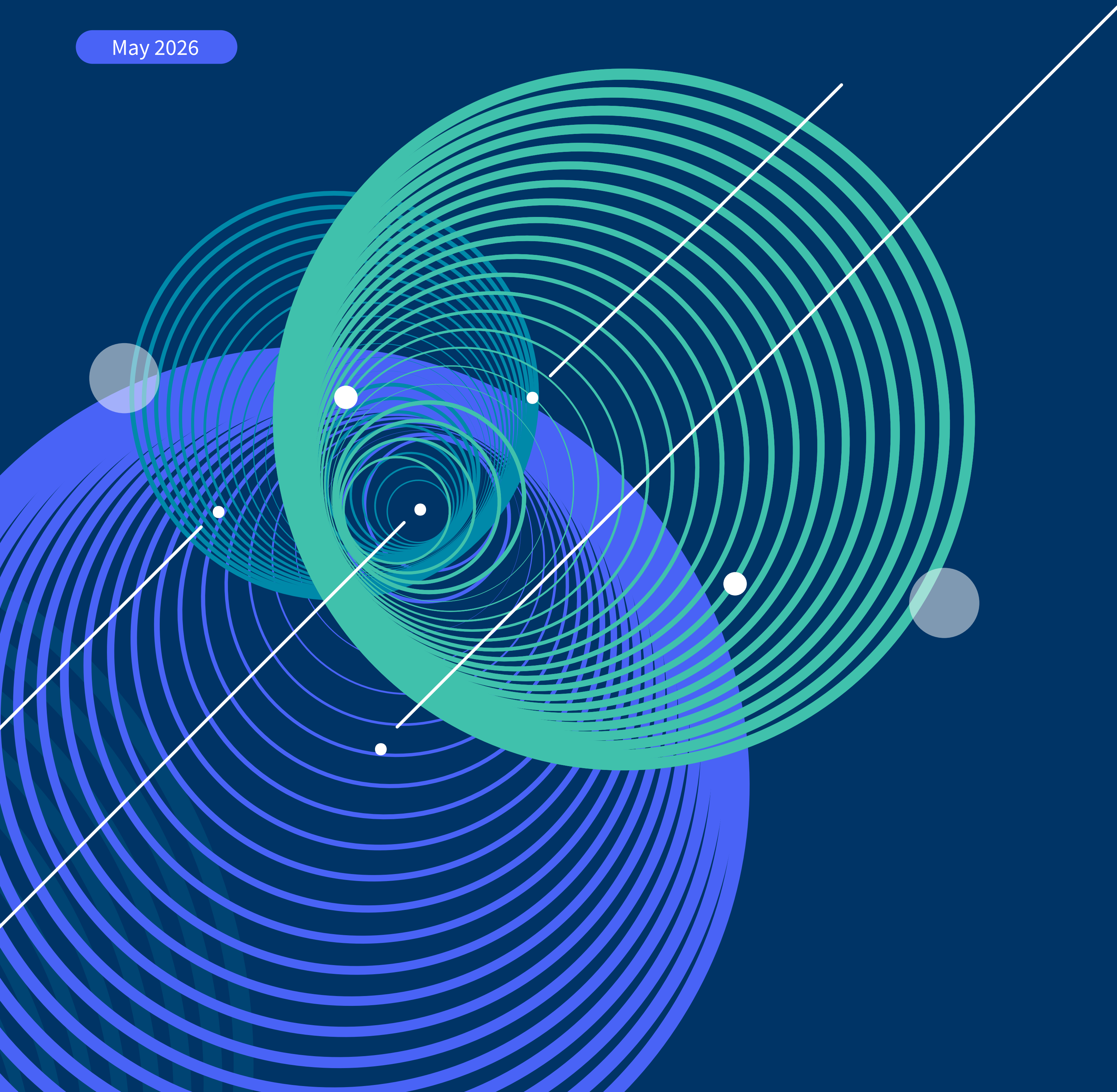
HELP LOGISTICS
By Kühne Foundation

Supply Chain Reform Brief | No. 3

From Vision to Action

Advancing Supply Chain Localization in West and Central Africa

May 2026



Acknowledgments

This brief is the result of a collaborative effort made possible by the insights, experiences, and commitment of many individuals.

We extend our sincere gratitude to Yandi Lompo, Tomte Djimasra Eric, Modou Diaw, Jameson Gadzirai, Aminata Kaloga, Line Maffo, Charles Didier Gnako, Marieme Thiam, Elmehdi Ag Wakina, Eugide Lale Mbunda, Issoufou Soumana and Désiré Dimboni who generously contributed their time and perspectives through interviews, surveys, and the regional workshop. Their voices were instrumental in shaping the findings and recommendations presented in this brief.

Special thanks go to Kieto Mahaniah, the lead coordinator of the Thought Leadership initiative, whose dedication and leadership were central to the success of this process. We are also deeply grateful to the team at the HELP Logistics Dakar (West Africa) office for their unwavering support in facilitating the workshop. Their contributions were essential to the implementation and impact of this initiative.

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Suggested Citation

Salem, M., & Bayat, M. (2026). Advancing Supply Chain Localization in West and Central Africa: From Vision to Action (Supply Chain Reform Brief), HELP Logistics AG.

About HELP Logistics

HELP Logistics is an operational non-profit initiative of the Kühne Foundation that aims to strengthen the efficiency and impact of supply chains at the humanitarian development-climate nexus. Working in partnership with local and international actors, HELP offers practical expertise in end-to-end supply chain diagnostics, builds local capacity through tailored training and mentoring, and translates applied research into scalable strategies, digital tools, and policy guidance. Its work supports the development of agile, inclusive, and sustainable supply networks that safeguard resources and strengthen outcomes for vulnerable communities. With hubs in Africa, Asia, the Middle East, and Europe, HELP combines global reach with regional insight and relevance.

