



UNHCR
The UN Refugee Agency



UNHCR

SUPPLY STRATEGY

2024-2030



Foreword

“ The UNHCR Supply Strategy 2024 - 2030 is aimed at delivering a Simple, Swift and Sustainable Supply Chain for UNHCR, the UN Refugee Agency. It stands as a visionary blueprint for our future approach to supply management, enabling us to rise to new challenges, increase efficiencies and expand our capacity to support those forced to flee more effectively.

Our supply chain is the robust engine that powers UNHCR's global operations. In supply chain management, where both challenges and significant opportunities are plentiful, the current circumstances present a unique opening for meaningful progress. Amid increasing humanitarian demands, optimizing our supply chain will allow us to act more swiftly and sustainably, extending our resources to assist more people in need effectively.

Recognizing the potential to enhance our operational efficiency, we have embarked on a transformative journey to refine our supply operating model, structures and processes. This improved efficiency will enable UNHCR to reach a greater number of people in need, ensuring timely assistance and sustainable solutions. The development of this strategy has been a collaborative and iterative process, involving a broad range of internal and external stakeholders. We are grateful to everyone who has contributed to shaping this strategic vision and look forward to its successful implementation as a whole-of-UNHCR collective effort. ”

Raouf Mazou

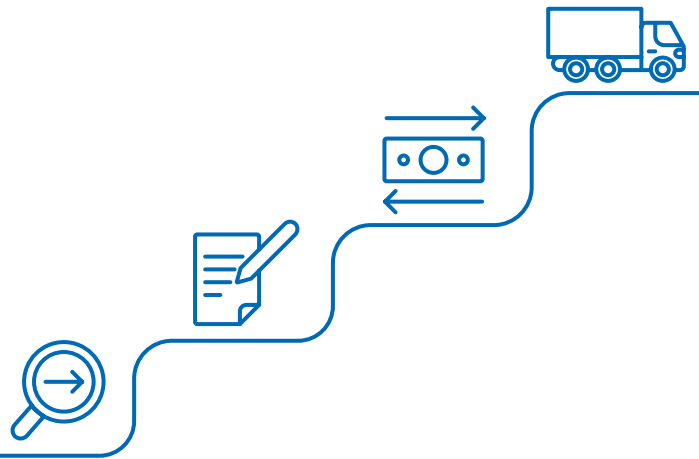
Assistant High Commissioner
for Operations
April 2024



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Executive Summary



To effectively deliver on its mandate to assist, protect, and search for durable solutions for people forced to flee, UNHCR, the UN Refugee Agency must anticipate, plan, source, purchase and deliver goods and services in support of its country operations programmes across the world.

The fragility of the international supply context in the last few years has placed tremendous pressure on the effectiveness of UNHCR's supply work. In contrast, the upward trajectory in global forced displacement and the need for humanitarian assistance has shown no sign of slowing. In 2023, UNHCR issued 43 emergency declarations in 29 countries – the highest number in decades, while the number of forcibly displaced people reached a record high of 114 million. Against this backdrop, UNHCR's mandate has never been more vital. Supply chain management is a critical ingredient, and the active engine that fuels all the activities required to protect, respond, include, empower and find durable solutions for people forced to flee.

To meet the ever-growing needs of forcibly displaced people, it is crucial to propel UNHCR's supply chain to a new maturity level. With this in mind, we conducted a comprehensive review of our supply function and introduced a set of transformative changes to foster more strategic and accountable services.

This Supply Strategy captures ambitions for UNHCR supply capabilities and guides the transformation of our supply chain between 2024 and 2030. With this strategy, we will build a robust, agile and resilient supply chain and future-proof it in the face of emerging challenges.

| UNHCR's five strategic directions |



PROTECT



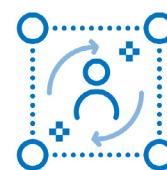
RESPOND



INCLUDE



EMPOWER



SOLVE

| Supply Chain strategic objectives |

Integrated supply **PLANNING** and orchestration, to optimize demand fulfilment

Efficient and transparent **PROCUREMENT**, supported by effective oversight

Agile and reliable global **LOGISTICS** infrastructure to optimize the delivery of goods and services

Rapid, reliable and accountable **EMERGENCY** supply preparedness and implementation

| Enablers |

PEOPLE

A cohesive supply people with a service mindset and high integrity

PARTNERSHIP

Partnership with peer organizations and the private sector for increased impact

PROCESSES

Streamlined processes leveraging innovation and technology

PERFORMANCE

A culture of data enabled performance and continuous improvement

UNHCR's vision for supply chain management is to deliver high-quality goods and services better and faster across UNHCR and to people forced to flee, by making it **simple, swift and sustainable**.

