



HUMANITARIAN PROCUREMENT EFFICIENCY IAPG'S REQUESTS TO DONORS

INSTITUTIONAL DONORS' REQUIREMENTS NON-ALIGNMENT IN HUMANITARIAN PROCUREMENT

June 2025

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This paper is a first step towards a collective journey. It is aiming at launching the debate and exploring priority topics identified by IAPG members.

The work aiming at easing the compliance constraints on humanitarian procurement is not only on institutional donors' shoulders. Part of easing the burden is on HOs shoulders. Control frameworks are rarely reviewed and existing controlled should be reviewed.

For more information, or to comment on this position paper, please email coordinator@iapg.org.uk



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ACRONYMES AND ABBREVIATIONS

BHA	Bureau of Humanitarian Assistance
CHS	Core Humanitarian Standard
CVA	Cash or Voucher Assistance
DG ECHO	Directorate General for European Civil Protection and Humanitarian Aid Operations
EU	European Union
ESUPS	Emergency Supply Prepositioning Strategy
HACT	Harmonised Approach to Cash Transfer
HLCM-PN	High Level Committee Management Procurement Network
HO	Humanitarian organisation
HQ	Headquarters
IASC	Inter-Agency Standing Committee
HPC	Humanitarian Procurement Centre
IAPG	Inter-Agency Procurement Group
INGO	International Non-Governmental Organisation
LNHA	Local and National Humanitarian Actor
PQP	Pre-Qualification Process
SLA	Service Level Agreement
SME	Small and Medium-Sized Enterprise
ULS	Universal Logistics Standard
UN	United Nations
UNHCR	United Nations High-Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNOPS	United Nations Office for Project Services
WREC	Waste Management Measuring, Reverse Logistics, Environmentally Sustainable Procurement and Transport, and Circular Economy

EXECUTIVE SUMMARY

This position paper by the Inter-Agency Procurement Group (IAPG) emphasizes some of the inefficiencies caused by the lack of alignment in procurement requirements among institutional donors in the humanitarian sector.

Context

The COVID-19 pandemic highlighted the critical role of supply chains in humanitarian response. With up to 65% of humanitarian funds spent through procurement, improving procurement efficiency is essential. Humanitarian procurement must navigate a complex intersection of objectives: cost-efficiency, speed, transparency, compliance with public funding rules, and increasingly, sustainability. The need for harmonised, streamlined procurement practices is more urgent than ever. This paper aims to highlight the operational impacts of donor misalignment and propose practical, sector-wide solutions to improve procurement efficiency and effectiveness.

Key Findings

Based on a survey of 27 IAPG member organisations, the paper focus on IAPG members' five major areas where donor requirements diverge and negatively impact procurement:

1. **Competition Thresholds:** Varying thresholds across donor's force NGOs to adopt the strictest rules, increasing lead times and administrative workload.
2. **Eligibility of Prepositioned Stock Costs:** Many donors do not allow costs incurred before grant start dates, discouraging preparedness and efficient stockpiling.
3. **Digital Documentation Acceptance:** Inconsistent acceptance of digital procurement records complicates archiving and audit processes.
4. **Audit Practices:** Diverse audit expectations and lack of standardisation increase workload and risk of non-compliance.
5. **UN Agency Rules for Implementing Partners:** Discrepancies between UN agencies' internal procurement rules and those imposed on partners create confusion and inefficiencies.

Recommendations

To address these challenges, IAPG proposes six strategic recommendations:

1. **Shift from Detailed Requirements to Harmonised Principles:** Donors should adopt common procurement principles rather than imposing detailed, conflicting rules.
2. **Create a Dedicated Forum for Procurement Harmonisation:** A multi-stakeholder platform should be established to coordinate simplification efforts and share best practices.
3. **Enhance Prepositioning Strategies:** Donors should more broadly recognise and fund prepositioning costs to improve emergency preparedness and cost-efficiency.
4. **Reform Humanitarian Procurement Centre (HPC) Use:** Broaden recognition of HPCs beyond DG ECHO and expand their role in strategic procurement.
5. **Foster NGO Collaboration:** Encourage joint procurement, contract sharing, and supplier vetting to reduce duplication and increase efficiency.
6. **Establish a Task Force on Medical Procurement:** Align quality assurance and procurement rules for medical supplies across donors to reduce risk and waste.

Conclusion

The paper underscores that harmonising donor requirements is not just a technical necessity but a strategic imperative to enhance the effectiveness, efficiency, and sustainability of humanitarian aid. In a time of geopolitical uncertainty and shrinking resources, coordinated procurement reform is essential to ensure timely, accountable, and impactful humanitarian response.

1. CONTEXT

COVID-19 crisis put supply chain into the spotlight. It has driven enterprises to make their supply chains more resilient, collaborative and networked. The crisis, in the humanitarian sector, has also strengthened collaboration amongst the community, from the UN-led Passenger & cargo Air Services¹ to the start of the EU Humanitarian Air bridge², including the UN COVID-19 supply chain task force³.

Humanitarian needs have never been as high as in 2023 with a call for funding raising at 56 billion US dollars, with actual funding of only 45% of the needs.

It is generally admitted that up to 65% of humanitarian funds undergoes a form of procurement process⁴.

In the commercial sector, procurement aims at cost reduction, lead-time optimization and sustainability targets. Humanitarian procurement is impacted by additional objectives linked to both the public origin of funds and context of operations of humanitarian organisations (HO): transparency of processes, additional parts to risk management (fraud, accountability and associated risk of ineligibility of costs) and traceability of all procurement operations.

As an illustration, a recent study on procurement in humanitarian operations stated that the following:

"donors and governments require HOs to develop and follow transparent procedures that include humanitarian, ethical, and sustainability policies. The increasing importance of sustainability, as evinced by the UN Sustainable Development Goals, has prompted the addition of new supplier-selection criteria. Accordingly, HOs need to identify, understand, and maintain compliance with restrictions imposed by donors and host governments. However, to ensure fast delivery of products and services to beneficiaries, HOs need to develop flexible procurement procedures, especially in emergencies. They may have less time to search for and select good suppliers, which increases the risk of ordering from an unreliable supplier".⁵

Humanitarian procurement can thus be said to be at the crossroad of flexibility, context adaptation, compliance, transparency and sustainable practices.

While deeply involved in expenses management, humanitarian procurement is a topic which is not extensively covered by academic research. Few papers exist on the subject. It is often said to be administrative and technical⁶. An increasing number of humanitarian organisations, institutional donors and academics are reaffirming the strategic importance of procurement, both in terms of the

¹ World Food Program, *From Outbreak to action: How WFP responded to Covid-19*, (Rome: WFP, 2020) https://executiveboard.wfp.org/document_download/WFP-0000120725

² https://civil-protection-humanitarian-aid.ec.europa.eu/what/humanitarian-aid/eu-humanitarian-air-bridge_en

³ World Health Organisation, *COVID-19 Supply Chain Task Force*, (Geneva: WHO, 2020) https://interagencystandingcommittee.org/sites/default/files/migrated/2020-05/COVID-19%20SupplyChainTaskForce_28.04.2020.pdf

⁴ Lacourt M. & Radosta M. *Strength in Numbers. Towards a more efficient humanitarian: Pooling logistics resources*, (Paris: Réseau Logistique Humanitaire, 2019) <https://reliefweb.int/report/world/strength-numbers-towards-more-efficient-humanitarian-aid-pooling-logistics-resources> and Falasca, M. and Zobel, C.W. (2011), "A two-stage procurement model for humanitarian relief supply chains", *Journal of Humanitarian Logistics and Supply Chain Management*, Vol. 1 No. 2, pp. 151-169.

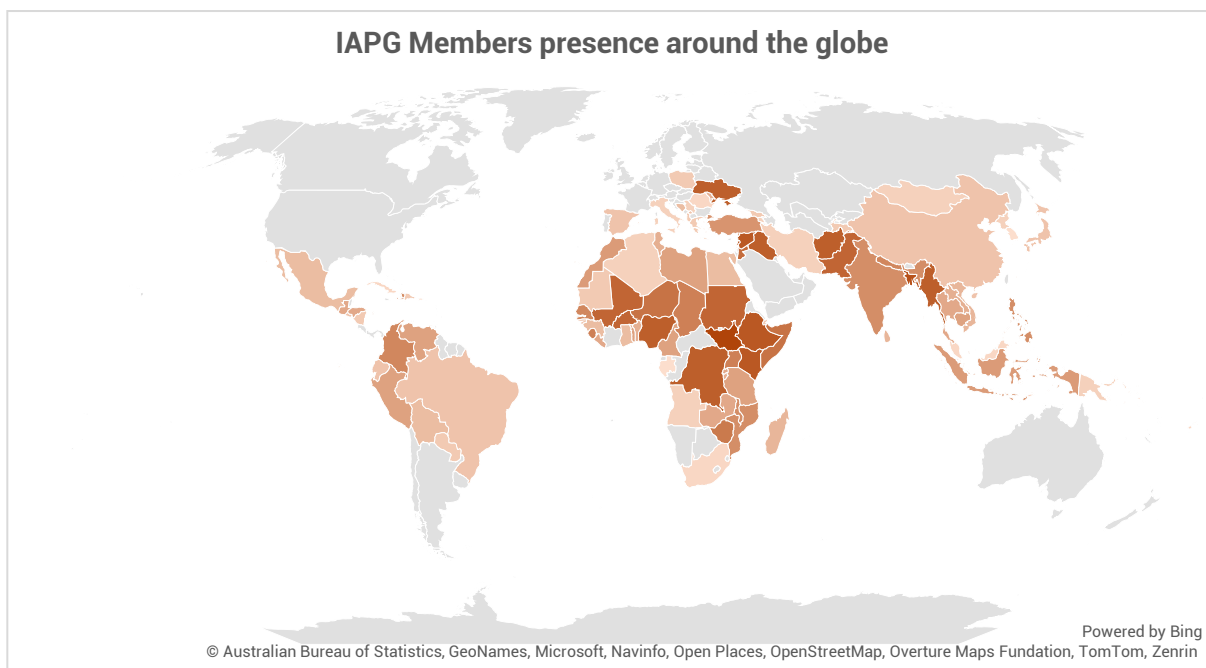
⁵ Moshtari M., Nezih Altay N., Jussi Heikkilä J., Paulo Gonçalves P. (2021), "Procurement in humanitarian organizations: Body of knowledge and practitioner's challenges", *International Journal of Production Economics*, Volume 233, 2021, 108017

⁶ *ibid*

role it must play in closing the funding gap through greater efficiency, and as a key player in the transformation towards sustainability that humanitarian action must undertake.

In recent years, in different fora ranging from Global Logistics Cluster Meeting⁷ to European Humanitarian Forum⁸, non-alignment of donors' requirements has been mentioned as an **important impediment of greater efficiency of humanitarian action**.

