



ANNUAL IMPACT REPORT

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Report written by:

- Edith Fortier, Coordinating Author
- Paul Machado, BAR Coordinator

With the participation of:

- Jean-Baptiste Lamarche, Executive Director
- Havva Okur, Data & Reporting Manager



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Executive Summary

Hulo, the Humanitarian Logistics Cooperative, officially came into existence in June 2021. It is composed of 13 humanitarian organisations who share a strong belief that logistics is strategic for more impactful aid, particularly when it is data-driven and based on the principles of solidarity and digitalisation.

Born out of a conviction that it was possible to do better - better than the usual silo work and costly duplication of efforts - hulo was quick to operationalize an innovative idea.

Since then, hulo has established itself in **6 countries** and is implementing Joint Initiatives focusing on procurement, transport, human resources, and environmental sustainability. **Globally**, hulo is also active with the European Union Humanitarian Air Bridge (EUHAB) facilitation for over **35 organisations** and the development of **Digital Solutions**, which will be integrated into the next Impact Report.

Hulo's flagship initiative is however the Joint Procurement Initiative, which pools the needs of aid organizations to obtain financial savings.

As of December 31st, 2023, **7 Joint Procurement Initiatives (JPIs)** were operational in Burkina Faso, the Central African Republic (CAR), and the Democratic Republic of the Congo (DRC) - with 4 being actively used and 3 awaiting orders - encompassing the participation of **17 humanitarian organisations**, including 9 hulo members.

The results obtained to date demonstrate **15% financial savings** along with a **general increase in the quality of purchasing processes and items**. In addition, they present an opportunity to build a new type of relationship with suppliers, with hulo representing a neutral and professional intermediary, thus acting as a **barrier against any potential excesses**.

Hulo also includes environmental selection criteria and prioritises local procurement, thus reducing aid's **environmental impact** and supporting the **localisation** agenda.

While operations are gaining momentum in Lebanon, Jordan (Syrian Crisis), and Colombia, the **validity of the hulo approach is being confirmed**. The only downside remains in the somewhat lower-than-expected number of purchase orders needed to confirm the savings trends.

This may be due to a misunderstanding about the nature of mutualisation, with field teams expecting hulo to act as a service provider, when it is in fact aiming to build a new type of organisation, a **Humanitarian with Humanitarian model**, based on solidarity and transparency.

The humanitarian community is moving towards "new ways of working across organisations", but also faces of **risk of "sharing washing"** by organisations merely grouping purchases, without the collegial approach and dedication to quality.

The next step for hulo in 2024 will be to anchor its approach in the 6 current countries and the planned new country. With a further 8 JPIs in preparation and the development of a **Joint Initiatives Toolkit**, hulo is optimistic it can continue demonstrating the clear and positive impact of its approach

The initial impetus for the creation of hulo was **the urgent need and duty to do more with less**, to respond to ever-growing humanitarian needs in a smarter, innovative way, based on solidarity. This is now truer than ever. Hulo's Joint Initiatives are helping to accelerate the change in mentality needed to respond to this humanitarian imperative and is counting on the humanitarian logistics community **to adopt these new ways of working** and integrate them into internal procedures, so that they become a new standard in humanitarian logistics.

**“Build a new type
of organisation,
a Humanitarian
with Humanitarian
model.”**



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Glossary

ACRONYM	DEFINITION
4PL	Logistic Providers type 4 (Service Provider)
BAR	“Business Analytics & Research” Department
CAR	Central African Republic
CFT	Call for Tenders
CHORD	Center for Humanitarian Logistics and Regional Development
CLSP	Commercial Logistics Service Provider
CSR	Corporate Social Responsibility
DRC	Democratic Republic of the Congo
GEC	Global Engagement Committee
HO	Humanitarian Organisation
HLSP	Humanitarian Logistics Service Provider
HwH	Humanitarian with Humanitarian
H2H	Humanitarian to Humanitarian
JEI	Joint Environmental Initiative
JHRI	Joint Human Resources Initiative
JPI	Joint Procurement Initiative
JTI	Joint Transport Initiative
KLU	Kühne Logistics University
NGO	Non Governmental Organisation
PIMF	Performance and Impact Monitoring Framework
SCE	European Cooperative Society
SR	Shared Resources

Introduction

The Humanitarian Logistics Cooperative¹ was officially launched in June 2021, following the work of the informal group of humanitarian logistics directors launched in 2014 called the “Réseau Logistique Humanitaire” (RLH). Hulo now brings together 13 humanitarian organisations (December 2023) dedicated to increasing the impact of humanitarian aid by strengthening connections and solidarity between humanitarian logistics actors and improving performances via the pooling of logistics and supply chain resources and expertise.

In 2023, hulo was present in 6 countries and at the global level, with a wide range of services, from the Joint Initiatives Package to Digital Solutions (“Shared Resources”, “LINK”, “Transports by hulo”), and facilitated a variety of Joint Transports Initiatives in partnership with humanitarian and logistics stakeholders (EUHAB, Airbus Foundation).

Since its creation, hulo has been committed to objectively demonstrating the impact of its approach, and to ensuring that operational choices are, as much as possible, data-driven. This led, first to the creation of the “Business Analytics & Research” Department (BAR), followed by the drafting of the “Performance and Impact Measurement Framework” (PIMF)² in December 2022.



Figure 1
Hulo Members in 2023



The BAR's mission is to provide:

- **Data analysis to guide decision-making:** *selection of intervention countries, market and supplier selection, etc.*
- **Data analysis relevant to hulo and its members:** *logistics, economic, humanitarian trends, etc.*
- Performance monitoring and evaluation (**M&E**).
- Support **research initiatives** related to mutualization, humanitarian supply chains, business analytics, etc.
- **Impact measurement** of the hulo approach.

The PIMF outlines the aspects of humanitarian logistics on which hulo believes it can have a positive and significant impact. It is hulo's belief that increased efficiency can improve the response to ever-growing humanitarian needs, in a world of increasingly limited resources.

¹Better known as “hulo” and pronounced “Hugh-low”.


