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DG ECHO Humanitarian Logistics Policy: Operational Guidance for Partners

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INTRODUCTION

This document supplements DG ECHO's Humanitarian Logistics Policy, published in February 2022, and provides operational guidance for DG ECHO partners who implement humanitarian projects. It has been drafted in such a way that the elements included should hold true for any humanitarian organisation.

This document has been designed primarily for those working in programmatic areas and developing proposals, with or without prior extensive logistics experience and therefore keeps to broader concepts and recommendations than technical details. However, it is intended to be useful for anyone involved in the implementation of humanitarian aid, from senior management to the field.

The understanding and implementation of humanitarian logistics varies between humanitarian organisations. For some, it refers to management of the entire supply chain (e.g. including procurement), for others, humanitarian logistics extends to the logistics of support[1] or operational logistics such as camp management.

This document uses the term *logistics* as set out in the Humanitarian Logistics Policy, covering the entire supply chain, including procurement, transport, tracking and tracing, customs clearance, local transportation, warehousing, and last mile delivery.[2]

The Guidelines are structured as follows:

1. The first section focuses **on planning and monitoring**, i.e. the top-level process, before the operation takes place. It covers the different aspects to be included, beyond logistics.
2. The second section focuses on **joint approaches**, exploring opportunities to work with other organisations.
3. The third section covers **cross-cutting issues**, important at all stages, from planning to delivery of humanitarian assistance, including staffing, customs clearance and reducing the environmental footprint of logistics ("greening").
4. The final part covers **logistics operational sectors**, such as **procurement, transport, and warehousing**.

Due to complexity of the supply chain process, some topics are covered more than once. For example, procurement is looked at from planning, joint approaches, and operational level perspectives.

This document was created in cooperation with representatives of humanitarian organisations. The authors would like to thank all for their contributions.

[1] Logistics of support refers to all the logistics areas other than supply chain management, such as: electrical power sources and installations; information and communication technology; infrastructure/building management (offices and accommodation mainly for staff); implementation of safety and security measures and cold chain management.
[2] DG ECHO. Humanitarian Logistics Policy:
https://ec.europa.eu/echo/files/policies/sectoral/humanitarian_logistics_thematic_policy_document_en.pdf

I. PLANNING AND MONITORING

Humanitarian logistics accounts for 60-80% of humanitarian aid spending[3]. Given the high proportion of funding in this area, there are opportunities for better planning, monitoring and management of humanitarian logistics operations to improve efficiency, effectiveness, and sustainability.

1) Planning starts from the top (programming phase)

According to strategy and/or mandate, organisations have different operational models. Logistics strategies are defined accordingly and the structures at local or regional level adapted to the context. These take into account factors such as:

- Focussing on specific geographical areas;
- Types of goods and services provided (e.g. shelter, WASH, healthcare);
- Type of intervention (preparedness, emergency response, rehabilitation or reconstruction);
- Different target groups (children, women, etc.);
- Modality (in-kind, cash, mixed);
- Provision of services to other organisations;
- Implementation of environmental policies.

The senior leadership team of an organisation and the staff who design projects (at HQ and field level) need to be aware of the benefits that a strategic approach to logistics can bring and of the need for this approach to be considered holistically throughout the planning process. They are responsible for ensuring that all logistics requirements are integrated.

Embedding logistics in the early stages of a project, from the planning process, allows logistics teams to anticipate and meet needs on the ground by evaluating possible solutions, identifying opportunities, and eliminating potential bottlenecks.

2) Linking logistics with operations

Project managers are responsible for understanding operational and logistics strategies at all levels, and for planning the response and logistics deployment.

From the earliest stages of programming and assessment, it is essential to involve logistics staff in the project definition, to link in the supply chain and the logistics of support. This will ensure logistics needs are integrated in the project plan and allow logistics strategy, setup, and procurement planning to adapt to the context and the sector of intervention.

See Annex 2 on: **Essential logistics matters at each step of the project cycle**.

At all stages of the project, including from the preparedness stage where relevant, both the availability of logistics capacities and risk assessment should be taken into consideration.

[3] Several studies: Van Wassenhove, L. N. (2006). Blackett Memorial Lecture, Humanitarian Aid Logistics: Supply Chain Management in a High Gear. The Journal of the Operational Research Society, 57(5), 475–489; Action Contre la Faim – ACF France, Supply Chain Expenditure & Preparedness Investment Opportunities in the Humanitarian Context, 2017; Réseau Logistique Humanitaire, Strength in Numbers, 2019; and Stumpf, J., Besiou, M., Wakolbinger, T, Assessing the value of supply chain management in the humanitarian context – An evidence-based research approach (accepted for publication in the Journal of Humanitarian Logistics and Supply Chain Management).

The nature of operations and the type of intervention should also be taken into account, as both have a direct impact on the types of goods to procure, store and deliver and thus on the overall design of logistics operations. For example, health interventions may require health infrastructure, impacting the type of activities and resources required (material, staff, and budget). Cold chain storage, transport, and management, as well as international medical supply (quality and importation) can have their own specific complications and to be considered.

3) Assessment and mapping

While conducting logistics assessment and mapping, understanding of the organisation's operational capacity and logistics approach in the geographical area of intervention at local, country, or regional levels is essential.

Collecting the appropriate information during the assessment and mapping phase is critical to understanding the needs which will define the project framework. This includes logistics from a broad perspective, not merely from a technical point of view. Consideration should be given to the role of logistics as a tool to support strategic level objectives.

At this stage, it is essential to identify all sources of information (local, regional, and global) related to logistics; doing this research beforehand will make assessment and mapping easier for field teams. These sources include:

- The Global Logistics Cluster;[4]
- Other humanitarian actors operating in the same area;
- Local authorities and/or government entities.

Such sources can provide access to valuable information extracted from:

- Market assessment reports;
- List of possible suppliers;
- List of logistics service providers;
- Common modalities used in the area; and
- Lessons learnt from previous interventions.

During the assessment and mapping phase, especially in humanitarian emergency response settings, the Logistics Cluster through the Logistics Operational Guide (LOG)[5] provides guidance, templates, tools and additional resources for logistics assessment and planning – an option for NGOs that do not have their own logistics planning tools.

For more details on key aspects to consider during assessment phase at a logistics and supply chain level, see Annex 2: **Essential logistics matters at each step of the project cycle.**

4) Pre-planning and logistics capacity analyses

A risk-based analysis helps to ensure appropriate planning and sizing of logistics operations according to the context and sector of intervention. Examples of elements that should be considered are:

[4] Some humanitarian actors have their own resources and tools to perform capacity analysis. Data and information per country available in the Logistics Capacity Assessments (LCAs) of the Logistics Cluster provide additional elements for such analysis. Refer to: https://dlca.logcluster.org/display/public/DLCA/LCA+Homepage

[5] Logistics Operational Guide (LOG). Assessment and Planning chapter: https://log.logcluster.org/logistics-assessments-and-planning

- Risk assessment to identify possible blockages or bottlenecks in the supply chain, and consider possible remedies.
- Risk assessment to prevent fraud, sexual exploitation and abuse, and harassment (SEAH) as well as modern slavery in the supply chain. Especially fraud risks related to procurement, etc. are generally high.
- A careful assessment of the security situation along the entire supply chain, and consideration of how to reduce or avoid security risks along transport routes.

Logistics capacity analysis is to be integrated in the risk assessment and should take into account:

1. The internal logistics capacities (of the humanitarian organisation);
2. The external logistics capacities (humanitarian or not).

At this stage, understanding of donor requirements is key, along with internal requirements and procedures, to identify possible joint approaches depending on humanitarian response capacity.

