

## What does the future have in store for humanitarian aid logistics?

Manon Radosta • Réseau Logistique Humanitaire (RLH)

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Often neglected, or at least “accessorized”, logistics is nevertheless essential to the success of humanitarian missions. Not to mention that it represents 60 to 80% of their costs. Based on this observation, and the need to optimise operations traditionally conducted in isolation while also integrating climate issues, eleven international NGOs have reflected on what the logistics of tomorrow could be. A single guiding theme: mutualisation.

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For a number of years, humanitarian aid organisations have been faced with an increasing gap between the needs of populations and the international funding available to meet those needs. While some trains of thought are focusing on the search for new sources of funding, others are leaning more towards ways of optimising the funding already available. Humanitarian aid’s main expense, and often referred to as its “backbone”<sup>1</sup>, logistics is a key starting point when considering how to improve operational cost-effectiveness. Using the example of the pooling practices that already exist between headquarters and the field, this article examines logistic collaboration between organisations as a way of reducing operating costs and improving operational impact. It builds on the discussion launched by the Réseau Logistique Humanitaire (RLH) [Humanitarian Logistics Network] in a report published in June 2019, *Strength in numbers*<sup>2</sup>.

### In this funding crisis, working in isolation is untenable

Even though international aid is having an undeniable impact throughout the world, its funding – in particular through the Humanitarian Response Plans provided by OCHA (United Nations Office for the Coordination of Humanitarian Affairs) – has never been so high. It reached a record \$14.9 billion in 2018, after just \$10.6 billion in 2014<sup>3</sup>. Other figures, however, speak for themselves: with over 140 million people in need in 2019, more than \$26 billion will be required to address these needs<sup>4</sup>. An increasing number of people are therefore being affected by crises, especially as these crises are lasting longer (over nine years on average)<sup>5</sup>. Given these growing needs, and despite a significant increase in funding, it is important to remember that the resource shortfall has been hovering at around 40% every year for more than four years.

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<sup>1</sup> Luk N. Van Wassenhove, “Blackett Memorial Lecture. Humanitarian Aid Logistics: Supply Chain Management in High Gear”, *Journal of the Operational Research Society*, Vol.57, no.5, 2006.

<sup>2</sup> Matthieu Lacourt and Manon Radosta, *Strength in numbers. Towards a More Efficient Humanitarian Aid: Pooling Logistics Resources*, Réseau Logistique Humanitaire, 2019, [https://reliefweb.int/sites/reliefweb.int/files/resources/RLH\\_Strength\\_In\\_Numbers\\_2019\\_EN\\_LD.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/RLH_Strength_In_Numbers_2019_EN_LD.pdf)

<sup>3</sup> OCHA, *Global Humanitarian Overview 2019*, <https://hum-insight.info>

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

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A key part of any humanitarian intervention, logistics accounts for between 60 and 80% of total expenditure<sup>6</sup>. Each time a crisis arises, a new logistics chain is set in motion with the need to provide a context-specific solution in the quickest, most relevant and most effective manner possible. This means that a new supply chain has to be put in place every time, from procuring supplies as quickly as possible through to the establishment of sorting centres and primary and secondary storage points. Other factors must also be taken into consideration, however, such as finding the mode of last-mile transport, fuel, road infrastructure, premises and accommodation for humanitarian aid workers, and even their computers.

Consider the single issue of delivering aid; this has never been so difficult to guarantee because the humanitarian sector is pitted against all kinds of access restrictions. Caught between embargoed and sanctioned countries, roadblocks, cumbersome administrative procedures or even the isolation of vulnerable regions, delivering aid is increasingly expensive and requires excellent coordination. A few examples attest to this. In Yemen, the coalition's embargo has been restricting the inflow of aid for many years. In Syria, convoys are still unable to reach populations in need because of security issues. Congested airports delay the delivery of essential items, as was the case in Haiti after the earthquake, and the lack of access to isolated communities in the Democratic Republic of the Congo is not preventing the spread of the Ebola epidemic. In other words, logistics needs and costs are increasing, but international funding is not keeping pace.