IAPG, the Inter Agency Procurement Group⁹, serves as a platform for heads of procurement from international non-governmental organisations (INGOs) to exchange insights and experiences aimed at enhancing efficiency, effectiveness, and value for beneficiaries. Through its coordinator, the forum unites the perspectives of its 32 member organisations on procurement issues. It represents more than 9.5 billion euros of annual turnover, with at least one member present in 108 countries.



Although the misalignment of requirements has been increasingly acknowledged in recent years as a factor affecting procurement efficiency, there is still limited documentation of its specific impacts. **This position paper aims at setting the light on the variety of requirements imposed by institutional donors on humanitarian organisation and their actual impacts on procurement operations.**

It is illustrated by **concrete experiences of IAPG members** and backed with data gathered through an internal survey among IAPG members, conducted between February and March 2025¹⁰. Views expressed in this paper are an aggregation of discussions amongst members, they don't represent individual members' perspectives. IAPG represents only partially the sector, this paper is not aiming at covering exhaustively donors' requirements non-alignments.

Moreover, it is prepared at a very special moment for the humanitarian community: following the Trump administration 2 taking office in January 2025, a large part of United States humanitarian funds has been either terminated or suspended, leaving many of IAPG members with significant financial gaps in their 2025 programming and major uncertainty on costs already occurred reimbursement. While USAID website, portal for all US humanitarian policies, is down since February 1st, 2025, we

⁷ Global Logistics Cluster Meeting, Budapest, June 2023

⁸ https://euhf-archive-2024.paddlecms.net/files/system-files/EHF24-Co-Host-Statement-2024_FINAL.pdf

⁹ www.iapg.org.uk

¹⁰ Out of 32 IAPG members, 27 members answered the survey. It will be referred as part of this position paper as "the Survey". More information on the methodology used and statements submitted can be found in [Annexe](#)

cannot speak for the future and will base our remarks in this position paper on USAID regulations as of December 31st, 2024.

2. PROBLEM STATEMENT – VARIETY OF REQUIREMENTS

Before looking into the main requirements flagged through the Survey, we will briefly introduce the variety of requirements, and the methodology used to select requirements reviewed.

When procurement stakeholders refer to donors' requirements in relation to procurement processes, they usually have in mind the thresholds above which a specific competitive process must be implemented for a specific purchase. It is indeed one of the requirements imposed by some institutional donors. It is however far from being the only one when considering global procurement process.

Some of the requirements from institutional donors debated include:

- the use of specific media for publishing a tender opportunity (newspaper, radio, specific websites),
- set a specific duration of candidacy for tenders,
- impose specific documentation that HOs must collect from their suppliers as part of tenders' submissions,
- impose vetting of suppliers against sanction lists above different thresholds' amounts.

While this list is not exhaustive, we wanted to show the diversity of aspects. Some of them have an **administrative impact**, where some others have a direct **effect on strategy definition**. The ability for an NGO to allocate costs of stocks for example will impact the strategic option to pool procurement: if one donor doesn't allow it, the choice of using procurement pooling can be questioned while its efficiency, cost-savings and fraud fighting impacts have been demonstrated recently¹¹.

When taken independently, an institutional donor's set of requirements makes sense. However, piling up requirements from different donors creates a tome of complex requirements that are impossible to implement. Multiplicity of donors and thus of requirements is making it difficult to navigate, as some are more restrictive than others, and some impose a specific document to be produced as part of the process¹². In addition, **the absence of coordination between donors regarding changes in requirements, imposing multiple compliance checks each time a donor updates, makes it a never-ending process.**

Building a consistent set of rules is a complex and time-consuming process. Finding the right balance between effectiveness and accountability is a delicate exercise. When developing their operations, HOs are mobilized to meet beneficiaries needs. To cover such needs institutional donors' unit of HOs may "source" a new institutional or private donor. It will be checked against the HO's existing procurement rules. Significant uncovered requirements will put pressure on the rules as a whole: it will be necessary either to adapt the existing process or ensure that exceptions for this specific donor are well communicated and known to procurement staff in all countries of operations. In some extreme cases, a funding can be declined when the gap analysis exercise between the existing set of rules and the

¹¹ Hulo, *Annual impact Report* (Paris: Hulo, 2024) <https://hulo.coop/wp-content/uploads/2024/03/AIR-2024-1.pdf>

¹² Specific requirements can impact different stage of the procurement process: it can be a specific document to be signed by a supplier as part of a competitive process, a specific way of conducting a tender, a process embedding approval of a donor's team at local level before moving forward

new donor's expectations concludes that there are too many discrepancies. **An administrative impediment is thus preventing aid to be implemented, leaving humanitarian needs uncovered.**

Even supposing that there are no new donors entering the portfolio, the changing rules imposed by donors already part of the panel require close and regular monitoring by the HO donors' units. Time spent checking procedures is costly, it also requires the attention of a procurement expert to ensure that nothing has been overlooked. It is demanding to keep accurate knowledge up to date.

In that aspect, it is worth evoking the predictability and certainty principle of law: institutional donors shall restrain from changing applicable rules too often as it shakes the established frame by HO. The work carried out by institutional donors to harmonise requirements as part of the grand bargain must be recognised and should not be slowed down. However, it is important to bear in mind that the time needed for HOs to implement these adjustments is all the more important given the multiple levels of implementation (international, regional, local). It "necessitate[s] continuous training for the team to stay updated on regulations, which can divert focus from core humanitarian activities, affecting overall program efficiency and effectiveness."¹³

While this paper is specifically aiming at looking at the result of the Survey, it should be kept in mind that IAPG members are not the only field stakeholders. In a recent study conducted by Oxfam, the lack of harmonisation is having an even broader impact on local and national humanitarian actors. **Harmonising compliance requirements would contribute as an enabler to localisation**¹⁴.

For this position paper, institutional donors' requirements to be studied have been selected through the Survey: a list of statements relating to donors' requirements was submitted to IAPG members, asking them to rank them by priority. We will focus our paper developments on the Top 5 ranked statements.

This paper aims at illustrating, through IAPG members' experience, how non-alignments hamper procurement efficiency. **It is not an inventory of all requirements but a review of key aspects of requirements, supported by practitioners' opinion.**

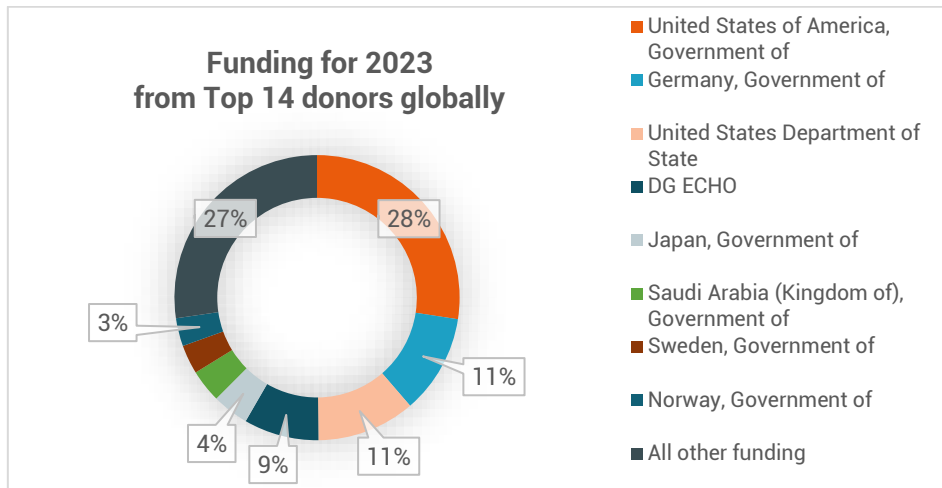
FINDING 1 – ALIGNMENT REGARDING COMPETITION THRESHOLDS

This statement is the one that comes the fastest to mind when talking about alignment of donors' requirements in relation to procurement. This is why we will explore it first while it is ranked third by respondents to the Survey¹⁵.

¹³ Darts R, *Local capacity strengthening needs in logistics – A snapshot study*, (Oxford: Oxfam, 2024), unpublished

¹⁴ *ibid*

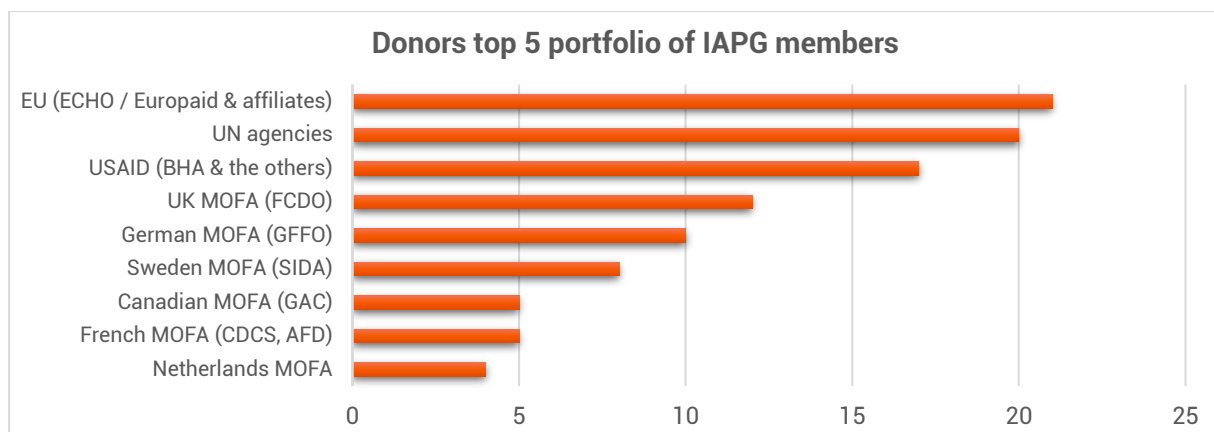
¹⁵ More information on the methodology used and statements submitted can be found in [Annexe](#)



Source: <https://fts.unocha.org/global-funding/overview/2023>

Humanitarian aid is largely funded by some key institutional donors. As this paper is focusing on IAPG members experiences, the Survey included a question on each member Top 5 institutional donors' portfolio to see whether IAPG view covered Top 5 humanitarian aid donors.

As shown in the graph below, the results of the Survey are consistent with the overall distribution of institutional donors who contribute the most to global humanitarian aid.



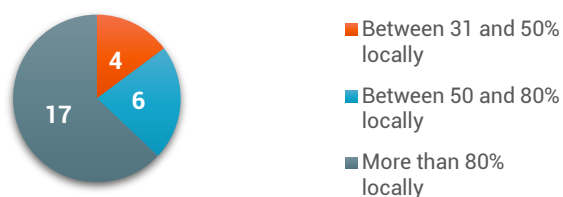
While INGOs generally structure their country programming around one or two major grants from their Top 5 donors' portfolio, each country team usually covers additional needs with other ones.