Defining a logistics strategy at this stage allows for flexibility and enables organisations to overcome difficulties identified during the assessment phase. This strategy should integrate the logistics needs (present and forecasted) identified during project planning and reflect these in a procurement plan in order to be able to better anticipate and increase efficiency.

5) Disaster Preparedness

Logistics preparedness as part of disaster preparedness improves emergency response capacities. DG ECHO's guidance note on Disaster Preparedness should be used as a reference[6]. This preparedness should be based on an analysis according to each humanitarian actor's policy and capacity, considering the following elements:

- Disaster risks identified, taking into account the broad overall context an operation will be delivered in, including other actors and the country's own response plans;
- The organisation's capacity to respond to humanitarian crises;
- Emergency stock prepositioning and agreements with suppliers;
- Identification and development of specific internal emergency logistics and supply chain management procedures.

A key consideration is that of stockpiles of relief goods, ideally prepositioned and available in sufficient quantity so that time and expenses are minimised in responding to an emergency.

Impact and efficiency may also be improved through, for example, joint approaches to procurement, transport, storage and delivery of goods, e.g., the provision of common services (for instance, by standardising them or by signing standard pre-agreements with potential service providers), and/or the pooling of assets.

Where contexts allow, cash transfers should be used.

Collecting, updating, and sharing information related to logistics capacities (suppliers, transport routes and means, import procedures, warehousing, energy sources, telecommunication, availability or pooling of logistics resources), consideration of a country's response plans and collaboration on areas such as pre-postioning, are key for preparedness to increase efficiency whenever an emergency response is needed.

[6] DG ECHO Guidance Note - Disaster Preparedness (europa.eu). Please note that section 6.3 refers specifically to logistics.

6) Planning of logistics activities

To ensure adequate planning of logistics activities, it is advisable to consider and integrate the following logistics elements in the project planning:

a) Planning for Joint Approaches

Considering joint approaches at an early stage ensures that the approach adopted is in accordance with the organisation's capacities, strategy and needs, ensuring the best integration possible with existing or newly created joint initiatives. Joint approaches rely on adequate planning and coordination between organisations, as setting them up ad-hoc is not optimal or, in many cases, feasible.

The following considerations are key when planning for joint approaches:

- What joint approaches exist or can be considered/designed in the area and how are they implemented?
- What is the internal organisational capacity and need for joint approach?
- Is this kind of initiative going to increase efficiency and effectiveness?
- What are each organisations' donor requirements and minimum standards?

Including all coordinating bodies and joint initiatives in the mapping of actors (international bodies, local actors, and networks), allows for easier planning. Developing and implementing joint approaches requires an investment of time and/or additional resources, which needs to be planned into the project development process from an early stage.

See Joint Approaches chapter (page 8) for more details.

b) Planning for Reducing the Environmental Impact of Logistics

Project and logistics managers are encouraged to integrate environmental considerations at the planning stage and even at the preparedness phase, noting that this impacts procurement and logistics planning. Reduction of environmental impact should be discussed with donors in advance, as initial costs for more sustainable procurement may be higher, although there is often a return on investment over time. For instance, making a cost benefit analysis to establish the trade-offs between global and local procurement and determine the most sustainable solution.

The entire supply chain should be considered through an environmental lens. The choice of modality, transport with a reduced carbon footprint and optimised and reduced packaging, preference for procurement of locally produced sustainable products, improving fleet management planning, or using renewable energy sources in warehouses, are all to be considered with the aim of reducing the environmental impact across supply chains.

E.g., When distributing NFIs (non-food items), consider reusable materials and reduce single-use items or those made from plastic. Thought should be given to the disposal of potential waste generated.

Waste management is generally considered to be part of the WASH sector; however, waste is (potentially) generated by every action and therefore is not only linked to responses with a WASH component.

For more details on how to reduce the environmental impact of logistics as much as possible and improve sustainability in humanitarian responses, refer to the Guidance on the Operationalisation of the Minimum Environmental Requirements and Recommendations for EU-funded Humanitarian Aid Operations, chapter on Sustainable Supply Chains, pages 29 to 40. **The environmental minimum requirements will be mandatory from 2023 for all ECHO partners.**

See also Greening Logistics section (page 12) for more details.

c) Staff Planning

During the project planning phase, elements that should be defined include; team sizes, definition of skills, job profiles, budget, development of staff (including required training), and the need to outsource. The possibility of pooling resources and/or services with other humanitarian actors should be considered (see Joint Approaches section).

It is important to ensure that there is sufficient expertise at both HQ and field levels related to logistic support, procurement, transport, warehousing, risk analysis and the greening of logistics.

When the scale of operations does not justify the presence of specialised or full-time logistics and/or supply chain functions, it is advisable to identify a 'logistics focal point'; a person with sufficient experience and expertise who can provide advice to the project team; this allows for a better understanding of those needs, costs, opportunities and risks related to logistics, from the early programming stages.

As operations grow so should the logistics team. Ensure specialised staff are integrated into the logistics team as needed.

It is also important that staff in the organisation are sensitised to the importance of logistics in a broader sense, to support a more holistic approach to logistics across all relevant areas.

d) Procurement Planning

Procurement planning allows for better sourcing, proportionate procurement (right-sizing), and better anticipation of need. This should result in the punctual delivery of goods and services of the required quantity and quality with greater efficiency[7]. All staff involved in any humanitarian project should be informed and understand what is required for procurement and how to include procurement in operational planning, from the earliest stages. Production of the raw materials to produce items tends to be a big factor in the environmental life cycle of humanitarian response and should be taken into account.

Content and quality of the data are critical to a procurement plan. To produce this, staff responsible for operations, logistics, finances, and human resources must work together and plan the resources required to meet operational needs and to implement project activities. Performing this exercise in an integrated manner helps to identify opportunities for joint approaches such as joint procurement.

A procurement plan should be established from the programming phase and regularly updated throughout the project cycle. It should cover elements including:

- What is needed (quantity and quality of goods, type of services);
- What are the requirements and technical specifications;
- When it is needed;
- How many items are required for the project (size and frequency of procurement);
- Where it is available to procure;
- How it is going to be procured;
- How much it will cost;
- How it will be transported;
- How long it will take to deliver where it's needed; and
- If it will need to be stored and for how long.

The market approach used by an organisation is important in defining the procurement plan and should consider:

[7] Universal Logistics Standards in Humanitarian Response. https://handbook.ul-standards.org/en/humlog/#sec001[8] https://ul-standards.org/index.html

- Donor's purchase procedures;
- Waste management and environmental impact for procurement planning;
- Suppliers' selection criteria according to risk assessment and above-mentioned factors;
- Proximity as selection criteria for suppliers/items production when quality standards are ensured (favours local production and shorter transport).

Other technical aspects to be considered can be found in Annex 2. **Essential logistics matters at each step of the project cycle.**

e) Transport Planning and Fleet Management

Transport planning, understood as the movement of physical goods, is directly linked to procurement planning, and impacts the environmental footprint of logistics. The transport strategy adopted by humanitarian organisations is directly linked to the context, the needs of the response and the type of intervention. Some of the key elements to consider in a transport strategy include:

- Availability of transport modes and the possible combination of different modes to increase efficiency and effectiveness;
- Joint transport initiatives to maximize efficiency, reduce costs and environmental impact;
- The "last mile" delivery as it impacts on the planning of operations, the management of logistical support and security management;
- Access in the context of conflict or security risks; safety and risk reduction measures related to transport and fleet management should consider the organisation's security and risk management strategy:
- Inclusion of maintenance of vehicles in the project planning;
- Humanitarian actors often have their own vehicle fleet for transporting goods and people. When properly planned and managed, this can help to reduce risks and costs and improve efficiency. It is important to ensure the most sustainable and environmentally friendly vehicles performance for the given context.

