

# THE USAID/BHA FOOD AID COMMODITY INCIDENT MANAGEMENT BUSINESS PROCESS: REVIEW AND RECOMMENDATIONS

Summary of a Report from the Food Aid Quality Review Project (FAQR)

## BACKGROUND

The United States Agency for International Development (USAID) is working to optimize its humanitarian supply chain for more efficient, on-time delivery of food aid. The Bureau for Humanitarian Assistance (BHA) is realigning staff responsibilities and core capabilities to modernize and support business processes and logistics to deliver food and other supplies seamlessly in humanitarian response and development activities. One component is a long-term, multi-pronged effort to build a commodity tracking system that can trace products from producer to consumer. This will be supported by a data-driven interactive Intelligent Dashboard for United States Government (USG) staff and stakeholders to monitor commodities along the supply chain in real-time and track the status of any incident that occurs.

## FOOD SAFETY AND QUALITY

Food assistance commodities range from bulk grains and fortified vegetable oil to packaged pulses, fortified milled grains and blended flours, to specialized nutritious foods (SNF). Each commodity has vulnerabilities across the supply chain. Factors contributing to losses and damages with food safety and quality (LDFSQ) implications include prolonged exposure to heat and humidity, extended storage and warehousing times, multiple types of transportation with several onloading and offloading nodes, insect/rodent exposure, and repackaging. Food safety and quality (FSQ) issues are particularly difficult to identify post-distribution.

While reported losses are extremely rare, at less than 1 percent for U.S.-sourced food, the public health risks can be high, particularly in vulnerable beneficiaries. Reported incidents may not reflect the full picture across the humanitarian supply chain. Mitigating risk through traceability, data-driven platforms, and food incident management, requires interagency cooperation between USAID/BHA and USDA, the major supplier of U.S.-sourced Title II commodities.

In 2020, BHA requested the Tufts University-led Food Aid Quality Review (FAQR) project to examine its commodity incident reporting business process to inform a more efficient and effective incident resolution system in the short run, while USAID puts in place longer term end-to-end traceability and visibility solutions. The analysis draws on evidence from 26 incidents reported to BHA from October 2018 to July 2020 and best practices in food incident management from BHA's supply chain partners.

The full report considers an interagency framework and options for USAID/BHA, that align with USDA processes and USG policies, to ensure safety and quality, and minimize loss and damage of U.S.-sourced food commodities in Title II food assistance. A summary of the framework recommendations can be found below.