When asked how many donors fund their operations, **over 75% of respondents said they depended on more than seven donors.**



In 2024, a research paper looked at the spread of institutional donors' competitive procurement thresholds: it reviews the different thresholds implemented by institutional donors and documents with a mathematic model the fact that **INGOs**

In percentage, what proportion of your organisation's procurement, in value, is placed locally ?



mostly set lower thresholds than those imposed by institutional donors¹⁶.

When developing their internal procurement set of rules, IAPG members has mostly made the choice to align their procurement procedure on the strictest donor's requirements. Most of the respondent emphasised that this allows **easiest training, clarity and certainty of rules among staff¹⁷.**

This need for staff to know and implement

the set of rules is even more critical as 17 respondents engage **more than 80% of their procurement spent at local level.**

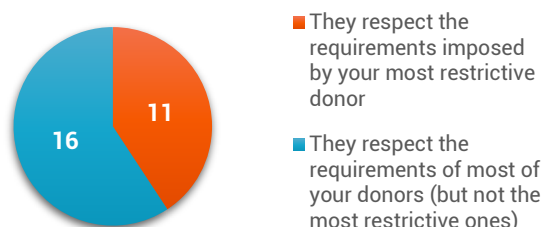
The need for clear, accessible, stable rules across all countries of operation of an NGO is key to ensure smooth running of operations while risk of aid diversion and ineligibility of costs are kept under control¹⁸.

As part of a survey's response, it was mentioned that "in general [their] rules are stricter than [their] donors except for where they are extreme in their rules".

However, this choice to align on the most restrictive donor's rules has an impact on lead-time of HO procurement¹⁹. While easing the understanding of the rule, it undermines the efficiency of procedure as procurement teams must commit time on low and middle-value procurement process while strategic procurement would command to spend the most time on high-value & strategic categories' procurements.

While procurement **function should allow more resources to strategic tasks**, the diversity of thresholds

Which of the following statements describe best your procurement rules ?



is having the **opposite effect: maintaining procurement teams in a transactional role** rather than a strategic one to ensure there are no ineligibility, even for low-value procurement.

Building the Nexus in terms of programming has ensured the presence of development donors at an earlier stage of a crisis. While this is key to ensure continuity of needs coverage for beneficiaries, the difference of mandates between development and humanitarian

¹⁶ García Castillo (2024), "Donors want it faster, humanitarian organizations get it cheaper", *World Development*, Volume 177, 2024, 106554

¹⁷ Extract from a respondent response to the Survey: "To ensure a single global process which is deemed simpler than adjusting the process, manual, training, reporting for each donor"

¹⁸ 11 IAPG members are thus in line with the assumption of the paper by which "The emphasis on process of HOs can also be interpreted as an efficiency approach to limit the complexity of having different policies when implementing funds from multiple donors in parallel. The end goal of this approach is simplifying procedures to cope with complex operational environments, low-skilled staff, and high turnover. This analysis assumes that, in practice, country operations run under the funds of two to five donors".

¹⁹ "Donor policies produce smaller lead time and higher procurement costs than HO policies. This result implies that donor guidelines are on average less constraining than the ones used by HOs and allow for faster procedures than the ones implemented in the funded projects. The average increase in lead time is 31 %, which can be interpreted as that the same project using the average donor procurement thresholds would reduce the lead time 31 % compared to performing the purchases with the average HO thresholds". García Castillo (2024), Op.Cit. p10

donors usually trigger difference of procurement approaches²⁰ and contribute to adding diversity of procurement requirements that need to be addressed.

FINDING 2 – ALIGNMENT REGARDING ELIGIBILITY OF COSTS FOR PREPOSITIONED PRODUCTS

This statement, ranked highest by respondents to the Survey, is at the heart of operations, planning capabilities and procurement anticipation.

Preparedness, or the preparation to an emergency response from a disaster, entails the prepositioning of products which is a long-lasting practice where the products needed to respond to a sudden onset emergency are bought in advance and stored in a strategic location. In addition to ensuring the immediate availability of products and overcoming the potential bottlenecks from suppliers, preparedness is financially advantageous as studies show that 1 USD invested in this activity returns at least 2 USD in the emergency response²¹. Currently, several procurement and supply chain practices exist to ensure a good level of preparedness²².

Humanitarian grants follow a simple principle: any costs charged to a grant from an institutional donor must relate to the activities set out in the grant proposal. This principle has different repercussions on procurement, with an impact that varies depending on the regulations imposed by the institutional donor in question. For instance, procurement costs incurred before the starting date of the grant are not eligible²³, thus, most HOs streamline preparedness activities as part of their emergency response strategy where time spent in procurement activities can be charged. This practice has a **deterrent effect on preparedness** as it encourages HOs to manage procurement operations once the emergency has struck, defying the purpose of time saving in preparation to an emergency response.

Allowing those costs to be charged, as well as other procurement-related costs (e.g. publication of tenders on specialised websites, fees for quality inspection during technical evaluation, etc.) would make the **emergency response more effective, more qualitative**, as less time would be spent on procurement activities and less money would be used to buy the same products.

Moreover, when mobilising prepositioned stocks, HOs can allocate products and shipping costs (from HO warehouse to final destination) to the grant. However, pre-shipment costs from the supplier to the HO warehouse are in a grey area. When included in the products' invoice, it could be considered as part of the product costs. Yet, when the purpose is consolidation, the procurement team will organize a shipment for which a dedicated invoice for shipment would be prepared by the freight forwarder, making eligibility of this cost questionable. And when pushing prepositioning towards local stockpiling, shipping costs towards the local HO warehouse would be even higher than in the first example. Hence, not considering pre-shipment costs as eligible has also a deterring effect as it would

²⁰ Some development donors require deeper involvement within operations design & implementation, including ex-ante procurement validation process, additional documents or more precise technical requirements. In some cases, dual use articles require specific waivers which are more difficult to request when funded by development donors.

²¹ Amongst others, Lewin, R., Besiou, M., Lamarche, J.-B., Cahill, S. and Guerrero-Garcia, S. (2018), "Delivering in a moving world...looking to our supply chains to meet the increasing scale, cost and complexity of humanitarian needs", *Journal of Humanitarian Logistics and Supply Chain Management*, Vol. 8 No. 4, p 518-532 & Meerkatt, H., Kolo P., Renson Q. (2015), *UNICEF/WFP Return on Investment for Emergency Preparedness Study Final report* conducted by the Boston Consulting Group
<https://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp272225.pdf>

²² "White stock" (suppliers' stock stored within NGO or HO warehouse while still owned by the suppliers), NGOs owned stocks in-country warehouse or international shared warehouses such as UNHRD, NGO own stocks stored at vendor location

²³ ECHO FAQ 105 - <https://www.dgecho-partners-helpdesk.eu/frequently-asked-questions-ngo/procurement>

discourage HOs to engage in preparedness activities as it most likely pushes organisations to cover these costs.

As needs are higher than ever and funds are scarce, **preparedness is no longer an option. Donor's recognition of existing mechanisms and the alignment of their approach towards preparedness is fundamental for this strategy to produce its full effect.**

FINDING 3 – ALIGNMENT REGARDING AUTHORISING THE PROVISION OF DIGITAL COPIES AS PROCUREMENT FILES JUSTIFICATION

Ranked second, this statement is an illustration of one of the **clerical tasks of procurement function**.

In reason of the public nature of the funds financing humanitarian aid, accountability is a structuring principle for HO. One consequence is that all expenditures must be evidenced, and the competitive process carried out prior to each expenditure **must be documented to allow justification in case it gets selected at audit stage.**

The need to prove any expenditure has prompted NGOs to develop **reliable archiving processes**. Hard copies of documentation must be filed, sorted and stored in country of operation, then shipped to HQ and finally stored for several years, pending potential audits.

While digitalisation has transformed deeply how procurement works since early 2010s for some actors, it is still an ongoing journey for many HOs in regards of procurement's software²⁴. COVID-19 has fasten the transformation, sometime empirically rather than systematically, HOs finding solution to ensure continuity of operations despite restrictions of movement and limited social interactions, keeping in mind that fairness of competition and transparency of processes needed to be respected²⁵.

Donors' policies have yet to evolve to transcribe this practice. Indeed, some donors accept digital copies of documentation supporting procurement files, while others accept digital copies only when it is not possible to export the hard-copy documentation from the country of implementation. Some donors do not specifically address this topic²⁶. In practice, most audits are performed using digital copies of documentation without requesting any "certified copy" stamp. The lack of alignment and clarity on this requirement impacts the digital archiving systems developed and used by humanitarian organisations: since the policies do not formally recognize the use of digital copies, dedicated waivers on archiving policies need to be integrated into proposals submitted to donors.

While the principle of using digital copy seems widely endorsed by both HOs, donors and audit firms, the **lack of clarity and harmonisation amongst institutional donor expectations is creating unnecessary burden for HOs and eventual eligibility risk** in case of a missing waiver. The time spent on ensuring compliance is time that can't be invested by HOs on building reliable digitalisation system.

In addition, at a moment where HOs are looking at reducing their greenhouse gas emissions, if HOs rely on digital copies, shipment of archives from countries of implementation won't be needed, avoiding associated emissions.

²⁴ During IAPG meeting in October 2024, roundtable about hot topics currently being treated within IAPG showed that out of 22 participants, 13 mentioned digitalisation in their top 3.

²⁵ IAPG members shared their practices amongst each other. IAPG Factsheet will be published on the topic. Based on the findings, IAPG members are considering engaging jointly e-tendering platform requirements.

²⁶ BHA accepts soft copies of quotation, DG-ECHO if documentation can't be exported, GFFO doesn't specifically mention it. For the UN, it depends on the agency.

FINDING 4 – ALIGNMENT REGARDING AUDIT PRACTICES (PRE / DURING / POST GRANT)

This statement is related to both policies structuring procurement and procurement's operations.

As part of the Grand Bargain²⁷, two commitments were related to audit practices and procurement:

- To reduce individual donors monitoring and evaluations and to make joined assessments
- To maximize efficiency with regards to procurement of goods and services

The word "audit" generally covers two types of checks: those carried out before grants are signed, generally referred as evaluations, and checks carried out after programmes have been implemented, referred to as audits stricto sensu.

While commitments were taken almost ten years ago, there are **no clear progress on the joint assessments**²⁸ while some opportunities are identified. Far from commitments to reduce inspection and duplication made in the Grand Bargain, we see that the volume of audits and assessments is instead increasing, with an independent review of several HOS and their partners in 2020 reporting: "...data showed that the number of formal donor assessments has more than doubled between 2016 and 2019, with numbers increasing every year."²⁹

Depending on the donor, audits can be conducted in the country of implementation or centrally, at HOs' HQ. This diversity creates an important workload for archive management: hard copies for field-audited projects need to be kept at field level while centrally audited projects' documentation needs to be shipped. **Archive tracking management became a strategic task for internal audits team**, requesting staff hiring.

