

Humanitarian logistics: context and challenges

by Lars Gustavsson

Logistics and supply chain management underpin responses to humanitarian crises.

Whether there is actual or potential large-scale displacement, agencies have to get the right assistance to the right place at the right time at the right cost. The challenges faced in achieving this are many and complex.

i. Meeting reconstruction challenges in Kosovo

After the end of the war, a massive reconstruction programme was needed to provide adequate housing for returning refugees and IDPs. In the immediate post-war period, 100% of the building materials and tools had to be externally sourced from Kosovo's neighbours. Hundreds of trucks had to be mobilised to bring goods to Kosovo and then several thousand trucks, farm tractors with trailers or other light vehicles were needed in country to take these goods to final destination points. The roads had not been built for such heavy traffic; adequate supplies of fuel were not available; storage and transfer facilities had been destroyed or looted; utilities had not yet been repaired; security was still a concern; and trace and tracking systems were often manual. Local staff had to be trained in most of the relevant aspects of supply chain management.

ii. Iraq: speed of delivery

On a Saturday morning in March 2003, I got a call from our regional management team in Amman requesting an urgent airlift of emergency supplies, materials and vehicles. I immediately called our head logistician who proceeded to make calls to our logistics staff in Italy, Germany and the US. By Monday morning bids were being answered. By Tuesday morning the transporter had been selected and mobilised. By Wednesday morning all the goods were prepared for shipment. By Thursday morning

the aircraft was on the tarmac at Brindisi airport. That afternoon it landed with 40 tonnes of goods in Amman and was cleared and off-loaded within a couple of hours. Three transport trucks, 10,000 collapsible water containers and purification tablets, 6,300 blankets and 1,800 plastic tarpaulins were among the goods landed. By the weekend – seven days after the initial phone call – these goods were *en route* to regional destinations in preparedness and readiness for possible influx of refugees from Iraq.

iii. Movement of people from conflict zones

When conflict erupts, large numbers of people often have to be moved out of conflict areas to safe zones – to temporary transit centres, tracing centres, IDP camps and refugee camps. Although this is usually the role of the UN, NGOs and other organisations are often asked to participate. Logistics is critical for a successful operation: to locate and mobilise the large vehicles needed, and to ensure sufficient amounts of fuel, not an easy task when fuel is not available in local markets. In addition all the support needs of the transported people depend on logistics: food, water, sanitation and shelter.

iv. Influx of humanitarian staff

An often under-estimated variable – and formidable logistics challenge – in large humanitarian crises is the movement of staff. How do you get large numbers of relief workers to the field and ensure their safety and shelter without distorting the economies? In the Caucasus as in so many other emergencies, the cost of housing rose ten fold from pre-emergency local costs with the influx of non-local aid workers. The housing supply in Baku was limited. With the arrival of thou-

sands of aid workers willing to pay inflated prices, large numbers of the local population started to move out in order to be able to take advantage of the economic gain from renting out their homes. The ripple effect was that local merchants also raised the cost of services; costs of supplies in the markets rose accordingly, making life very difficult for the local population that stayed. These are just some of the logistical challenges confronted by humanitarian agencies. How successful are they in meeting them?

NGOs have been willing to operate in many places which the corporate sector may shun. Creating and implementing complicated logistics solutions and dealing with 'the last mile' – the leg between the final distribution centre and the beneficiary or client – NGOs have been willing to invest an inordinate amount of time to make things work. They have considerable expertise and experience in movement and accountability mechanisms around food aid and effective use of gifts-in-kind (GIK) from corporate sponsors. Agencies have established or are establishing global and/or regional pre-positioning units capable of delivering critical emergency supplies, materials, vehicles and technical assistance to any place in the world within a short timeframe.