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Foreword

West Africa stands at a critical juncture. Across the region, protracted humanitarian emergencies—driven by conflict, climate shocks, and economic fragility— have become the norm rather than the exception. These crises, often spanning years, place sustained pressure on humanitarian systems historically designed for short-term response. Yet within this challenging context lies an untapped opportunity: a young, rapidly growing population and workforce with the potential to play a more central role in the delivery of humanitarian assistance.

The persistence of crises demands a shift in approach. When emergencies endure, supply chains can no longer remain exclusively global, reactive, and externally driven. Instead, they must become more regionally embedded, resilient, and responsive to local realities. Supply chain localization is not merely an operational adjustment; it is a strategic transformation that can improve efficiency, reduce costs and lead times, and stimulate local economies.

Since 2023, the West Africa Office of HELP Logistics has advanced the agenda of localizing humanitarian supply chains through applied research, partnerships, and field-based insights. The 2024 Africa Logistics Conference in Dakar provided a platform for humanitarian and private sector stakeholders to examine the meaning of localization in practice along with its opportunities and barriers to adoption.

Building on this momentum, the thought leadership initiative progressed further in November 2025, bringing together decision-makers from humanitarian programs and the private sector to move beyond conceptual debates and identify actionable pathways forward. Participants drew on their operational experience to examine both the external and internal dynamics shaping supply chain decisions.

The exchanges highlighted strong alignment on the potential of supply chain localization to strengthen preparedness, resilience, and long-term development. At the same time, participants recognized persistent barriers, misconceptions and unfounded assumptions that continue to hinder progress. Too often, localization remains an aspirational principle. For organizations to move beyond endorsement, localization must be treated as a deliberate operational and strategic objective.

This brief synthesizes the insights, challenges, and recommendations that emerged from the November 2025 workshop, offering a grounded perspective on how localization can move from concept to practice. It invites readers to engage with both the complexity and urgency of the topic.

The HELP Logistics West Africa Team

Background

Why Localization Matters for Humanitarian Supply Chains in West and Central Africa

Humanitarian crises in West and Central Africa (WCA) have become more frequent, protracted, and complex. Conflict, climate shocks, and economic fragility continue to drive large-scale humanitarian need across the region, with more than 57 million people requiring assistance (OCHA, 2024). In this context, humanitarian supply chains are not a technical back-office function; they are a central determinant of whether aid reaches people on time, at the right scale, and in forms suited to local realities (DG ECHO, 2024).

Because procurement, transport, warehousing, and distribution account for a significant share of humanitarian expenditure, supply chain decisions shape both operational effectiveness and local economic outcomes (DG ECHO, 2024; HELP Logistics, 2024). Recent crises in the Sahel, coastal West Africa, and the Lake Chad Basin show that local transporters, warehouse operators, manufacturers, and small-scale suppliers are often critical to continuity when international pipelines are delayed, disrupted, or too inflexible to respond quickly (WFP, 2024). For that reason, supply chain localization should be understood not as an optional add-on, but as a practical requirement for more resilient humanitarian response in WCA.

In this brief, supply chain localization refers to the deliberate shift of sourcing, partnership, operational decision-making, and market investment toward national and local organizations, suppliers, and institutions. It is closely linked to the broader humanitarian localization agenda, but it has a more specific operational focus: who controls procurement decisions, who carries supply-chain risk, which markets are strengthened, and how local firms participate in humanitarian response.

This distinction matters. Grand Bargain commitments call for 25% of humanitarian funding to reach local and national actors “as directly as possible,” yet global reporting shows that in 2023 only about 0.6% of first-level funding from Grand Bargain donors reached those actors directly (Development Initiatives, 2024). The figure rises to roughly 25% only when pass-through funding via intermediaries is counted. For supply chains, this gap is not only a financing issue; it is a governance issue. Funding structures influence who can plan ahead, contract suppliers, absorb procurement risk, invest in market development, and shape operational choices.

Accordingly, supply chain localization should be treated not only as part of the broader localization agenda, but as a standing institutional commitment in its own right. It requires a clear governance home within procurement and supply-chain management, defined decision rights, named leadership ownership, and measurable performance expectations. Without that institutional footing, localization can be endorsed rhetorically while remaining weakly embedded in practice.

The Thought Leadership Workshop

This brief synthesizes insights from a two-day regional workshop held on 12–13 November 2025 in Dakar, Senegal, involving 12 thought leaders from nine WCA countries: Burkina Faso, Chad, Côte d'Ivoire, Guinea, Mali, Niger, Senegal, the Central African Republic, and the Democratic Republic of Congo. Participants brought experience from national and international NGOs, humanitarian supply chains and operations, and the private sector, and contributed in a personal capacity, informed by their professional experience to enable frank, cross-organizational dialogue.