²The PIMF is available upon requested. It was supported by [CHORD](#)

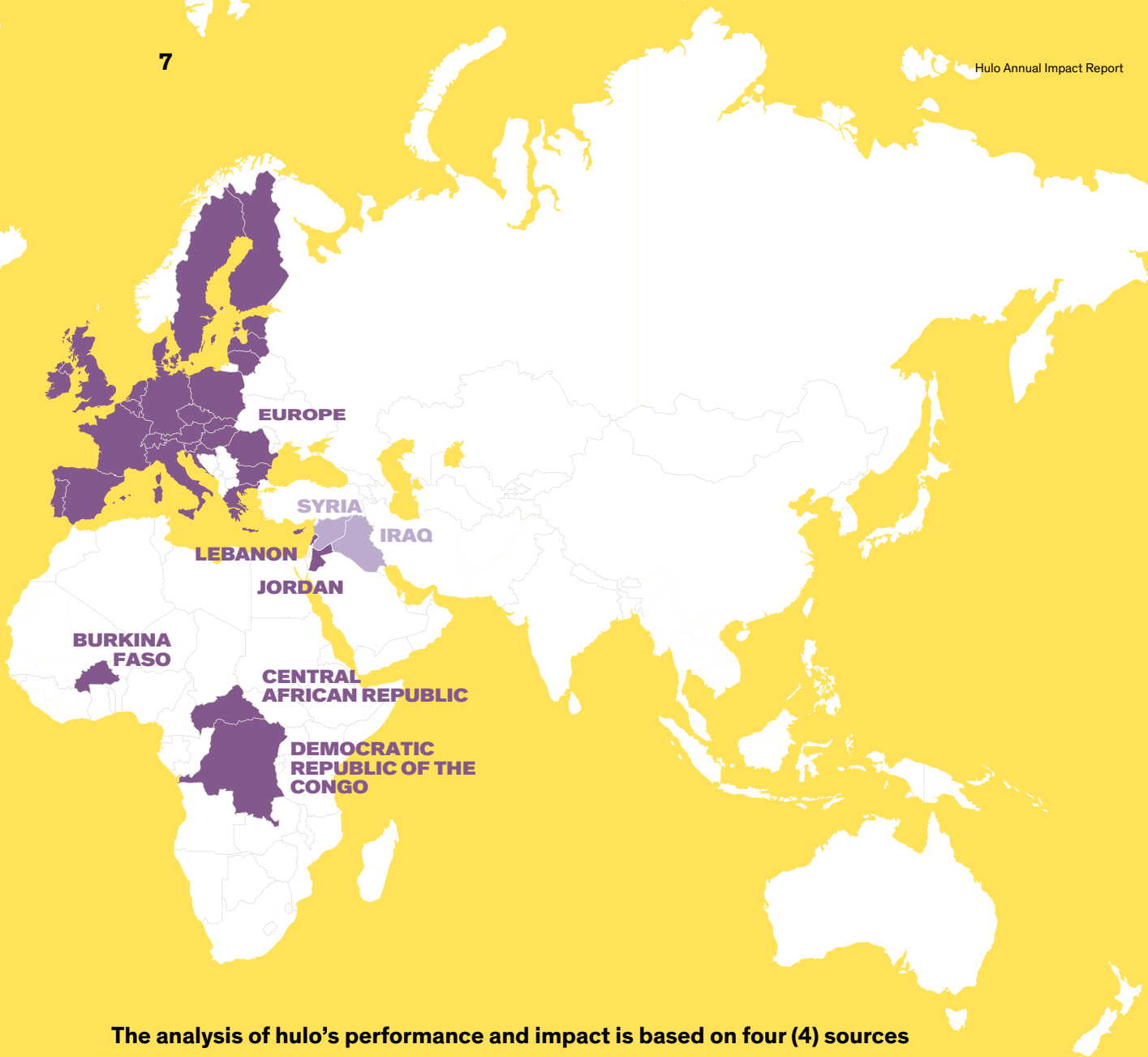


Where We Work

The aim of this first Annual Impact Report (AIR) is therefore to provide an overview of hulo's impact over the course of its first full year of field presence. Data was collected throughout 2023 and during **3 internal annual evaluation visits** in **Burkina Faso (May 2023)**, the **Central African Republic (CAR, August 2023)**, and the **Democratic Republic of the Congo (DRC, December 2023)**³. Since the Lebanon, Jordan (Syrian Crisis), and Colombia offices were only launched in April, July, and December 2023 respectively, the evaluation missions will only take place in 2024⁴.

In total, interviews were conducted with **24 participants** (including members) and **16 suppliers** (selected and not-selected for JPIs). Additionally, throughout the year, **208,158 purchase lines were analysed**⁵ – representing **approximately €300 million of supply expenses** – to gain insight into supply trends and guide JPI market selections.

-  Current countries of intervention
-  Countries supported from Jordan



The analysis of hulo’s performance and impact is based on four (4) sources of information (Figure 2, below):