7) Key Performance Indicators (KPIs) and monitoring tools

Ensuring appropriate supply chain management requires continuous monitoring using KPIs defined at the planning stage.

To successfully manage logistics integrated in humanitarian operations, it is recommended that:

- Benchmarks and thresholds are identified at each step of the project. This requires the input and/or intervention of logistics at the different phases of the project cycle and planning of operations. Failing to do so, might hinder the adaptation and flexibility required;
- The inclusion of KPIs related to the environmental footprint of logistics and joint initiatives are considered, to increase the link with operations, and move towards more sustainable operations;
- KPIs are developed based on best practices in the field of humanitarian logistics.

The ULS handbook[8] provides key actions and indicators which help to measure whether a standard has been attained. These are suggestions and may not be applicable in all contexts.

[8] https://ul-standards.org/index.html

II. JOINT APPROACHES

In recent years humanitarian needs have been increasing and, consequently, the funding gap has increased in proportion. Logistics represents the biggest expenditure within humanitarian operations, yet opportunities have been identified to improve cost effectiveness and efficiency of humanitarian operations to avoid duplication of efforts. One of the largest opportunities are collaborative approaches such as **joint procurement**, **common services** (where one dedicated service provider offers services (e.g. transport and warehousing) to other humanitarian providers) and **shared services** (where humanitarian actors engaged in a response join together to share their individual capacities, e.g. sharing spare space in a warehouse, or fleet capacity.

1) Humanitarian logistics joint initiatives

Collaborative approaches lead to a sustainable logistics model in the medium term and need a strong commitment from all partners involved.[9]

The Logistics Cluster[10], with the World Food Programme (WFP) as leading agency, is the key coordination body for logistics; it aims to strengthen the response capacity of humanitarian logistics and to provide leadership, coordination and information management to support decision making.

Shared resources and common services initiatives are gradually becoming more available, either through the Logistics Cluster/WFP and/or implemented by different humanitarian bodies. The type of support or services provided by these entities varies according to context.

An example of a collaborative humanitarian logistics entity is the *Réseau Logistique Humanitaire* (RLH co-op)[11], a cooperative created in 2020 with nine humanitarian organisations which offers services to all humanitarian organisations.

It is important to understand the functioning, requirements and limitations of any common services provided, regardless of the host organisation, to determine if a possible partnership can be established. It is advisable for any joint initiative to be agreed and documented through an MoU (memorandum of understanding) to define common standards and operational procedures, according to donor requirements, as well as to describe the functioning, responsibilities, decision-taking processes, and accountability of all organisations involved.

Annex 4: **Examples of joint initiatives,** contains a short description of common services provided and the leading organisations in this area.

2) Joint approaches - Challenges

Sharing resources and common services require an institutional, strategic approach and commitment. Agreements need to be clearly defined at all levels within the organisations involved to ensure donor requirements are endorsed. When planning to implement joint initiatives, consider informing donors in advance, to allow time for discussion and to ensure requirements are met.

[9] Strength in Numbers. RLH Coop. 2019

[10] Logistics Cluster Website: https://logcluster.org/. During crisis response, its logisticians design and manage logistics cluster activities, offering logistics solutions and technical support to responding organizations', facilitating access to common logistics services. However, it might not be present and active everywhere.

[11] RLH coop: https://www.linkedin.com/company/rlh-coop/?trk=public_profile_experience-item_profile-section-card_image-click&originalSubdomain=be. Its main objective is to pool logistics resources and connect humanitarian bodies while optimizing the costs and deadlines of the supply chain.

One of the main challenges is the management and administration of such initiatives and ensuring on-going stability and support. In short and/or emergency responses, offering shared services on a cost-free basis should be considered, in agreement with donors. Whereas to ensure on-going stability in longer-term contexts, cost-recovery systems can be used. In order to overcome challenges faced during the establishment of joint approaches, it is essential to use appropriate analysis of early planning, clear definition of processes and procedures, professionalisation of staff and adequate management.

3) Joint procurement initiatives

Joint procurement can involve a wide variety of legalities, standards, donors' requirements and levels of responsibilities. This adds complexity to the use of joint procurement initiatives, but such initiatives are directly linked to the sustainability of logistics operations and are therefore strongly encouraged.

Joint procurement benefits include:

- Negotiation of lower prices due to larger volumes procured compared to prices for smaller batches procured by individual organisations;
- Opportunities to reduce procurement time and effort, to optimise shipments, to improve transport use and, thus, reduce costs and environmental impact;
- Standardisation of procured goods as regards the definition of product quality, durability and environmental impact, ensures that suppliers involved are committed and ready to integrate humanitarian principles;
- Where relevant, a better likelihood of procurement of items that have been tailored to the needs of beneficiaries in e.g., a specific context.

In addition to existing global and/or international platforms, procurement initiatives at a local level are a good opportunity for small organisations to upscale activities. Impact on the local economy and supply chain should be taken into account.

4) Joint warehousing and transport

DG ECHO encourages warehouse and facility-sharing among humanitarian agencies (referred to as shared services). There are different modalities for sharing: from simply sharing space, where each organisation has an assigned part of the warehouse, to a complete storage service, managed by one organisation, based on a cost-recovery system. This can lead to benefits such as better economies of scale, sharing of expertise, and lower environmental footprint.

Joint transport of goods is another practice with well-established benefits, especially in emergency response.

This should be done in coordination with the Logistics Cluster where relevant.

Shared fleet management could be more challenging to deploy due to the complexity of running and maintenance costs and its direct link to team security and risk management, but the positive impact is considerable.

Sharing facilities, warehouses, transport, and fleets contribute to reducing the costs and the environmental impact of logistics operations. Some specialist humanitarian logistics providers (other than the Logistics Cluster or UN agencies). including Atlas Logistique, Bioport or RLH offer transport, transit and warehousing common services.

5) Access to information: informal vs official information sharing platforms

Data on the logistics context of a country, and historical data on procurements or services can provide valuable information, especially if gathered and considered before intervention is needed, as a preparedness activity.

During disaster response, when activated, the Logistics Cluster relies on different data sharing platforms and weekly meetings; other valuable tools can include instant messaging services or mailing groups. These can be referred to as official and unofficial information sharing platforms. This can be useful, but it is also important to go beyond data sharing and definition of procedures, and collaborate more generally on the opportunities that more ambitious and proactive approach to data can provide, for example digital platforms and agreed data standards can lead to better planning and analysis, facilitating a better response.

Humanitarian logistics information systems allow information sharing among different organisations and access to real-time supply chain data. Track and trace systems offer end-to-end visibility to organisations, better decision making, improved planning increasing efficiency, effectiveness and sustainability.

6) Joint staffing approaches

Within this Operational Guidance, staff development is dealt with as a cross-cutting issue (see relevant section page 11), but it should be mentioned that human resources pooling can be implemented in the field, for example:

- Technical support through the Logistics Cluster, when present;
- Local joint staff initiatives managed by one NGO and shared among several others, generally on a cost-recovery basis;
- NGOs sharing their human resources with specialised knowledge in logistics (from HQ or regional offices) and deployed to the areas of intervention;
- Shared training resources to enforce knowledge, networking and coordination.

Such initiatives can help to overcome the scarcity of logistics staff.

