HUMANITARIAN ACADEMY · HUMANITAIRES JOBS

Mini MBA Humanitarian Logistics and Supply Chain: supplying fast, well and fairly

Course handout · Week 12 : Leading the supply chain: constrained contexts, digital tools, organisation and final project

A programme of exactly 3 months (12 weeks, 144 hours) to lead a humanitarian supply chain: mapping and landed cost, demand forecasting and safety stocks, procurement and competitive bidding, Incoterms and contracts, transport, warehouses and inventories, fleet and fuel, customs and exemptions, prepositioning and distributions, health products and the cold chain, performance, costs and the environment, constrained contexts and data protection. Corrected numerical exercises, three monthly exams with case studies, and a verifiable diploma from the Humanitarian Academy.

https://humanitairejobs.org/en/academy/mini-mba-logistique-supply-chain/semaine-12/

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Week 12 : Leading the supply chain: constrained contexts, digital tools, organisation and final project

Objectives

- Adapt the supply chain to constrained contexts: conflicts, sanctions, limited access, remote management.
- Choose and deploy suitable digital tools (stock management, procurement tracking, distribution data) while protecting data.
- Organise an organisation's supply chain function and complete the final project: a full supply plan for a response.

Supply chains in conflict and sanctions contexts

In armed conflicts, the supply chain must respect humanitarian principles and the law:

- **Neutrality and independence**: suppliers and transporters vetted to ensure they are not linked to the parties to the conflict; no payments to armed groups.
- **Sanctions**: systematic screening of suppliers, transporters and partners against sanctions lists (United Nations Security Council, European Union, United States and others depending on the funding). Humanitarian exemptions exist (for example Security Council resolution 2664, adopted in 2022), but they have limits and do not remove the need for due diligence.
- **Dual-use goods**: fertilisers, chemicals, communications equipment: licences and end-use monitoring.
- **Risk of diversion**: control of distributions, reconciliations, post-distribution monitoring, complaints mechanisms.

A diversion of aid to the benefit of a party to the conflict can lead to the suspension of funding for the whole organisation: logistics is on the front line in preventing and detecting it.

Remote management

When international or even national staff cannot access an area, the supply chain is managed **remotely**, often with local partners or service providers. Adapted controls:

- **Third-party monitoring**: independent companies or organisations that visit warehouses and distributions.
- **Digital evidence**: time-stamped and geolocated photos, electronic signature records, GPS tracking of trucks.
- **Calls to beneficiaries** on a sample, by an independent call centre.
- **Reinforced reconciliations** and lower tolerance thresholds.
- **Measured risk transfer**: do not transfer to partners security risks they cannot manage, and fund their security costs.

Call verification example. 3,000 households served; a sample of 300 called; 255 reached, of whom 240 confirm full receipt, 9 partial receipt and 6 non-receipt. Confirmation rate = 240 / 255 ≈ 94%. The 15 problem cases (5.9%) are passed on to the complaints mechanism and verified; extrapolated to 3,000 households, this represents about 176 households potentially poorly served.

Digital tools

Digital tools improve reliability and speed if they are **suited to the context** (connectivity, skills, cost):

- **Stock and warehouse management**: from a structured spreadsheet to specialised software; several tools have been developed for the humanitarian sector, some open-source and free.
- **Procurement tracking**: dashboard of requests, lead times and statuses, linked to finance.
- **ERP** integrating procurement, stocks, fleet and finance, for organisations of a certain size.
- **Distribution data**: beneficiary registration, distribution by card, QR code or biometrics, automatic reconciliation.
- **Vehicle and shipment tracking**.

Data protection. Beneficiary data (identity, location, biometrics) are sensitive: in a conflict, a beneficiary list can put people in danger. Principles: data minimisation (collect only what is necessary), informed consent, security (encryption, access rights), limited retention period, extreme caution with biometrics, and an impact assessment before any new system.

Organising the supply chain function

An effective supply chain function rests on:

- **A clear structure**: a country supply chain manager, with procurement, warehouse, fleet and transport managers; base logisticians in the field; a functional link with headquarters for standards and international procurement.
- **Written procedures** and an up-to-date manual, adapted to the context, with templates (purchase request, purchase order, stock cards, logbooks).
- Appropriate **delegations** of authority: too centralised, they slow everything down; too broad, they weaken control.
- **Skills**: continuous training, professional certifications for the sector, career paths for national staff.
- **A partnership with programmes and finance**: planning meetings, shared indicators, logistics present from the design of projects and budgets.

> Logistics that is consulted only after a project has been signed inherits unrealistic budgets and impossible lead times. Its place is at the table from the concept note onwards.

