



The logistics of the last mile

George Fenton

As the number of people affected by disasters globally continues to grow, preparedness and 'last mile' operational assistance must be adaptable and connections with the commercial world maximised.

As logistics accounts for between 60% and 80% of emergency programme costs, donors increasingly are encouraging consolidation of supply chains that all actors can use. Governments are also likely to increase the use of military and civil defence logistics assets both for operational reasons and to leverage funds to maintain such capabilities. Commercial companies will continue to enter the humanitarian aid market attracted by the public relations benefits, lucrative profit margins for customised services and the commercial leverage of their own businesses. However, all of these inputs are unlikely to address the essential, specialised capability for 'last mile' logistics to deliver goods and services directly to those who are in need of assistance.

Since I last wrote for the special logistics issue of *Forced Migration Review* ten years ago, the humanitarian logistics landscape has evolved considerably. Over that period 'humanitarian logistics' has become a recognised term and an essential service in disaster response. Humanitarian logisticians face many challenges, however, partly because investment in building capacity and recognition for this emerging profession are still limited. The quality, capability and effectiveness of any humanitarian programme

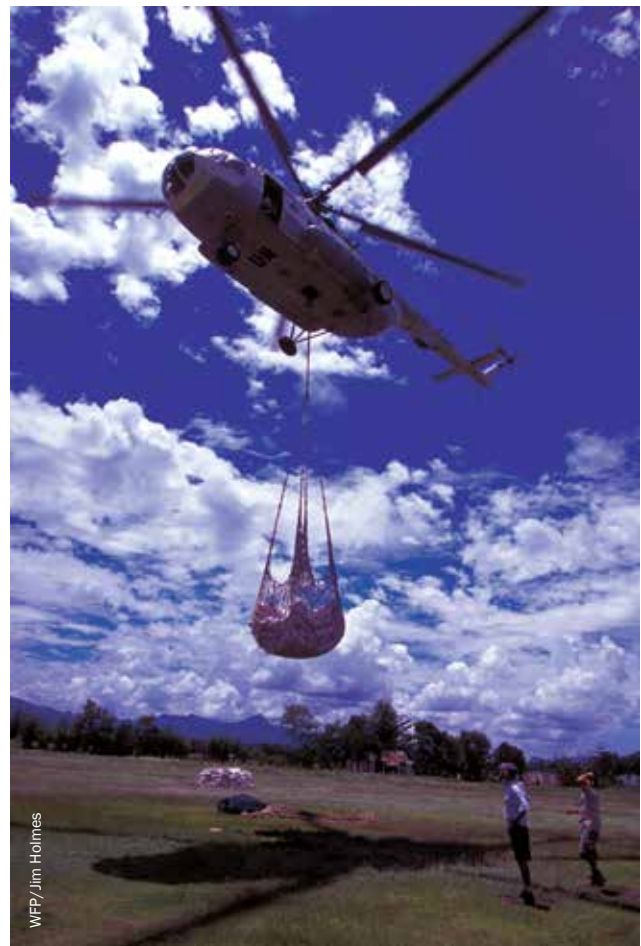
will be directly proportional, among other things, to the capacity and competence of its logistics teams.

With funding for humanitarian assistance dwindling, logisticians may increasingly be asked to take on work beyond their original, more technical, mandate. The question then is: how do they undertake all aspects of this ever increasing portfolio effectively? More innovative capabilities are certainly needed. Logisticians are central to effective, fast disaster relief as they serve as a bridge between disaster preparedness and response, between procurement and distribution, and between headquarters and the field programmes. As logistics operations are inherently costly and since logisticians must track goods through the supply chain, the logistician is often the repository of data that can be analysed to provide post-event learning. Such data reflect all aspects of execution, from the effectiveness of suppliers and transportation providers to the cost and timeliness of emergency responses and to the appropriateness of donated goods and the management of information.

Logisticians must demonstrate not only this type of technical competence but also broader competence as humanitarian professionals.¹ For example, they could



Local transport in Cambodia.



East Timor



be expected to support economic recovery projects that may include activities such as infrastructure rehabilitation, loans or grants to traders, transport subsidies, etc. Market-based programmes aim to help protect, rehabilitate and strengthen the livelihoods of people affected by crisis. It will be increasingly important for humanitarian logisticians to develop skills to support such interventions as these.

