

# Mid-Year report



International Federation  
of Red Cross and Red Crescent Societies

## Logistics

Appeal No. MAA00028

6 August 2010

This report covers the period 1 January to 30 June 2010.



Unloading of vehicles at the Port-au-Prince airport, delivered from the Panama regional logistics unit to support the Haiti emergency operation in January 2010.  
IFRC

## In brief

**Programme outcome:** The logistics programme is designed to support the Strategic Aim 1 of the International Federation of Red Cross and Red Crescent Societies (IFRC) Strategy 2020, that is: “Save lives, protect livelihoods, and prepare for and recover from disasters and crises” and more specifically, it supports the enabling action 1: “Build strong National Red Cross Red Crescent Societies”, and enabling action 3: “Function effectively as the IFRC”.

**Programme summary:** The logistics department’s (LD) 2010-2011 programme seeks to increase IFRC’s global logistics capacity, and develop effective and efficient service delivery mechanisms. Activities delivered during the first semester of 2010 supported the achievement of the programme priorities, namely ensured the delivery of membership and value-added services to National Societies through the zone network; and developed the platform to provide value-added services to external agencies on a cost-recovery basis. Within the reporting period, LD developed the global logistics service delivery plan 2010-2015 which will support the delivery of IFRC’s Strategy 2020, and will lay out the overall strategic framework for logistics activities in the future. This has been achieved through a multi-component project; including research, studies, analysis of current and future demands, review of service delivery mechanisms, logistics global infrastructure and sustainability. The future logistics service delivery plan is ready to be presented to senior management’s consideration in July 2010.

This programme also supported the development of logistics standards, tools and systems that measure impact; enhance accountability; promote standardization; and facilitate the management of logistics response to operations. This was coupled with logistics capacity-building initiatives, and the development of partnerships with academia to introduce best practices and innovative logistics solutions.

LD provided services to an increasing number of external partners through its Directorate-

General for Humanitarian Aid (DG-ECHO) accredited Humanitarian Procurement Centre (HPC), achieved further streamlining of internal business processes and promoted the available services with interested parties, including clusters and other humanitarian actors.

**Financial situation:** The total 2010 budget is CHF 4,707,306 (USD 4,337,610 or EUR 3,553,430), of which CHF 1,606,210 (34 per cent) covered during the reporting period (including opening balance). Overall expenditure during the reporting period was CHF 459,091 (10 per cent) of the budget. Due to the Haiti operation, many projects were put on standby as the global logistics set up had to support the operation, and global staff were deployed for more than 65 weeks.

The logistics department and RLUs are now catching up, and projects will be back on track within the coming months.

[Click here to go directly to the attached financial report.](#)

**No. of people we have reached:** Nearly eight million people have been reached through disaster response operations from January to the end of June 2010.

**Our partners:** LD currently works with a number of partners on various projects:

### **Humanitarian Procurement Centre**

LD's capacity to provide effective procurement services has been recognized through its accreditation by DG ECHO as an HPC. Beyond the traditional support provided to National Societies, this accreditation provides opportunities to extend the LD services to other humanitarian parties.

### **ICRC**

LD has established strategic cooperation with ICRC's logistics function. Where appropriate, both organizations implement joint projects in areas of common interest, such as the revision of the emergency items catalogue, joint establishment of supplier framework agreements, supplier social responsibility track record, and other. Regular meetings are held to share information; and to agree on common approaches for current and future activities, as well as on operational programmes.

### **Logistics cluster**

LD attends the global logistics cluster meetings, and participates in operational meetings during emergency operations.

### **Fleet Forum**

The Fleet Forum is made up of a large number of humanitarian organizations (Red Cross Red Crescent Movement, UN agencies, NGOs, etc). The aim of the group is to increase the effective use of vehicle fleets through better fleet management, improve road safety, and the reduced impact of vehicle fleets on the environment. LD has been regularly attending the Fleet Forum's annual conference since its establishment in 2003.

### **Cooperation with logistics academia**

LD maintains links with a number of academic institutions that offer logistics curriculum in their studies and/or are actively involved in exploring new practices and innovative approaches in the field of humanitarian logistics. Close contacts are maintained with the INSEAD Business School on the development of case studies, the Humanitarian Logistics and Supply Chain Research Institute (HumLog Institute), the Norwegian School of Management and some others.