Coordination and common services

No organisation can do everything alone in a major crisis. Logistics coordination provides:

- **Shared information**: status of roads, ports and airports, capacities, customs procedures, transport prices.
- **Common services** when the market fails: road, air (UNHAS) and river transport, shared storage, fuel, emergency telecommunications (Emergency Telecommunications Cluster).
- **Collective advocacy** for access, exemptions and customs facilitation.
- **Joint procurement** and sharing of framework agreements between organisations.

Using a common service does not relieve an organisation of its obligations: it remains responsible for its goods, its documents and its accountability to beneficiaries and donors.

Final project: supply plan for a response

The final project of the Mini MBA Logistics and Supply Chain consists of writing, for a real crisis (using public data) or a fictional but realistic one, a **complete supply plan** of 6 to 10 pages:

- **1. Context and scenario**: target population, needs, phase, access and security constraints.
- **2. Supply chain mapping**: entry points, warehouses, corridors, lead times, capacities, bottlenecks.
- **3. Quantified needs**: items, specifications, quantities, schedule, safety stock and reorder point.
- **4. Procurement strategy**: local, regional or international, procedures, framework agreements, compared landed cost.
- **5. Transport, customs and storage**: modes, rotations, documents, exemptions, warehouse sizing.
- **6. Distribution and accountability**: sites, throughput, reconciliation, post-distribution monitoring, data protection.
- **7. Logistics budget and indicators**: cost per tonne or per household, dashboard, environmental footprint.
- **8. Risks and controls**: fraud, diversion, sanctions, road safety, contingency plan.

Evaluation criteria: accuracy of calculations, consistency between the parts, realism of lead times and costs, compliance with the rules (procurement, customs, sanctions), quality of accountability and clarity. The project is part of the third month's exam.

Exercise: taking over a supply chain in difficulty

Situation. You take over as head of supply chain for an operation in a conflict zone. Findings: median procurement lead time 52 days; supplier OTIF 64%; 2 of 5 warehouses without an inventory for 9 months; a local transporter belongs to the brother of a commander of an armed group; beneficiary lists are shared via unencrypted messaging; call verification: 88% confirmation on a sample of 250 households reached; logistics is not invited to project design meetings.

Task. Rank the problems by severity and propose a 30-, 60- and 90-day plan.

Answer. Severity: 1) the transporter linked to an armed group (risk of financing a party to the conflict, possible breach of sanctions and donor rules); 2) unprotected beneficiary lists (risk to people's safety); 3) the 88% confirmation rate (12% problems, i.e. about 30 households out of 250: risk of diversion); 4) the warehouses without an inventory; 5) lead times and OTIF; 6) the absence of logistics from project design. Plan. 30 days: suspend the transporter and screen the other service providers against sanctions lists, inform management and, depending on the contracts, donors; stop the unencrypted sharing, secure the lists, inform the teams; full inventories in the 2 warehouses with an outside team; investigation of the unconfirmed cases. 60 days: new transport tender with enhanced due diligence; breakdown of procurement lead time and revised delegations; supplier performance review. 90 days: monthly dashboard; logistics involvement in all concept notes; data protection procedures and training.

Key takeaways

- Conflicts and sanctions: screen all service providers, no payments to the parties, due diligence despite humanitarian exemptions.
- Remote management: third-party monitoring, digital evidence, calls to beneficiaries, reinforced reconciliations.
- Beneficiary data: minimise, secure, limit retention, caution with biometrics.
- Logistics must be at the table from the design of projects and budgets.
- Common services help, but each organisation remains responsible for its goods and its accountability.

Quiz

1. Sample of 400 households reached, 368 confirm full receipt. Confirmation rate:
   A. 92%
   B. 8%
   C. 86%
   D. 96%

2. A transporter belongs to a relative of an armed commander. The first action:
   A. Negotiate a better rate
   B. Suspend its use and apply enhanced due diligence
   C. Ignore it if the transporter is reliable
   D. Ask for a sworn statement

3. The principle of data minimisation means:
   A. Storing the data on a small disk
   B. Deleting all data
   C. Collecting only the data necessary for the purpose
   D. Sharing the data with fewer donors

4. In a conflict, using a common transport service:
   A. Transfers all responsibility to the common service
   B. Is prohibited
   C. Removes the need for reconciliations
   D. Does not relieve the organisation of its obligations regarding its goods and its accountability

5. Why should logistics take part in project design?
   A. To reduce the budget
   B. So that budgets, lead times and feasibility are realistic from the outset
   C. To choose the beneficiaries
   D. Because donors always require it

Quiz answers : 1. A · 2. B · 3. C · 4. D · 5. B