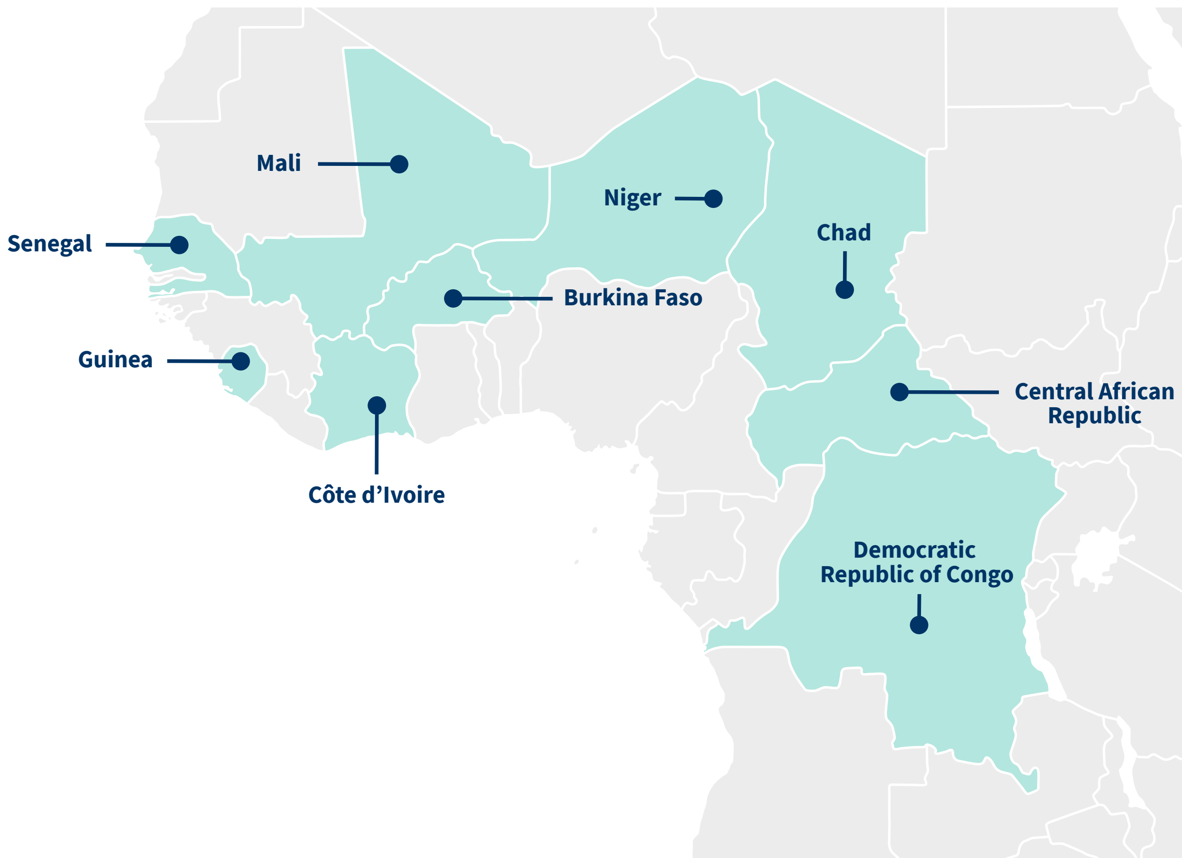
The process combined a pre-workshop survey, individual interviews, and structured discussions. The brief's analysis of barriers and strategic pathways is workshop-derived; selected quantitative references are used selectively to substantiate issues raised by participants, not to broaden the agenda beyond the evidence gathered through the process.

9 WCA countries represented

12 thought leaders

2 day regional workshop

Geographical Representation of Thought Leaders



Executive Summary

Supply chain localization in West and Central Africa (WCA) is not failing because local markets are absent. It is failing because procurement authority, compliance systems, financing structures, and risk allocation still favor external actors and international sourcing. As a result, humanitarian operations remain more externally dependent than policy commitments suggest, even where local capacity exists or could be developed.

The central challenge is therefore systemic. Headquarters-driven procurement rules often leave too little room for contextual adaptation. Regulatory and fiscal environments are unpredictable. Localization targets are rarely embedded in organizational performance systems. Risk is pushed downward to local suppliers without corresponding access to finance, insurance, or fair contractual terms. Humanitarian standards are often applied through compliance architectures that are difficult for local suppliers to navigate. Coordination remains fragmented, and local stakeholders are too often excluded from strategic decisions.

The consequence is a self-reinforcing cycle: rigid rules increase risk aversion; risk aversion discourages local investment and partnership; weak market visibility reinforces assumptions that local markets are not ready; and fragmented coordination prevents collective solutions.

Breaking this cycle requires reform across three levels.

First, system rules must change. Regulatory frameworks, customs processes, tax treatment, certification pathways, and donor compliance systems need to become more predictable, proportionate, and aligned with humanitarian realities.

Second, markets must be built, not merely assessed. Supplier development, advance market mapping, shared intelligence, risk-sharing instruments, and tailored financial products are necessary to make local participation viable at scale.

Third, organizational behavior must change. Humanitarian agencies need to codify local-first sourcing as a default rule, apply disciplined exception logic, track performance, and align incentives, approvals, and budgets with localization goals.

This brief advances six strategic pathways to support that transition:

1. Adapt policy and regulatory frameworks to humanitarian and market realities

2. Simplify and harmonize procurement and compliance procedures

3. Invest in continuous, contract-linked capacity strengthening

4. Build shared market intelligence at national and regional levels

5. Make local and regional sourcing the operational default

6. Shift from short-term transactions to strategic long-term partnerships

The next phase should focus on governed implementation across three priorities. The first is to make system rules more enabling by reducing the highest-friction regulatory, compliance, and approval bottlenecks that prevent context-sensitive local and regional sourcing. The second is to build markets through supplier development, shared intelligence, fairer contracting, and finance and risk-sharing mechanisms that make local participation commercially viable. The third is to institutionalize localization through internal accountability, including local-first rules, disciplined exception processes, performance targets, and routine management review.

These priorities require different actors to act on what they control. Donors must reform funding and due-diligence architecture. Financial institutions must provide contract-linked finance and risk-sharing tools suited to humanitarian contract cycles. National governments must reduce regulatory uncertainty and invest in enabling infrastructure. Humanitarian organizations must reform internal rules and accountability systems. Local firms, communities, and other market actors must be engaged as co-shapers of the supply ecosystem.

Progress should be judged not only by commitments in principle, but by whether procurement practice, financing access, and decision-making authority are actually shifting. At minimum, this requires regular review of local and regional procurement levels, exception patterns, supplier development outcomes, finance uptake, and recurring regulatory constraints.

The policy choice is clear. WCA supply chains can remain externally dependent and repeatedly constrained by the same structural bottlenecks, or they can be redesigned as systems that are locally anchored, regionally connected, and globally supported. The latter will depend not on aspiration alone, but on whether the principal actors in the system treat localization as a governed commitment within the next policy cycle.