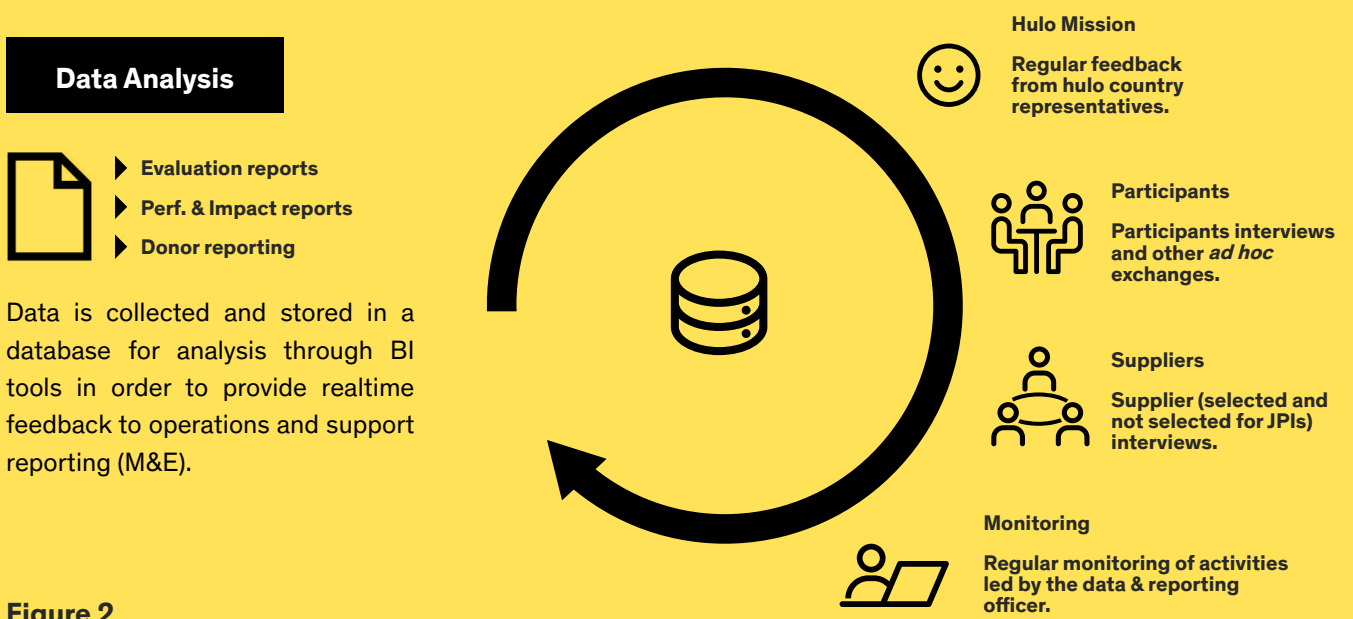


Figure 2
Hulo Performance and Impact

³ The DRC evaluation took place remotely due to difficulties in obtaining visas, ahead of the December national election.

⁴ Burkina Faso started in February 2022, CAR started remotely in July 2022 (office opened in the following September, and DRC started in October of 2022).

⁵ Burkina Faso, CAR, DRC, Lebanon, and the Syrian Crisis.

The data analysis phase is particularly time-consuming, given the continuous use of spreadsheets by most participants, and the quality of said files, when they exist and are shared. Approximately 25% of the requested data was delivered and met the necessary quality criteria. Even before finalising the first JPI, it was clear that a digital humanitarian supply chain management solution like **LINK** was not only relevant, but essential to transparent, reliable and efficient supply chain management.

What is LINK ?

LINK is a supply chain management software built by humanitarians, with and for humanitarians. Initially developed by Action Against Hunger, a hulo founding member, it was soon adopted by 2 more international NGOs. It is used in 100 projects in 57 countries by 5,700 users, 90% of which are field-based.

The LINK catalogue currently has more than 4000 references.

LINK enables humanitarian organisations to streamline their supply chains and generate data that can lead to more strategic and efficient management.

A new version of LINK is currently being developed to accommodate new organisations and provide more features, including improved portability and customisation, as well as easier integration with data analysis tools.

[Please visit our website for more information:](#)

208,000

purchase lines were analysed

Representing approximately 300 million € - to guide JPI market selection.

Hulo's experts have been able to partly fill the quality-data gap to provide valuable information to participating organisations and help them make informed and more efficient procurement decisions. However, to make this process more time-efficient, hulo is working on solutions to streamline accounting data-cleaning and analysis in the future by developing partnerships to integrate **machine learning** and, eventually, **artificial intelligence** into its analytical tools. This will accelerate the JPI process and give more leeway for other types of analysis.

The hulo Annual Impact Report therefore focuses on these first JPIs, demonstrating the qualitative and financial gains achieved, the increased accountability of the hulo JPI process, and how humanitarian organisations are rising to the challenge of these new ways of working. An overview of all PIMF indicators is also available in Appendix I.

The hulo Paradigm Shift

The hulo approach is based on a central principle: increasing the efficiency of humanitarian aid through the optimization of logistics via Joint Initiatives. The flagship hulo initiative is undoubtedly the Joint Procurement Initiative, on which hulo especially focused its efforts in 2023. JPIs pool the needs of as many local and international humanitarian organisations as possible to achieve significant financial savings, based on the concepts of economies of scale and solidarity. The JPI acts as a joint market assessment, selecting suppliers that members and participants contract individually. Hulo had also hypothesized that qualitative gains could be achieved through pooled purchasing. The first JPIs have enabled hulo to better define the nature of these gains.

As of December 31st, 2023, there were **4 operational JPIs** with a total of **63 purchase orders** submitted by **7 participants, including 4 members**. In other words, market evaluations were carried out in full for 4 markets, with final suppliers selected and made available to the cooperative's participants, who placed 63 orders.

Three (3) additional JPIs were operationalised in December and are ready-to-use, with orders expected in January. A further 8 JPIs are currently being developed for 2024. Table 1, below, details the 15 current JPIs.

Hulo Members & Participants

Hulo **members** are organisations which have purchased shares in the cooperative (SCE), vote at the General Assembly, and take part in its governance. Members share a willingness to institutionalise mutualisation. A requirement for becoming a member is the sharing of purchasing accounting data to contribute to trend analysis and guide country and JPI selection.

Participants are aid organisations, local and international, present in the countries where hulo undertakes Joint Initiatives, which include JPIs. Participating in a JPI is currently free of charge as it is supported by donors. Participants can also take advantage of the JPI after it is finalised, as JPIs are open to the wider humanitarian community.



Impact Analysis

Country	Market	Status	Nb Participants	Global market estimation by participant
BF	RRM Kit	Ready to use	9	2 200 000 €
BF	Infant Flour	Ready to use	9	700 000 €
BF	School Furniture	Under construction	4	250 000 €
BF	ICT Hardware	Under construction	14	1 300 000 €
BF	Printing	Under construction	15	1 400 000 €
CAR	Printing	Ready to use	5	615 000 €
CAR	Construction Material	Ready to use	5	800 000 €
CAR	Stationery	Under construction	12	400 000 €
CAR	School Kits	Ready to use	1	290 000 €
CAR	Hygiene Kit	Under construction	10	250 000 €
CAR	WaSH Plumbing	Under construction	5	300 000 €
CAR	CASH Transfer	Under construction	14	tbd
DRC	Internet Service Provider	Ready to use	5	400 000 €
DRC	Printing	Under construction	6	1 500 000 €
DRC	Trainer ICT (BioForce)	Ready to use	9	11 000 €
			Total	10 416 000 €

Table 1: Operational and Under Construction JPIs

This report only analyses JPIs for which purchase orders were available to calculate financial savings. The conclusions from this report are therefore to be nuanced. Hulo estimates that approximately 300 purchase orders are needed to confirm the financial savings trends. The more JPIs are completed - and the more orders are placed - the more robust the analysis will be.