As part of the opportunities identified, regarding assessment on one hand, the **possibility to rely on established certification is explored** by some donors³⁰. As this is a recent decision, it is still too early to measure its impact, but the initiative should be welcomed and followed up to identify potential synergies with other institutional donors, for example.

Regarding audit on the other hand, verifications performed during financial audit, after grants are implemented, for procurement "became a '**thick the box exercise**' where auditors mainly checks if the procurement files are compliant administratively speaking. No further analysis is provided in term of pricing (fair or unfair pricing, quality, etc.)."³¹

When questioned on diversity of practices of audit firms, another survey respondent stated that "Audit firms don't go through a universal/standardised checklist. Some will overlook aspects whilst others will scrutinise what was overlooked. Also, have good understanding of procurement & logistics and

²⁷ Inter-Agency Standing Committee, The Grand Bargain – A Shared Commitment to Better Serve People in Need (Istanbul: IASC, 2016) https://interagencystandingcommittee.org/sites/default/files/migrated/2017-02/grand_bargain_final_22_may_final-2_0.pdf

²⁸ Metcalfe-Hough, V., Fenton, W. and Manji, F. *The Grand Bargain in 2022: an independent review*. HPG commissioned report. (London: ODI, 2023) https://media.odi.org/documents/HPG_report-Grand_Bargain_2023_exec_summary_eZdqQx.pdf

²⁹ Global Public Policy Institute, Independent review of individual donor assessments in humanitarian operations (Berlin: GPPI, 2020) <https://interagencystandingcommittee.org/sites/default/files/migrated/2020-12/GPPI%20Independent%20Review%20of%20Donor%20Assessments%20-%20December%202020%20-%20Full%20report.pdf>

³⁰ <https://www.gov.uk/government/publications/fcdo-programme-operating-framework/applying-for-fcdo-grant-funding-simplified-application-process-with-humanitarian-quality-assurance-initiative-verification-february-2025>

³¹ IAPG Survey respondent, March 2025

others not which lead to audit recommendations that are irrelevant or unpractical to apply.³² Details requested are different, background knowledge of the sector is different depending on the firm tasked with the audit. Another contribution mentioned that "It differs a lot. Some auditors look for process compliance, while others look for "value for money" The biggest inconsistency is related to review/acceptance of digital approvals".

Survey's extracts illustrate the diversity of practices amongst auditors. HOs, willing to **cover potential risks of ineligibility**, are adopting **conservative approaches** in the way they handle processes, both on forms & contents³³. Interesting views are developed by some audit practitioners, themselves **calling for a simplification** with a clear way of formulating it: "Each accountability rule should be necessary and not duplicate another one"³⁴. This has been detailed from a procurement process perspective, described as an "efficiency opportunity loss" in a recent paper ³⁵.

To the best of our knowledge, there is no place where discussions related to audit practices amongst independent firms may take place. **A place where donors, HOs and auditors can convene would allow discussions to start for potential review and adjustments of practices.**

FINDING 5 – ALIGNMENT OF PROCUREMENT RULES AMONGST UN AGENCIES FOR IMPLEMENTING PARTNERS

UN agencies are both implementing actors of humanitarian aid and institutional donors for implementing partners. Survey respondents placed UN agencies second in the Top 5 of their donors.

Procurement thresholds implemented by UN agencies procurement team as part of their operations are different from those requested from implementing partners when they conduct procurement operations under a UN funded grant. In this paragraph, we will focus on the thresholds imposed to implementing partners when UN agencies act as institutional donors.

An alignment of practices amongst UN agencies was carried out through the Harmonized Approach to Cash Transfer (HACT) framework.

However, until December 31st, 2023, a specific set of rules was implemented by the UNHCR, called the Prequalification for Procurement (PQP) status. Through this process, UNHCR team did "the review of the compatibility of the Partner's procurement policies and procedures with UNHCR and other applicable standards"³⁶. During the implementation period of this process, specific advocacy points were raised by implementing partners as in some cases, implementing partners were requested to deviate from their internal competition thresholds and to specifically implement UNHCR thresholds.

As of January 1st, 2024, UNHCR now implement HACT Micro assessment process to review process & procedures implemented by partners and grant a risk ranking from low to high. When granted low or medium risk, an implementing partner is allowed to enforce its own processes.

This recent change illustrates the fact that **alignment is a long-lasting quest**. At the time we write this paper, we can assume that the change is still being disseminated, at all managing levels of HOs.

³² *ibid*

³³ A Survey respondent mentioned the example of "what constitutes a valid justification for a waiver": "field teams implementing the program are those with the best knowledge of the constraints faced for procurement process implementation. Yet, auditors, 2 to 5 years after, may question the content of a waiver?"

³⁴ Donnadieu, L. (2023) "Associations and their international public funders: reconciling accountability with efficiency in solidarity projects", *Alternatives Humanitaires*, n° 24, Novembre 2023, p116

³⁵ Hulo and IAPG, *Technical Briefing Paper: The State of Humanitarian Procurement*, (Paris: Hulo & IAPG, 2025) <https://iapg.org.uk/wp-content/uploads/2025/03/Technical-Paper-The-State-of-Humanitarian-Procurement.pdf>

³⁶ <https://www.unhcr.org/ngo-consultations/ngo-consultations-2015/IPMS-Annex-Guidance-Note-4.pdf>

This topic of alignment of UN agencies will **need to be further looked at** with concrete examples being reported by HOs, discussion engaged with authorities in charge of harmonising practices amongst UN agencies to **ensure policies and guidance are addressing all differences that implementing partners are facing**.

3. RECOMMENDATIONS

Based on findings and developments from the Survey detailed above, IAPG has identified paths to gain efficiency, articulated around six recommendations.

RECOMMENDATION 1 - DONORS TO SET PRINCIPLES AND NOT REQUIREMENTS. PRINCIPLES TO BE HARMONISED ACROSS ALL MAJOR DONORS.

NGO procurement procedures are underpinned by fairness and transparency standards. NGOs develop their resulting policies, procedures and processes based to ensure alignment to laws and donor regulations/requirements. When NGOs have multiple donors, this can be a complex activity.

When donors audit NGOs, they will evaluate specific procurements against the NGOs own procedures.

While some donors' requirements are general principles, some are specific and detailed requirements. As already described earlier, this piling up of requirements is reinforcing the clerical aspect of procurement instead of its strategic role.

Donors' diversity of rules acts as a deterrent to grouping of needs, even internally to an NGO: **It would be of great benefit to the sector if funders could harmonise expectations by basing themselves on common principles rather than their own detailed requirements. This move should embrace not only competitive procurement thresholds but also requirements that have indirect impact on procurement procedures³⁷.**

An approach with defined, common set of donor standards or principles versus detailed and often conflicting requirements across donors would have the following impacts on HOs:

→ Accountability

As all HOs need to be held accountable for fund engaged, an approach through standards would allow a similar process to be implemented for all procurement processes. It would also allow **faster audit preparation** for teams in charge as a single approach would be possible. Accountability *"should create a **better correlation** between the time it requires (both for the auditor and the organisation audited) and the benefit of the audit results so that the regularity, necessity and reality of the project spending can be properly assessed³⁸".*

→ Harmonisation of practices among HOs

Using and reinforcing existing standard, such as CHS³⁹ and ULS⁴⁰, would trigger stronger harmonisation of practices among HOs as well as among donors, allowing **stronger**

³⁷ PSEA & ethical clauses in purchase contracts, archiving, suppliers' vetting, suppliers' declarations, rule of origin, tendering publication, tender evaluation committee composition, negotiation, awarding of tenders, cancellation of tenders are all subjects that impact procurement process and on which harmonisation is important to allow collaboration and better efficiency

³⁸ Donnadieu, L. (2023) Op.Cit, p116

³⁹ <https://www.chsalliance.org/verify/>

⁴⁰ <https://ul-standards.org/index.html>

collaboration. It would also enable common training of staff. This diversity of requirements is also a challenge for **local actors**: keeping up with all rules is even harder for local actors which have usually less staff to follow up with donors' rules. Relying on standard is found as an important way of strengthening their capacity in terms of procurement while gaining efficiency⁴¹.

All discussions related to standards should include **technical and thematic "intermediary bodies"**⁴².

→ Clarifications

A side effect of detailed requirements is the persistent doubt on whether a practice is allowed: something that isn't mentioned could be thought to be forbidden. Over the last fifteen years, HOs have developed significantly their procurement manuals, updating regularly to follow the evolution of the sector practices (gender, sustainability, digitalisation). Those updates have triggered each time massive internal dissemination plans, internal trainings.

Relying on common standard would allow **mutualised management of such updates with joint trainings and dissemination plans.**

The compliance framework approach through standards for procurement process would allow **to use specific requirements as a tool to transform humanitarian action when a targeted change is needed.** The sustainability transformation of procurement seems an ideal subject on which to test this approach.

While implementing such requirements for sustainability, all stakeholders should ensure that this does not become another box ticking exercise: **anticipated impact of the requirements should be verified before they are imposed**; contexts, most-emitting markets specificities should be considered. This should be developed in concertation between donors, leading initiatives in sustainability topics and procurement experts⁴³.

As recently published, "it is valuable to note that the more complex the policies and the more diversified the sources of funding, the higher the indirect costs of performing procurement.[...] The study also provide a measurement of how much time HOs sacrifice on bureaucratic procedures that may not generate the corresponding value-added savings when balancing risk and price efficiency"⁴⁴.

While the funding gap will certainly not be addressed in the coming years, **the cost of compliance and its impact on timely delivery of humanitarian aid need to be closely looked at.**

Such a journey for simplification and harmonisation could be led through two different approaches

- A) **Donors to set high-level principles and not detailed requirements. No cross-donor harmonisation of principles.**
- B) **Donors to set high-level principles and not detailed requirements. Cross-donor harmonisation of principles.**

⁴¹ Darts R, (2024), Op.Cit: "91% of LNHA surveyed indicated that common humanitarian logistics standard would be beneficial to their organisation. Align with the challenges LNHA are facing with complying to different compliance requirements, common standards for humanitarian supply chain and logistics are seen as beneficial to enable LNHA to work towards one standard which would able compliance with multiple donors as a result and help leverage access to more funding opportunities" p29

⁴² Global Logistics Cluster, Fleet Forum, Quality, Social and Environmental Procurement Working Group, Parcel Network, WREC, Hulo and IAPG to mention few of the initiatives supporting logistics and procurement discussions.