Challenges

Systemic Barriers to Supply Chain Localization

Supply chain localization in WCA is constrained by a set of interlocking barriers across governance, regulation, finance, markets, and coordination. These are not isolated operational obstacles. They reflect how authority, compliance, risk, and information are organized across the humanitarian system.

The barriers also reinforce one another. Centrally designed rules limit contextual decision-making. Weak internal accountability encourages risk-averse behavior. Risk aversion suppresses investment in local supplier ecosystems. Limited market visibility then reinforces assumptions that local markets are not ready. Fragmented coordination prevents collective correction. Together, these dynamics lock humanitarian operations into patterns of external dependence.

At root, these barriers persist because supply chain localization is still weakly governed. Authority is fragmented, accountability is diffuse, and performance expectations are rarely formalized.

Challenge 1

Policy Misalignment and Lack of Contextual Adaptation

Challenge 2

External Policy Constraints and Divergent Priorities

Challenge 3

Weak Institutionalization and Visibility of Localization

Challenge 4

Risk Aversion and Insurance Gaps

Challenge 5

Quality, Standards, and Market Readiness Gaps

Challenge 6

Fragmented Coordination and Stakeholder Exclusion

Challenge 1: Policy Misalignment and Lack of Contextual Adaptation

Many procurement and risk-management policies are designed centrally to ensure global consistency and institutional protection. In practice, however, they are often applied in WCA with insufficient adaptation to local market depth, transport volatility, supplier maturity, and operational constraints.

This is not simply a problem of inflexibility. It is a governance problem. Decision-making authority is often concentrated far from the markets in which procurement decisions must be implemented. Country teams and local suppliers may understand where local participation is feasible, but they frequently lack the authority to adapt rules, timelines, or requirements accordingly.

As a result, one-size-fits-all compliance requirements can override context-sensitive judgment. Overly rigid thresholds, documentary expectations, or approval procedures may favor legally safer choices over operationally smarter ones. Field teams then default to sourcing patterns that are easier to defend administratively, even when more localized options are viable.

Challenge 2: External Policy Constraints and Divergent Priorities

Localization is also constrained by regulatory and political environments that do not consistently align with humanitarian operating needs. Customs procedures, tax treatment, certification requirements, security controls, and cross-border rules are often unpredictable, slow, or unevenly applied.

These constraints do more than delay shipments. They alter the risk calculus of localization. When customs exemptions are uncertain, border processes are opaque, or security permissions are inconsistently enforced, local suppliers face higher transaction costs and humanitarian organizations become more likely to revert to procurement models they perceive as more controllable.

The challenge is compounded where state priorities differ from humanitarian principles. Governments may emphasize visibility, territorial control, revenue protection, or security oversight in ways that sit uneasily with humanitarian requirements for speed, neutrality, and facilitated access. Where dialogue platforms exist, they are often ad hoc and insufficiently institutionalized to resolve recurring operational frictions.

Macroeconomic volatility adds further pressure. Currency fluctuations, administrative opacity, and sudden regulatory change discourage business planning, weaken cross-border trade, and reduce supplier confidence. Operational evidence from the Lake Chad corridor illustrates how regulatory and infrastructure instability translate into supply-chain risk: warehousing rental prices can rise by up to 50% during peak periods, while storage utilization reaches around 95% in Cameroon and 85% in Chad during high-volume months (HELP Logistics, 2024).

Challenge 3: Weak Institutionalization and Visibility of Localization

Within many humanitarian organizations, localization remains an endorsed principle rather than an operationally governed objective. It is often not embedded in planning systems, performance management, budget allocation, or leadership accountability.

Few organizations systematically track localization-related indicators such as local procurement ratios, supplier diversification, partner development outcomes, or exception rates. Where such data exist, they are often incomplete, non-standardized, or not routinely used in decision-making. What is not measured is difficult to defend, prioritize, or improve.

This weak institutionalization also affects visibility. Without robust market intelligence, shared supplier information, or evidence on local performance, staff may underestimate the capability of local actors. In turn, localization appears riskier or less feasible than it may actually be.

The issue, then, is not simply lack of commitment. It is lack of governance instruments. Where localization is not tied to targets, reporting, review, and leadership ownership, it is consistently deprioritized in day-to-day decision-making.

Challenge 4: Risk Aversion and Insurance Gaps

Humanitarian supply chains in fragile settings are inherently risky. The problem is not risk itself, but how that risk is allocated. Current systems often place a disproportionate share of operational, financial, and reputational risk on local firms without providing the finance, insurance, or contractual protection needed to absorb it.

International organizations may rely on headquarters-driven risk controls that leave little room for structured risk-sharing with local suppliers. Local firms, meanwhile, are expected to deliver under volatile conditions while facing limited access to working capital, liability coverage, cargo insurance, or affordable credit.

This imbalance reinforces conservative procurement behavior. Organizations prefer established external suppliers because they appear easier to insure, finance, and defend within compliance systems. Local firms are judged against standards of reliability that are difficult to meet without the very risk-sharing tools that would allow them to strengthen.

The wider financial ecosystem deepens this barrier. Insurance penetration across Africa remains low—around 2.4% of GDP in 2023—indicating limited domestic capacity to absorb commercial risk (African Insurance Organization, 2024). Enterprise survey evidence across Sub-Saharan Africa also consistently shows that access to finance remains a major constraint for firms. Together, these conditions make it harder for local suppliers to scale, invest, and compete for larger humanitarian contracts.

Challenge 5: Quality, Standards, and Market Readiness Gaps

Humanitarian organizations often cite quality, compliance, and standards as reasons for limited local sourcing. In some cases, genuine capacity gaps do exist. But market readiness problems are not reducible to supplier weakness alone. They also reflect a mismatch between humanitarian compliance architectures and the practical support available to local firms to meet them.

In many WCA contexts, suppliers face technical and infrastructural constraints, including limited access to accredited laboratories, certification systems, product testing facilities, and quality assurance infrastructure. Managerial challenges—such as scaling production, maintaining documentation, or managing schedules under unstable conditions—can further affect readiness.