7) Joint greening initiatives

Sharing logistics resources has an impact not only on reducing the expenditure of humanitarian logistics but it is also directly linked to reducing environmental impact. Examples of actions to be taken about greening logistics through joint approaches could include:

- the optimisation of transport means;
- the standardisation of products to allow for reduction of waste by stockpiling or pre-positioning as part of emergency preparedness;
- use of equipment with easy or locally available repair and maintenance services, and spare parts.

By developing such initiatives, logistics operations can help to reduce the environmental impact in a larger scale.

III. KEY CROSS-CUTTING ISSUES

INTRODUCTION

From conceptualisation of projects to implementation and evaluation, humanitarian organisations are advised to consider cross-cutting issues related to logistics. "Cross-cutting" describes issues that are critical at all project stages regardless the type of operation or location. While their importance may differ between operations, all cross-cutting issues should be considered at the planning stage and monitored.

1) Staffing

Staffing is one of the main challenges, due to the scarcity of skilled and professional logistics staff in most contexts. Moreover, a high turnover of staff and high-risk security contexts are elements that add complexity to this matter.

It is important that logisticians have direct and personal contact with suppliers, partners, and service providers. Having a robust network is key to the running of operations so logistics staff should be trained in this regard.

Team size and specialisation definition

Logistics will be present regardless of the size and nature of the humanitarian intervention. Therefore, the need for logistics staff should be considered, both in terms of responsibility and accountability.

Depending on the size of the project and the sector of intervention, technical and specialised staff may be required (either as a full-time or ad hoc support). Once the need is identified, it should then be determined whether the expertise will be found internally or outsourced.

From the programming phase onward, logistics organigrammes, job profiles and qualifications must be defined according to the needs of the project, with the aim of ensuring specific logistics needs are identified, sized, and budgeted. Specific training needs should also be considered, as this is key to overcoming the scarcity of skilled staff that exists in the area of humanitarian logistics.

Technical staff availability

Once logistics teams are defined, the need for highly specialised staff can be identified. It is then necessary to consider:

- Whether there is a member of the team with the expertise or skills required to assume the responsibility for logistics?
- If recruitment process needs to be launched; are the project needs and job profiles clear?
- Is it necessary to recruit from outside the organisation or can additional training be offered to existing logistics staff?

In cases where specific external services are not available; technical, and specialised staff can be outsourced by sharing a pool of expertise and organising a roster of professional staff through a cost-recovery system among different organisations. It is possible to establish links with commercial organisations and create a pool of staff who can be mobilised in cases of emergency, as volunteers or on secondment. Such actions allow commercial organisations to demonstrate their corporate responsibility as well as learning about emergency operations.

Staff development plans

Staff development for local colleagues should establish plans and guidance for future humanitarian logistics staff and ensure continual training on general logistics processes. These must be framed within the organisation's human resources policy and should seek to address talent recruitment and retention.

Provision of training to local staff is critical for humanitarian organisations as it increases local capacity and preparedness. Several INGO's use a large catalogue of training services; however, there is still the need for further logistics-specific training. For humanitarian organisations for whom these services are not available, there are training materials and courses that can be applied for through DG ECHO and the Global Logistics Cluster or other humanitarian organisations, as well as free e-learning courses (See Annex 3: Training opportunities).

2) Greening logistics

The supply chain includes procurement, transport, warehousing, and distribution; all of which have an impact on the environment. Consequently, it is essential to minimise negative impact on environment, applying "do no harm" principle during humanitarian operations.

You can learn more about this topic at: https://www.dgecho-partners-helpdesk.eu/elearning-greening-humanitarian-aid#/, look at selected best practices in Compendium of good practices for a greener humanitarian response and the WREC - Environmental Sustainability in Humanitarian Logistics project webpage.

Numerous organisations consider environmental impact in their policies. Key for DG ECHO partners are *Guidance on the operationalisation of the minimum environmental requirements and recommendations for EU-funded humanitarian aid operations*[12], 2022, as these environmental requirements will be mandatory from 2023.

The requirements and recommendations set out in the guidance for the supply chain are:

Requirements

- Plan procurement to reduce air shipments of goods and items which are responsible for higher emissions than sea shipments and land transport.
- For organisations or projects including fleet of vehicles, measure the movements, costs and maintenance of vehicles and means of transport to gather data about their use. Include maintenance of the vehicles in the project plan. Ensure the most sustainable and environmentally friendly performance of vehicles for the given context.
- Reduce and optimise secondary and tertiary packaging of food and NFIs. Reduce or eliminate single use plastic bulk packaging, and do not employ single-use plastic wrapping around individual NFIs (blankets, etc.), unless it is essential to the quality/sterility of the item. This can be achieved through ongoing collaboration with suppliers and updated product specifications. Encourage biodegradable packaging, if the integrity of the packaged item can be ensured.

Recommendations

- Consider opportunities to strengthen the capacity of local communities and supply markets to support local market actors and develop opportunities for local production and procurement, while considering the need to procure environmentally friendly humanitarian items.
- Consider the environmental impact of products throughout their full life cycle when similar products from different origins are compared, where such life cycle assessments are available.
- Plan for reducing packaging materials as much as possible, then plan on recovering and recycling unavoidable packaging locally or even returning them to the vendor for re-use.

[12] https://ec.europa.eu/echo/document/download/c6b17ea3-807c-4c5f-ad86-484477c78173_en

- Explore pooling opportunities and consider joint procurement of goods and services in a team-effort with peer organisations on local, regional and global level, where applicable.
- Include environmental requirements in suppliers'/vendors'/contractors Expressions of Interest (EOIs), Statements of Work (SOWs), tender documents, and contracts. Create and apply selection criteria that matches the environmental requirements.
- Enhance the sustainability of facilities and warehouses. Invest in solar or wind power sources and reduce energy consumption.

When procuring goods, product life cycle as well as the distance and mode of transported should be considered. When goods are distributed, vehicle use is a key issue; the aim should be to have fully loaded vehicles. Pooled transport is a solution, to ensure that vehicles are full on their way to the destination and, ideally, for their return. Whenever possible, for non-emergency responses, air transport should be reduced, with the rail and waterborne transport preferred.

Environmental aspects should be considered across supply chain and logistics, this includes use of green energy from renewable sources. The impact of use of insulation and air conditioning should also be considered. Similarly, eco-efficient vehicles should be favoured, including forklifts (for more details see IFRC Green Response Environmental Quick Guide.).

Reverse logistics (the process of returning products from end users back through the supply chain to be e.g., reused, repurposed or recycled) and waste management practices need to be defined across the supply chain, including for warehouse operations, such as the reuse or recycling of packing materials and pallets.

3) Humanitarian-development-peace nexus approach

The Triple Nexus is intended to allow a better response to the increasing complexity and duration of crises. Mainstreaming of logistics can contribute to this approach including through the elements below.

Contribution to Disaster Preparedness and Risk Analysis

As set out in the DG ECHO Disaster Preparedness Note, strengthening logistics preparedness can significantly improve first responders' capacity at national and local level, ultimately reducing the need for international mobilisation and generating a positive return on investment. Additionally, achieving better logistics capacity and efficiency through preparedness can contribute to the localisation agenda by upskilling local partners, suppliers, and local authorities, and sourcing products locally. It may also bring secondary benefits, such as a reducing the environmental footprint of humanitarian operations.

All logistics capacity-development actions should be based on a strategic assessment of risk and of existing logistics capacities and challenges at country/regional level, from government to populations at risk. For example, it is key to understand the supply chains and logistics that underpin local market performance or the infrastructure related challenges (such as quality of the road network, airports/ports, electricity and telecommunications capacity) that could hamper operations.