⁴³ Exploring the used of Life Cycle Assessment, Total Cost of Ownership, Suppliers' sustainability audit sharing, priority efforts on the most emitting sectors etc

⁴⁴ García Castillo (2024), Op. Cit. p12 & p13

The second proposition would be the one that would get the strongest support from HOs. However, institutional donors would sometimes need to keep some flexibility to fix their own rules. This should be discussed as a sector in an appropriate forum.

RECOMMENDATION 2 - ESTABLISH A FORUM DEDICATED TO PROCUREMENT SIMPLIFICATION AND HARMONISATION

Several topics related to procurement harmonisation need to be embraced by the entire community, articulated amongst different stakeholders, individual and networks. To tackle challenges, **a dedicated forum for procurement stakeholders to engage on harmonisation is needed.**

If coordination and cooperation are already existing in procurement, through several informal groups⁴⁵, the humanitarian procurement community doesn't have a designated "home" for the moment⁴⁶.

If the Global Logistics Cluster has no direct role on procurement as per IASC mandate, there is no mention in its mandate that it shouldn't facilitate exchanges on procurement. On several occasions, the subject of procurement came to the top of the list of considerations of participants to Global logistics cluster meeting: **it is of general concern and interest for the humanitarian community.**

The Inter-Agency Procurement Group has a membership of over 30 INGOs but has no donors' and no UN agencies' representation.

There is however a need for a dedicated forum, different from Global Logistics Cluster Meeting, to be created. It should be ensured that adequate participants are convened to this forum:

- HOs procurement directors are usually not those attending Global Logistics Cluster Meeting). Voices such as IAPG, Hulo, Parcel network should be invited as well as technical & field-based expertise.
- Donors' unit in charge of partnership management should be represented as well
- Donor's policy makers when adequate
- Academics invitation should be considered to provide structured framework of impact measurement of the evolution of the procurement framework considered

Once this forum existence will be formalised, several topics related to procurement should be considered:

Regulatory harmonisation and simplification

Target should be the harmonisation of donors' expectations on core procurement principles. As described in the first recommendation, it should aim at **recognition of general principle and standards rather than detailed requirements.**

If transparency and accountability are core principles, the increasing administrative burden it represents should be questioned⁴⁷. **Each specific accountability rule should be deemed necessary and not duplicate another one.**

While HOs can highlight the differences among donors' rules, donors should both coordinate externally amongst them and internally to ensure all internal stakeholders are mobilised.

⁴⁵ <https://iapg.org.uk/humanitarian-procurement-ecosystem-mapping/>

⁴⁶ As a cross-cutting topic, no dedicated cluster for procurement was instituted for example

⁴⁷ Défis humanitaires, *Humanitarian aid: a shock to simplify procedures*. Interview with Ludovic Donnadiou, (Paris: Défis humanitaires, 2024) <https://defishumanitaires.com/en/2024/04/25/humanitarian-aid-a-shock-to-simplify-procedures/>

The existing framework should be reviewed, including HO's consideration on changes needed and side effects expected⁴⁸. The possibility of relying on **common standards and joint assessments by other donors**, as indicated in the Grand Bargain, should no longer be just an objective but a reality.

The European Union space could be used as an opportunity for member states and DG-ECHO to align, as all governed by Directive 2014/24/EU on public procurement: principles underlying public procurement are the same for all member states. Yet its incorporation in domestic law ends up in different expectations towards HO's.

Differences of expectations from donors between types of HO's (LNHAs, International NGOs, Red Cross and Red Crescent Movement, United Nations) at proposal, implementation and reporting stages should be further documented and questioned, to offer an equal treatment to all partners of implementation when conditions are equivalent.

Clarification on practices and evolutions

Clarifications or adjustments to 2025 reality needed on some procurement techniques. This forum would enable practitioners with hands on to exchange with policy makers on several aspects, such as:

- Guidance on rules and guard-rails for supplier **negotiations**
- Acceptance of **digital records** for donor audits
- Clarify of expectations from donors around **vetting of suppliers** and align expectations to humanitarian context realities e.g. vetting \$ thresholds by which NGOs should vet
- Question the need to maintain **international call for tenders** as a competitive procedure dedicated to high-value contracts: as part of the drive to localise and sustain procurement, striving to ensure that procurement is as local as possible and as international as necessary is a principle more in tune with current realities⁴⁹
- Clarify the use of **electronic quotations**: the long-lasting paper-based approach of procurement documentation is facing the digitalisation of exchanges: while more and more exchanges with suppliers are digital, 15 out of 27 IAPG members indicated in the survey that they allow electronic quotations to be used, in some extent. A variety of practices, clarity and guidance need to be provided through standard establishment to end the grey area it represents.
- Authorise **demurrage costs** eligibility: this ask would be an easy regulatory adjustment with direct sustainable impact
- Adopt a **more flexible approach to rule of origins**, not requiring bureaucratic exception management process especially for humanitarian grants. a better definition of exceptions to rule of origin imposition could save non-added value bureaucratic processes. Prohibited origins would remain applicable, the imposition to buy from a certain location is the point challenged by practitioners, considering that more than 80% of procurement is done locally for IAPG members, with a will to have more localised and sustainable programs?

Rule dissemination

Harmonisation is key but without impact if not properly disseminated. As an illustration, while UNHCR changed its approach of accountability in terms of procurement (see Findings 5) nearly

⁴⁸ Consultation conducted by DG-ECHO on Minimum Environmental Requirements is a good illustration of that aspect

⁴⁹ This approach is included in Hulo Joint Procurement Toolkit as well <https://hulo.coop/wp-content/uploads/2024/12/Toolkit-final-version-122024.pdf>

18 months ago, almost none of IAPG members representative were aware of that change while perfectly aware of the difficulty UNHCR previous approach represented.

This raises the question of **dedicated channel for procurement rules' dissemination**. Grants units in HOs have grown to follow the trend of donors' diversification and requirements increase (reporting, audits, etc). This has increased a **siloed approach of accountability**, with specialised departments handling donors' rules. For smaller actors, including LNHA, accessing information on those changes is even more challenging if they are not specifically registered on some diffusion lists.

Therefore, these changes should be **disseminated through this Procurement forum and existing procurement networks and groups**, ensuring awareness of key procurement stakeholders. This would also contribute to **raising procurement function to a strategic role**.

While the funding gap will certainly not be closed in the coming years, the commitments made at the Grand Bargain impacting procurement operations almost ten years ago must urgently be translated into actions. This forum would be a great asset for it. **Its yearly objectives and achievements should be communicated to the sector through an annual report on progresses made in regard to procurement.**

RECOMMENDATION 3 - REVIEW HOW PREPOSITIONING CAN SUPPORT BETTER PROCUREMENT EFFICIENCY

As explored in Findings 2, several studies showed that preparedness in humanitarian response is a significant costs saver. Planning and forecasting for procurement are a significant way to reduce costs. Over the past two decades, the nature of humanitarian crises has gradually become more protracted while the funding gap is growing. **All tools developed by the sector for emergency preparedness response able to reduce costs should be deployed for operations as a whole, including stock prepositioning and cost allocations.** Alignment of donors on that topic would allow procurement team to quantify total needs across all grants and donors for a year of operation for example and then charge costs according to actual use per grant via a cost allocation process. This would allow for improved purchasing power and production line prioritization. It also would set up mutualisation capabilities across organisations. However, to do this, we need to find different donor processes to fund sectoral procurements that drive improved pooled procurements within and across organisations.

Improve loan & borrow

The mechanism set up and implemented by UNHRD⁵⁰ is allowing one HO to borrow from another HO items inventoried on UNHRD online stock report. A recent study by ESUPS⁵¹ demonstrated, in a specific context, that loan and borrowing policies, coupled with postponement of stock branding, allow to "increase the level of needs met after a disaster while decreasing the amount of leftover stock. [It also results] in less holding costs for humanitarian organisation"⁵². While this study emphasizes the fact that collaboration allows equal impact while limiting costs, an important question remains unaddressed: **how costs related to such procurements are treated during audit review**: the only proof that the borrower will receive is a proforma invoice with no proof of the competitive process that took place during the original procurement of the goods.

Would donor be ready to recognize that loan & borrow is a practice that dispenses the borrowing NGO to prove which competition process was conducted by the loaner?

⁵⁰ United Nations Humanitarian Response Depot - <https://unhrd.org/>

⁵¹ Emergency Supply Prepositioning Strategy – <https://esups.org>

⁵² Fortier, E., Chane, F., & Minetto, S., Kasap-Simsek, L.G., Balcik, B. (2023). Prepositioning Made Better: Branding Postponement and Loan-Borrowing for Increased Efficiency <https://esups.org/our-work/resources/report-branding-postponement-loan-borrowing/>

Larger eligibility of costs for prepositioning of stocks

If costs enable delivery of activities, whether they take place during project implementation period should be irrelevant. The elements that matter, rather than the date of procurement, is the cost-effectiveness of the purchase as well as the quality of the goods. What elements should the term "costs" cover?

- **Products:** Usually the main source of costs, rarely questioned
- **Preshipment to storage place:** Two cases: international & local storage. Both at local and international level. Preparedness effort locally? In terms of costs, what is most relevant? In terms of emissions? Of lead-time of response?
- Supporting localisation of response and preparedness effort, prepositioning of stocks as part of a defined strategy should allow eligibility of shipping costs towards storage place.
- **Storage:** What would be an acceptable storage period? What would be the maximum? It would be the responsibility of each HO to manage acceptable storage duration as an important storage costs could impair project implementation.
- **Demurrage:** Already covered earlier in this document but restated here to emphasize it is one of prepositioning costs⁵³.
- **Reinspection and repacking:** Activities guaranteeing stock quality, stock integrity and eventually preventing stock destruction should be allowed.
- **Costs of relevant supply staff** incurred before the starting date of the action are not eligible. This covers the cost of the persons (e.g. administrative) working on the procurement as well as warehouse management. These costs are eligible during grant implementation. Why should it be treated differently as long as it contributes to procurement efficiency? Pushed to the extreme: because of the late confirmation of funding, there might be a late recruitment of supply chain staff which compels the need to expedite grant-only procurements which means that procurement could only focus on compliance but not also on strategy.
- **Shipping costs to delivery point:** rarely questioned as occurring during project implementation.

Moving a step forward as a sector, it would be interesting to use not only prepositioned stock as a way to answer to emergencies, but to consider **bulk ordering as a lever for better procurement forecast:** authorising, or even supporting, cash advance purchasing with actual cost allocation, and moving away from project-based purchasing, would enable HO procurement to **play its full strategic role: greater efficiency, improved quality and greater cost control.**

To do it optimally, we should invest in robust modelling that pulls in grant pipelines, consumption trends, and predictive tools (e.g. climate models), which aren't currently clearly and consistently covered by donors for the moment.