A significant number of purchase orders would also confirm the adoption of Joint Procurement by members and participants. This first impact report therefore provides an opportunity to reflect upon accountability, risk management, and the change in organisational culture the hulo approach is provoking within the humanitarian community.

Nonetheless, the 4 JPIs analysed already demonstrate confirmed financial savings and significant qualitative improvements due to the joint approach. These elements are presented in the following section.



Helicopter operation with Airbus Foundation in Burkina Faso, September 2023. Photo: hulo

Confirmed Benefits

Based on participants' orders, **overall average savings of 15.03%**⁶ were observed for the first operational JPIs (Table 2, below.) **exceeding the original assumption** of 6.6%.

This is due to the massification of participants' requests and the "group effect" as a negotiating lever. The pooling of requests increases the attractiveness to suppliers who drastically rationalise their tender management costs. Suppliers have indeed confirmed economies of scale (fewer files to submit, saving time and money), lowering the barriers to entry for submitting a tender.

Country	Market	Nb Purchase Orders	Ordered	% Savings	Proved savings
BF	RRM Kit	33	452 611 €	17,08%	93 200 €
BF	Inflant Flour	9	94 758 €	4,00%	3 947 €
CAR	Construction Material	13	28 549 €	15,88%	5 390 €
CAR	Printing	8	3 578 €	-1,88%	-66 €
Sum and percentage			579 496 €	15,03%	102 471 €

Table 2: Finalised JPIs with Purchase Orders

+15,03%

Average Overall Savings from JPIs

When JPIs encompass several items (e.g. RRM Kits), certain items frequently increase in price due to an increase in quality. Indeed, the collegial management of JPIs often leads to raising the standard of the procured goods and prioritising quality, as participants share their technical expertise. This represents a **definite advantage for beneficiaries**.

Hulo procurement intelligence also ensures that participants save considerably more on the more strategic items, which therefore entirely offset - and surpass - any price increase due to a higher standard of product.

Following data analysis establishing negotiation strategies and prioritising items with high savings margins, the **average cumulative financial savings** is therefore higher than per item savings, estimated at 10%. Total savings realised by JPI participants are in the order of €102,470 on all recorded purchases, for a total of €579,476.

⁶ Savings are calculated on baseline prices given by participants; this indicator is updated with each order placed by participants; it can be calculated for all markets or per market.

Procurement Intelligence

Hulo defines Procurement Intelligence as the strategic management of calls for tenders. It designates a process that encompasses the collection, analysis, and use of relevant data to build an informed negotiation strategy towards suppliers, in favor of participants.

Hulo also systematically uses the so-called Pareto Analysis to focus on items with the highest added value. Data analysis identifies the 80% of expenditures generated by 20% of observed items. This analysis enables logisticians to compare their intuitions with reality, and to base decisions on clear facts.

This approach aims to optimise the tender workload by focusing on the most relevant items or services, relying on baseline prices shared by participants, generating financial savings for participants, mitigating risk, and strengthening overall supply chain performance.

Hulo is confident that the now 7 operational JPIs and 8 upcoming JPIs will be able to generate the necessary purchase orders in 2024 to yield a more comprehensive analysis. This means that the amount of financial savings should continue to increase, while the proportion of savings (%) will fluctuate - and probably reduce - since it is based on each organisation's baseline prices. Hulo expects **savings to stabilize at about 7%**, with the "low-hanging fruit" markets being targeted first and bringing in bigger savings than other markets in the long term.

An important feature of JPIs is that they focus on **local procurement**, working with local suppliers to support local and regional markets rather than relying on international purchasing. **Environmental selection criteria** are also integrated into the JPI process, and environmentally friendly products are prioritized. This limits the environmental impact of aid by limiting air freight and builds resilience into local markets.

Through the selection process, hulo encourages sustainability and social responsibility (CSR) in suppliers. Hulo works to gain greater insight



Helicopter operation with Airbus Foundation in Burkina Faso, February 2024.
Photo: Faso Aircraft Service

into local market dynamics and acts as bridge between suppliers and the aid community. Hulo also encourages local organisations to participate in Joint Initiatives. Supporting stronger local markets thus contributes to the **localisation agenda** and increased emergency preparedness.

Hulo is based on the conviction that financial savings can be achieved through joint procurement, that the aid response can improve through shared expertise, and that greener and more local aid is possible, to the benefit of affected populations. Throughout 2023, hulo has come to understand that Joint Initiatives can also address accountability.

CAR Printing JPI

“Negative savings” refer to an increase in the price of the item compared to the baseline value provided by the participant. In this situation, the reference value was based on a rudimentary street copying service, whereas the new suppliers, chosen through the JPI, offer better quality printing, paper, and service (possibility to send documents by e-mail and/or having them delivered). So far, eight (8) orders have been recorded, and the negative savings are limited to €66. It is likely that future purchases will show a decrease in this trend (i.e. positive savings).

Increased Accountability

Challenges related to data quality and availability demonstrate the sometimes-opaque nature of humanitarian procurement. A key effect of the JPI process has been highlighting price disparities between participants, with the goal of better understanding - and hopefully reduce - them.

The collegial management of the JPIs has made it possible, firstly, to become aware of the extent of the disparities present in a context, and secondly, to start questioning the causes of these disparities. Indeed, when participants' baseline prices were collected, significant differences in unit prices for the same items were found between different organisations.

Baseline prices tend to vary among organisations. This can be due to individual negotiation capacity,

incorrect reference values (data quality), or linked to recent **inflation** not being considered. Hulo works with an assumption that a 20% baseline price variation is acceptable. These variations, however, lead to the fact that some participants will inevitably save more than others.

Hulo analysed the **baseline price variation**⁷ of the 178 articles with a baseline value from at least two different participants of the 4 operational JPIs with registered Purchase Orders (Figure 4, below). Average unit prices provided by participants from articles that are technically very different from the ones selected in the JPI were not included in the analysis.

⁷The “relative percent range” in technical terms.

+60%

The estimated global baseline price variation observed, which hulo considers to be significant.