An analysis and mapping of local logistics capacities, integrated in disaster preparedness, can include, but is not limited to:

- Participating in risk and vulnerability assessments;
- Building and establishing a network of logistics actors (humanitarian, local authorities, and other providers);
- Supporting the establishment and monitoring of Early Warning Systems;

- Identifying alternatives within the supply chain using a risk-based approach and considering stockpiling as a resource;
- Identifying challenges and alternatives for logistics of support such as communication blackouts, vehicle fleet capacity, energy, seasonal access constraints, or water supply scarcity;
- Analysing specific vulnerabilities regarding shelter and settlements and identifying possible additional resources required;
- Identifying trained and experienced logistics professionals for rapid deployment;
- Defining and disseminating specific SOP's (Standard Operational Procedures) for logistics management in emergency response.

When logistics is integrated and included in the risk and vulnerability assessment, it is easier to identify possible areas of intervention and contribute to improving the preparedness capacity of organisations.

Procurement sustainability and localisation

Procurement starts during the planning phase and its potential to continue into the mid- and long-term should be part of this. However, the economic impact of humanitarian assistance on local markets should not be overlooked. For example, a sudden high demand for specific items in a local market can create both negative or positive impacts on the local population, especially if this is not done in a coordinated way between the various actors.

Local procurement and expertise

Conducting a market analysis to identify local suppliers and logistics service providers should be considered as part of preparedness activities. Performing this type of assessment prior to the emergence of needs allows for effective partner selection and the definition of robust partnership agreements which can benefit both providers and humanitarian organisations. Attention should be paid to the environmental sustainability of local supply chains, to ensure that environmental issues at the point of production are not aggravated by switching to local suppliers. Local procurement does not necessarily mean local production, and if the products were not produced locally, buying from local suppliers does not necessarily improve the carbon footprint. Efforts can instead be made with local producers to improve their environmental indicators and thus reduce the environmental footprint of the local supply chain.

Scarcity of specialised logistics staff in most contexts is a reality and should be taken into account in mid- and long-term strategic planning. Building capacity within logistics teams must be integrated during the programming phase with a multi-year implementation approach. Implementation of training should allow for the development of local expertise, which in turn allows the building of networks that can be activated later, increasing local preparedness through local capacity building.

IV. LOGISTICS OPERATIONS

Procurement, warehousing, transportation and distribution are the most important functions of any humanitarian operation and often among the biggest challenges for staff. This section provides information about opportunities and challenges during this part of the operation.

1) Procurement

Procurement should be considered from the start of operational planning. A failure to consider procurement sufficiently early could result in the failure of the whole response, as necessary goods or services may not be available in the right volume, quality or time. Well-implemented procurement should consider a broad range of aspects such as: location of items, volume, quantity, quality, availability in specific places and at specific times, packaging, labelling, impact on the environment, import duties, availability, and proficiency of suppliers. The procurement rules of the organisation itself and donors will of course also need to be taken into consideration. This section gives an overview of different type of procurement: procurement of cash services, local and global procurement, and specific categories of goods and services.

Procurement includes procurement of:

- Goods to be delivered to those in need;
- Logistics capacities provided by external service providers (e.g., warehousing, transport);
- Services from financial service providers for cash transfer programmes;
- Goods and services used by the organisation during operations (MRO –maintenance, repair and operations).

Cash transfer and logistics

Before ordering goods, at the planning stage, choice of modality should be analysed. Whenever possible, cash-based assistance should be used. The feasibility of cash should be analysed at the planning stage and monitored. This analysis should include a market assessment, a review of existing cash initiatives, the availability of financial institutions and technology providers. Cash programmes require the selection of partners to provide cash distribution services. It is preferable to link cash programmes with national, social protection systems. More about cash and voucher assistance is available on CALP Network**.** One source of information on current initiatives is *Cash Working Groups*.

Cash is the preferred modality according to the DG ECHO Thematic Policy on Cash Transfers. Cash allows beneficiaries to buy goods directly from the market, thus, logistics costs are included in the price of the goods purchased, without extra procurement, transport and logistics costs being carried by the humanitarian organisation.

Choice of response mechanisms depending on context, in order of preference:

1. Cash assistance (goods are purchased from the local market);
2. Local procurement (close to point of consumption, usually within the country);
3. Regional procurement (from a different part of the country, cross-border);
4. Global procurement (from the international market).

Local vs. global procurement

Generally, goods should be procured locally, close to the place where they will be used or delivered as this usually supports local production, market growth and generates local jobs. However, this is not always the case

and there can in some instances be negative consequences. Therefore, it is important to do an assessment of the benefits and drawbacks of a local, regional or global approach to procurement, taking into account for example environmental impact, impact on the local labour market and incomes, and whether prices could be inflated or supply reduced for other important local needs. Organisational and donor procurement rules will also need to be taken into account. Ideally, goods should be produced or assembled locally, so the highest value is added at the local level. Buying goods produced elsewhere, shipped from another part of the world, but via a local agent is not a local procurement, if the products were not produced locally, buying from local suppliers does not improve the carbon footprint. Therefore, it is important to know where the, the origin of goods and how they were delivered. In situations where local procurement is not possible, the option of procuring regionally should be considered, this should be as close to the place of delivery or consumption as possible, as this influences transport costs and the environmental impact.

Supplier diversity programmes, which give preferential treatment to suppliers from underrepresented groups can also be considered. In some cases, there is no other option than to procure from the global market - this can be due to a lack of availability of goods locally, or the fact that goods do not fulfil quality or environmental standards. A combination of local and global procurement can be also used.

Works can be undertaken with local producers to improve their environmental indicators (e.g. ICRC efforts with the Quality, Social and Environmental Standards) and thus reduce the environmental footprint of the local supply chain[13].

Sustainability of local and regional markets

Buying locally can negatively affect the local market, creating shortages of items, price increases and/or inflation. Therefore, analysis of local production capacity is needed to ensure that additional demand can be met. In some cases, it can be necessary to split a contract and procure from several smaller suppliers, due to a lack of one large local supplier. Alternatively, delivery from a single supplier could be split over time into smaller batches for goods procured frequently. Longer-term contracts (known as “framework contracts” or “long term agreements”- LTAs) with manufacturers can stimulate investment and ensure income for manufacturers over time, potentially creating jobs locally. If local supply is likely to be fully purchased by local organisations that would not otherwise procure at a higher level, it may be appropriate to not procure locally.

Balancing local, regional, and global procurement requires analysis and the application of Best Value for Money (BVM) principles.

Procurement of logistics capacity

When a decision about procurement is made, it should also include a decision about logistics capacity. This includes transport, warehousing, and other logistics activities (see relevant sections in this chapter). Joint Approaches are preferable where resources can be shared, such as joint warehouse space, transport, or common services. However, in some cases there it is necessary to search for suppliers of these services on the market. Procurement of services should apply the same principles and code of conduct as procuring goods, including the code of conduct for suppliers.

A capacity assessment is critical to ensure that the logistics capacity ordered matches the needs. Contracts should consider potential changes, as the situation on the ground can change, to adjust timing and volume of goods needed, allowing flexibility and scalability of operations. When procuring logistics services, environmental impact should also be considered (energy use, emissions, utilisation rates).

[13] More information: Introduction to ICRC’s approach to green Logistics - https://www.icrc.org/en/document/introduction-icrc-green-logistics

MRO –maintenance, repair and operations

Organisations need goods and services for their own operations. These can include computers or other IT equipment and services, transport for staff, fleet for cargo, telecommunications, security, translation, printing and other services. For these types of needs and their related MRO, joint approach initiatives (for procurement and maintenance) allow cost reduction and facilitate standardisation between organisations.