RECOMMENDATION 4 - REVIEW HOW HPC CAN SUPPORT BETTER PROCUREMENT EFFICIENCY

The HPC status of a supplier allows DG-ECHO Partners to rely on a single quote process to procure goods, regardless of the purchase amount. This "facilitate the procurement process for [DG-ECHO] humanitarian aid Partners" and constitutes "one of the options available to Humanitarian Organisations to ease the procedural burdens on DG-ECHO's Partners when procuring in humanitarian aid context and in order to enhance the effectiveness of humanitarian actions"⁵⁴.

⁵³ More details on demurrage question in [Annexe](#)

⁵⁴ <https://2014-2020.dgecho-partners-helpdesk.eu/download/dgechoblock/683>

As the approach of DG-ECHO towards the assessment and recognition of Humanitarian Procurement Centres (HPCs) is being reviewed in the context of a reflection and evaluation exercise launched in 2023⁵⁵, there is an interesting opportunity to include below considerations⁵⁶:

- **Engaging on the recognition of HPCs by other donors than DG-ECHO:** this has been a long-standing request from HOs. The fact HPCs are only recognised by one donor means that in most cases HPCs still have to be put through the full sourcing, qualification and contracting process to ensure the NGO is compliant with other donors – thereby negating all the benefits of the HPC status for the supplier. This non-recognition of HPCs by other donors creates an eligibility risk for HOs. There are cases where orders are placed with HPCs not knowing on which grant the costs will be allocated. It might be on DG-ECHO but on other grants too. In that case, the HO must bear in mind that each proposal on which this order's costs might be allocated should include a waiver justifying why they procured through an HPC. Maintaining the justification through a waiver is a time-consuming and inefficient process with no added value.
- It seems legitimate to consider that **EU member states could be the first to recognize formally HPCs** as a sole quote procurement process. Similarly, one of the UN procurement initiatives, UN Web Buy Plus by UNOPS, has the HPC status. Based on the Mutual recognition principles, it sounds legitimate to consider that an implementing partner to a UN agency using UN Web Buy Plus could rely on a sole quote procurement process without having to justify it with a dedicated waiver.
- Expand the HPC concept to other categories of spend.
- **Brief DG-ECHO auditors on HPC provisions.** Provide NGOs clearer instructions on what evidence is required. Frequently NGOs are asked for the tender file linked to an HPC order, which is not required if just a single quotation will suffice per order.
- Considering including **Service Level Agreements (SLA) and customer services recommendations in HPC Charter:** while HPCs are managing procurement operations they conduct on behalf of HOs according to their internal manual, to ensure timely and adequate responses to HOs request, agreeing on and communicating SLAs on the different services that can be requested from HPCs would be of great benefits for HOs.
- Considering conducting an **academic study on HPCs:** while HPCs have existed for a long time, to the best of our knowledge, there is no dedicated academic study on HPCs while weighting the impact of these entities on the sector is important to determine what investment and changes are needed, if any, to make it as impactful as possible. In a more localised world, with sustainability challenges faced by the sector, what has been, what is and what would be HPCs role as part of the humanitarian response⁵⁷?
- **Enforcing 2014 HPC Charter article 15** on cooperation and information between DG-ECHO and HPCs, specifically in enhancing global procurement process and in convening a yearly meeting with all HPCs. A benchmark of prices proposed across the different HPCs on Core Relief Items would be an interesting way to answer to feedback related to the lack of competitiveness.

⁵⁵ <https://www.dgecho-partners-helpdesk.eu/ngo/actions-implementation/procurement/humanitarian-procurement-centres-hpcs>

⁵⁶ More details on HPC use by IAPG members in [Annexe](#)

⁵⁷ On that aspect, collaboration between the Quality, Social and Environmental Procurement Working Group and HPCs seems a high-value lever to disseminate more sustainable and better-quality Core Relief Items.

RECOMMENDATION 5 - INCREASE PROCUREMENT COLLABORATION ACROSS HOS

Described as a way to “lead to a sustainable logistics model in the medium term”⁵⁸, a lot of HOs are already engaging into collaboration through existing procurement initiatives. Indicators are set up to measure its impacts⁵⁹.

Several collaboration ways are explored by the sector. Few examples:

- The United Nations are implementing common procurement initiatives contributing to improving the effectiveness and the efficiency of UN procurement activities⁶⁰. In 2023, all UN organisations reported using collaborative procurement approaches for a total of 1.1 billion USD⁶¹, avoiding duplication of an important number of procurement processes.
- Since 2021, Hulo, the first humanitarian logistics cooperative, is exploring collaboration through “Joint initiatives” in several areas, including procurement and environment⁶². As part of its activities, it has developed a joint procurement toolkit⁶³ which is the process underlying Joint Procurement Initiatives they conduct in their country of operations.
- Since 1996, members of IAPG have engaged in discussions regarding procurement-related subjects, encompassing lessons learned, best practices, and informal supplier sourcing. Recently, the collaboration has become more organized with the appointment of a dedicated coordinator who facilitates discussions across three key areas: Advocacy, Network, and Projects⁶⁴.

While collaboration in procurement is a key efficiency enabler, a **single solution to face all contexts is not appropriate**. The different forms of collaboration are a strength and should be articulated depending on contextual needs, as the logistics cluster is deploying its activities depending on the local context analysis and gaps. However, **the sector needs to structure and documents the different forms of collaboration that exists** and to tackle issues each of it faces.

Challenges are multiple:

- The risk aversion at field level as procurement evolves in a difficult regulatory framework. To onboard all teams on that journey, senior managements of all HOs need to be convinced of the importance of collaboration.
- Should recommendation 2 of this paper be implemented, the Forum created would be an opportune place

⁵⁸ Lacourt & Radosta, Op.Cit.

⁵⁹ Hulo, *Annual impact Report*, (Paris: Hulo, 2024) <https://hulo.coop/wp-content/uploads/2024/03/AIR-2024-1.pdf>; United Nations Office for Project Services, *Annual Statistical Report on United Nations Procurement*, (Copenhagen: UNOPS, 2023) <https://www.ungm.org/Shared/KnowledgeCenter/Document?widgetId=4547&documentId=1687927>; United Nations, Joint Inspection Unit, *Review of the implementation of the principle of mutual recognition within the United Nations system*, (Geneva: JIU, 2024). Prepared by Gaeimelwe Goitsewang and Toshiya Hoshino https://www.unjiu.org/sites/www.unjiu.org/files/jiu_rep_2024_4_english.pdf

⁶⁰ High-Level Committee on Management Procurement Network and United Nations Development Programme, *Harmonizing UN procurement – Common UN procurement at the country Level*, (Copenhagen: HLCM-PN & UNDP, 2015) https://unsdg.un.org/sites/default/files/HLCM-Harmonizing-UN-Procurement_Guidelines_2015.pdf

⁶¹ United Nations Office for Project Services, 2023, Op. Cit.

⁶² www.hulo.coop

⁶³ <https://hulo.coop/wp-content/uploads/2024/12/Toolkit-final-version-122024.pdf>

⁶⁴ This list is not exhaustive. For a more complete list of existing initiatives, see Annex 4 – DG-ECHO Humanitarian Logistics Policy – Operational Guidance for Partners

- To clarify on collaboration objectives and way forward
- To articulate existing initiatives and ensure they reach their potential impact.
- To look at different response scenarios as a community to identify how collaboration through procurement should be implemented: preparedness discussions should include procurement collaboration as a topic.
- Donors would have a key role to play in recognising collaboration interest and in overcoming obstacles faced, such as compliance questions HOs would face during financial audits, recognition of collaboration processes as compliant per se, legal constraints that can be changed.
- Donors' support would also need to be monetary through continued funding⁶⁵.

Contracts sharing / Piggy Backing

It is one of the practices already implemented as a collaboration tool. The principle is basic: to use a competitive process or contract that has been concluded by another HO, avoiding duplication of procurement process. UN agencies are familiar with this way of working, as the Mutual recognition principle allow them to rely on each other processes⁶⁶. This approach also limits suppliers' fatigue in streamlining discussions between all UN agencies and supplies through one dedicated channel.

- The sector:
 - **Clarify the approach / strategy in terms of piggy backing, depending on contexts & procurement categories:** some use cases might justify spreading the share of the markets amongst SME. Others might justify on the contrary to concentrate all HO's market to have meaningful share (Waste management/recycling for example)
 - Are there **legal constraints** that contradict the use of piggy backing (concentration of markets, competition law prescriptions)?
- HO's:
 - Integrate **systematically clauses in market solicitations and in contracts** enabling HO's to use a consultation led by another organisation for their own use.
 - **Adequate clauses to be made available** to the sector by procurement actors (IAPG, Hulo, HLCM-PN)
- Donors:
 - **Alignment of donors' requirements is a prerequisite**, specifically, extra documentations or requirements imposed by specific donors should be identified and those donors should, as much as possible, remove these specific requirements.
 - In terms of compliance: what document files should be provided by any HO during compliance checks when it has piggy-backed? **Can donors agree on a single approach for this question?** Can the Forum contribute to create a **Standard Operating Procedure that could be the reference to build and justify a piggy backing case?**

⁶⁵ Coordination mechanisms (Cluster, local NGO forum) are among the most impacted sector of US funding cuts in April 2025 - This degradation of coordination means increased risks of duplication, inefficiency, and critical gaps in aid delivery – undermining the effectiveness donors demand

<https://www.linkedin.com/pulse/ocha-data-confirms-scale-us-aid-cuts-79-million-affected-by-nes-x4pqf>

⁶⁶ For details on the different approaches possible within the UN: High-Level Committee on Management Procurement Network and United Nations Development Programme, Op.Cit.

Joint sourcing

Joint sourcing has been done on an adhoc base (in consortium or through acquaintance between HOs at field or HQ levels for example) for some time. HLCM-PN common guidelines and Hulo joint sourcing toolkit have proposed a streamlined approach.

Hulo joint sourcing toolkit is now implemented in countries where Hulo operates. The possibilities to **implement this toolkit more broadly** need to be explored, for example, without necessarily having a Hulo dedicated staff. A voluntary HO may take the lead on a specific procurement. It would allow capacity building of staff and standardise the approach of joint procurement through different contexts.

Opportunities to associate UN agencies, INGO and LNHA to do joint sourcing together should be looked at. Existing experiences at field level, if any, challenges and way forward would be a first step.

Joint sourcing requests an ability to plan and commit volumes, ensure requirements definition (in liaison with programs team), clarification of evaluation committee's organisation which all may be seen as effort that limits the ROI of the practice. A **balance needs to be found between adequate procurement categories, difficulty of procurement and joint approach**. Harmonisation of donors' requirements will positively impact this, allowing simpler coordination and less compliance-related challenges.

Stock selling

Despite all efforts to plan needs correctly, surplus might be stored in warehouse and would generate waste if it can't be repurposed or sold. As stated for loan and borrow, how would compliance treat selling and buying of available stocks? What would the buyer need to provide to auditors? **What would donors be ready to accept as justification for stock selling operations?**

Supplier sustainability data passporting

An opportunity exists to standardise the information requirements HOs make to suppliers relating to sustainability including emissions and decarbonisation. Having a service to accredit and passport sustainable suppliers (e.g. those with Science-Based-Targets for their emission reporting) would limit duplication across suppliers and HOs.