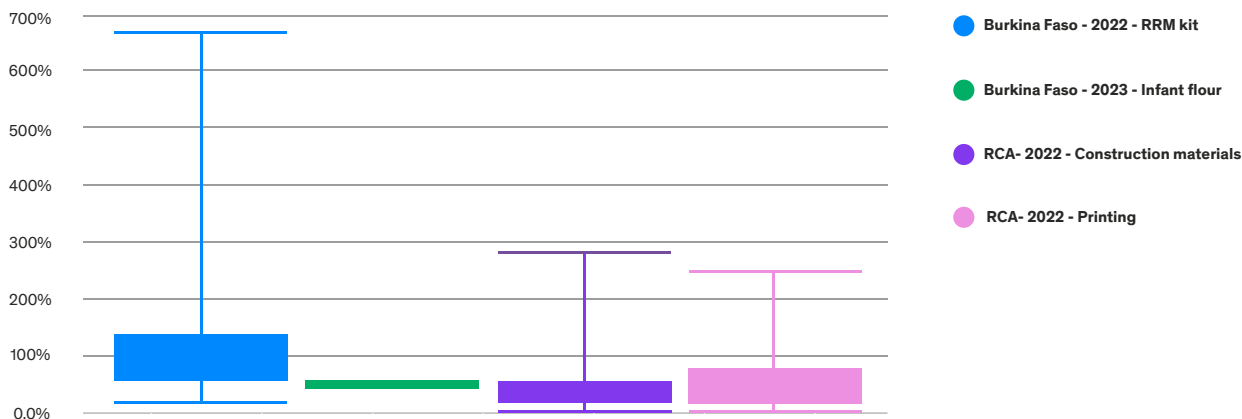


Figure 3 – Overall Baseline Price Variation

The 178 articles were then classified into 3 groups based the scale of their unit price.

Item Value Groups	Baseline Price Variation per Group
Group A: 29 articles with a unit price equal or over to approx. 15€	36%
Group B: 59 articles with a unit price between approximately 4€ and 14,99€	58%
Group C: 90 articles with a unit price less than 4€	68%

Table 3 - Baseline Price Variation per Price Category

Without judging the work of practitioners in the field and knowing that hulo Country Coordinators are checking the quality coherence among items, a wide range of average unit prices is unequivocally observed among participants. Hulo cannot rationalise baseline unit price drivers that could justify such a wide range among participants.

This variation may explain why several suppliers (8 out of 12 interviewed) pointed out how the hulo approach to supervising calls for tenders between participants - requiring **transparency of prices and purchasing conditions for all** - was perceived as a key element to manage risk. The collegial JPI approach requires consensus and a high level of evidence to allow higher prices, the selection of one supplier over another, or a change in

the quality or type of goods requested. These are key moments when fraud and abuse can take place.

The JPI process reduces the risk of fraud committed by suppliers towards customers, as well as the potential for power abuse by employees of participating organisations towards suppliers.

Together, these elements may help explain the limited number of orders seen so far. By separating the tender - centralised by hulo - and the actual purchasing - undertaken by individual participants - the hulo approach has the potential **to limit the risks of fraud and corruption**. This could give an even deeper meaning to the “new ways of working” hulo is advocating for.

New Ways of Working

It would be easy to forget that hulo is still in the early stages of its development and that shifts in attitudes and practices are always fraught with resistance. Change takes time.

At field level, internal evaluations highlighted some of the obstacles to change, both in attitudes and in project governance.

Some logisticians have perceived the hulo approach as being imposed by their head office logistics department and find it difficult to allocate the time and scarce resources needed to successfully manage pooling projects. Conversely, some members felt slowed down by their HQs, who did not know how to integrate Joint Initiatives into their internal procedures.

Hulo has heard its participants and is **developing a JPI Toolkit** for its members and participants with clear, donor-validated procedures to simplify Joint Initiatives.

New ways of working imply seeing logistics as strategic in optimizing limited resources and require HOs working together through pooling and mutualisation to increase the impact of aid. Local Engagement Committees – the local hulo governance structures – now include key decision makers (i.e. Country Directors) from the outset, supported by key logistics teams, for quicker and more efficient Joint Initiatives.

Even so, elements of “passive resistance” – delays in operationalizing JPIs, lower-than-expected number of purchase orders, important baseline price variations, and supplier feedback – illustrate that a broader evolution in humanitarian organisational culture is needed.

The main obstacles to the advancement of the hulo approach may be the lack of understanding of the concept of mutualisation itself. In fact, during evaluations, even though practitioners expressed a good understanding of hulo’s approach, there were two recurring questions:



1. What does my organisation gain from this Joint Initiative?



2. What can hulo do for my organisation?

These highly “self-centred” questions are a reminder that most HOs were built on the principles of autonomy, independence, and the competitiveness of their projects. The most common structures for external collaboration are relationships with institutional donors, through consortia or coordination platforms.



Hulo 2023 team workshop, photo © Nikola KRTOLICA

In these cases, organisations must sometimes adapt their ways of working “slightly” but have always seen a direct advantage, for example, by obtaining donor funding. This explains why participants asked the first question: “What do I gain from being part of hulo?” It is hulo’s hope that the **clear benefits** demonstrated in this report - in terms of savings, quality gains and increased accountability - will serve as a potent answer moving forward.

The second question, however, demonstrates the confusion between the concept of Humanitarian to Humanitarian (H2H) and Humanitarian with Humanitarian (HwH).

HOs are used to working with Humanitarian Logistics Services Providers (HLSPs) or Commercial Logistics Services Providers (CLSPs). HLSPs are most often HOs specialising in the provision of logistics support services; most of these services are free or very inexpensive, as the HLSP is subsidised in whole or in part by donors. They are therefore not subject to the obligation of commercial competition. However, CLSPs such as Maersk or UPS are subject to commercial competition.

HLSPs can be likened to H2H-type activities. When their services are billed, it is under strict rules, as it can pose two problems:



LEGAL

Whether an HO/HLSP is registered in the country as a humanitarian organisation; whether it has the right to charge for services and all it entails, e.g. declarations of income and obligation to pay taxes, etc.



UNFAIR COMPETITION

Some suppliers perceive competition from HLSPs as unfair in certain segments, as HLSPs benefit from an inter-organisational relationship between HOs and do not help to develop existing local economic capacities.⁸

⁸ Several suppliers see hulo, as a third party, as a way of addressing this issue by facilitating synergies between HOs and the local private sector.

The position of practitioners in the field, who individually await hulo to provide them with services, is therefore essentially at odds with the concept of mutualisation between members and willing participants. This may explain some of the “resistance” observed in the field.