This vision has been translated into four strategic objectives, covering the functional and interdependent areas of supply planning, procurement and logistics, including emergency settings. Each objective has a set of expected outcomes and success indicators, aligned with [UNHCR's five strategic directions](#) and programmatic needs.

The new Strategy introduces – and will be supported by – a **new supply operating model** that will recalibrate roles and responsibilities between UNHCR global, regional and local supply teams, ensuring that the day-to-day operations are aligned with the strategic objectives. The new model will enhance collaboration, accountability and oversight across regions and functional areas, by aligning resources, supply processes and expertise.

The implementation of the strategic objectives will be enabled by four crucial and interlinked enablers.

With the help of these enablers, we will foster a responsive, skilled, solution-oriented global supply workforce, prioritize cooperation with internal and external partners, utilize the new Cloud ERP system and other innovative solutions to optimize business processes, and expand data-driven approaches to improve efficiency and quality of service.

We will implement the strategic actions and related changes in phases, over seven years, in strong collaboration with senior management across the field, Regional Bureaux and headquarters Divisions, as applicable.

Acknowledging that seven years can be a long time in a fast-changing world, this Strategy will be reviewed for continued relevance, and adjusted as needed in its fourth year of implementation.

Context

Strategic Directions, Emerging Challenges and Opportunities

The High Commissioner set out five Strategic Directions for UNHCR, from 2022 to 2026:

1. **Protect** the rights of forcibly displaced and stateless people.
2. **Respond** rapidly and effectively in emergencies and beyond.
3. Promote **inclusion** and self-reliance.
4. **Empower** the people forced to flee to determine and build their futures; and
5. Pursue **solutions** to address the consequences of displacement.

Key to the successful achievement of these Strategic Directions is the effective **planning, sourcing, procurement, delivery, and management of goods and services**. This set of processes is collectively referred to as **Supply**, whether these goods and services are for internal use or for distribution to forcibly displaced and stateless people. Supply is an integral part of UNHCR's operations, and a critical success factor for the fulfilment of its mandate.

The new UNHCR Strategy for Supply aims to transform the way we manage goods and services. Our goal is to deliver high-quality goods and services better and faster across UNHCR and to people forced to flee, by making supply **simple, swift and sustainable**.

During the last few years, our operational context has become increasingly complex due to the COVID-19 pandemic, new and protracted conflicts, and climate-driven upheaval. These shocks brought to light previously unforeseen or poorly assessed vulnerabilities in the global markets and supply chains – including extended shortages of essential items, price volatility, transport restrictions, price inflation and constrained competition.

The impact of these shocks has been the greatest on forcibly displaced and stateless people and continued to drive displacements. The upward trajectory in emergencies has shown no sign of slowing. In 2023, UNHCR issued 43 emergency declarations in 29 countries – the highest number in decades, while the [number of forcibly displaced people reached a record high of 114 million](#).

To protect and provide solutions to people forced to flee, UNHCR must anticipate, plan, source, purchase and deliver goods and services. **To fulfil its mandate and achieve its Strategic Directions, UNHCR requires a robust, agile, resilient and future-proof supply chain.**

Our supply chain transformation presents us with significant advantages. Supply excellence in providing aid, particularly in emergencies, is critical for achieving protection outcomes, enhancing our reputation, and both securing and optimizing the management of donor resources entrusted to us. Therefore, a more strategic and accountable supply chain can considerably improve the effectiveness of UNHCR's mission and gain the trust and support of donors, governments and the public.

Our Supply Transformation Journey so far: 2021-2024

As part of UNHCR's Business Transformation Programme, a comprehensive review of our supply chain capabilities was conducted, leading to a set of transformative changes.