Joint management of procurement categories & market assessments

Knowledge of markets offer is a strategic input procurement should provide to programs as part of programming preparation. The variety of procurement categories coupled with high turnover of staff makes it sometime difficult to master. As some HOs have more experience or better knowledge of some procurement categories, it seems appropriate to collaborate on that topic, with a potential important return on investment.

Market assessments approach has been developed as part of cash programming, with little engagement with procurement team, side-effect of a long-lasting siloed approach. The sector is currently engaging on tackling this through the strengthening of the capacity of humanitarian workers to conduct market analysis and enhanced coordination⁶⁷.

Providing deeper insights on local and regional markets to the procurement teams, disconnected from spot procurements, those analysis would strengthen the **strategic component** of procurement work and position procurement as a **business partner for program teams**.

Once the market studies realised, it seems necessary that **synergies between CVA working groups and Procurement working groups** are set up to ensure data are shared with HOs procurement team. Each HO procurement strategy designed at local level would benefit from this common approach, ensuring

⁶⁷ <https://www.nrc.no/what-we-do/projects-and-programmes/market-analysis-building-stronger-aid-programmes>

localisation of procurement wherever possible. It would also strengthen the knowledge across HOs about regional sourcing possibilities.

Procurement teams are daily engaging with markets and would be perfect contributor for market monitoring and regular updates of the market assessment.

Pushing further this approach, a **collaborative approach on procurement categories management** as a sector may be considered: a collaborative approach on a common model on procurement categories which could assist with spend analysis to identify strategic procurement opportunities to deliver efficiency. If this categorisation was common across all Donors, Agencies, and categorised Spend and Stock - we could have better consolidated planning between agencies to identify areas for collaboration. This methodology could be cross-cutting with environment sustainability approach to prioritize the more emitting procurement categories for example, in liaison with the green market assessment toolkit developed by the WREC Coalition⁶⁸.

Vetting of suppliers' platform

This topic⁶⁹ has been mentioned repeatedly over the past years as a subject where collaboration could have a massive impact: this step is for most of its aspects a pure compliance work with no added value for procurement operations per se and repetition across different HOs. In addition to the time spent ensuring suppliers are vetted, it represents an important cost for the sector as all organisations have to subscribe yearly to a SAAS vetting or due-diligence platform. Forms it could take are yet to be developed.

Trainings

Two points related to collaboration and trainings:

- **Reinforcing skills & competencies of procurement staff:** Focusing on compliance rather than strategies, procurement positions are often seen as generic and requesting limited specific skills. A very good secretary would do the job rather than having category management & strategic skills. While senior management support is needed to change the perception, training of staff to enhance their skills in relation to procurement is key. Alignment of donors' requirements as well as standards' implementation would allow trainings to be organised for all HOs⁷⁰ procurement staff in a duty station for example.
- Ensuring **collaboration is advocated for during trainings:** different collaborative approaches should be embedded in existing trainings, especially Parcel Network training, to risk aversion related to "it's not how we usually do".

Digitalisation of "smaller" procurement process steps

While the sector has undertaken a massive digital transformation that started 15 years ago, many IAPG members are still engaged on the digitalisation journey. In addition to getting equipped with an ERP or Procurement to Pay (P2P) system, several accessory steps to the procurement process were mentioned in the Survey as interesting to look at in a collaborative way: resource pooling to cover processes that are usually left aside. It would allow to develop common best practices, bring

⁶⁸ <https://www.logcluster.org/en/document/green-procurement-market-assessment-toolkit-wrec>

⁶⁹ See the [Annexes](#) for more details on this topic

⁷⁰ Darts R. (2024) Op. Cit.: "1/3 of LNHA reported the lack of training as the top challenge when partnering with international actors. This is needed to overcome the challenging compliance requirements of different international funders" and "Nearly 1/3 of LNHA reported that different rules, compliance and reporting requirements as the top challenge when partnering with international actors. The complexity of compliance requirements and the challenges to work with different requirements leads to challenges in audits which LNHA felt negatively impacts reputation and trust with the high level of requirements they need to meet. The complexity to understand requirements and different requirements is confusing and can lead to conflicting information and people working in different ways." p28

transparency and lower administrative burden on documenting operations. This could be used for e tendering platform requirements development, for exploring warehouse management systems compliant with institutional donor expectations, for developing digital Good Reception Notes.

Collaboration across other supply chain and logistics topics

Collaboration across other supply chain and logistics topics may lead to further efficiency while procurement is not the core question. Some discussions are already ongoing on warehouses and fleet sharing; some new discussions may be opened about local management of physical archives handling by private logistics actor. When such discussions take place, procurement specialists should be brought to the table to **ensure considerations related to procurement and associated compliance topics are not missed**.

To conclude, there are a lot of opportunities to collaborate along the procurement function, as long as donors' requirements are aligned. Collaboration is a way to improve efficiency, and it should not be an option. It seems however important to underline **that collaboration should not be forced as it requires dedicated time and knowledges. Priorities should be set both at global and local levels**.

Collaboration initiatives are numerous at the moment and there is a lack of clarity about what each of them does and how to reach them. One other challenge those initiatives faced is related to the fact that there are too auto centred and lacking external outreach to engage with the sector. **Inventory of ongoing initiatives need to be centralised and disseminated**. So far, there is a static list included in DG-ECHO Logistics policy, but already quite outdated as published in January 2023.

RECOMMENDATION 6 - ESTABLISH A DEDICATED TASK FORCE ON MEDICAL AND MEDICINES PROCUREMENT

Medical and medicines procurement is the market on which the impact on non-alignment of donors is the clearest. While the sector has a legitimate and unique wish to access quality assured commodities despite emergency, it fails to standardise the approach to quality assurance.

Vetted suppliers' lists for medical supplies overlap a lot between the main humanitarian institutional donors; however, the lists are not totally similar.

Quality assurance processes are different for DG-ECHO, the US and the World Bank. If it is true that those institutional donors have somehow different mandates, the reasons motivating a non-alignment on quality assurance approach among them remain unclear.

While quality assurance recognition is the core element differencing the approaches of different institutional donors, there are other attributes on which alignment should be achieved:

- Centralised vs locally-led management of medical review of project proposals
- Institutional donors' requirements for suppliers to be added on pre-qualified/vetted lists
- Requirements of institutional donors for waivers to use non pre-qualified/vetted lists

The workload and risk of non-compliance associated with the purchase of medical products is massive. The duplication of effort to meet the requirements of institutional donors, grant after grant, is real and hardly acceptable considering the increasing needs and reduced funding that the sector is facing. Minimising waste and associated sustainability is another argument in favour of better alignment.

A **mapping exercise** by pharmacy and procurement professionals on **quality assurance** standards as well as other attributes mentioned above, across the sector would provide a guidance on the way-forward that could be taken. As several initiatives exist on the topic, they should be the ones consulted and setting the scene on this highly specialised topic (Humanitarian Health Supplies Working group, Quamed, Relief International Project on local medical suppliers, HPCs, Institutional donors, Medical INGOs and local actors).

As part of the localisation effort, greater look should be given at recognition of donors' prequalified suppliers'-vetted partners as equal to supplier (e.g. a prequalified supplier has a distributor of their

products in country X, locally). Buying from that company locally would avoid time and cost of flying goods into country if the main supplier is willing to vouch for quality assurance elements of product and its partner.

ANNEXES

All graphs are based on IAPG members Survey⁷¹ conducted between February and March 2025

METHODOLOGY OF REQUIREMENTS SELECTION

The statements submitted through the Survey were formulated based on knowledge of the sector and suggestions made at internal meetings by IAPG members⁷². All statements describe actions that could improve the efficiency of procurement operations.

IAPG members have ranked the statements from "Not relevant at all" to "The most relevant", with an intermediate ranking "Maybe relevant", "Relevant" and "Really relevant"

The statements to be ranked received diverse support from respondents. One of the first things this paper has ensured is that the statements proposed in the questionnaire meet with consensus among IAPG members.

To do so, we considered the sum of occurrences of "not relevant at all" and "not relevant" assigned to each statement. Below table represents these sums. It is classified from the highest to lowest scoring. It represents the topics that received the most "Not relevant at all" and "Not relevant".

None of the statements gets a greater scoring than 7. We can thus consider that all the statements were relevant when targeting better procurement efficiency. However, some statements got stronger consensus than others.

The table below shows the top 5 statements that received the most "The most relevant" and "Really relevant" answers: IAPG members consider that there is an important efficiency potential in working on those topics. It is classified from the highest to lowest scoring.

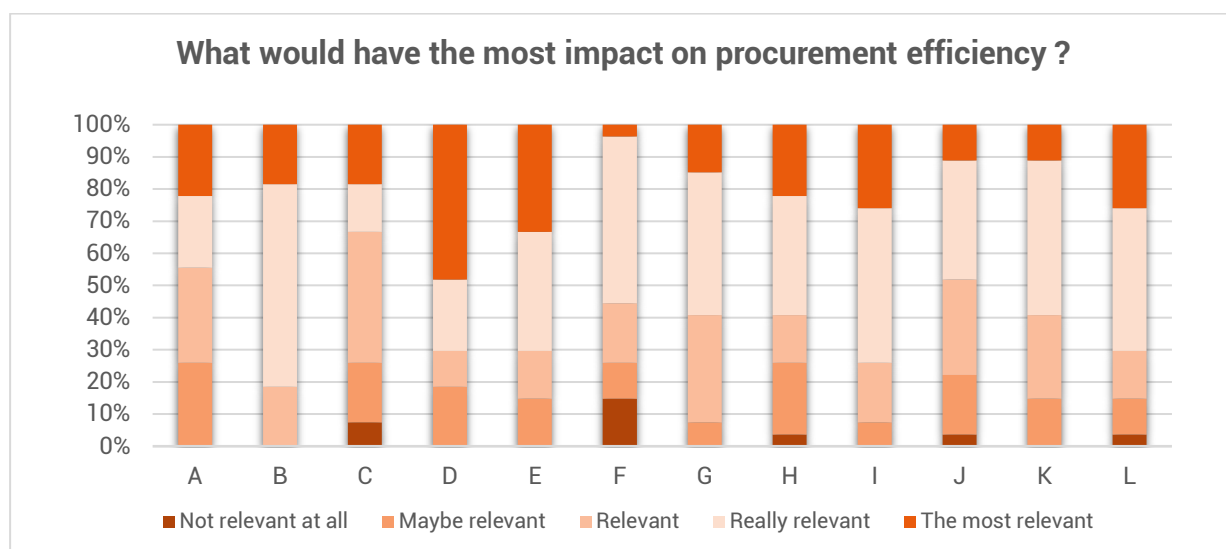
REQUIREMENTS' STATEMENTS

- A) Recognition of Humanitarian Procurement Centre as a sole source procurement by other donors than ECHO
- B) Eligibility of costs for prepositioned products
- C) Eligibility of demurrage costs for international sea shipment
- D) Alignments of donors in terms of competition process threshold
- E) Alignment of donors in terms of audit practices
- F) Eligibility up to end of liquidation period for medical & nutrition item allowing longer shelf-life
- G) Alignment of donors in terms of sustainability requirements
- H) Limitation of the international call for tender procedure
- I) Alignment of donors on authorising provision of digital copies during audits for procurement files
- J) Limiting the suppliers' vetting to significant value markets
- K) Stability of donor rules
- L) Alignment of rules amongst UN agencies on procurement for implementing partners

⁷¹ The full survey questions can be provided upon request

⁷² IAPG members meet twice a year in person, at least four time virtually and hold regular discussions via Teams or emails exchanges.

