

Explainer: Humanitarian Supply Chain

These summaries highlight key points from sector reports, with a focus on funding and core issues facing NGOs. They aim to help EU-CORD members stay informed and improve their practices. For full context and details, we encourage you to read the original reports.

Purpose of this Explainer

The purpose of this note is to clarify why humanitarian supply chains have become a strategic reform priority, what the proposed changes mean for the sector, and what is at stake for NGOs. It also summarises emerging risks that EU-CORD members should monitor and be prepared to address collectively.

The Draft Conclusions referred to here are the proposed political and strategic outcomes of the European Commission's High-Level Conference on Supply Chain. They outline a shared vision for transforming humanitarian supply chains, priority areas for reform (including joint procurement, digital interoperability, sustainability, preparedness, and localisation), and the follow-up process that will guide cross-sector work through 2026. While not legally binding, once endorsed they will shape donor expectations, influence future funding frameworks, and provide the reference point for understanding and implementing humanitarian supply chain reform across the system.

Why is Supply Chain Suddenly a System-Level and Political Priority?

The Humanitarian Leadership Group on Supply Chain (HLG-SC), convened by the European Commission in 2024, brings together donors, UN agencies, NGOs, and private-sector actors to address perceived inefficiencies and fragmentation across humanitarian logistics. Although supply chains sound technical, the debate has moved into geopolitical and ideological territory, becoming an arena for wider struggles over the future shape of the humanitarian system.

Several converging pressures have brought supply chain reform to the centre of political attention:

1. Scale of expenditure

An estimated 60–80% of humanitarian funding passes through supply chains, making logistics the largest controllable cost centre in humanitarian operations.

For political leaders, this translates into:

- *reforming supply chains = demonstrating fiscal responsibility*

- *joint procurement = visible, quantifiable savings*
- *centralised systems = stronger donor oversight*

HULO research showing 13% average savings through joint procurement has further increased donor interest.

2. Europe's desire for strategic influence

European governments — notably France under President Macron — see supply chain reform as a mechanism to:

- strengthen Europe's leadership in the humanitarian system
- reduce fragmentation across humanitarian actors
- ensure European standards (digital, environmental, procurement) shape global practice
- increase strategic autonomy vis-à-vis major UN agencies and non-European donors

For this reason, the supply chain agenda is not just operational; it has become a component of European foreign policy, multilateral reform, and strategic positioning.

3. Oversight, accountability, and domestic political pressures

Donors want:

- clearer visibility of funding flows
- stronger monitoring of implementing partners
- reduced financial and reputational risk
- demonstrable “value for money” to domestic constituencies

Supply chain systems — especially digital platforms — offer a way to achieve that.

4. Fragmentation and duplication

The current humanitarian model relies on hundreds of parallel procurement processes, divergent standards, and non-interoperable digital tools. Donors argue this slows delivery, increases costs, and makes coordination difficult.

5. Environmental and digital mandates

The European Green Deal and EU Digital Strategy require DG ECHO to integrate environmental sustainability and digital interoperability into humanitarian practice. Supply chains are now seen as the key entry point.

6. Localisation pressures

Donors increasingly commit to shifting leadership and resources to local actors. Without changes to supply chains, localisation ambitions will remain rhetorical.

Together, these political, economic, and operational pressures make supply chain reform a highly attractive — and visible — agenda for European governments.

What Is at Stake for the Humanitarian System?

The Draft Conclusions make clear that this is not merely a logistics or procurement exercise. It is a strategic re-definition of how the humanitarian system will function in the future.

At stake are:

1. Who controls humanitarian delivery

Moves toward shared procurement, UN-managed or private-sector supply chain services, and central digital platforms could shift power and operational decision-making away from NGOs.

2. How programmes are designed

If supply chain becomes the organising logic of humanitarian action, programme design may become more standardised, less flexible, and more donor-driven.

3. Who is included – and who is excluded

Digital, procurement, and compliance standards may unintentionally favour large NGOs, UN agencies, and private companies, while marginalising smaller organisations and local partners.

4. The future of localisation

There is significant tension between global standardisation and locally led, context-driven supply solutions. Poorly designed reforms could undermine local markets and national systems.

5. Plurality and diversity of actors

The humanitarian system relies on a diversity of actors. Consolidation of supply chain functions risks weakening this plurality, reducing innovation and responsiveness.

What the Reform Agenda Proposes

The Draft Conclusions outline a vision for a “coherent, collaborative supply chain network” built on:

- joint procurement and shared services
- mutual recognition of standards
- shared data platforms and open digital architectures
- predictive analytics and anticipatory planning
- environmentally sustainable operations
- integration with national and local systems

Workstreams cover: procurement, digitalisation, environmental sustainability, preparedness, and localisation.

A [Supply Chain Charter of Principles](#) is planned for 2026 to codify shared commitments and expectations across the system.

What This Means for NGOs

Opportunities

- Potential simplification and alignment of donor procurement rules.

- Recognition of the value of diverse supply chain models.
- A chance to influence the Charter of Principles in favour of NGO needs.
- Strong localisation language that NGOs can use to hold donors accountable.
- Increased investment in logistics preparedness and national infrastructure.

However, realising these opportunities requires active engagement from NGOs throughout 2025–2026.

Key Risks for NGOs

1. Loss of operational autonomy

Some proposals suggested that NGOs could outsource entire supply chains to WFP or private logistics providers. This would:

- reduce NGOs' control over programme design
- weaken internal logistics capacity
- create dependence on external actors

2. Donor conditionality on joint procurement

Although framed as voluntary, joint procurement may become:

- a default expectation, or
- a condition for certain funding streams

This would be difficult for many NGO delivery models.

3. Increased compliance burdens

New expectations include:

- emissions measurement
- sustainability criteria for suppliers
- digital interoperability requirements
- data-sharing through common platforms

These are likely to challenge mid-sized NGOs in particular.

4. Marginalisation of smaller NGOs and local partners

Complex procurement and digital systems may exclude:

- smaller NGOs lacking specialist capacity
- local suppliers who cannot meet centralised standards
- local NGOs forced into disproportionate compliance roles

5. Tension with localisation commitments

Standardisation and global contracts could undermine local purchasing and reduce flexibility, thereby weakening local markets.

6. Overemphasis on supply chain within humanitarian identity

Framing the supply chain as the “humanitarian lifeline” risks marginalising:

- protection

- psychosocial support
- advocacy
- cash-based responses

7. Risk of centralisation under large actors

UN agencies, major INGOs, or multinational logistics firms may dominate emerging systems unless plurality is protected.

What EU-CORD Members Should Watch in 2026

The **VOICE network** will pick up the supply-chain agenda in its 2026 workplan. Key issues include:

- Whether the Supply Chain Charter protects plurality or drives centralisation.
- How DG ECHO operationalises joint procurement in funding decisions.
- Whether digital standards remain accessible and proportionate.
- How localisation is balanced against global procurement systems.
- Whether donor harmonisation simplifies or complicates NGO compliance.

Members should also be aware that:

- 2025–2026 is the window for influence.
- **Supply chain expectations will affect future funding eligibility.**
- Investments in logistics, digital tools, and environmental reporting will become increasingly important.
- A collective EU-CORD position will strengthen NGO influence.