UNHCR's new Supply Strategy is a result of concerted discussions with supply teams around the world and feedback received from senior colleagues in headquarters Divisions, Regional Bureaux and Country Operations, through regular consultations that took place over several months. This strategy captures the overall ambitions for UNHCR supply capabilities, enabling the organization to tackle emerging challenges and deliver better and faster life-saving assistance to people forced to flee.

Business Transformation: The new Cloud ERP
Feb 2021 - Sept 2023

Supply Vision & Roadmap
Apr - May 2021

**Supply Complexity & Resource Analysis
– Model development and Consultations with RB**
Oct - Dec 2021

UNHCR Operational Strategy for Climate Resilience and Environmental Sustainability 2022-2025
Dec 2021

Comprehensive review of the Supply Operating Model
June - Oct 2022

Global Supply Strategy Meeting
Kigali, August 2022

Global Supply Strategy Meeting
Bangkok, March 2023

UNHCR Supply Strategy Consultations
April - Dec 2023

Supply Strategy Launch
May 2024

Our Plan

To ensure a coherent and logical implementation of our supply strategy, focusing on pre-defined key outcomes, we established a **strategic framework** detailing our strategic vision, objectives, enablers, success indicators, risk management, and governance. Our vision for a **simple, swift and sustainable supply** has been translated into four strategic objectives, encompassing the functional and interdependent areas of **supply planning, procurement, logistics and specific supply needs for emergency responses**.

UNHCR VISION

for Supply Chain Management

**A SIMPLE, *SWIFT*
& SUSTAINABLE**
service across
UNHCR
and to people
forced to flee

Our supply service will be simplified for colleagues, by leveraging innovation and technology solutions. We will make the supply processes seamless, for requestors, approvers and receivers. We will pursue clarity accountability in processes by ensuring end-to-end supply processes are done within one single IT system, or seamlessly integrated systems. Additionally, real-time dashboards will provide data on various elements of supply performance to support information management, oversight and decisions.

SIMPLE

- for our colleagues

**Streamlined processes,
better collaboration**



The strategy is supported by a new supply operating model that enables a swift supply response by defining clear roles and responsibilities across the UNHCR structure – locally, regionally, and globally. A series of steps will be taken to ensure integrated planning and an agile response to all supply needs, especially in emergencies. These include simplifying procurement procedures, optimizing our supply network, including emergency stockpiles and establishing an emergency supply surge team.

SWIFT

- for people we work for

**Enhanced response,
high delivery capacity**



In line with the Overview of the Strategic Plan for Climate Action 2024-2030, we will improve our environmental sustainability through a series of initiatives to reduce our climate impact from the procurement, delivery, and usage of goods by 30% by 2030. The specifications of the highest CO2 emitting items will be updated; we will implement cleaner waste management and circular solutions. Proximity, socially responsible sourcing, sustainable lifecycle management solutions, and products with higher local economic value will be prioritized.

SUSTAINABLE

- for our planet

**Reduced environmental footprint
Positive economic and social impact**



Our Strategic Objectives

1. Integrated supply planning and orchestration to optimize demand fulfilment

Definition

Supply planning refers to the process of strategically and effectively designing and mapping the sourcing, procurement, transport, inventory management and distribution of goods and, as applicable, services required to support our operational response. It involves coordinating with relevant stakeholders to analyze and forecast the demand for various items and develop both budgets and supply plans to ensure the timely and cost-effective availability of supplies. To achieve this objective, we will focus on implementing activities that will ensure three strategic outcomes:

Expected Results

Systematic demand forecasting and supply planning

We will strengthen supply data analysis to ensure continuous improvements in demand forecasting at a global level. Goods and services will be ranked based on a standard classification, to help UNHCR identify and prioritize the most important, complex and/or frequent ones, in relevant portfolios. The resulting supply plans of all goods and services will be aligned accordingly. This will help rationalize sourcing options, cost, transport modalities, and storage space, for a more sustainable and efficient use of UNHCR resources.