However, hulo is not positioning itself as a HLSP/H2H nor as a CLSP, but as a facilitator of mutualisation, i.e. in a Humanitarian with Humanitarian model. This is why hulo talks about its members and participants, rarely of users (except for Digital Solutions), and never of clients. Of course, hulo can provide support, services, and coaching, but always through the scope of mutualisation and solidarity, for the benefit of people affected by humanitarian crises.

The confusion is further fuelled by the fact that more and more players (CLSPs and HLSPs) are communicating about pooling and even offering so-called “Joint” services, blurring the lines between H2H and HwH. Hulo therefore has a duty to alert the humanitarian logistics community to the validity of the offers made by HLSPs and other platforms. Indeed, does a group purchase by an HLSP via a platform help or benefit from pooling? It is crucial

to be aware of the **risk of “sharing washing”** that is emerging in the community.

Hulo helps to pool resources as close as possible to operations and to create synergies in the field. This goes beyond group purchasing and shared warehouses. Hulo’s approach is more about instilling new ways of working and acting in the field by **thinking collectively and strategically first for the ultimate gain of people affected by crises.** In this respect, HOs’ internal organisational cultures must evolve to accommodate the concept of mutualisation in their working methods and internal procedures, and see it as their default setting to amplify the scope and impact of ever limited resources.

Helicopter operation with Airbus Foundation in Burkina Faso – Photo: Faso Aircraft Service



Conclusion

This first Annual Impact Report shows the impressive progress made by hulo over the past year, both in terms of its activities and its ability to measure and analyse its impact. Hulo effectively moved from the Proof-of-Concept stage to a fully operational stage, where it continues to grow and innovate.

Hulo would like to thank its members, the more than 20 humanitarian organisations that participated in JPIs and other Joint Initiatives, institutional donors and the teams that believed in hulo's vision for more efficient and collaborative humanitarian aid. In particular, the Burkina Faso and CAR teams worked tirelessly to develop the JPI methodology and bring onboard already overworked teams to this innovative approach.

Hulo is now firmly established in 6 countries and is planning an additional country in the coming year. Of the **7 operational JPIs**, 4 have purchase orders that show **significant savings of 15%**. The experience and feedback of the past year have permitted the constant improvement of the hulo approach and leads hulo to believe that this will also be the case for the 3 JPIs finalised in December, and the 8 JPIs already under preparation.

Hulo's impact on the humanitarian community goes further. Joint Initiatives, supported by data analysis, have shown how they can reduce procurement costs while increasing quality. They also reduce opportunities for fraud and abuse of power. Through JPIs, the environmental impact of humanitarian activities can be reduced, and local market dynamics can be better understood and developed.

This is a **real paradigm shift for humanitarian logistics**, and another important step towards establishing the hulo approach as the new standard for the community.

It is vital that logistics and mutualisation – humanitarians working with humanitarians - be seen as strategic for aid operations in a world that is rapidly changing. **Working together, we are stronger.**

Hulo is confident that the coming year will see an increase in JPI purchase orders and a confirmation of the data shown in this report. Hulo will also expand its Joint Environmental Initiatives, launch the Shared Resources application, and see the evolution of LINK V2.

Hulo is now at a crossroads: 2024 will be the year for hulo and its members to anchor these new ways of working and confirm the validity and added value of the hulo approach.

Joint Initiatives are based on transparency, data-analysis, and solidarity to benefit all participants, and offer a strategic new avenue for humanitarian supply management. Hulo is therefore counting on its members, donors, and other participants to carry out the internal advocacy necessary for the adoption of new ways of working and establishing a true paradigm shift for the humanitarian community, but most importantly, to the benefit of those who need it the most.

**Working
together,
we are
stronger.**

The logo for Hulo Humanitarian Logistics, featuring a stylized 'h' icon followed by the word 'hulo' in a lowercase sans-serif font, and 'Humanitarian Logistics' in a larger, bold, uppercase sans-serif font below it.

hulo
Humanitarian Logistics

www.hulo.coop

Appendix I



Efficiency

One of hulo's primary ambition is to increase efficiency through time and cost savings. This section confirms that the hulo approach is having a positive impact at this level.



Sustainability

As a humanitarian organisation, hulo wishes to go beyond the “do no harm” principle and ensure that its presence also has a positive and direct influence in the areas where it operates. Sustainability measures follow the Triple Bottom Line (TBL) approach along the three axes of Planet (Environment), People (Social), and Profitability (Economic)⁹.

The “Triple Bottom Line” concept implies that hulo must focus as much on social and environmental concerns as on its profitability (efficiency gains). This is why the elements of market support, job creation, and environmental initiatives have been added to this impact measurement. An “Environment & Ecology Expert” was recruited at the end of 2023 and, with the support of KLU, will refine the environmental approach in 2024.



Expertise

Hulo's ambition, as a Joint Initiatives expert, is to help its members and participating organisations be more strategic in their supply chain management, and more efficient through the mutualisation of markets, human resources (HR) and other “resources” (via the Shared Resources app). The data collected in this section also helps track progress in changing overall attitudes and the acceptance of mutualisation as a “habit” for managing humanitarian logistics.



Robustness

Hulo is an innovative organisation with no basis for comparison. Robustness was therefore selected as an indicator so that the cooperative's approach could rapidly adapt to an evolving context. Only a robust organisation can have a long-term impact on the humanitarian logistics community. The results for this first year demonstrate that hulo meets the robustness criterion by engaging with a significant number of organisations and securing funding from reliable donors.

In this section, each indicator presented in the PIMF (figure 5) is analysed in relation to available results (Table 4).

The PIMF is updated annually based on feedback from the team and the evolution of hulo activities. In 2024, the BAR will refine certain indicators such as time and financial savings and will also develop indicators to assess the impact and added value of hulo’s role within EUHAB and other Joint Transport Initiatives (JTIs; Lebanon, CAR, and globally).

The BAR will also look at measuring the impact of other hulo Digital Solutions such as LINK (once V2 is operational), and Transport by hulo. Like hulo, the PIMF will continue to innovate and evolve, to adapt and learn continuously.