GLOBAL STATEMENTS' RANKING



GRADING OF THE STATEMENTS AMONGST EACH OTHER – SUM OF “NOT RELEVANT AT ALL” AND “NOT RELEVANT”

Statement		Nb of ranking “Not relevant at all” and “Not relevant”
A	Recognition of Humanitarian Procurement Centre as a sole source procurement by other donors than ECHO (Would allow INGO to buy from HPC without having to include waivers if costs are allocated to other donors than ECHO)	7
C	Eligibility of demurrage costs for international sea shipment (would enable more use of sea shipment vs air shipment)	7
F	Eligibility up to end of liquidation period for medical and nutrition items to allow longer shelf-life	7
H	Limitation of the international call for tender procedure - Rarely successful, generating additional analysis work during tender evaluation & awarding, potentially diverting revenues from local suppliers	7
J	Limiting the suppliers' vetting to significant value markets (higher than 10 000€)	6
D	Alignments of donors in terms of competition process threshold (increase of lower threshold donors to align with major donors threshold)	5
E	Alignment of donors in terms of audit practices (pre / during / post grant)	4

K	Stability of donor rules - Changing rules are restraining procurement teams to use previously concluded framework agreements	4
L	Alignment of rules amongst UN agencies on procurement for implementing partners	4
G	Alignment of donors in terms of sustainability requirements	2
I	Alignment of donors in terms of authorising the supply of digital copies provision during audits for the procurement files	2
B	Eligibility of costs for prepositioned products (Shipment between supplier's warehouse & storing warehouse, storage costs etc) - Would authorize small & middle-sized NGO to include stock prepositioning as part of their supply chain strategy	0

GRADING OF THE STATEMENTS AMONGST EACH OTHER – SUM OF “THE MOST RELEVANT” AND “REALLY RELEVANT”

	Statement	Nb of ranking “The most relevant” and “Really relevant”
B	Eligibility of costs for prepositioned products (Shipment between supplier's warehouse & storing warehouse, storage costs etc) - Would authorize small & middle-sized NGO to include stock prepositioning as part of their supply chain strategy	22
I	Alignment of donors in terms of authorising the supply of digital copies provision during audits for the procurement files	20
D	Alignments of donors in terms of competition process threshold (increase of lower threshold donors to align with major donors' threshold)	19
E	Alignment of donors in terms of audit practices (pre / during / post grant)	19
L	Alignment of rules amongst UN agencies on procurement for implementing partners	19
G	Alignment of donors in terms of sustainability requirements	16
H	Limitation of the international call for tender procedure - Rarely successful, generating additional analysis work during tender evaluation & awarding, potentially diverting revenues from local suppliers	16
K	Stability of donor rules - Changing rules are restraining procurement teams to use previously concluded framework agreements	16

F	Eligibility up to end of liquidation period for medical and nutrition items to allow longer shelf-life	15
J	Limiting the suppliers' vetting to significant value markets (higher than 10 000€)	13
A	Recognition of Humanitarian Procurement Centre as a sole source procurement by other donors than ECHO (Would allow INGO to buy from HPC without having to include waivers if costs are allocated to other donors than ECHO)	12
C	Eligibility of demurrage costs for international sea shipment (would enable more use of sea shipment vs air shipment)	9

CONSIDERATIONS ON STATEMENTS NOT STUDIED IN THE PAPER

Elements on demurrage costs

Demurrage costs are penalties incurred when sea containers remain at a port or terminal beyond the allotted free time. HOs do everything in their power to release cargo from port custody and avoid these costs. However, it can happen that import stages outside their control take longer than expected. As a result, while sea shipment is typically more cost-effective, HOs are deterred from using it as subject to these charges without the potentiality to charge it as operational costs on donors' grants. On the contrary, airfreight isn't exposed to demurrage costs but comes with a much higher environmental cost.

The limited interest in the Survey for this proposition can be explained by the important share local procurement represents for most of the respondents. However, such an exclusion could divert potential sea shipment towards air shipment as it allows greater flexibility in Supply Chain operations. Ineligibility of costs might discourage HO's of using sea shipment while it is documented as less impacting in terms of environmental sustainability⁷³. This rule doesn't seem in line with its time.

Elements on suppliers' vetting

As of the limitation of suppliers' vetting for significant market, this statement is focusing on a step of procurement process where, before entering in a contact with a supplier, HO's must ensure these suppliers are not part of terrorism financing or money laundering activities. To do so, HO's are checking on platforms whether this company is present on sanctions lists prepared by international

⁷³ See for a recent illustration WREC Final report, Measuring the greenhouse gas emissions and waste of humanitarian supply chain, <https://logcluster.org/en/document/wrecklu-research-measuring-greenhouse-gas-emissions-and-waste-humanitarian-supply-chains> "Additionally, while air transport offers reduced response time, it comes with a big environmental price tag. In other words, when possible, HO's should opt for international distribution by sea, which may require additional planning".

stakeholders⁷⁴. IAPG members are handling this check at different stages of the procurement process and generally checking regularly⁷⁵.

In addition to the repetitive aspect of this task, another aspect to be mentioned is the level above which the checks must be done: to have a higher threshold is not seen as a priority to improve efficiency. However, while humanitarian procurement teams handle several billion a year, the effort requested to vet suppliers from the first euro as expected by some institutional donors seems really a high tribute to compliance. This request to vet ahead of the expense may end up, for example, in situations where even the roadside supplier fixing a tyre for five euros should be screened. All HOs have a duty not to finance money laundering and terrorist activities. The reality of humanitarian operation demands understanding from policy writers. The binary and extreme consequence of non-adherence to this expectation from donors is having a powerful impact on IAPG members operation

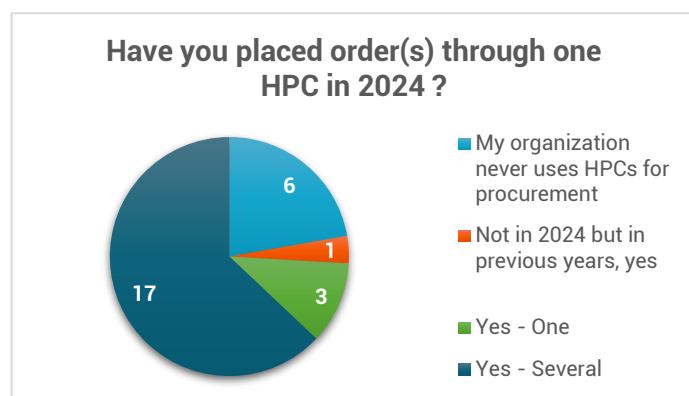
As a sector, many actors are vetting the exact same suppliers repeatedly. The Survey respondents mentioned several times this step as a redundant and not value-adding step. While we recognize the principle of vetting, the added value of screening the same suppliers is difficult to justify. At a time where the sector is seeking efficiency, there is room for improvement in that domain.

Elements on Humanitarian Procurement Centres (HPC) ⁷⁶

This mechanism set up by DG-ECHO is identified by the sector as a mean to get better efficiency: it was mentioned ten years ago⁷⁷ and is still considered as an enabler⁷⁸. It could be thought that the low ranking is linked to a lack of awareness through the community. As only one respondent to the Survey didn't know about HPC, and orders were placed recently, reason of the low ranking must be sought somewhere else. In addition, we can say that there is in general an attachment to this mechanism.

However, the cumulative amount of orders committed by respondents is around 29 million euros only in 2023⁷⁹.

Of the 29 million HPC market share, 6 respondents alone ordered 26 million euros. This underlines the fact that the use of HPC is targeted through some NGOs procurement strategies, for specific procurement cases, mostly pharmaceutical purchases as several HPC happen to be part of ECHO prequalified pharmaceuticals suppliers.



⁷⁴ There are sanctions lists published by international organisations such as the United Nations or the European Union, by countries, such as the United States or the United Kingdom. This list is non exhaustive. Depending on institutional donors, HOs are requesting to check against specific lists.

⁷⁵ Out of 27 respondents, 8 screen suppliers before entering them in their databases, 11 after receiving bids but before awarding the consultation, 5 after awarding but before contract signature. Most of the members have automated re-vetting systems in place.

⁷⁶ <https://www.dgecho-partners-helpdesk.eu/ngo/actions-implementation/procurement/humanitarian-procurement-centres-hpcs>

⁷⁷ Lacourt & Radosta (2019), op. cit.

⁷⁸ Humanitarian Leadership Group on Supply Chain - Meeting organised by the European Commission/DG-ECHO - 4 December 2024 – Conclusions

⁷⁹ If we consider 60% of annual turnaround managed by procurement, HPC amount for 2023 is less than 0,5% of global procurement spent of IAPG members.

Some comments provided by the respondents are worth being quoted. The lack of responsiveness and competitiveness of HPC is mentioned several times, as well as the fact that receiving reliable lead-time information at quotation stage is difficult.

Looking at HPC from a global perspective, the key element in favour of using this mechanism is that an NGO, when funded by DG-ECHO, can apply a negotiated procedure with a single offer when procuring from an HPC. It means, in concrete, that the NGO can skip the competitive process as it would be conducted ahead by the HPC, on behalf of the NGO. It is however only valid for procurement in relation to DG-ECHO programs. Should an NGO wish to rely on a sole source procurement through an HPC for another donor, a dedicated waiver request would need to be placed with the donor. This is clerical work that hampers deeply the efficiency of the mechanism. Additionally, some IAPG members raised practical propositions for improving and promoting the procurement services provided by HPCs and mentioned the creation of a joint HPCs catalogue and discussed over potential advantages of a unique platform where to obtain quotes from all the HPCs at once.

While HPCs remains a strong asset, they did not evolve much in the recent years and their role could be enhanced, with spill-over positive effect in delivering efficiencies benefiting wider Humanitarian sector.

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