Revised supply planning regulatory framework and processes

Our new framework will contain a demand and operations planning process to strategically synchronize demand and supply. We will also develop an inventory management plan that includes the establishment of intermediary buffer stocks and financing mechanisms. Staff capacity will be reinforced to foster cross-functional collaboration, and enhance a proactive, solution-oriented mindset.

Improved management of central, regional and local inventory items

We will optimize inventory levels to align with needs and the operational context. Additionally, we will expand the local supplier base to minimize transportation costs, lead times, and carbon emissions, while supporting emerging economies. Furthermore UNHCR's inventory response capacity will be strengthened to effectively handle unforeseen scenarios.

Success Indicators

- 90% of Country Procurement Plans are in place, in line with programme cycle.
- Ratio of excess inventory to total inventory on hand reduced by 50%.



2. Efficient and transparent procurement, supported by effective oversight

Definition

Procurement is driven by programmatic and operational requirements. It involves the systematic and strategic process of acquiring goods and services from suitable external suppliers to meet the organization's needs. Procurement activities include definition of requirements, market assessment, procurement planning, contracting, and managing supplier relationships to achieve timely and cost-effective delivery of quality goods and services.

Expected Results

Efficient, effective, and compliant procurement processes

We will facilitate further automation of processes by utilizing available corporate ICT tools. The procurement regulatory framework will be revised to integrate relevant tools and templates. Additionally, a category management structure will be established at the global level to provide market and technical expertise to requesting functions. Headquarters will support Regional Bureaus and Country Operations through proactive engagement in complex or high-value procurements. To enhance procurement knowledge and optimize decision-making, the composition and procedures of the procurement review authority will be assessed and streamlined. Procurement actions will be periodically evaluated, to disseminate. Best practices and lessons learned will be subsequently adopted and disseminated.

Effective cooperation with other humanitarian actors maximizing procurement efficiency

We will capitalize on existing collaborative procurement efforts and proactively explore new engagements with our sister agencies. We will pursue cooperation with academia, the private sector and other humanitarian and development actors, especially in the areas of research, supply performance management, market development and good procurement practices.

Demonstrated active engagement in sustainable procurement practices with relevant industries and actors through innovation

We will assess and prioritize sustainability – i.e. economic, social, and environmental – considerations throughout our procurement process cycle, including the planning, requirements, evaluation criteria and contract management phases. To enhance sustainable procurement practices, we will actively seek and promote innovative technological solutions and bolster partnerships.

Success Indicators

- Average procurement lead times (REQ to PO) reduced by 25%.
- UNHCR carbon emissions from procured goods reduced by 30%



3. Agile and reliable global **logistics** infrastructure to optimize the delivery of goods and services

Definition

Logistics refers to the management and coordination of the transportation, storage and distribution of goods; as well as the delivery of services necessary to support the day-to-day activities and regular programming. Responsive logistics is crucial to UNHCR' operational delivery of assistance. To achieve this objective, we will target three strategic outcomes:

Expected Results

Scalable logistics infrastructure and inventory control

We will develop tools to evaluate and right-size inventory and transportation options, including our own and outsourced ones, to optimize supply capacity in both emergency and regular operations. To take a holistic view of inventory levels and minimize inventory holding costs, we will use the powerful ERP capabilities to apply regular network analysis and optimization strategies. In addition, we will introduce sustainable solar energy and waste management in our logistics infrastructure.

Evidence-based decision-making with integrated data analytics

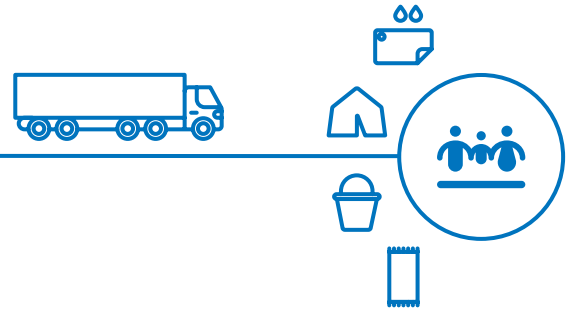
We will actively digitalize transportation and warehouse management processes through system integrations and by leveraging relevant emerging technologies. Furthermore, we will explore AI-enabled solutions that facilitate predictive analysis, consumption data and real-time tracking, provide valuable logistics insights for decision-making, especially focusing on cost, speed and sustainability.