Given the current challenges it is no longer tenable for each organisation to have its own logistics chain to conclude their missions successfully, as missions often overlap with those of other organisations operating in the same place. The idea of shared services is not new, but it is slow to catch on. However, given the access restrictions and the funding gap, aid actors could share the risks and optimise their costs, resulting in the joint improvement of their efficiency and operational impact.

### Pooling logistic resources to optimise the use of available funding

Various studies into the need to reform humanitarian logistics have been carried out since the early 2000s. The performance imperative has always taken precedence over issues of cost, and rightly so as logistics is guided by the objectives of speed and reliability. It is possible, however, to optimise the means deployed to achieve the desired results so as to reduce costs and increase operational impact. Bolstered by new humanitarian practices, various private sector models, and the expertise of field logisticians, the deliberations of humanitarian actors and researchers are converging on the opportunities offered by the idea of pooling. This is the focus of *Strength in numbers*, a report commissioned by the RLH that draws on the expertise and experience of its members. It identifies three key points which could form the basis of the humanitarian logistics of the future.

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The Réseau Logistique Humanitaire (RLH) is a consortium created in 2014; its main objective is to optimise humanitarian logistics and improve operational efficiency by developing a common strategy of resource sharing, advocacy and information sharing. The RLH currently consists of eleven international humanitarian organisations\* represented by their respective directors and logistics managers. It is also a forum for sharing knowledge and best practices concerning humanitarian logistics. Its latest report develops a series of

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<sup>6</sup> See Action Against Hunger, Help Logistics, KLU, *Supply Chain Expenditure & Preparedness Investment Opportunities in the Humanitarian Context*, 2017; Logistics Cluster, *Looking Behind the Paradigms. Humanitarian Supply Chain Expenditures & Investment Opportunities*, 2016.

recommendations with the aim of shaping the logistics of the future, “a logistics that is not specific to, but rather shared among, organisations; [...] a logistics that has the means to anticipate crises and to respond to them better thanks to emergency preparedness. It will also be more efficient thanks to the pooling of procurement, transport and warehousing, but also technical expertise in terms of both IT systems and management policies.”

\* ACTED, Action contre la Faim, Croix-Rouge française, La chaîne de l’espoir, Humanity & Inclusion, Medair, Médecins du Monde, Oxfam Intermon (Espagne), Première Urgence Internationale, Solidarités International, Terre des Hommes.

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### *Anticipating procurement*

Procurement is one of the greatest expenses incurred by logistics. The ability to anticipate procurement would be an efficient and quick way of reducing costs and, not least, supply time. Admittedly, the timescale involved with humanitarian aid does not allow procurement to be anticipated to the same extent as it is in the private sector, for example. Demand is frequently unpredictable and volatile because of the sudden onset of new and transient crises. Similarly, the procurement system requires considerable flexibility in order to adapt to increasingly prolonged crises. Effective collaborative practices already exist in the form of humanitarian procurement centres (HPC), which are “able to propose tailor-made solutions to humanitarian organisations as well as provide a transversal support across all their supply chains (international, regional, national and local supply)”<sup>7</sup>. Nonetheless, they are few in number and their status is currently only recognised by ECHO (Directorate-General for European Civil Protection and Humanitarian Aid Operations), the European Commission’s funding body.

The development of a centralised inter-organisational procurement system can, however, be envisaged, with such a system initially focusing on certain product types such as IT equipment, tents and medicines. The savings would be substantial, whether in terms of reducing unit costs or negotiating bulk purchases, and not to mention the ensuing reduction in workload, the ability to negotiate better contracts, and improvements in information sharing due to a catalogue of common products and standard procedures.

### *Emergency preparedness*

Non-governmental organisations (NGOs) must be able to get into the field quickly, regardless of where humanitarian aid is required. However, certain crises and chronic disasters can be anticipated and NGOs can deploy logistics preparedness systems. They have begun to do so, many of them prepositioning stocks of equipment. Such preparedness could be pooled in order to be more efficient and cheaper. Each NGO has its own area of expertise and different capacities based on the intervention context and place, and the length of time it has been operating in the field. They have the opportunity to draw on their reciprocal areas of expertise in order to be more reactive, effective and relevant, at a lower cost. Attention is drawn here to the estimates made by the United Nations Development Programme (UNDP), according to which every dollar invested in fighting people’s vulnerability prior to a disaster could save seven dollars in the emergency response to it<sup>8</sup>.