Gaps in NGO capacity

NGOs can and do play a key role in logistics management, particularly at the field level. Much of this is done very well. But systems and approaches are often antiquated. For example, documentation relating to transportation is often produced electronically at point of origin and is often only available on-line. Unfortunately, even though the commercial world is well advanced in full-electronic handling processes, the majority of NGOs typically do not have the electronic infrastructure investments in place. Therefore, access to this information is not necessarily possible along the whole supply chain and

often moves quite early on in the handling process from electronic systems to paper. This typically means increasing the time required to handle information and process a shipment and can lead to reduced efficiencies, duplication of functions, increased inaccuracies in reporting and increased costs.

In today's world of modern technology, greatly improved approaches to logistics and supply chain management and greater access to know-how and information, it is critical for NGOs to learn from the corporate and for-profit sector and incorporate emerging best practice. Their ability to do this, however, has been hindered by a number of factors.

i. Lack of depth in knowledge

Most humanitarian NGOs are rooted in emergency response of one form or another. Many NGO leaders began their careers with a background in the social sciences, development studies or law. NGO leaders tend to be valued 'activists' and few have corporate experience of logistics management.

Humanitarian logistics involves organisational components such as procurement, transportation, warehousing, inventory management, trace and tracking, bidding and reverse bidding, reporting and accountability. In the corporate sector, these components are supported by expert staffing, know-how, IT systems, MIS systems, framework agreements, corporate relationships, infrastructure, standardisation and collaborative initiatives. In the humanitarian world, these key support mechanisms are rare. Much of the essential logistics work undertaken by humanitarian agencies is not industry standard and NGOs could learn a lot from the corporate community.

Furthermore, the humanitarian environment is becoming increasingly complex, requiring a deeper understanding of conflict, security and local, national and international politics. Each year about one in three field staff quits because of burnout. As a consequence, the NGO community and multilateral and international organisations such as the UN agencies and the Red Cross need to focus much more on capacity building.

ii. Funding biased towards short-term responses

NGOs tend to be highly dependent upon grants which are generally geared towards paying for direct project and programme inputs in the field. Projects and programmes are time-bound, often short and underfunded. NGOs live from grant to grant and project to project. This does not

allow for a healthy corporate strategic process to develop as both planning cycles and funding cycles are generally unpredictable. And it does not encourage investment in improved systems.

iii. Lack of investment in technology and communication

Very little capital (from any source) has been invested in the development and implementation of modern management information systems (MIS), information technology (IT) or logistics systems. Most NGOs lack modern 'systems capacity' in just about any category. Most NGOs have indeed also greatly undervalued the role of logistics, supply chain management and integrated systems support. This is an area that, if better valued by senior management, could have a significant financial return on investment. Millions of dollars could be saved each year by simply being able to work more 'smartly' - more efficiently.

For example... Procurement is part of the overall logistics process. An NGO with an organisation-wide capacity to use a common procurement management software programme would be able to see what their top 100 high-frequency or high-cost items were at any given time during the year. Regardless of programme or project location, a common software technology application would enable each user to function independently, making local procurement decisions, while creating and contributing to a global purchasing-power mechanism benefiting the whole organisation. Management would have the information power to be able to negotiate high-volume purchasing agreements with global suppliers, global vendors, manufacturers or distributors. Better still, NGOs could group together as

consortia to gain even higher purchasing-power discounts and framework agreements.

Communication systems are not a core strength for the humanitarian community yet are a critical part of humanitarian operations. In crisis situations, communication with donors, other parts of the organisation and the outside world is vital.