Aligned and practical logistics management policy and procedures

We will issue a new regulatory framework for inventory and logistics, including a new policy, to align our processes with current best practices and to establish clear guidelines for efficient and effective operations in these areas. We will also explore the implementation of innovative insurance solutions to enhance risk management and coverage for goods in transit or on-hand. Moreover, we will foster partnerships with other agencies to leverage relevant logistics solutions, promoting synergies and enhancing overall capabilities and impact.

Success Indicators

- Average inventory aging reduced by 20%
- Carbon emissions from goods transport reduced by 15%



4. Rapid, reliable, and accountable emergency supply preparedness and implementation

Definition

We assist an ever-growing number of people in emergency situations every year by quickly mobilizing goods, services, experts and financial resources. When an emergency is declared anywhere, we are ready to deliver life-saving items like tents and blankets by road, sea and air for up to 1 million people from our global emergency stockpiles. We also preposition and manage regional and local stocks to scale up humanitarian assistance when needed. Furthermore, we deploy supply chain specialists who are trained in crisis situations and help establish or reinforce the supply infrastructure to ensure people's basic needs and long-term assistance.

Expected Results

Updated processes, infrastructure and tools for emergency preparedness

The procedures and key performance indicators will be standardized for emergency supply management. Scenario-based supply plans and the necessary infrastructure will be established at the regional level. Furthermore, we will focus on integrating and communicating emergency supply plans together with overall emergency preparedness efforts within multi-functional teams.

Consistent and integrated supply response to all emergencies

Standard, robust supply structures will be implemented at the regional level (see the Supply Operating Model below). Additionally, an emergency supply cell will be established in Regional Bureaux, during emergency declaration periods, for better coordination and oversight with the global Supply team and other emergency responders. We will increase our efforts to improve automation and synergy to facilitate effective emergency reporting.

Expanded internal and external partnerships for effective response

We will map external private, academic and public entities for cooperation, and proactively seek opportunities for institutional agreements with other UN partners for efficient emergency supply response. Additionally, we will strengthen and expand our emergency supply rosters of standby partners to complement our emergency supply surge team. The expanded regional supply structures will play a critical role in supporting both emergency surge capacity and coordination.

Success Indicators

- Standard operating procedures for supply in emergency are operational for high-risk operations and declared emergencies.
- Global stockpiles' coverage for target recipients consistently exceeds 90%.

Implementation

Our strategy in action: A new Supply Operating Model

The new Supply Operating Model will recalibrate roles and responsibilities between UNHCR global, regional and local supply teams, ensuring that our day-to-day supply processes are aligned with our strategic objectives. This entails a logical segmentation and redistribution of supply processes based on the complexity of tasks, the associated risks, and requirements for their proximity to the point of delivery (See Annex).

A new structure of the **Supply Management Service (SMS)** will facilitate increased **global** capacity and **distinguish between transactional and strategic roles**. The strategic teams of SMS will provide the regulatory framework for global supply chain management, including supply strategies, policies and operational guidance. In addition, they will undertake category management for strategic goods and services, global quality and compliance activities, the management of global stockpiles and emergency responses, as well as planning, analytics, innovation and performance management functions.

The global operational teams of SMS will encompass master data administration, management of international procurement processes, procurement for HQ divisions, international coordination for the delivery of Core Relief Item orders, as well as other consolidated global supply needs.

Through the adoption of the new model, we will strengthen the functional oversight with **robust supply teams at the Regional Bureaux**, enabling them **to fulfill the second line of support to Operations**.

They will primarily focus on consolidating regional demand plans and developing regional procurement strategies, **leading and/or overseeing complex procurement processes**, and either leading or providing technical procurement advice to Country Operations, depending on their **evaluation of risk and capacity** at the country level. In addition, they will coordinate the procurement of goods and services for the region and monitor the implementation of internal controls for procurement.