## Context

The number of natural disasters has increased five-fold in less than four decades. The frequency of disasters, coupled with a number of new emerging threats and trends, are leaving more people vulnerable to the adverse effects of disasters worldwide. Over recent years, there has been an increase in the number of small- and medium- scale disasters, especially storms, floods and epidemics, for which National Societies respond to under their mandate as auxiliaries to the public authorities. As such, an increased need for efficient coordination of efforts is crucial to mitigating the suffering of vulnerable communities. The 2010-2011 guiding plan calls for a focus on accountability, good partnership and good donorship in order to promote a strong, flexible IFRC, able to adapt to a fast-changing world.

Logistics is central to the IFRC successfully fulfilling its mandate. The efficiency and effectiveness of the logistics support has a direct impact for National Societies' effective response to assist those affected by disasters.

LD has substantially developed its global response capacity, logistics tools and systems since 2006 when there was a transition from a central to a regionalized model of service delivery. Analysis of the regionalization approach to logistics service provision has confirmed quantifiable improvement in the disaster response supply chain in all aspects: from reducing delivery times and costs to increasing effectiveness and efficiency.

Building on an existing platform, LD started offering selected services to other humanitarian actors through the HPC. Extending pre-agreed logistics services to external organizations enables the IFRC to further reach the target population; and contributes to logistics sustainability, at the same time ensures that services are kept at the lowest cost.

The current logistics infrastructure provides good response capability for larger-scale disasters, but needs to be extended to become more accessible and flexible for small to medium disasters. The service delivery plan 2010-2015 which has been developed, supported by this programme, addresses the existing gaps towards achieving a more efficient and cost-effective logistics support for the Movement and for the wider humanitarian community.

## Progress towards outcomes

IFRC's logistics department has identified three key components of the programme, and all activities are being fulfilled to ensure the achievement of these objectives.

### **Programme Component 1 – Aligning the delivery of mandatory services to National Societies through the updated zonal structure.**

#### **Outcome 1**

The realignment of the logistics structure and resources to deliver mandatory services to National Societies through the zones enhanced logistics structure.

#### **Achievements**

- During the reported period LD developed the global logistics service delivery plan 2010-2015 which will be presented to senior management for consideration and pending their final endorsement, will be implemented during the second half of 2010 onwards. The plan is aimed at sustainably increasing and stabilizing the coverage and accessibility of all logistics services for National Society programmes and operations through the zonal structures.

Emphasis has been put on integrating the logistics infrastructure with the zonal set up and consolidating the available logistics capacities within the Movement to achieve optimal use of resources. The development of the future logistics service delivery plan has addressed a wide range of logistics priorities and objectives, including all three main components of this programme.