Although there also continues to be a lack of understanding in the humanitarian community at large as to the differences between commercial and humanitarian logistics activities, the humanitarian logistics sector has been leading the way among the aid community in the drive to professionalise. Humanitarian logisticians are required to develop competences in skills and technologies such as information management, market assessments and cash and voucher distribution, as well as the more typical procurement, transport, tracking and tracing, customs clearance and warehouse management functions.

Professionalism and the commercial link

Nevertheless, to support the evolution of the humanitarian logistics profession there is a need to open it up to specialists from the private and public sectors who can bring in new skills and thinking. To that end, work has begun to define suitable career pathways. Research suggests that aspiring humanitarian logisticians, when compared to those in commercial roles, need to possess a broad range of skills and should consider the importance of contextual knowledge before entering the profession. There is a strong requirement for technical and functional knowledge² and educators need to place a stronger emphasis on appropriate training in the technical and programmatic aspects of the role, in logistics administration and on educating future humanitarian logisticians in how to train others.

Although humanitarian logistics has much in common with commercial logistics, good practices from the corporate world have not fully crossed over. Furthermore, given that disasters are now more frequently affecting the developed world and are having a direct and often dramatic affect on global business, there is also much that can be learned by companies from humanitarian logisticians about how to operate in chaotic environments. The most critical area for humanitarians to learn from the business sector may be supply chain risk management (SCRM), argues Paul Larson from the University of Manitoba.³ He notes that humanitarian action is the ultimate risky business. Humanitarian logisticians need the latest technical knowledge and business techniques and should develop risk management skills rather than be forced simply to take risks.

It is paradoxical that a sector that has such extreme requirements in terms of timeliness, affordability and oversight has been still relatively under-developed. It is precisely this paradox that creates both a great need and a great opportunity to professionalise the humanitarian logistics sector. In 2001 the Fritz Institute was formed to help address this concern and explore new ways of working by bringing in ideas from the corporate world. Through a series of annual humanitarian logistics

conferences several initiatives emerged which have influenced the development of the sector. Of note has been the launch of the Fritz/CILT(UK) certificate in humanitarian logistics, in which 1,200 students have enrolled since 2006, and the creation of the Humanitarian Logistics Association (HLA), which in 2005 was the first professional association within the aid sector.

As an independent NGO since 2009, the HLA aims to enhance the professionalisation of humanitarian logistics and the recognition of its strategic role in the effective delivery of relief during humanitarian crises. The association supports training initiatives, best practice exchange and representation for a growing worldwide community of practice; it now has nearly 2,000 members based in 106 countries. Still in the development phase, the HLA has the backing of the UK's Chartered Institute of Logistics and Transport and has partnered with training agency RedR UK to provide technical advice and support to a new generation of humanitarian logisticians.

More and more aid organisations are turning to the private sector for money and expertise. Some agencies are realising that significant financial savings can be made through the implementation of efficient controls and have now begun to take the role of humanitarian logisticians more seriously. For example, the outsourcing of key tasks such as procurement to experienced service providers often allows an aid organisation to focus on its core expertise. These issues are just as salient for aid organisations as they are for the commercial sector.

Commercial logistics is about 'getting the right thing to the right place at the right time at the right cost' but in the humanitarian sector there isn't that level of predictability. To help overcome this problem at least in part, a number of aid organisations now pre-position relief supplies in WFP Humanitarian Response Depot (UNHRD) warehouses around the world.⁴ The HLA is collaborating with academics to study ways of sourcing relief items closer to a potential event and pre-positioning these nationally rather than globally or regionally. The aim is to take cost, import restrictions and time out of the supply chain while encouraging resilience in the local economy.

When sourcing supplies in Asia for emergency distribution in Africa, for example, agencies rely on commercial air transport – the cost of which always rises dramatically after a disaster. When a major disaster occurs, even large freight companies such as DHL or Kuehne & Nagel are affected by what some observers have described as 'vulture pricing', which is why there is optimism regarding new initiatives such as 'Care By Air', begun by Maximus Air Cargo CEO Fathi Buhazza, and Airlink, started by the ISTAT Foundation in 2010, to run an air transport support portal connecting NGOs with airlines that can provide free or low-cost transport. These not-for-profit approaches have significant potential to provide predictable and affordable access to air cargo capacity.