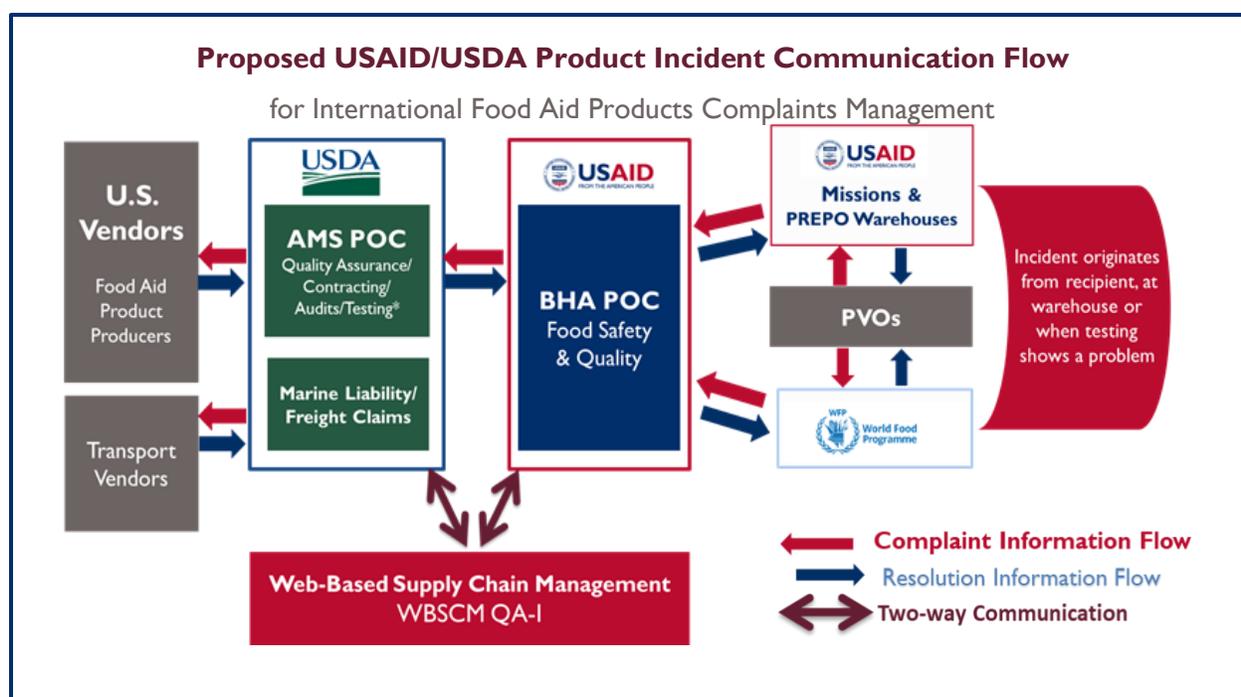
## KEY TAKEAWAYS: INSIGHTS AND OPPORTUNITIES

**COMPLEMENTARY AGENCY ROLES REQUIRE FORMAL COLLABORATION TO ENSURE EFFECTIVE INCIDENT MANAGEMENT:** USAID and USDA represent two distinct parts of the commodity incident process. USAID/BHA's role, as distributor of the commodities to private voluntary organizations (PVOs) and the World Food Programme (WFP) for use in programs, is to identify and report incidents to USDA's Agricultural Marketing Service (AMS), whose role as the buyer is to manage and resolve food commodity LDFSQ complaints. Each agency needs a protocol for its part in the process. Defined roles, responsibilities of staff, and points of contact (POC), as well as protocols for communication flows and feedback between USAID and USDA, are essential to operationalize and sustain an effective process.

**TECHNOLOGY ALLOWS CROSS-PLATFORM INFORMATION EXCHANGE AND MODERN DATA-DRIVEN BUSINESS PROCESSES:** USAID and USDA are streamlining their business processes into data-driven systems and intelligent dashboards; however, each agency has its own, distinct information technology (IT) platform. Technology is available to read/extract data between their two systems so they can communicate efficiently on supply chain and commodity incident management. With the appropriate security safeguards, cross-platform communication can extend to implementing partner systems.

**OPPORTUNITIES EXIST TO LEVERAGE EXISTING SYSTEMS AND PILOT TEST SOLUTIONS:** USAID/BHA can model its food safety and quality (FSQ) incident management system on those in the USG and food industry. USDA's web-based supply chain management (WBSCM) system has an embedded commodity incident management component for domestic programs that could be adapted for USAID/BHA's commodity incident management system. USAID has an opportunity to align business processes with USDA's for a unified approach to complaints reporting and resolution. USDA has the platform and personnel in place to manage domestic complaints, adapt it to BHA needs, and provide training on the system. This can be done now, while longer-term traceability and smart dashboard initiatives come on board. The information generated can be linked with any future IT platform.

## PROPOSED USAID/BHA COMMODITY INCIDENT MANAGEMENT SYSTEM



**Establish a USAID/BHA LDFSQ Policy**, in line with USG food safety policies and consistent with the roles of USAID and USDA in the procurement and distribution/programming of food assistance commodities; harmonize/link with WFP's FSQ policies when possible.

**Formalize a Modern USAID/BHA LDFSQ Business Process** and align with USDA, based on respective USAID and USDA roles in procurement and distribution/programming of food assistance commodities; interface with WBSCM for complaints management; harmonize/link with implementing partner FSQ systems when possible.