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Recommendations

i. Enhance knowledge

- What the corporate sector learned 10 to 15 years ago is where many NGOs are today. We need to catch up fast and NGOs cannot do this by themselves. Corporations can greatly assist humanitarian agencies by sharing their know-how, systems and resources. Collaboration should ultimately mean more efficient, more cost-effective logistics operations - to benefit those affected by conflict and disaster.
- Logisticians in the field are often not trained professionals but have developed their skills on the job. Competency-based capacity-building initiatives and mechanisms need to be developed and supported so that humanitarian logisticians' skills and know-how are raised to more professional levels, and supported by appropriate training discipline and accreditation. New employees could be sourced from feeder schools and corporate environments where they might have core professional skills though needing to learn more about the humanitarian context. In addition, there needs to be a greater emphasis on mentoring and coaching within organisations.
- No single agency can single-handedly meet the challenges outlined above. What is required is a much higher degree of collaboration across agencies in the form of workshops and shared specialist pools. It is also important that the sector draw on the brain trust of the commercial sector, particularly in its proven areas of

competence – systems and software, technical and engineering expertise, etc. Corporations could provide their own staff with opportunities to work alongside NGOs. The corporate community could also create a pool of logistics experts available to the humanitarian sector for deployment on an on-call/as-needed basis. Humanitarian demand is often 'seasonal' with need often dictated by the specific requirements of an emergency. Corporate experts could work alongside NGOs in the field in both pre-emergency and during-emergency phases.

ii. Broaden the scope of funding

- Donors need to realise that unless they adopt an actively hands-on approach to changing organisational logistics management funds will often not be used as efficiently as they could be. The current donor practice of funding projects and programmes does not enable NGOs to tackle this problem. Donors need to take ownership of the problem and broaden their scope of funding to include serious investment in logistics management, IT and MIS systems.
- Potential for using goods-in-kind is not being exploited. The corporate sector often has excesses in inventories, product over-runs and over-supply, often driven by unforeseen market demands or changing fads. These can be put to good use by NGOs but NGOs need to establish a list of criteria that such goods must pass before acceptance/use.¹

iii. Invest in technology and communications

- NGOs must come to grips with the important role that logistics and supply chain management can play. Senior managers need to recognise that there are great savings to be made by consolidating and standardising a host of often scattered logistics functions. Middle management must invest time and energy in order to persuade senior leadership.

Food distribution in Afghanistan

- A key area of concern that needs a collaborative contribution by both private sector and NGOs is that of global communications. One idea would be for a consortium of NGOs to work with the private sector, drawing on their resources, expertise and knowledge in radio, satellite, licensing and hardware. One outcome could be a communications unit to serve the wider humanitarian community during a large-scale disaster.
- It is one thing to have logistics plans, logistics software and logistics staff in place. If communications issues are not also addressed, however, today's manual non-integrated style of dealing with logistics will continue – and the logistics chain will remain incomplete and inefficient.

Recent initiatives

Various articles in this issue highlight some recent initiatives, such as UNJLC [pp11] and ALITE [pp17].

Other developments include the establishment of a Humanitarian Logistics Council² to heighten the visibility of the sector and stimulate improved logistics management. It brings together key logistics managers in the humanitarian sector with the aim of encouraging collaboration, integration, standardisation, synergy and joint product development.

World Vision has established pre-positioning units in three places:

Denver, US (primary focus serving the Americas); Brindisi, Italy (primary focus the Middle East, Central Asia and Africa); Hanover, Germany (a smaller unit serving diverse logistical needs). World Vision's unit is designed to deliver supplies worldwide within 72 hours; for more details, contact the author [email below]. IFRC and WFP are each establishing four regional pre-positioning units [see articles on IFRC and UNJLC].

World Vision is working with other NGOs and Fritz Institute to a) identify who is doing what, b) map current and future capacity needs and c) explore where collaboration is possible, where shared investments could be beneficial and what educational and training provisions are needed. World Vision International is also working with donors such as the government of Australia and the Australian Ministry of Education to create competence-building and certification initiatives which are being shared with affiliates in the Asia Pacific region; it is planned to expand this initiative globally by 2005.

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1. World Vision procures GIK based on 'critical needs lists' identified by its international and domestic offices. Criteria for procurement include detailed information regarding the donation, its value and whether donor will cover freight cost, any restrictions (eg specified recipient country) and requests for publicity.

2. Established in 2002 by the Fritz Institute.