Corporate response to natural disasters has grown significantly during the last decade as companies embrace the idea of global citizenship. A pivotal move in improving humanitarian logistics emerged from the



Afghanistan

World Economic Forum in 2008 with the setting up of Logistics Emergency Teams (LET) which includes freight companies such as Agility, AP Moller-Maersk, UPS and TNT. This began as an offshoot of the companies' CSR initiatives – largely thanks to the inspiration of former TNT CEO Peter Bakker and his work with WFP. The LET has been instrumental in supporting rapid responses to sudden-onset natural disasters.

There is a need for greater understanding between commercial logistics companies and NGOs, and the first step is communication and dialogue; barriers that have so far existed should start to fall away once humanitarian and commercial logisticians realise that they have a lot in common. While the logistics competence of the LET is unquestioned, the aid community has yet to fully recognise logistics as a core competence, so training and professionalism have suffered as a result. The picture has started to change over the past ten years as we have seen a change in perception of a logistics professional from truck driver to NGO logistics manager with a professional qualification. However, NGOs are still some way behind the commercial world in recognising the strategic importance of logistics.

The last mile

What makes humanitarian logistics quite different from its commercial counterpart is 'the last mile' – not from port or airport to a convenient warehouse but quite literally the last mile. This can mean having to use any means of transport available, including bicycles, donkeys, camels and elephants.

It is a sad reality that in some regions, such as eastern DRC, aid workers are no longer regarded as neutral actors and in such situations increasingly have to rely

on the military to secure and maintain humanitarian access. Considerable work has therefore been undertaken to ensure that effective civil-military protocols are in place to do this, as only the military has the resources to deliver supplies to the remotest locations. NGOs are frequently faced with the dilemma of wanting to provide neutral aid while being forced to use a far from neutral resource. Sometimes, there is no other choice for that last mile.

Agencies also need to be wary of other potential pitfalls. When transporting supplies by air within Africa, for example, agencies must be wary of chartering aircraft that have been used for illicit arms transfers or narcotics activities. The ECHO procurement guidelines cite EthicalCargo as a resource for addressing this under-discussed issue.⁵ EthicalCargo does not recommend banning or blacklisting companies but

offers humanitarian organisations practical negotiation techniques that can influence the behaviour of air cargo companies.

Over the past ten years, humanitarian organisations have been able to access greater capacity to mobilise resources to provide relief in chaotic environments, for example via the UNHRD network or with support from the Logistics Cluster. Many have learned that complex supply chains are often crucial for effective delivery of emergency food, shelter and medical supplies from around the world. An MSF spokesman, in announcing their decision to stop accepting money for the tsunami relief operation, said: "What is needed are supply managers without borders: people to sort goods, identify priorities, track deliveries and direct the traffic of a relief effort in full gear."

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1. According to the Consortium of British Humanitarian Agencies' Core Humanitarian Competency Framework, humanitarian workers need to demonstrate competence in: understanding humanitarian contexts and how to apply humanitarian principles; achieving results; developing and maintaining collaborative relationships; operating safely and securely; self-management in a pressured and changing environment; and leadership in humanitarian response.

2. Kovács, G and Tatham, PH 'What is Special About a Humanitarian Logistician? A Survey of Logistic Skills and Performance', *Supply Chain Forum: An International Journal*, 2010, Vol. 11 No. 2. <http://tinyurl.com/SupplyChainForum-Kovacs-Tatham>

3. Larson, P 'Risky business: what humanitarians can learn from business logisticians – and vice versa', in *Humanitarian Logistics, Meeting the Challenge of Preparing For and Responding To Disasters*, 2011, Kogan Page.

4. The UNHRD is a WFP-managed inter-agency warehouse network with coordination office in Brindisi, Italy and centres in Panama, Ghana, Dubai, Malaysia and the Canary Islands.

5. See <http://tinyurl.com/ODIHPN49-air-services>