Coronavirus Pandemic

On 30 January 2020, the World Health Organization declared the Coronavirus a Public Health Emergency of International Concern or Pandemic. The Coronavirus has ever since spread across more than 180 countries and confirmed cases pass 300,000 as of 24 March 2020. At the same time, the number of people who have died as a result of this virus has now surpassed 17,100. While humanitarian organisations try to help countries to screen, identify, and test people, the shortage of personal protective equipment such as proper masks, gowns and eye gear increasingly jeopardize the ability of medical workers to fight the coronavirus. At the same time, quarantine is a very common measure that many countries practice in their effort to limit the spreading. Factories close or reduce significantly their production; transportation is affected as well, creating bottlenecks in the supply chains. Hence, it is highly important to assess the impact or non-impact of the Coronavirus on the humanitarian supply chain.

Respondent Characteristics

We investigated the coronavirus impact on the humanitarian supply chain with a sample of 76 humanitarian organisations that voluntarily and anonymously responded to an online survey. While 28% of the surveyed organisations have one sectoral focus, most of them work in multiple sectors. The most represented sectors in the survey are **health** and **water, sanitation, and hygiene (WASH)**. For example, 59% of the organisations indicated working in the health sector with 13% of them having an exclusive focus on it. Similarly, 55% of the organisations were active in the WASH sector. Of all respondents, 55% had a supply chain responsibility at the **national-level**, covering countries such as Syria, DRC, Bangladesh, and Yemen. The other 45% worked in a **global- and regional-level** supply chain position.

Coronavirus Impact on Humanitarian Supply Chain

Respondents indicated that the **negative** effect of the Coronavirus on their ability to **source** necessary humanitarian items has been moderate at this early stage. For example, the health, followed by early recovery, food security, WASH, protection, nutrition, emergency telecommunications sectors and general support (including procurement of materials) have on average observed **1% to 5% increase in pricing**. On the other hand, the sectors of CCCM, education, and shelter reported 1% to 5% decrease of the price levels. According to the respondents, increased prices or fluctuation are highly expected, particularly in the health supply chain, but many of them said that it is still too early to know the full extent of price changes. Yet, respondents across all sectors reported that they faced on average **10 to 30 days delivery delays** when sourcing from their suppliers, wholesalers, or producers.

Interestingly, 86% of respondents observed **no significant quality** issues on the procured items when they were asked about the effect of Coronavirus on production capacity. However, 14% of those observing quality issues, reported that higher quality items (e.g., personal protective equipment and masks) are more likely to be stock out faster, and the increased demand has incentivized the production of poor quality or counterfeit goods in the market.

Respondents also suggested that the Coronavirus has **negatively** affected their **upstream material movement** from the point of sourcing to the point of entry in country of destination. For example, respondents reported that their charter flights (65%), belly loads (62%), containerized transport dedicated (61%), bulk transport (60%), and containerized transport groupage (53%) are negatively affected with regards to service availability and order prioritization (and to a smaller extent their price levels). Moreover, 83% of the respondents who indicated no impact on their upstream movement at this stage also predicted a moderate likelihood for a critical disruption in the foreseeable future. Likewise, 53% respondents indicated a similar pattern of **negative** impact on **service availability** and **order prioritization** (and to a smaller extent on price levels) for in-country material movement from the point of entry to the point of usage or distribution. Furthermore, 88% of those who reported no impact on their current operations predicted a moderate possibility that their in-country operations will be critically disrupted.

The Coronavirus has most affected the programmatic activities of the surveyed organisations in **Europe (34%), Western Asia and Middle East (25%), and South Asia (22%)**. Of all respondents, 66% indicated their direct knowledge of administrative access constraints related to the Coronavirus, in particular regarding increased **customs delays**, but also **change in customs procedures** and/or additional requirements on item specifications. When asked about mitigating the Coronavirus' negative impact on their supply chain, respondents reported using a combination of mitigation activities. In this stage, 66% indicated the use of **prepositioning**, 47% also engaged in **program slowdown**, and 40% used their **strategic reserves**. Moreover, 30% decided to respectively retender goods and services to broaden the supplier base and/or adapt their contract to absorb price differences. Only 9% chose to halt their programs in face of the crisis. Above all, 70% of the respondents stated that their organisation is actively planning activities to mitigate the impact of the Coronavirus, with most of them working in the **health (70%)** and/or **WASH (55%)** sectors.

Survey conducted by the Logistics Cluster, results analyzed by Mojtaba Salem and Maria Besiou (KLU) with the support of HELP Logistics.*

**For more information, please contact covid-19@logcluster.org*