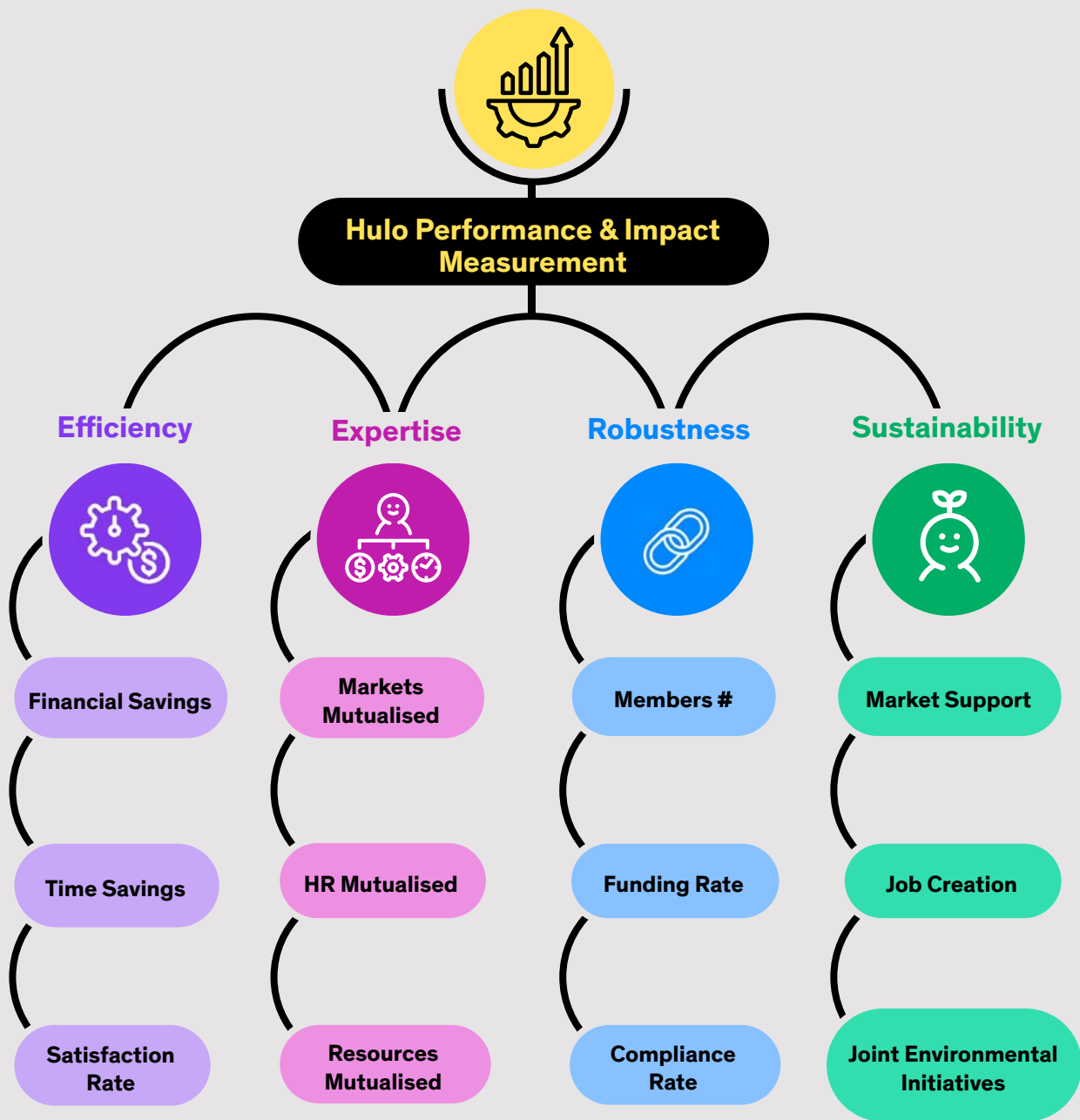


Figure 5 - Hulo Performance & Impact Indicators

Table 4 - PIMF Indicator Achievements

Category	Indicator	Target	2023 Results	Achievement	Comments
Efficiency					
Financial Savings	Overall	6,6%	15%	227%	Unit savings of 10%
Time Savings	BF CAR	195 days	80 40	40% 20%	Target for all participants.
Satisfaction Rate	% logistics & supply chain mitigation through hulo	90%	71%	78%	Linked to delays in launching first JPIs.
	% Shared Resources Satisfaction Rate	80%	64%	80%	The initial website was upgraded to a mobile application to be launched in March 2024.
	% JIs demonstrating efficiency gains	50%	100%	200%	Based on participant interviews.
Expertise					
Market Mutualisation ¹⁰	Joint Procurement Ratio	50%	47%	94%	Based on initial assessment of mutualisation potential.
	Volume of pooled purchases	80%	17%	21%	Based on number of purchase orders.
HR Mutualisation		2	3	66%	
Resources Mutualisation		-	-	--	Shared Resources App coming March 2024.
Robustness					
Members/Participants	BF CAR DRC	20	23 14 10	BF -115% CAR - 70% DRC -50%	Including 4 national NGOs in BF.
Funding Rate		100%	100%		3 institutional donors, 1 private.
Compliance Rate		100%	100%		
Sustainability					
Market Support ¹¹		+	+0.20		Max: +1 Min: -1
Job Creation	National positions	1/country	3/4	75%	For BF, DRC, Lebanon.
Environmental Initiatives	Recycling & Reverse logistics	1/country	2/3	66%	Methodology being developed.

⁹ Hulo PIMF, 2023.¹⁰ See Appendix II for more details.¹¹ See Appendix III for more details.

Appendix II – Market Mutualisation

Market Mutualisation Rate (JPIs)

Hulo evaluates the percentage and volume of successfully completed JPIs by analysing participants' data and prioritisation decisions at project launch. To assess the cooperative's capacity to manage a significant number of JPIs, hulo asks members in each country to define a list of markets they would like to pool. Then, on an annual basis, the number and financial volume of JPIs finalised will be analysed: the greater the numbers, the greater the impact of mutualisation on the logistics community.

A. Joint Procurement Ratio: 7 JPIs launched out of 15 markets initially targeted (47%)

BF		CAR		DRC	
JPI	Launched	JPI	Launched	JPI	Launched
Infant Flour	yes	Vehicle Rental	no	NFI Kit	no
RRM Kit	yes	Construction Material	yes	Vehicle Rental	no
ICT Hardware	yes	NFI Kit	no	Internet	yes
		Printing	yes	Dry Food	no
				Hardware	no
				Transport	no
				Construction Material	no

Table 5 - Markets Targeted for JPIs at Launch

B. Volume of pooled purchases: aggregation of purchase orders based on the hulo framework agreement: **16.8%**

As the target is defined by a market average, the latter is still under development and will evolve in the PIMF V2.