At the same time, global standards are not always translated into locally feasible pathways for compliance. Requirements may be poorly communicated, inconsistently interpreted, or applied without the training, phased support, or prequalification systems needed for smaller firms to respond effectively. Local actors also have limited influence over how standards are defined and operationalized, reinforcing the perception that compliance is externally imposed rather than jointly governed.

Infrastructure disparities worsen the problem. In a corridor analysis in the region, only around 10% of warehouses in Chad had cold storage capacity, compared with roughly 40% in Cameroon (World Bank, 2022, cited in HELP Logistics, 2024). In such conditions, performance gaps may reflect structural constraints in the enabling environment as much as supplier capability itself.

> “Who set these standards, and who was around the table when they were established? Do they apply to all regions and contexts? For me, there is no unanimity regarding the universality of these standards.”

Challenge 6: Fragmented Coordination and Stakeholder Exclusion

Localization efforts are further weakened by fragmented coordination across organizations, functions, and market actors. Procurement, finance, logistics, and program teams often work in parallel rather than through a common localization strategy. Feedback between headquarters and country offices is frequently weak, and inter-agency information-sharing remains limited.

The result is duplication. Organizations conduct separate supplier assessments, maintain isolated vendor databases, and apply different compliance tools to the same local actors. This increases transaction costs, slows contracting, and sends inconsistent signals to the market.

Fragmentation also prevents collective market stewardship. Without shared intelligence, mutual recognition of assessments, or coordinated planning, humanitarian procurement remains transactional rather than ecosystem-oriented. Local suppliers face repeated proof burdens. Smaller community-based organizations and firms are excluded from planning and rarely influence how procurement systems are designed or improved.

Short funding cycles reinforce this pattern by encouraging reactive, ad hoc purchasing over strategic market engagement. In the absence of coordinated planning, supplier development, risk-sharing, and market stabilization remain underprovided, and external sourcing continues to appear like the default solution.

Priorities

Strategic Pathways for a Local-First Supply Chain Model

Addressing the barriers above requires more than isolated technical fixes. It requires a reform agenda that changes system rules, builds market capability, and reshapes organizational behavior.

The six pathways below are mutually reinforcing, but they do not have identical leverage or feasibility. Some can be advanced immediately through institutional policy change; others require longer-term coordination, regulatory reform, or investment. Taken together, they define the transition from a procurement system that occasionally includes local actors to one that is intentionally designed around local and regional participation.

Priority 1

Policy and Regulatory Adaptation

Priority 2

Simplification and Harmonization of Procedures

Priority 3

Continuous Capacity Strengthening

Priority 4

Advance Market Mapping and Regional Scope

Priority 5

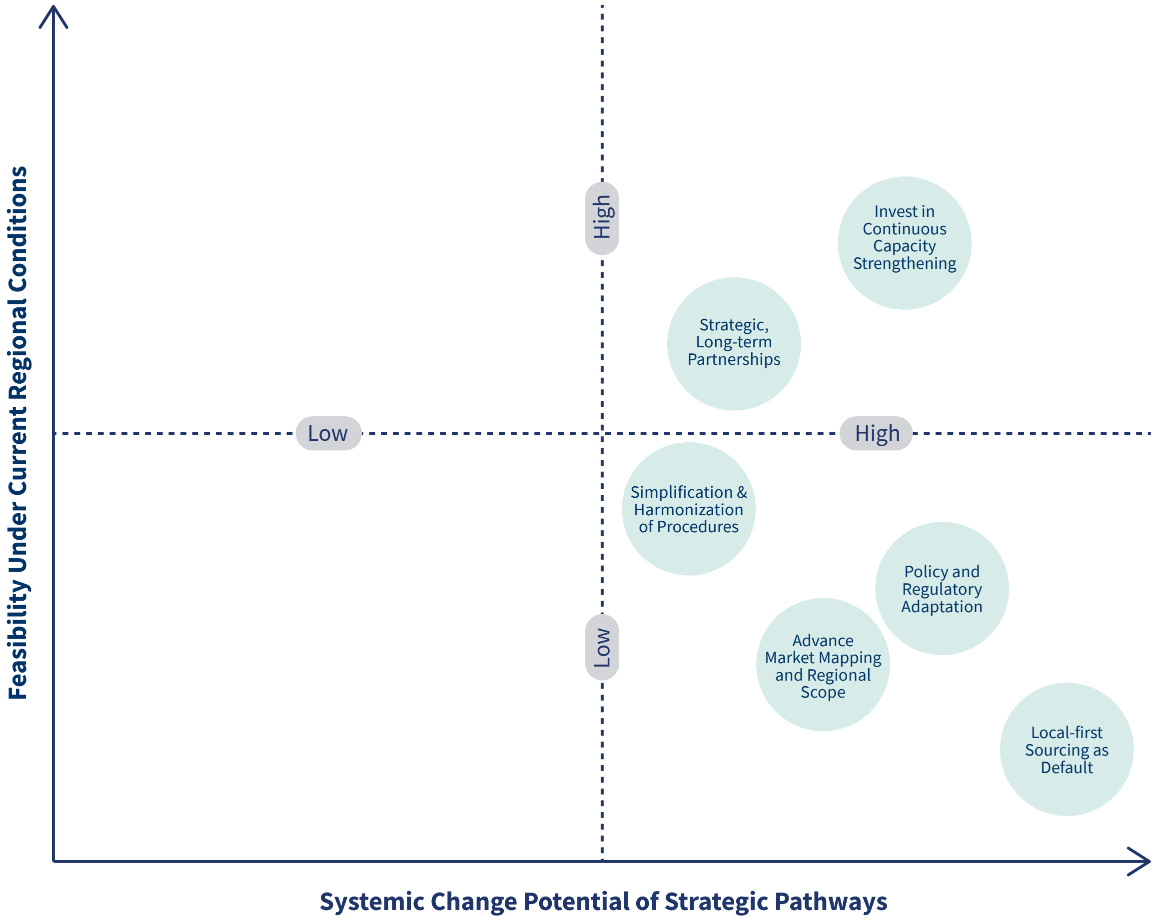
Local Market Sourcing as the Operational Default

Priority 6

Strategic Long-Term Partnerships

Figure 1: Relative Positioning of Strategic Pathways by Systemic Impact and Feasibility.