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<sup>7</sup> Pierre Boulet-Desbureau, « Logistique d’urgence humanitaire : revue critique des dix dernières années », *Emergency Humanitarian Logistics*, mai 2014, p. 12, <https://emergency-log.weebly.com/blog-pour-log/revue-critique-de-10-annees-de-logistique-humanitaire>

<sup>8</sup> UNDP, *Putting Resilience at the Heart of Development: Investing in Prevention and Resilient Recovery*, 2012. This ratio has also been verified

Being better prepared also means ensuring better participation from local actors and better management by suppliers. Joint preparedness among local networks would improve crisis response by facilitating the delivery of aid to where it is needed, with pre-negotiated prices and contracts.

### *Sharing pooled resources*

Logistics operations in isolation – where each NGO has its own logistics operation – is no longer tenable. The solution lies in sharing and pooling resources, be they material (lorries, warehouses, infrastructure), human or technical (management tools). The current humanitarian aid context, particularly the high logistic vulnerability present in numerous countries with limited means, impassable roads and destroyed infrastructure, advocates such pooling. It would allow organisations to band together in any intervention area (and especially in isolated areas and forgotten crises where clusters and logistics providers are not present) so as to optimise their operations and, in particular, the “last mile” – that notorious obstacle which can bring down an entire operation.

Some initiatives are already in place in the humanitarian sector, such as the pooled platforms developed by Première Urgence Internationale (PUI) in the Central African Republic and Nigeria, and LINK, the logistics information system for use in the field developed by Action Against Hunger and shared by Humanity & Inclusion (HI) and Medair<sup>9</sup>. Other initiatives prefer to turn to external services such as Atlas Logistique or Bioport, with the former offering pooled road transport in the Central African Republic, and the latter providing NGOs with a team specialising in international logistics operations<sup>10</sup>.

When considering the logistics of the future, it clearly seems that a paradigm shift is needed, one which will entail the weakening, if not the disappearance, of organisation-specific logistics platforms in favour of the anticipation-preparedness-sharing triptych.

### **An initiative that is part of current international thinking**

Driven by earmarked funds and media coverage targeting emergency responses, many organisations are first and foremost seeking to secure sufficient means to allow them to deploy their teams in the field quickly and efficiently. Better cost control is not therefore a priority. For it to become so, logistics must be integrated and involved in organisations’ operational decisions from the very outset of the needs-assessment process.

Although logistics per se is rarely targeted, it has now been part of international deliberations for several years, to the extent that it is central to numerous commitments, notably the Grand Bargain, launched at the Istanbul Summit in 2016. Note that the signatories of the Grand Bargain represent almost 90% of the funding provided by international humanitarian donors and over 70% of the budgets of humanitarian aid organisations. Yet, among other things, the Grand Bargain calls for an increase in collaborative and multi-year funding, a reduction in duplication and management costs, and a reduction in earmarked funds. These objectives would allow

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in a study carried out by Action Against Hunger, KLU and HELP Logistics in 2017: Action Against Hunger, HELP Logistics, KLU, *Supply Chain Expenditure & Preparedness Investment Opportunities in the Humanitarian Context*, *op. cit.*

<sup>9</sup> For a detailed analysis of these initiatives and their advantages, see the report by Matthieu Lacourt and Manon Radosta, *Strength in numbers...*, *op. cit.*, p.16–17 and p.21.

<sup>10</sup> *Ibid.*, p.14–15.

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organisations to make a dramatic reduction in supply chain duplication and would facilitate emergency response preparedness, with the pooling of resources leading to a significant fall in duplication and management costs.