Specific challenges for the procurement of specific items and equipment

Even though local and regional procurement is preferred, it is not always possible. In some cases, it is not possible to meet certain criteria or find specific products locally. For example, medical equipment, medicines, or items requiring cold chain and temperature-controlled facilities (including vaccines) can be difficult to procure locally. For these specific products it is important to look at the whole supply chain, to ensure that the end-to-end process is planned and monitored. In all cases, when specific items are procured, detailed information about local regulations and quality standards are needed: these can be accessed via pooled procurement services and Humanitarian Procurement Centres. Another key issue is the quality of goods, such as manufacturing standards, safety, durability and fulfilling environmental requirements.

2) Warehouse management

There are various challenges in warehouse management; one major challenge is the availability of warehousing space, especially in the immediate aftermath of a disaster. As such, it may be necessary to create warehouse space by converting any available space into a warehousing and by using this space efficiently. In addition, depending on the size and location of the operation, outsourcing the warehousing operation to a commercial company could be an option. If this is not possible, it is important to find a warehouse location where goods can be stored securely (e.g., to protect against looting).

An alternative to an individual warehousing operation for each organisation, is to agree to use common storage that could be provided by other humanitarian partners. Many warehouses are not used to capacity, and it can be worthwhile identifying opportunities for joint approaches. In this case, limited warehouse space could be used more efficiently, benefiting everyone.

It might be an option to establish an agreement with suppliers to provide necessary relief items locally for humanitarian organisations to collect as required. This can avoid the need for an individual warehouse, or at least reduce the required volume of storage. This can be challenging in high-risk environments but can lead to a significant cost reduction. Digitisation of the supply chain, which includes elements such as tracking of shipments and storage and use of items, can also offer considerable benefits and is encouraged.

Alternatives to an individual warehousing operation for one organisation include:

- Outsourcing to a commercial company; depending on the size and location of the operation. It is important to find a warehouse location where the goods can be stored securely;
- Agreeing to use common storage with other humanitarian actors. Many warehouses are not used to capacity, and it might be worthwhile identifying opportunities for joint approaches. In this case, limited warehouse space could be used more efficiently, benefiting everyone.

To reduce costs for damaged or expired items, regular stock rotation should take place and stock taking should form part of warehouse optimisation programs.

Another possible challenge that can create avoidable costs is a lack of logistics resources in the design of a project, as this can cause problems such as empty space in warehouses or excessive volumes of stock.

To reduce warehousing costs and the loss of expired relief items, it is essential to have a detailed humanitarian supply chain plan. This should cover the whole process from procurement to all types of transport and

warehousing until final distribution to the beneficiaries. The costs for warehousing and possible expiry of stock should be included in the procurement plan of any items.

Enhancing the sustainability of warehouses is addressed in the Guidance on the Operationalisation of the Minimum Environmental Requirements.

3) Transport management

Outsourcing of transport management is a potential option, much like warehousing. In this case, the use of commercial solutions needs to be closely defined with all contractors. There are several options for using commercial operators:

- Joint approaches, for example common services or shared services are options for procuring transportation and services to reduce costs for organisations;
- Procuring the whole transport on a case-by-case basis, or via a framework agreement. In this case, it should be stated that bigger volumes lead to better procurement rates, so bundling transport volumes, instead of separate transport lanes, should be considered;
- Renting transportation with or without a driver under the coordination of the humanitarian bodies. This last option is generally more complex and time consuming, as staff trained in truck planning need to be employed.

Organisations should know who the commercial partners are and who they are subcontracted to carry out services (common practice in the transport sector). If a humanitarian organisation works with several logistics operators, and therefore a variety of subcontractors, this can lead to several problems:

- Possible quality deficits;
- Increased cost;
- Tension in the operational arena in cases where, for example, subcontractors and/or drivers are from opposing sides of a conflict;
- The need for screening against sanction lists for the subcontractors;
- Subcontracted services are under a documented contract and subcontractor has insufficient insurance.

If an organisation procures and uses its own transport assets, it is important to have staff trained in transport planning and fleet management. It is key to manage deficits in transportation and warehousing and to establish contingency planning to avoid gaps in the supply of relief items to beneficiaries.

Again, local procurement is a cost-effective solution to reduce costs instead of international and intercontinental transportation.

4) Last mile delivery

Depending on the size of an organisation and its working area, prepositioning stocks in secure locations is an option that can reduce transport costs, enable a faster aid delivery with immediate dispatch and act as a buffer stock to reduce the impact of supply chain interruptions.

Such prepositioning can be outsourced through framework agreements with suppliers and can be particularly efficient and effective if there is a high risk of a disaster or of intermittent access e.g., floods caused by seasonal rains cutting off access roads.

A significant transport concern in any relief operations is last mile delivery, especially if direct delivery to beneficiaries is needed. This it needs to be planned in a very specific and detailed way, as it implicates issues of security for the distribution of relief items. Several points need to be taken into consideration:

- Assessment of the local security situation prior to last mile delivery;
- Establishing a clear communication line with beneficiaries and making sure that they understand the distribution process;
- Engaging local authorities and community leaders to participate in the design of the distribution;
- Considering flexible use of transport means as the delivery point may not be reachable with large trucks;
- Ensuring that enough supplies are available for all beneficiaries;
- Considering environmentally sustainable transport options.

As such, planning of this type of operation is key and should be executed by personnel who have logistics experience.

5) Customs clearance and administrative problems

In the design phase of logistics operations, it is necessary to take customs clearance processes into account. It is necessary to check and understand the customs processes of the respective country prior to the start of the operation as preparedness actions. This can be done with the national customs authorities, the LogCluster or IMPACCT, as well as with local authorities at points of entry/borders, to ensure alignment in documentation and swift clearance of aid.

For further details please refer to Annex 5.

ANNEXES

Annex 1. Glossary

Best value for money: the best available arrangement fulfilling monetary and non-monetary requirements that an organisation can get from its potential suppliers. This does not mean accepting the lowest offer but rather balancing aspects such as quality, environmental sustainability and availability, according to needs.

Cluster approach: established following the 2005 Humanitarian Reform, it is a set of structures, processes, principles, and commitments to coordinate humanitarian actions. The "Cluster Approach" aims to strengthen system-wide preparedness and technical capacity to respond to humanitarian emergencies by ensuring coordination, predictable leadership, and accountability across the main technical sectors of humanitarian response (*e.g.* logistics, health, shelter).

Cold chain: all of the means used to ensure a temperature-controlled supply chain, from production, through transport, to storage and distribution.

Demurrage and detention charges: 'demurrage' is the charge issued when a cargo exceeds the time allotted for sitting at the terminal. 'Detention' refers to the fee charged for making truck drivers wait extra time when loading or unloading containers. 'Detention' also refers to the charge for an ocean freight container that is not returned on time.

Disaster preparedness: the United Nations Office for Disaster Risk Reduction (UNDRR) defines disaster preparedness as: 'the knowledge and capacities developed by governments, response and recovery organisations, communities and individuals to effectively anticipate, respond to and recover from the impacts of likely, imminent or current disasters.

Effectiveness: how well outputs are converted to outcomes and impacts.

Efficiency: how well an organisation achieves its goals when considering the resources it has.

Goods: items, products or materials that are intended for transport.

Humanitarian logistics: the term logistics in this document is the same used in the Humanitarian Logistics Policy and is as formulated in the *Evaluation of Humanitarian Logistics within EU Civil Protection and Humanitarian Action, 2013- 2017*[14]. That is: "Humanitarian logistics refers to the processes and systems involved in mobilising people, resources, skills and knowledge to help vulnerable people affected by natural disasters and complex emergencies".