Just as importantly, the new model aims to enhance, **streamline and refocus** supply capacity at the **Country Operations** level, in order to meet local needs. Local supply teams will maintain a robust and flexible supply infrastructure at the country level, by increasing local market intelligence, ensuring the effective handling of **standard local procurement** processes, overseeing **local logistics** and securing a continuous supply of locally sourced goods and services, through the appropriate use of resources in adherence to UNHCR policies and procedures.

These changes echo the ongoing institutional transformation that aims to consolidate the organization's decentralized set up and strengthen delegations of authority and agility at the country and regional levels.

Within the framework of the new Supply Operating Model, and using data from the new ERP, **a baseline and detailed implementation plan for this strategy will be developed in its first year of implementation**. Due consideration will be given to both internal and external risks, opportunities and constraints.

Enablers

The implementation of our strategic objectives will be enabled by four crucial and interlinked foundational objectives.

PEOPLE

Our ability to provide life-saving assistance timely and efficiently depends on having a supply workforce with the right attitude and skills.

We will adopt a matrix management approach and innovative learning tools, while also ensuring diversity in people and experiences, focusing on improving gender balance. We will cultivate a proactive solution-oriented culture, through comprehensive applied learning pathways and leadership development. Our new Operating Model and revamped governance framework will enhance collaboration, accountability and oversight across regions and functional areas; by aligning resources, risks and expertise.

A cohesive supply people with a service mindset and high integrity

PARTNERSHIPS

To provide effective supply solutions including emergency response, collaboration is key.

We will prioritize cooperation both with internal entities and external partners, such as other UN and multilateral humanitarian agencies, governments, NGOs, implementing partners, academia, private sector organizations and local communities to expand our reach. By nurturing these partnerships from different sectors, we can pool resources, knowledge and expertise to enhance our capabilities and create more sustainable solutions.

Partnership with peer organizations and the private sector for increased impact

PROCESSES

An effective transition requires easy-to-use systems and a renewed commitment to harness the advantages of technological innovation.

We will update our policies and procedures to optimize and standardize our business processes. The new Cloud ERP will enable the end-to-end processing of all supply processes and will integrate them with related financial, budgetary, internal controls, quality and accountability requirements. To build up new capabilities and elevate the maturity level of our supply chain, we will enable a digital way of working, supported by innovative tools and technology solutions, such as Artificial Intelligence (AI) and machine learning.

Simplified processes leveraging innovation and technology solutions

PERFORMANCE

Ensuring data-driven approaches will support better planning and guide effective supply chain management.

We will expand our data analytics and reporting capacity, to provide additional dashboards and insights on relevant performance indicators. This will reinforce our ability to evaluate and adjust our practices, take informed decisions and manage supply-related risks and opportunities. Our new Cloud ERP system, with in-built performance management indicators, will also enable increased accountability and improve efficiency and quality of service.

A culture of data-enabled performance and continuous improvement

Timeline and Ownership

This strategy will be implemented over seven years (2024-2030) to propel our supply chain to a maturity level that enables UNHCR to deliver better and faster assistance and durable solutions to people forced to flee, and to future-proof it in the face of any emerging challenges.

Our timeline also ensures continuity in terms of governance and overall strategic impact. A baseline will be done for all performance indicators, and a mid-point review will be conducted in 2027, to assess progress towards achieving our objectives, evaluate the continued relevance of our assumptions and targets, and make the required adjustments.

The Supply Management Service leadership, together with the Regional Senior Supply Coordinators will oversee the implementation of this Strategy, under the leadership and guidance of the Director of the Division of Emergency, Security and Supply, and that of the Assistant High Commissioner for Operations. This is a whole of UNHCR Supply strategy. As methodical supply planning, quality orchestration and strong performance are essential to UNHCR operations, protection and solutions, achieving our vision for UNHCR supply chain management will require organization-wide ownership and engagement.

All strategic actions and related changes will be introduced in phases, in strong collaboration with leadership across Country Operations, Regional Bureaux and HQ Divisions, as applicable. Paramount to the implementation modalities for this strategy will be strong consultation and alignment with broader UNHCR priorities and constraints, in a 'whole of system' approach.

Each and every initiative that will be undertaken in the implementation of this strategy must consistently and progressively lead to making UNHCR supply simple, swift and sustainable.