- **Establish a USAID/BHA FSQ incident management working group or task force**, including a food technologist, a supply chain management specialist and others, as appropriate, with a champion to lead the process. Include USDA/AMS food technology, analytics, and commodity procurement specialists with a USDA/AMS champion to lead USDA's part of the process.
- **Define Roles and Responsibilities** of the BHA and USDA/AMS teams handling LDFSQ. Integrate them into job descriptions for USAID and USDA staff, including agency POCs and key personnel for the incident management (reporting and resolution) process at USAID/BHA (including FSQ POCs in the missions) and USDA/AMS. This could be done by the FSQ working group.
- **Formalize Lines of Communication.** Create a direct line for reporting incidents from implementing partners (PVOs and WFP) to USAID/BHA and USDA food technologists and supply chain management POCs assigned to the process. Define a formal communication channel between the USAID/BHA food technology specialist(s) and USDA quality assurance and food safety specialists to address and resolve FSQ issues with U.S. food vendors.

**Operationalize USAID/BHA LDFSQ Business Process:** Task USAID/BHA FSQ working group to develop a formal Commodity Incident Management System and accompanying standard operating procedure (SOP) for handling USAID incidents that includes the following steps; harmonize with partners when possible.

- a. **Identification:** Deploy a data collection tool to feed incident information into WBSCM; develop a training protocol for stakeholders to identify and report incidents as soon as they occur.
- b. **Reporting:** Upgrade the current (informal) USAID/BHA reporting system and tools, including an electronic documentation system for receipt, recording and monitoring incidents, resolution, and closure. Consider using WBSCM so the BHA POC can report directly into WBSCM to initiate complaints management and resolution process conducted by USDA.
- c. **Investigation:** Investigating incidents involving U.S. manufacturers is the responsibility of the USDA food technology and food safety experts, as assigned to the process. USAID/BHA should consider working with the USDA/AMS team to request the WBSCM complaints management system be activated for international programs and a complaint manager be assigned to coordinate and manage USAID Title II commodity complaints through WBSCM for easy retrieval by the USAID/USDA team. The USDA complaint manager will manage the investigation with suppliers (food and freight) and ensure corrective actions are taken. All information on status, corrective actions, disposition, and closure would be entered and accessible to POCs.
- d. **Communication:** Establish a communications protocol. Make the system accessible to key personnel involved in incident management at USAID/BHA and USDA. Use WBSCM for two-way communication with the BHA FSQ POC about incident management/resolution to determine liability and to manage the resolution of shipping and transport related incidents.
- e. **Feedback:** Establish a formal feedback procedure through USAID and USDA POCs to inform implementing partners and vendors on LDFSQ incident resolution, corrective actions, and closure.

## COMMUNICATION FLOW FOR INCIDENT MANAGEMENT

1. Commodity incident reported by PVO/WFP to USAID mission FSQ POC, who communicates to USAID/BHA FSQ POC.
2. BHA FSQ POC enters the information directly into WBSCM complaints management system for quality assurance of international procurements (CMS QA-I).
3. WBSCM CMS QA-I alerts AMS and BHA FSQ POCs of FSQ issue and alerts USDA marine liability contracts/transport POC if it is a transportation-related issue.
4. All FSQ complaints go directly to BHA FSQ POC and to USDA FSQ POC via WBSCM alert.
5. USDA/AMS coordinates with vendors to obtain resolution and conduct corrective actions; AMS POC enters information on status into WBSCM CMS QA-I as the incident moves towards resolution.
6. Information is relayed back to USAID/BHA POC regarding resolution process, then back to mission FSQ POC, who relays to implementing partners (WFP and PVOs) information regarding disposition of complaint.

### FULL REPORT:

<https://foodaidquality.org/review-usaidbha-food-aid-commodity-incident-management-business-process>

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