Table 6 - Volume of Markets Targeted & Purchases Made

Country	JPI	Estimated Market Volume	Pooling Target : 80%	Purchase Orders registered
BF	RRM Kit	2 200 000 €	1 760 000 €	452 611 €
BF	Infant Flour	700 000 €	560 000 €	94 758 €
CAR	Construction Material	800 000 €	640 000 €	28 549 €
CAR	Printing	600 000 €	480 000 €	3 578 €
	Total	4 300 000 €	3 440 000 €	579 496 €
	Coverage Ratio			16,8%

The relatively low percentage of purchasing volume achieved can be explained in part by the delays in implementing the JPIs. This result therefore reflects the factors already mentioned and the need to provide participants with documents ("guidelines" validated by donors) to frame JPIs and anchor the hulo approach in humanitarian logistics best practice. This work will be hulo's priority for the coming year.

Appendix III - Market Support

Hulo believes that its approach - giving priority to local purchasing - will strengthen the viability of national and local suppliers.

Data collection consists of qualitative surveys (semi-structured interviews establishing an A score), focusing on the positive points and side-effects brought about by JPIs for selected suppliers to strengthen their own resilience. Unsuccessful suppliers who have lost contracts with participating HOs following the CFT are also consulted; this assessment is also based on a qualitative survey (semi-structured interviews establishing a B score).

The final score measuring the positive or negative impact is produced by adding scores A and B. If the final score is greater than 0, the impact on the local economy is positive, and if it is less than 0, negative.

Only countries that have been assessed by the BAR have contributed to the calculation of the indicator.

At the time of writing, the results were as follows:



Burkina Faso:

- o 6 type A assessments for a total score of 0.82
- o 2 type B assessments for a total score of -0.25

This gives a final **positive score of +0.20/1**, implying an overall positive impact on the local market. This score is relatively small for the moment, as few orders have been placed, and will be much more relevant in 2024 during the second evaluation phase in Burkina Faso, CAR, and DRC.



CAR:

- o 6 type A assessments for a total score of 0.59
- o 2 type B assessments for a total score of -0.35

In addition, it should be noted that the BAR is not entirely satisfied with this grading system and will try to improve it in 2024 with academic support.



Global:

- o 12 type A assessments for a total score of 0.68
- o 4 type B assessments for a total score of -0.3

According to field evaluations, the positive impact that the cooperative's work on the local market can bring, and which will be verified in the years to come, are multi-pronged.

¹² Ranging from 0 to 1, the closer the score is to one (1), the more positive the impact, based on a list of criteria defined in the PIMF.

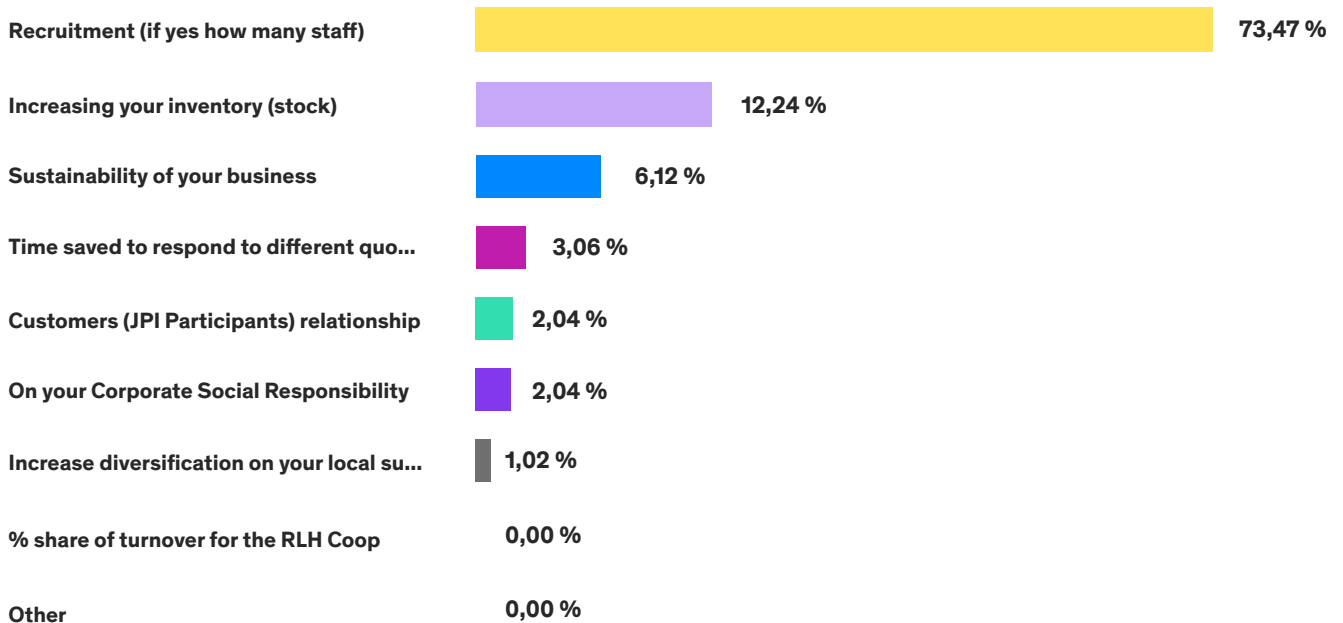


Operation with Airbus Foundation in Bangui, Central African Republic. Photo: hulo.

Firstly, the collaborative approach makes it possible to target reliable suppliers, ready to invest in their inventories, with the support of hulo to forecast the needs of humanitarian organisations (data present in calls for tenders). This could, in time, increase the capacity of the local market. A more robust local market would make it possible to respond to shocks in demand due to humanitarian crises and, consequently, reduce the use of emergency air freight and the carbon footprint of the humanitarian response.

Thanks to the supplier/hulo partnership approach, suppliers are made aware of the importance of favouring formal employment with a contract (respecting labour laws), rather than informal work through the systematic use of day labourers. Furthermore, suppliers' participation in Joint Environmental Initiatives would give them a positioning advantage over their competitors, who will hopefully follow the example of hulo suppliers to remain competitive on the qualitative criteria (CSR & environmental commitment) of humanitarian tenders.

Figure 7 - Positive Impact Levers





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