Workshop participants assessed the six strategic pathways on two dimensions: their potential to generate systemic change and their feasibility under current regional conditions in WCA. Average scores were calculated and plotted to compare the relative reform leverage and implementation feasibility of each pathway.



Priority 1: Policy and Regulatory Adaptation

Effective localization depends on an enabling policy environment. The priority is not blanket deregulation, but greater predictability and better alignment between humanitarian operating realities and the rules that govern customs clearance, tax treatment, certification, security permissions, and cross-border trade.

Regulatory adaptation should focus on a limited set of high-friction rules that most directly affect local participation. Streamlined customs procedures, transparent tax and VAT treatment, clearer certification pathways, and predictable administrative requirements would reduce uncertainty that disproportionately affects smaller suppliers and regional trade actors.

At the same time, donor and agency compliance rules must be interpreted and applied in ways that allow context-sensitive implementation. Overly conservative rule application can narrow procurement choices before local options are properly assessed. Policy alignment, paired with targeted fiscal and regulatory incentives for local manufacturers and logistics providers, can expand the space for sustained local participation.

Priority 2: Simplification and Harmonization of Procedures

Administrative complexity remains one of the most immediate and solvable barriers to localization. Local suppliers and partners often face multiple, overlapping, and poorly aligned procurement and due-diligence systems across UN agencies, international NGOs, and donors.

Harmonization should reduce repeated proof burdens. Supplier prequalification, due-diligence templates, audit requirements, and documentation packs should be standardized where possible, with greater reliance on mutual recognition of assessments and shared compliance outputs.

This does not mean lowering standards. It means moving toward proportionate compliance: less duplication, clearer expectations, and more efficient oversight. Country offices should also have greater delegated authority to apply pre-approved thresholds, waivers, or contextual adjustments within defined accountability limits. Simplification makes it easier for local actors to enter and remain in the system, while helping agencies source more quickly and consistently.

> “Sometimes donors are complicated, but sometimes we ourselves add complexity. We ask partners to do things that make our own lives easier, even though these are not imposed by donors.”

Priority 3: Continuous Capacity Strengthening

Localization requires supplier development, not only supplier selection. Capacity strengthening should therefore move beyond stand-alone training workshops and toward sustained, contract-linked support tied to real market opportunities.

Three dimensions are especially important. The first is technical and compliance capability, including product standards, documentation, traceability, and quality assurance. The second is business systems capability, such as production planning, internal controls, delivery reliability, and schedule management. The third is financial capability, including the ability to manage working capital, payment delays, or the scaling demands of larger contracts.

Support should be designed around actual procurement pathways. The most effective model is one in which suppliers receive clear expectations, practical support, phased performance benchmarks, and visibility on future demand. Financial tools—such as advance payments, purchase-order finance, partial guarantees, and flexible payment terms—should be treated as part of capacity strengthening, not as separate add-ons.

In short, local firms should not be judged solely on current readiness. They should be supported to become reliable long-term providers within humanitarian supply systems.

Priority 4: Advance Market Mapping and Regional Scope

Localization cannot succeed if organizations lack a shared understanding of what markets can provide, under what conditions, and at what scale. Market mapping should therefore go beyond static vendor lists and become a preparedness tool.

Useful market intelligence should include supplier capacity, input availability, transport corridors, seasonal price volatility, storage infrastructure, quality assurance arrangements, and access to finance. It should also capture regional trade linkages, since WCA supply availability is often shaped by cross-border markets rather than purely national ones.

Shared supplier databases and interoperable data systems can reduce duplication and improve sourcing decisions, but only if they are regularly updated, jointly governed, and actually used in planning. Market intelligence should be treated as common infrastructure for crisis preparedness and response, not as a proprietary organizational asset.

A regional lens is especially important because local-first sourcing does not always mean sourcing within a single national border. In many contexts, the most realistic progression is local where feasible, regional where needed, and international only where justified.

Priority 5: Local Market Sourcing as the Operational Default

Localization becomes meaningful only when it changes the default rule of procurement. Local and regional sourcing should therefore be treated as the starting point for supply decisions wherever defined quality, safety, ethical, and delivery requirements can be met.

This is not a call to lower standards. It is a call to reorder decision-making. Procurement processes should begin by testing local and regional availability rather than assuming international sourcing unless a local option proves itself under highly restrictive conditions.

A local-first rule changes behavior in two ways. First, it makes local participation the option that must be considered and documented at the outset. Second, it requires that departures from local or regional sourcing be justified through clear exception criteria rather than routine preference or habit.

Operationalizing this model also requires internal change management. Procurement, logistics, program, finance, and risk teams must work from the same rule set, and performance systems must reinforce rather than undermine local-first decision-making.

Priority 6: Strategic Long-Term Partnerships

Localization cannot be built on short-term, purely transactional contracting. Strategic partnership means more than repeated purchases from the same vendor. It means multi-year, performance-based relationships that provide local firms with sufficient demand visibility and commercial fairness to invest in compliance systems, staff, infrastructure, and financing.

Longer-term agreements can include graduated volume commitments, fair payment terms, supplier development plans, and predictable review mechanisms. They may also involve shared warehousing, pooled logistics arrangements, digital supplier registries, or other forms of joint infrastructure that reduce duplication and stabilize participation.

Such partnerships help shift humanitarian procurement from spot buying toward market shaping. They allow agencies to build reliability over time rather than treating every contract as a one-off transaction. For local suppliers, they create a basis for investment. For humanitarian actors, they improve preparedness, continuity, and operational resilience.

From pathways to implementation

Together, these six pathways form a coherent reform agenda. Policy adaptation creates room for more feasible local participation. Harmonized procedures reduce unnecessary entry barriers. Capacity strengthening and market intelligence build supplier readiness and preparedness. Local-first sourcing changes operational decision rules. Long-term partnerships stabilize the ecosystem. Across these pathways, digital tools should be treated as enablers of local market inclusion, not substitutes for it. Their role should be to reduce information asymmetry, improve customs and payment transparency, expand supplier visibility, and widen access to finance without bypassing local market actors.

The next step is therefore institutional: turning these strategic directions into enforceable organizational rules, measurable performance systems, and disciplined exception processes.

Institutionalizing Localization

Policies and Exception Logic

Localization will not advance through aspiration alone. It must be built into the internal governance systems that shape procurement behavior. That requires three things: a default sourcing rule, a disciplined exception process, and organizational policies that align incentives, finance, and accountability with that rule.

Action 1: Local-First as Organizational Default

A local-first approach should be codified as the standard decision rule for procurement. In practice, that means procurement teams should test local availability first, then regional options, before escalating to international sourcing.

This sequence matters because it changes the burden of justification. Under a local-first model, local and regional sourcing no longer need special defense; international sourcing does. The organizational question becomes not “can we prove a local option beyond doubt?” but “have we adequately assessed local and regional options before moving outward?”

To make this rule meaningful, it should be embedded in procurement SOPs, approval pathways, and performance systems. Procurement and supply-chain leadership should be accountable for metrics such as local procurement share, supplier diversification, partnership duration, and exception rates. Organizations should assign a senior accountable owner at director level and review performance at least quarterly through existing management and risk-governance processes. Without measurable accountability, local-first remains rhetorical rather than operational.

Action 2: Exception Criteria

A local-first rule requires a controlled override mechanism. Exception criteria are necessary, but they must be narrow, evidence-based, time-bound, and subject to review. Otherwise, exceptions become the informal norm.

Permissible exceptions may include:

- verified inability of local or regional markets to meet essential technical, safety, or ethical requirements after reasonable mitigation efforts;
- material security or impartiality risks that remain unresolved after structured mitigation;
- credible evidence that planned volumes would cause harmful market distortion;
- verified legal or regulatory constraints that cannot be resolved within operational timelines;
- binding donor mandates that specifically restrict sourcing options; and
- sudden-onset emergencies requiring temporary international sourcing, provided that clear reversion triggers are defined.

Each exception should record the reason invoked, the evidence used, the approving authority, the duration of the exception, the mitigation efforts attempted, and the date for reassessment. Exception data should be reviewed periodically, not only for compliance purposes, but as a management tool. Recurring exception patterns should trigger either a market-development response, an internal policy correction, or escalation to senior management for decision.

Action 3: Essential Organizational Policies

Institutionalizing localization requires a minimum policy package that goes beyond procurement checklists.

First, organizations need clear decision rules and approval thresholds.
Financial ceilings, documentation standards, and sign-off requirements for international sourcing should be formalized so that overrides are visible and reviewable rather than discretionary.

Second, organizations need risk-sharing and financial support mechanisms.
Where local suppliers face predictable working-capital, insurance, or contract-performance constraints, agencies should use instruments such as advance payments, phased payment schedules, partial guarantees, or framework arrangements that reduce risk concentration.

Third, organizations need performance management, targets, and transparency.
Localization indicators should be tied to an approved baseline and annual targets, not only tracked descriptively. Because market depth, operating constraints, and procurement categories vary significantly across WCA contexts, this brief does not prescribe a single regional threshold for performance. However, organizations should not leave targets implicit. At the start of each planning cycle, they should set context-appropriate numeric targets or ceilings for priority indicators, including local and regional procurement share, exception rates, and payment timeliness to local suppliers, and explain any material deviation from those benchmarks in periodic review. At minimum, organizations should monitor the percentage and value of local and regional procurement, supplier performance, average payment time to local suppliers, exception frequency, and partnership duration. A senior accountable owner at director level should review performance quarterly with procurement, finance, logistics, and risk leads. Transparent reporting strengthens internal accountability and improves credibility in donor and government dialogue. Where targets are missed or exception rates remain persistently high, management should require a corrective action plan and follow-up review.

Fourth, organizations need structured supplier-development policies.
Localization should include deliberate investment in supplier readiness through mentoring, compliance support, framework agreements, and phased contracting strategies.

Fifth, organizations need inter-agency harmonization commitments.
Mutual recognition of supplier assessments and shared due-diligence tools can reduce repeated compliance burdens that disproportionately exclude smaller local actors.

These policies are what turn localization from a strategic aspiration into an operating system.

Advocacy Messages

No single actor can deliver supply chain localization alone. Structural reform depends on coordinated changes across financing, regulation, market infrastructure, and organizational practice. The recommendations below focus on what each actor controls and what must change within that sphere.

Advocacy group 1: For Donors and Funding Agencies

Donors shape the financial architecture within which localization either becomes viable or stalls. Short-cycle, intermediary-heavy funding keeps procurement authority external and limits the predictability needed for supplier development and market investment. Four reforms are especially important.

First, donors should increase direct and multi-year funding to qualified local actors, with realistic coverage of overheads, compliance costs, and supplier-development needs. Funding that is nominally localized but financially inflexible will not shift supply-chain control in practice.

Second, donors should support pooled risk-sharing instruments, including guarantee facilities, blended-finance windows, and insurance mechanisms that help local suppliers and partners participate in higher-value contracts.

Third, donors should harmonize due-diligence and reporting requirements. Standardized templates, mutual recognition arrangements, and proportionate documentation thresholds would significantly reduce avoidable compliance burdens.

Fourth, donors should publish annual baselines and progress targets for the share of first-level funding reaching local and national actors, the share of procurement spend reaching local and regional suppliers, and the volume of market-building support directed to supplier development, shared market intelligence, and localized logistics infrastructure.

Advocacy group 2: For Banks and Financial Institutions

Financial institutions are essential to converting humanitarian demand into bankable opportunity for local firms. In the absence of contract-linked finance and risk-sharing tools, humanitarian demand does not translate into scalable opportunity for local suppliers. What is needed is not generic financial inclusion alone, but financial products designed for humanitarian market conditions.

Banks and other financial actors should commit to piloting humanitarian contract-linked financial products in priority markets within 12 to 18 months. Progress should be tracked through the number and value of receivables financing facilities, bridge loans against purchase orders, invoice discounting, guarantee-backed transactions, insured contracts, and working-capital products extended to local suppliers.

Risk-sharing arrangements are also critical. Partial guarantees, blended products, and insurance coverage for cargo and liability can reduce the exposure that currently prevents many local suppliers from participating at scale.

Finally, financial institutions should extend relevant service access into underserved areas through digital platforms, agent models, or other channels that reduce the practical exclusion of suppliers operating in fragile or remote contexts.

Advocacy group 3: For National Governments

Governments determine the regulatory and infrastructural environment in which localized supply chains operate. Priority actions include making customs, tax, and border procedures more predictable; adopting transparent and time-bound treatment of exemptions or waivers applicable to humanitarian operations; and improving the consistency of administrative processes that affect local suppliers and humanitarian agencies alike. When procedures remain opaque or unevenly applied, transaction costs rise and local and regional sourcing becomes less viable.

Governments should also invest in enabling infrastructure, including warehousing, cold-chain systems, border-post efficiency, customs digitization, and regional logistics corridors. These are not peripheral investments. They directly shape the viability and cost structure of local and regional sourcing.

In parallel, governments should, in dialogue with humanitarian actors and the private sector, identify a limited set of high-friction bottlenecks and establish service standards or time-bound procedures for customs, tax, waiver, and border processing, with progress reviewed through recurring public–private humanitarian logistics forums.

Advocacy group 4: For Humanitarian Organizations

Humanitarian organizations must align their internal systems with the change they advocate externally. This is an internal governance reform, not only a sourcing preference.

Organizations should codify local-first procurement rules and exception logic in formal SOPs. They should align approval pathways, risk-management processes, budgets, and performance scorecards with localization objectives. They should also invest in supplier development through multi-year engagement, fair payment practices, and practical compliance support. In addition, organizations should share market intelligence, rely more on mutual recognition of assessments, and collaborate on pooled infrastructure where this improves efficiency and market stability.

Each organization should designate a senior accountable owner for supply chain localization, typically the Country Director, Regional Director, Regional Operations Director, or equivalent executive, with the Head of Supply Chain or Procurement serving as implementation lead. A quarterly localization dashboard should be reviewed by the senior management team and linked to procurement, finance, logistics, and risk-management decision-making. Repeated exceptions, persistent payment delays to local suppliers, or failure to meet agreed targets should trigger corrective action plans and escalation through established management and risk-governance processes. Internal reform is essential for credibility: organizations cannot advocate system change while leaving their own procurement architecture untouched.

Advocacy group 5: For Local Communities and the Private Sector

Local communities and private-sector actors should be treated as co-shapers of the supply ecosystem, not only as downstream implementers.

Local firms should participate in supplier mapping, market analysis, standards upgrading, and structured feedback on procurement practices. Community actors should help identify how supply choices affect access, legitimacy, and market dynamics at local level. This participation should be structured through regular supplier feedback forums, inclusion in market-mapping and standards discussions, and transparent mechanisms for raising recurring procurement or compliance barriers to agency and donor review.

At the same time, responsibilities placed on local actors must be matched by fair access to contracts, transparent requirements, and practical support to meet quality and compliance expectations. Localization cannot mean transferring expectations downward while leaving power and risk allocation unchanged.

Why coordinated advocacy matters

These actor-specific reforms are interdependent. Donor flexibility without internal agency reform will not be enough. Supplier development without finance and insurance will remain limited. Government infrastructure investment without procurement reform will not shift sourcing behavior. Local participation without fair access and accountability will remain symbolic.

Systemic change therefore depends on coordinated action across all five groups.

Way Forward

The immediate task is to put the reform agenda set out in this brief into practice through clear ownership, sequencing, and review. A first step in that process is to close the remaining measurement gap by translating the review architecture outlined in this brief into defended numeric baselines and targets. Because the workshop evidence does not support a single regional threshold, these targets should be set by the relevant actors against context-specific baselines rather than applied uniformly across all settings.

Implementation priority	Lead actors	Near-term commitment	Review horizon
Enable more predictable and proportionate system rules	Donors, national governments, humanitarian organizations	Address the highest-friction regulatory, compliance, and approval bottlenecks that prevent context-sensitive local and regional sourcing.	**Within 12 months:** identify priority bottlenecks, agree initial reforms, and review whether transaction costs and procedural delays are beginning to decline.
Build markets, not only assess them	Humanitarian organizations, financial institutions, local suppliers, governments	Shift from ad hoc supplier engagement to structured market-building through supplier development, shared intelligence, fairer contracting, and finance and risk-sharing tools.	**Within 12–18 months:** review whether supplier readiness, finance uptake, and the stability of local and regional sourcing options are improving.
Institutionalize localization through internal accountability	Humanitarian organizations, with donor oversight where relevant	Embed local-first sourcing in organizational rules, apply disciplined exception logic, assign senior ownership, and review performance through routine management processes.	**Within the next planning cycle:** confirm whether localization is tied to targets, reporting, review, and leadership ownership, rather than remaining optional in practice.

The reform agenda is now clear. The question is no longer whether supply chain localization is desirable, but whether the principal actors in WCA will treat it as a governed commitment rather than a discretionary preference. Without that shift, localization will remain rhetorically endorsed but weakly embedded in practice. The credibility of the next phase will depend not on new commitments in principle, but on whether existing commitments are translated into rules, market investment, and shared review.

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