In-kind assistance: a distribution modality, traditionally used by humanitarian agencies, when assistance is provided in the form of commodities: food or non-food items.

Logistics: The understanding and implementation of humanitarian logistics varies between humanitarian organisations. In this document, the term "logistics" covers the entire supply chain, including procurement, transport, tracking and tracing, customs clearance, local transportation, warehousing and last mile delivery.

Logistics Cluster: The Logistics Cluster is one of the 11 humanitarian clusters established by the Inter-Agency Standing Committee (IASC) following the Humanitarian Reform and the ulterior Transformative Agenda. It is a community of partners. Its purpose is to support global, regional and local operators to alleviate logistical constraints that impede the delivery of humanitarian assistance to people in need around the world.

[14] European Commission, DG ECHO and Landell Mills International, Evaluation of Humanitarian Logistics within EU Civil Protection and Humanitarian Action, 2013-2017, 2019

The Logistics Cluster work is divided into four overarching interconnected pillars: Partnership Base, Standards and Policy, Strengthening Response Capacity and Operational Support.

Last mile: delivery of goods to individuals, households or distribution points from which they will be picked. Last mile delivery is one of key challenges and frequently needs involvement of local partners.

Logistics of support: refers to all the logistics areas other than supply chain management, such as electrical power sources and installations, information and communication technology, infrastructure/building management (offices and accommodation mainly for staff), implementation of safety and security measures and cold chain management.

Market: a system of exchange between two or more people or bodies. The exchange can be for goods, services or money. It can take place in a physical space or virtually such as via the internet. Markets are sometimes defined by forces of supply and demand, rather than geographical location, for example: 'imported cereals make up 40% of the market'.

Market analysis: analysis of market information to understand how a market functions or how it has been affected by an event or crisis.

Market-based programming (or interventions): projects that work through or support local markets. The terms cover all types of engagement with market systems, ranging from actions that deliver immediate relief, to those that proactively strengthen and catalyse local market systems or market hubs.

Modality: the form of assistance (e.g. cash transfer, vouchers, in-kind assistance, service delivery, or a combination).

Operational model: the overall structure through which agencies work jointly (through a partnership, a consortium or other form of collaboration) to deliver selected modalities of humanitarian assistance, specifically in situation and response analysis, programme design and implementation. An operational model differs from a coordination forum, which is typically looser in structure and membership.

Packaging: material used to wrap and protect items (a bale of 10, a box of 5, a carton of 1, etc).

Procurement: process of finding and agreeing terms for the acquisition of goods, services or works from an external source, often via a tendering or competitive bidding process.

Reverse logistics: the process of returning products from end users back through the supply chain to be e.g., reused, repurposed or recycled.

Stock: items (relief items, supplies and equipment) held in a storage facility. Sometimes referred to as 'inventory'.

Supplier: the stakeholder responsible for providing the goods and services requested by the organisation. 'Vendor', 'seller', 'service provider' and 'contractor' are also terms that may be used to refer to the same stakeholder. In this chapter all these will be covered by the term 'supplier'

Supplies: requested and necessary goods.

Supply chain: All activities that an organisation must undertake in order to acquire and deliver goods and services in the required timeframe and location.

Transparency: a situation in which all rules and requirements in a procurement process are clearly defined, and all participants (such as suppliers) have equal access to this information.

Warehouse: usually a permanent building for storing goods in. The term 'storage facility' encompasses the use of other structures that can serve the same purpose, such as 'mobile storage units' (large tents) or shipping containers.

Annex 2. Essential logistics points to consider at each step of the project cycle

Phase	Type of activity
PROGRAMMING/ INCEPTION	Assess logistics expertise (internal and external) at a global level (local, country or regional) to support a logistics strategy definition according to operational size and capacities
	Analyse opportunity for Joint Approaches
	Analyse lessons learnt from previous interventions in the area
	Context and risk analysis in terms of logistics and supply chain at local and regional level:
	Identify possible bottlenecks and alternatives along the supply chain such as: importation, donors' requirements, lead times, procurement sources, environmental requirements, possible sanctions, inflation, currency fluctuations or access limitations.
	Identify options for different modalities: cash assistance, in kind, or mixture, depending on region or social group.
	Initiate a market assessment (suppliers, transport providers, service providers, etc)
	Assess security concerns including access, fraud prevention and SEAH (sexual exploitation, abuse, and harassment).
	Collect information on context, safety and maps of the area
	Analyse impact on environment, look at more environmentally sustainable options
	Create or update a network of contacts (local and international) including actors with whom to develop possible partnerships, agreements or joint initiatives.
NEEDS IDENTIFICATION	Translate operational needs into logistics of support and supply chain needs
	Identify logistics needs, assess availability (warehousing, procurement, transport, fleet management, equipment) and estimate their costs
	Conduct market assessment at local and regional level
	Support for the assessment team (fleet management, communications, accommodation, information management and GIS/maps)
	Risk assessment in terms of access to the areas of intervention
	Support a possible supply chain strategy, including storage, order management and identifying origin of materials
	Increase network of contacts with authorities and possible logistics stakeholders
	GIS information management and provision to assessment team
	Identify staffing needs and availability of required profiles and responsibilities. Consider need of out-sourcing.
FORMULATION	Define logistics needs (warehousing, procurement, transport, fleet management, equipment and staffing) and estimate their costs
	Establish collaboration with other logistics stakeholders
	Know and understand donors' requirements
	Consider opportunities for joint procurement of goods and services
	Produce a procurement plan
	Define a strategy of adaptation (when needed) considering constraints for importation, legal regulations and/or greening logistics principles.
APPEAL / FUNDING	Support finance team for budget definition through a procurement plan
	Define costs of forecasted equipment (acquisition, operation, maintenance and depreciation)
	Transport costs forecast for operations implementation

	Security management costs related to logistics (communication means, infrastructure mitigation measures, fleet management, specific equipment)
	Estimate depreciation of fixed assets
	Running and maintenance cost of infrastructures (warehouses, offices and accommodation of staff)
IMPLEMENT-ATION	Update procurement plan as required
	Management of procurement (sourcing and purchasing)
	Supply chain management (warehousing and transport)
	Contribute to budget follow-up and expenses forecast
	Track infrastructure maintenance and transportation costs
	Stock and inventory management according to organisations' policy
	Define procurement strategy and procedures for emergency response as it requires different approach
	Maintain a digital archive of all the supporting documents related to the all the implementation stages and updated monthly
MONITORING	Monitor compliance with donors' requirements
	Monitor infrastructure running and maintenance costs
	Monitor of stock and inventory management
	Staff performance evaluation
EVALUATION	Procurement documentation (BID analysis, bills, etc.) according to donors' requirements
	Conduct market evaluation
	Stock consumption analysis
	Inventory and equipment management (donation to third parties, assignment to other uses, or requests for exception)
	Capitalisation of lessons learnt

Annex 3. Training opportunities

This is a selection of existing free and online trainings on humanitarian supply chain and logistics management.