Consistent efforts will be made to monitor and communicate progress and improvements to UNHCR personnel, the Senior Executive Team (SET) and donors, based on pre-defined success indicators and data analytics.

In line with our commitment to cost-effectiveness, we will monitor and regularly report cost savings, cost avoidance and other process and system improvements, both quantitative and qualitative, through our annual results reporting mechanisms, over the course of the implementation of this Strategy.

2024

2030

UNHCR's new supply operating model

Distribution of roles



Global level (HQ SMS)

Restructure and elevate:

- Strengthen strategic capabilities
- Lead all International transactions



Regional Bureaux

Standardize and strengthen:

- Lead complex local procurement
- Effective second line of support

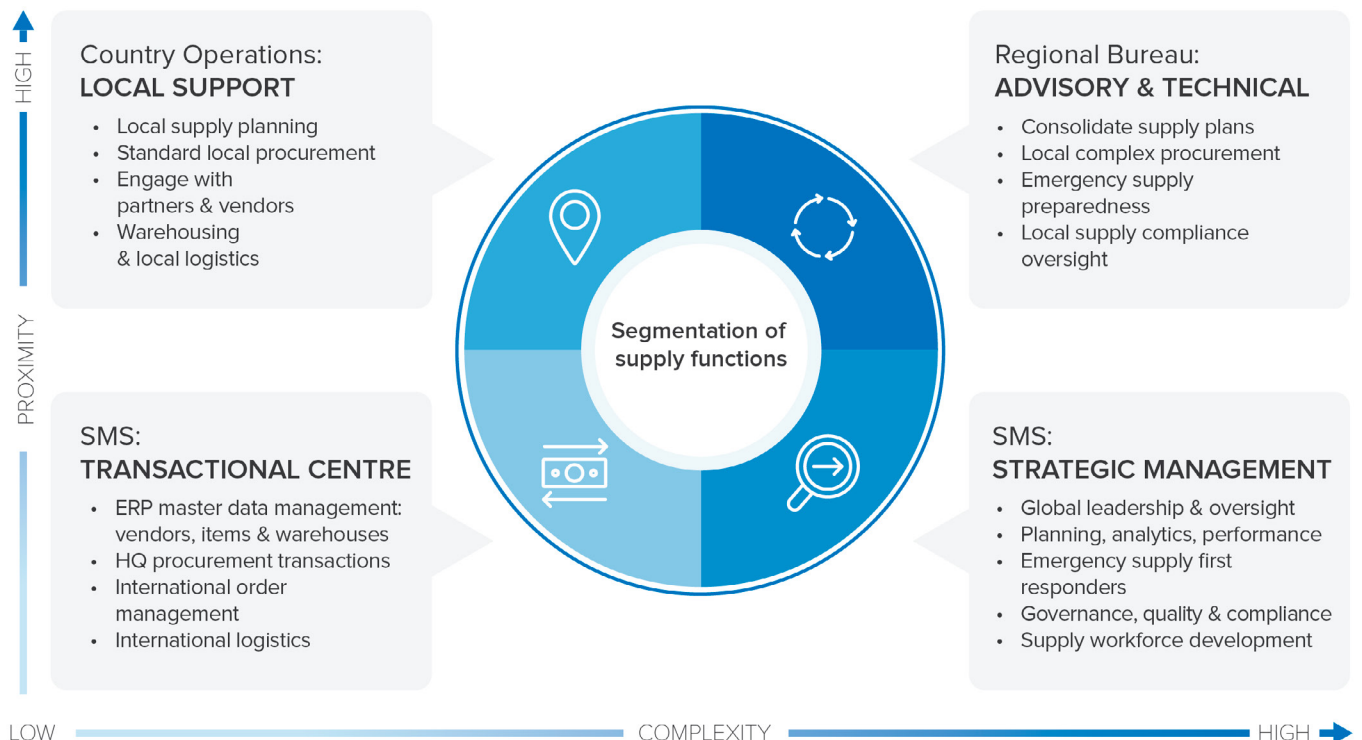


Country Offices

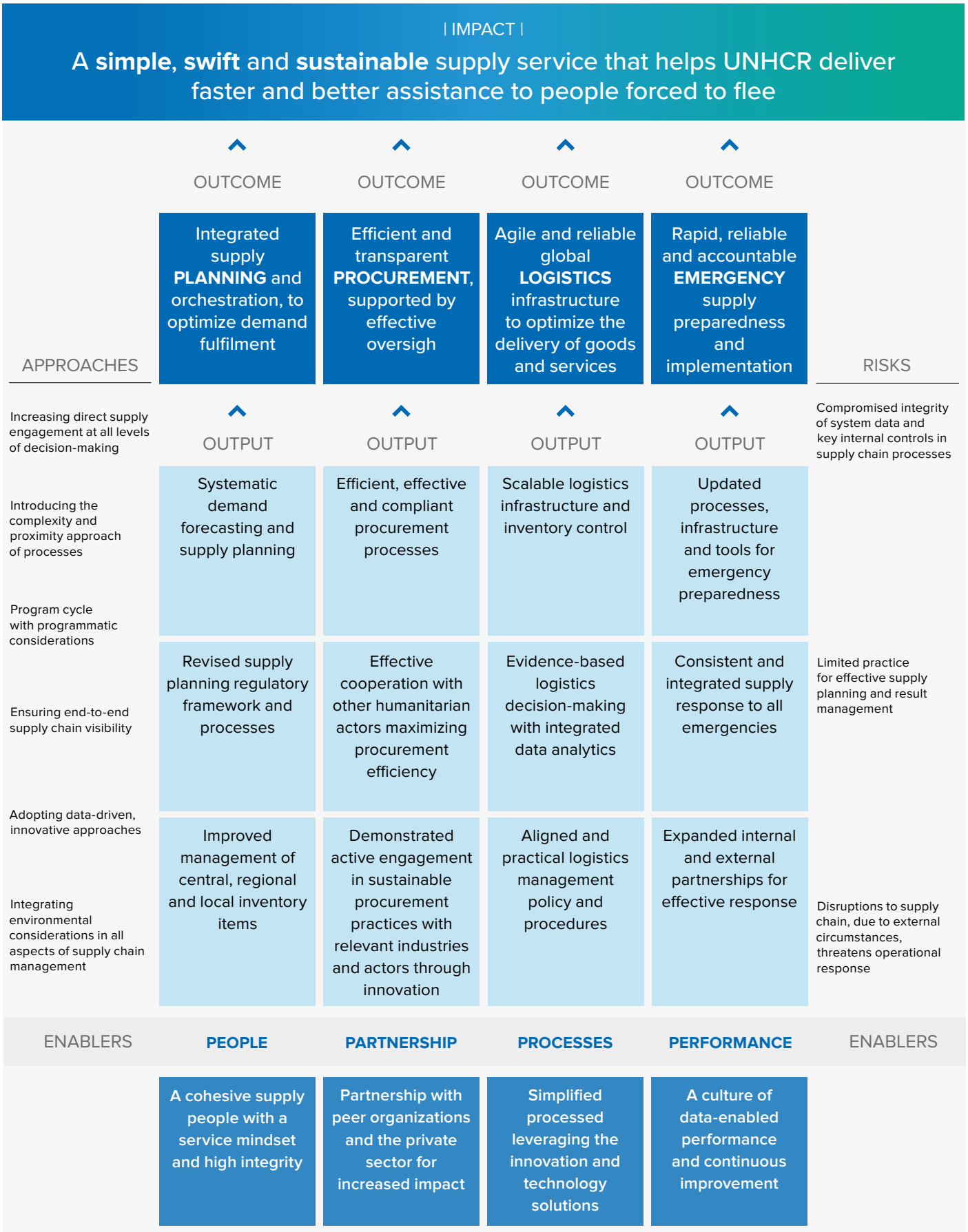
Remove complexity and pressure:

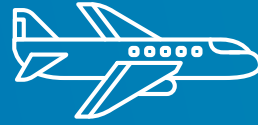
- Standard local procurement
- Refocus local logistics and inventory

Segmentation of supply functions



Results framework





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For more information and enquiries, please contact:
UNHCR Supply Management Service
hqmscoms@unhcr.org