staff in attendance regarding the project findings, recommendations and action plan.

A summary of the presentation was prepared and provided to the US Government donor agencies with the intention of sharing the information and findings with members of the US Congress responsible for funding the project.

Objective 2:

To Review and Implement CARE's Generic Inventory Management System (GIMS)

The GIMS program was originally designed by the CARE Emergency Group to be used as a system for tracking and reporting inventories and distributions for emergency start up situations such as refugee camps where there are no existing systems in place.

The updated version of this software program can be used for both emergencies and development programs. It is a useful management tool for field offices that require a user-friendly system for tracking and reporting food commodities as well as non-food items such as spare parts, tools and equipment.

One of the features of the software program is that it has the capacity to prepare food aid Commodity Status Reports (CSR) required for Title II PL480 Food Aid Programs by USAID. This feature alone would save a tremendous amount of time required of field staff in preparing the CSR and thus make the staff more efficient.

Outputs:

A beta test version of GIMS was implemented in CARE-Peru to assist in tracking USAID Food Aid shipments received in three ports, stored in CARE's central warehouses and shipped to regional distribution centers. There were some bugs with this beta version of the system related to reporting functions. Recommendations were also made by the CARE-Peru logistics staff for improvements to the beta version.

Further tests and revisions to the application were made including an international translation option. The present version has a built-in Spanish translator which provides users the option to

transfer between the English or Spanish version on the fly. Users can also manually enter text in other languages.

A GIMS Training and Feedback Workshop was held at CARE-Peru's Lima office. The Commodity Management Enhancement Project invited members from other Latin American CARE Country Offices to attend the sessions. There was very positive response, with staff from Guatemala, Honduras and Bolivia also participating.

Four Dell laptop computers were purchased by the CMEP to assist the staff which received GIMS training. This was done in order to facilitate the training of commodity management field staff and assist in the implementation of GIMS in the field offices involved in food aid programs.

The goal is to have the Generic Inventory Management System available initially for all CARE Country Offices with Food Aid Emergency and Development Programs. In the future, once the system has been successfully used and accepted by CARE, it would be offered to other NGO's, partners and donors interested in the application. For CARE, the emphasis would be to use GIMS to assist countries that have new food aid programs or emergencies.

CARE-Bolivia and Indonesia would be two targeted countries for GIMS training and implementation since they will soon be responsible for new food aid programs. The present scheduled roll out for GIMS for CARE-Bolivia is October, 1999. Kosovo may be appropriate for field testing GIMS in an emergency situation.

Objective 3:

To Produce a Joint Commodity Management Operations Handbook with CRS

CARE and CRS identified a need for Food Aid Operations Handbook to be used by field staff as a resource for information regarding standard procedures in all areas of food aid logistics and commodity management. This would be useful for staff in new positions to learn best practices and also serve as a quick reference for more seasoned staff. It is also designed to assist with the planning and design of food aid related projects, including logistics, quantities of food required for the beneficiaries identified, rations, and distribution methods.

CRS determined that their organizational needs were mostly related to port operations, therefore they concentrated their efforts on ports. CARE agreed to develop a handbook for overall use by covering all the basic aspects of logistics and commodity management with less emphasis on ports. The goal was to share the information cross-organizationally and make the combined handbooks available in electronic form to interested parties in the NGO and donor community.

Outputs:

The CARE CMEP received assistance from an in-house consultant, Harlan Hale of the Emergency Group, to assist in the writing of the CMEP Food Aid Logistics Operational Handbook. The CMEP project manager then edited the document. It was produced as a MS Word document as well as a HTML document which can be viewed similarly to an internet web page. The HTML version requires that you have MS Internet Explorer version 4.0 or higher.

The various chapters covered in the CARE CMEP handbook include:

1. Determining Delivery Requirements to the Distribution Site
2. Selecting the Distribution Site

3. Understanding the Supply Chain
4. Determining the Practicality and Extent of Using a Freight Forwarder
5. Determining the Type and Amount of Transport Required Throughout the Supply Chain
6. Determining the Location and Type of Storage Required Along the Supply Chain
7. Determining the Requirements for Loading, Unloading and Handling of Food Aid
8. Determining the Costs for Transport, Storage and Handling Along the Supply Chain

The CARE CMEP Food Aid Logistics Operational Handbook is included as an attachment to this report.

Success stories illustrating the direct, positive effects of the CARE CMEP:

- ❑ The CMEP Training of Trainers Workshop was very successful in achieving its goal of providing alternative adult learning and teaching techniques to the participants which they can use to assist with training of other staff and community counterparts. Another way the ToT workshop was a success was that it truly was a joint workshop with various NGO's staff from different countries sharing individual experiences, collaborating and working with members of other organizations and country offices.
- ❑ The project assisted in ensuring that the development of the Generic Inventory Management System continued and that overseas staff were trained on the uses of the application. This will increase staff confidence and expertise in working in a windows environment and assist in the successful roll out of the application. It also provided an opportunity for the HQ CMEP and IS staff to visit the field where GIMS will be used and receive valuable feedback from staff members that will be using the system.
- ❑ The Warehouse Best Practices Posters that were produced will help in training and improve food aid warehouse operations. This was an excellent example of cooperation and collaboration between CRS, World Vision and CARE during the project.

Explain how unforeseen circumstances effected overall program performance compared to original assumptions if applicable. Further, explain how activities were accordingly adjusted or re-targeted.

IV. Resource Use / Expenditures

The CLRP had a total budget of \$798,829 (\$740,261 in Direct Project Costs and \$58,568 in Indirect Overhead Costs @ a provisional rate of 8.44%). The project was initially slated for one year but an amendment was approved to extend the life of the contract one additional year, to end September 30, 1998. (Life of project: September 11, 1996-September 30, 1998). The total expended in direct costs was \$740,261. CARE has not yet received the final NICRA for FY97, FY98 and FY99 therefor the provisional rate of 8.44% has been used for the purpose of this report.

No line items were overspent by more than 10% of the bottom line budget for direct expense. However, the Travel/Per Diem line item was over-expended by \$31,836 due to the fact that we incurred more costs related to the 2 dissemination workshops than originally expected. Although this figure exceeds the budgeted allocation, the project was under spent in the Equipment/Materials line item by \$33,755. Due to the extension of the grant, CARE had the opportunity to support our programs in Peru and Honduras through the project.

Some of the activities carried out included the implementation of CARE's Generic Inventory Management System (GIMS) in Peru. This activity incurred \$23,978 more than that which was budgeted (\$58,961) due to the technical expertise required to improve the performance of the system. Again, although this line item was overspent, CARE remained under spent in the Transportation line item by \$22,978, which essentially washes out the over expenditure.

Although some of the original line item expenditures were either over/under spent, the overall activities carried out in the Commodity Loss Reduction Project proved very valuable to CARE and hopefully to CARE's partners who also operate in the arena of Commodity Management.

V. Attachments

The following detailed information and reports can be obtained by interested parties through FAM's web site or CARE: