

Reverse Logistics

Reverse logistics has been traditionally defined as the process of moving a product from its point of consumption to the point of origin to recapture value or ensure proper disposal. It is one of the fastest developing fields of commercial logistics, resulting continuously changing scope and significance. Reverse logistics includes activities that:

- Avoid return of assets or items.
- Reduces materials in the forward system so that fewer items flow back.
- Ensures the possible reuse and recycling of materials and packaging.

It is important to ensure that aid projects are handled in a responsible manner and that they do not end up causing long term damage to the very people and societies that they are intended to assist.

Reverse logistics is the management of all the activities involved in the flow of goods, demand information and money in the opposite direction of the primary logistics flow, including reduction in the generation of waste, and management of the collection, transport, disposal, and recycling of hazardous, as well as non-hazardous waste, in a way that maximizes the long-term profitability of the business.

Reverse logistics covers a broad range of items and activities and can include:

- Movement of capital items and equipment to the next emergency response.
- Removal of containers and packaging from an area of intervention.
- Destruction of spoiled food commodities and out of date pharmaceuticals.
- Return of rejected goods to suppliers.
- Movement of excess or over-supplied goods to other programmes or organisations.

Reverse logistics occurs in the humanitarian sector when:

- Downscaling of activities:
 - Goods have to be moved to different programmes or disposed.
 - Evacuation due to insecurity - may result in the suspension of activities when goods have already been purchased and have to be returned to the supplier or used in other programmes.
- Closing programmes or ending of emergencies prompts the handover of items
- Products are recalled by their manufacturer
- Rejected goods are returned to the vendor due to:
 - Incorrect orders.
 - Incorrect deliveries.
 - Deliveries being delayed and goods no longer useful to the programme.
 - Damaged goods.
 - Goods on warranty or going for repair.
- Back-trucking of packaging materials for re-use or disposal.

In all instances listed above, there are cost implications that should be taken into consideration during the budgeting and planning period.

Circular Economy

The circular economy is based on three principles, driven by design:

- Eliminate waste and pollution

- Circulate products and materials at their highest value
- Regenerate nature

A circular economy is underpinned by a transition to renewable energy and materials. A circular economy decouples economic activity from the consumption of finite resources. It is a resilient system that is good for business, people and the environment.