- Logistics Cluster Induction online Course by LogCluster (2 hours)
- Logistics Cluster training catalogue(includes several trainings both, presential and online)
- Supply Chain in the Humanitarian Context. HELP Logistics. Video (8:00min)
- Basic Humanitarian Logistics Course. WFP (World Food Programme). Duration: 3 hours. Limited access. (3 hours)
- Introduction to Humanitarian Logistics. HUMLOG Institute (Hanken School of Economics, Finland) (3 hours per week – 2 weeks)
- Introduction to Humanitarian Logistics. Field Programme. Humanitarian Leadership Academy. Duration: 1 hour
- Introduction to Logistics in Emergencies. IFRC (International Federation of the Red Cross and Red Crescent Societies). Duration: 30min.
- CHL: Humanitarian Logistics Self-Guided Practice by Fritz Institute/CILT (39 hours)
- Procurement and Logistics Certificate by Mercy Corps, CILT and Disaster Ready (5 hours)
- Procurement of medical supplies and food in Humanitarian Aid. DG ECHO eLearnings. Duration: 1 hour. Available in English, French and Spanish.
- The procurement process by Save the Children (4,5 hours)
- PARCEL Logistics Standards: e-learning course by PARCEL project (2 hours)
- Introduction in Fleet Management by Fleet Forum (approx. 25 min)
- Sustainable Fleet by IFRC – International Federation of the Red Cross and Red Crescent Societies and ICRC – the International Committee of the Red Cross (1 hour)
- Road Safety Online Course by WFP – World Food Programme (1 hour)
- Warehouse management for Emergency responses by IFRC – International Federation of the Red Cross and Red Crescent Societies
- Online Port Operations Training by WFP – World Food Programme (4,5 hours)
- Introductory Importation and Customs Clearance Course by WFP – World Food Programme
- Distribution of Relief Goods by Cornerstone OnDemand Foundation (7 minutes)

Annex 4. Examples of existing joint initiatives

DG ECHO encourages the use of joint approaches e.g., pooling and sharing of services. The following is a list of examples of existing and / or completed initiatives. When planning a logistics activity, it is good practice to see if a joint initiative already exists, or if there is a need or possibility to create one.

Joint procurement initiatives:

- Humanitarian Procurement Centres (HPC). These are prequalified procurement centres recognised by DG ECHO, reliable in terms of quality, especially when it comes to medical supplies and medicines. Refer to HPC Register and Annex 4 for more information.
- USAID Global Health Supply Chain Program, is a collection of 8 complementary projects working to achieve stronger, more resilient health supply chains worldwide.
- Joint procurement initiative in Burkina Faso for 15 different NGOs, led by RLH Co-op.
- Joint warehousing and transport initiatives:
    - Inter-agency logistics base in Maiduguri, Nigeria, involving the Logistics Cluster, WFP and PUI. Find more information on this case study here.
    - Shared warehousing in Bangui, Central African Republic (CAR), including controlled temperature medical storage. This was implemented by PUI, initially funded by ECHO and then moved to a cost-recovery system.
    - Mobile Storage Units (MSU's, also known as Rub halls) deployment in rural areas of CAR including teams for setup and training support for storage layout and stock management, also deployed by PUI with the support of the Logistics Cluster. Find more information here.
    - Joint warehousing initiative in Ukraine, deployed by RLH co-op.
    - Shared transport managed by Atlas Logistique in Nigeria.
    - Road transport provided and managed by IOM Common Transport Services (CTS) project in South Sudan.
    - EU Humanitarian Air Bridge (HAB) operations funded by DG ECHO.

Shared information management systems:

- Pharmaceutical Information Management System (PIMS) developed by International Medical Corps.
- STOCKHOLM platform (STOCK of Humanitarian Logistics Mapping) released by ESUPS (Emergency Supply Pre-positioning Strategy) involving 69 organisations and 15 countries.
- Logistics Information Exchange (LogIE) managed by the Logistics Cluster; a logistics information gateway.
- Cluster Humanitarian Operational Coordination of Logistics and Air Transport (CHOCOLAT) managed by the Logistics Cluster to collect information on international cargo transport needs and capacities.
- Emergency Dashboard Utility for Airfreight Resource & Delivery Options (EDUARDO), developed by the LET (Logistics Emergency Team) Members which provides data on flight routing to and from key humanitarian response locations.
- Trellyz Logistics Hub, a Humanitarian Logistics Association (HLA) initiative raised from the Ukranian crises that connects private and humanitarian organisations to improve aid delivery
- LINK is a supply chain management tool developed by Action Against Hunger shared with Humanity & Inclusion and Solidarités International with the objective to become an inter-NGO platform, based on cost-recovery.

Pooling of staff:

- Energy technician in Central African Republic shared among different NGO's and working on a cost-recovery system, led by Solidarités International through RLH coop.
- Logistics or procurement manager for joint procurement in Ukraine led by Solidarités International through RLH coop.
- Transport and fleet manager position in Nigeria led by Atlas Logistics.

Greening logistics initiatives:

- Review of product specifications (including quality test measures and sustainability considerations) for the top relief non-food items, worked out by ICRC/IFRC, UNHCR and UNICEF.
- WREC project coordinated by the Logistics Cluster and supported by a coalition of humanitarian organisations, including the Danish Refugee Council (DRC), the International Federation of the Red Cross and Red Crescent Societies (IFRC), Save the Children International, and the World Food Programme (WFP).
- Joint Initiative on sustainable humanitarian assistance packaging waste management or the Global Platform for Action (GPA) that brings together UN agencies, NGOs, different donors and academics.

Annex 5. Customs and other administrative requirements

In any operation that is active in several countries, when it comes to border crossing with relief items (importing and exporting), customs clearance and other administrative requirements might lead to serious delays to the whole operation. This could be reduced if logistics is included in the project design and if a thorough evaluation and planning process is done for customs processes. Unfortunately, there is no general rule related to customs procedures, as they differ from country to country. Consequently, customs processes and other administrative requirements need to be checked for each respective country at the planning stage, prior to the beginning of the operation.

In larger emergencies several organisations provide guidance on how to navigate customs clearance processes, e.g., the Logistics Cluster or IMPACCT, but neither organisation will perform the clearance process on behalf of other organisations. It may also be useful to use local customs brokers or freight forwarders and outsource the customs clearance process and to establish a personal working relationship with the local customs office.

Customs procedures should already be known as part of the work to set up the procurement process, as the problem in cross-border operation (imports) often relates to incorrect or missing documents. Therefore, suppliers should be aware of the procurement process and documents needed. It should be clear that the customs and other administrative procedures need to be assessed and defined prior to the beginning of the operation.

Consideration should be given to the fact that the importation of certain products such as medical products, cars, communication equipment and, in some countries, food, may lead to additional problems.

Therefore, check how many stakeholders, e.g., Ministry of Health, Ministry of Transport or other ministries, need to participate in the import process. In larger emergencies, UN Organisations usually try to persuade the local government to establish a “one stop shop", where all customs related problems can be solved by the participating bodies. If this is not the case the importation process can last an extended time; several days, a week or even months. For example, if medical products should be imported, the health authorities need to agree their importation.

Related to this, also check in advance if the country is under any sanctions and therefore if it might be illegal to send certain items into that country.

In some cases, humanitarian aid might be eligible for a tax exemption that could lead to reduced operational costs. However, if the organisations apply for this exemption, the customs process could take longer, as different governmental organisations might need to agree on this. Therefore, it needs to be considered in advance if costs or time are the most important point for this specific importation.

Not all customs brokers are specialised in importation of all types of items. Due to this, it is important to check, during the logistics assessment, of what the customs brokers are capable.

An option that might also reduce problems with customs authorities, is the procurement of items locally; this brings additional financial means into local markets and can increase local employment. In most countries, imports also result in import customs duties that need to be incorporated in the procurement plan.

Other important information that needs to be acquired prior to starting the operation relates to local labour law, security installations (like convoy or check point rules), and necessary permissions to execute certain types of mission or distribution of humanitarian aid. This varies between countries and sometimes also regions within countries, therefore a dedicated and specific assessment is necessary.

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