As stated in its report, “the RLH promotes logistics resources pooling as the best lever for serving the public interest, in a framework of co-opetition”<sup>11</sup>. This neologism, a portmanteau of “cooperation” and “competition”, is used to explain the fact that although NGOs are of course in competition –particularly for limited funding– it is very much in their own interests to collaborate in the field of logistics so as to reduce their costs and improve their practices. If the ultra-competitive private sector has managed to do so, why not the aid sector?

### **A necessary contribution to reducing the ecological impact of NGOs**

There is one final point we would like to consider in the development of this new paradigm. Despite the climate and environmental emergency, humanitarian organisations still pay precious little attention to reducing their own environmental footprint. By pooling transport and warehousing in particular, NGOs could make an immediate and tangible reduction in their environmental impact. This train of thought could, however, go even further: a study carried out by the Moving Energy Initiative points out, for example, that organisations could save millions of dollars by replacing diesel and petrol with cleaner sources of energy<sup>12</sup>. NGOs could also strive systematically to strengthen local supply chains by complying with the Sphere Project’s Commitment No. 9<sup>13</sup>, which would have the double effect of reducing their environmental footprint and boosting the local economy. Incidentally, it is interesting to note that only two of Sphere’s commitments currently refer to the environment (3 and 9), although it is not impossible to believe that in the near future humanitarian standards will be revised or expanded to include environmental concerns. Be that as it may, it is vital that organisations immediately adopt a proactive approach to social responsibility by developing an environmental agenda, for example<sup>14</sup>.

The Réseau Humanitaire Logistique envisages the logistics of the future as a joint, shared venture – in a word, optimised. Solutions are available to allow more to be achieved with the resources that the humanitarian community has at its disposal. The eleven organisations which comprise this network have risen to the challenge of putting those solutions into practice and are calling on the international community to take heed of the need for radical change in logistics practices so as to reduce both the financial and the environmental costs.

*Translated from the French by Derek Scoins*

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<sup>11</sup> Matthieu Lacourt & Manon Radosta, *Strength in numbers*, *op. cit.*, p.23.

<sup>12</sup> Owen Grafham & Glada Lahn, *Powering Ahead. Improving How We Use and Account for Energy in Humanitarian Operations*, 2018, [https://www.chathamhouse.org/publication/costs-fuelling-humanitarian-aid?fbclid=IwAR-319oV-g\\_F6zuM3olEznH\\_BgCvoV7AbbPU%E2%80%93BxiamVotpiqLY543Mrul#](https://www.chathamhouse.org/publication/costs-fuelling-humanitarian-aid?fbclid=IwAR-319oV-g_F6zuM3olEznH_BgCvoV7AbbPU%E2%80%93BxiamVotpiqLY543Mrul#)

<sup>13</sup> Core Humanitarian Standard, *Core Humanitarian Standard on Quality and Accountability*, CHS Alliance, Group URD and the Sphere Project, 2014, p. 18, <https://corehumanitarianstandard.org/files/files/Core%20Humanitarian%20Standard%20-%20English.pdf>

<sup>14</sup> See Groupe URD, *Humanité & Inclusion. Étude sur la prise en compte des enjeux environnementaux*, mars 2019, [www.reseauenvironnementhumanitaire.org/wp-content/uploads/2019/03/Messages-clés-étude-HI.pdf](http://www.reseauenvironnementhumanitaire.org/wp-content/uploads/2019/03/Messages-clés-étude-HI.pdf) Humanity & Inclusion adopted an Environmental Agenda in 2017 which is built around four main logistics components: transport and mobility, procurement and supply, waste management, energy and natural resource management.

### Biography • Manon Radosta

Holder of two Masters' degrees, one in modern literature and the other in political science (international cooperation and NGOs). Manon worked for one year in the expertise and advocacy department of Action Against Hunger. She co-authored the case study *Breaking the cycle between hunger and conflict in the Central African Republic* published in June 2018. Manon recently worked with the Réseau Logistique Humanitaire (RLH) to write and publish the advocacy report on pooling logistics services, *Strength in numbers*, published in June 2019. She will soon join the North Africa regional office of the Danish Refugee Council (DRC) to develop and support their advocacy actions and external communications.

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