- During the reported period, an average of 51 logistics delegates on a monthly basis supported the IFRC and National Society operations, delivering the required services, providing adequate technical expertise and contributing to National Society capacity-building activities.
- Staff rotation across the logistics units has been largely practiced throughout the first semester of 2010. This experience allows LD to maintain a flexible global network that can direct resources from the global pool to areas of urgent need and high workload (when responding to large-scale emergencies, covering human resources (HR) gaps, etc). By doing so, LD can maintain the minimum required HR structure in each unit, reducing the overall cost of sustaining the global logistics infrastructure. During this period, the major operational focus of logistics support has been on the Haiti earthquake, and the global logistics resources have been mobilized to deliver quick and efficient support.
- Within the staff rotation practice, LD deployed seven staff from Geneva for a total of 61 weeks to the Panama regional logistics unit (RLU) and to Haiti to reinforce logistics human resources in support of this emergency. In addition, Kuala Lumpur RLU deployed a regional logistics delegate to Panama during January and February 2010. Additionally, the Head of Kuala Lumpur RLU was deployed for two months to Dubai to cover the vacant post of the Head of Dubai RLU. The logistics delegate based in Las Palmas was deployed to Guatemala in June 2010 to support the host National Society in logistics response to the tropical storm Aghata. A procurement officer from the Panama RLU was also deployed to Chile to assess and conduct local procurement in response to the earthquake operation.
- LD maintains a global roster for logistics and procurement coordinators/delegates. In 2010, members from this roster were deployed to Haiti, Dominican Republic, Chile, Guatemala and Uzbekistan.
- The updated version of the logistics standards online is up and running. Additional documents on mobilization of in-kind donation have been produced and posted. Selected documents have been translated into French and Spanish and posted on the website. The warehouse manual which was already available in IFRC in four official languages is now also available in Thai and in Burmese. This tool and the translated documents allow the IFRC to easily share and update best practices, procedures, templates and training material in four languages with logisticians across the Movement. The site is accessible at: <https://fednet.ifrc.org/sw75174.asp>.
- IFRC's logistics in cooperation with the ICRC launched a 2010 project of the Emergency Items Catalogue. This is a collaborative effort which integrates expertise and support from the Movement and from external organizations. The 2010 project targets the online version of the catalogue and particular emphasis is put on completing three key areas, namely: details of basic information, upgrade of specifications (following the development of new technology) and quality control. The catalogue is available in a printed and an online version (<http://www.ifrc.org/emergency-items>). All National Societies and secretariat offices received a printed set including three volumes and a CD-ROM in February 2010.
- In line with the staff development programme, one trainee procurement delegate (from the New Zealand Red Cross) started in Kuala Lumpur RLU and one trainee logistics delegate (from the Japanese Red Cross) will successfully complete a six-month training programme in Kuala Lumpur. A procurement trainee, staff on loan from the Finnish Red Cross, completed a one-year advanced procurement training in the procurement unit of the secretariat in Geneva, including deployment to Haiti and to the Panama RLU for the last three months of the assignment.
- A logistics and relief Emergency Response Unit (ERU) working group met in Paris in May 2010. The objective of the two-day meeting was to review the latest logistics and relief ERU deployments, and to discuss and agree on areas where improvement can be achieved for this global tool.
- A strategic cooperation meeting was held between IFRC's logistics and the Red Crescent Society of the United Arab Emirates in April 2010. The meeting explored common interests

and areas for potential future cooperation in the field of logistics service delivery. A list of follow up actions was produced.

- LD and ERU-hosting National Societies sent facilitators and participants to the bi-yearly logistics response team training organized by the global logistics cluster cell.
- The Dubai RLU organized a regional warehouse workshop in Dakar in March 2010 for warehouse managers from each of the subregional warehouses to implement and upgrade logistics, including improved frequency and accuracy of monthly stock reports.
- Ongoing work on logistics capacity building continues with a number of National Societies in Asia Pacific. A South East Asia warehouse and transport workshop was conducted in February 2010 with participants from five National Societies. Additionally, planning for logistics assessments with the Pakistan Red Crescent Society and the Philippine National Red Cross are underway.

## **Programme Component 2 – Global provision of cost-effective value-adding services to National Societies on a cost-recovery basis.**

### **Outcome 2**

National Societies have increased their capacity through access, as needed, to commercially competitive, cost-effective and measurable logistics services, without the burden of capital investment and the ongoing cost of building and maintaining a full-time structure and resources.

- A number of National Societies have signed formal LD service agreements to utilize the logistics services provided by the global LD network. Several National Societies have significantly increased the volume of stocks that they hold in RLUs as a result of their increased ability to respond quickly to disasters by using the LD services.
- Logistics support was rendered to an average of 25 operations per month, and five mobilization tables were published to support nearly 140,000 families (700,000 people). The Haiti earthquake has been a larger-scale operation and the main focus of global logistics support during 2010. Twenty-seven National Societies pledged against the needs reflected in the mobilization table on the Haiti response. Pre-positioned stock from all RLUs and Las Palmas were delivered to cover the identified needs. During the reporting period, 105 logisticians were deployed to the field to support the operation, including FACT, ERUs and delegates from the global logistics roster.
- Operationally, there has been no major disaster in Asia Pacific during this period, but increasingly we are seeing requests for stock mobilization, dispatch from the KL warehouse, and replenishments of National Society stock for ongoing and new small- to medium- scale operations across the region, including a number of National Societies in the Pacific and South Asia. ICRC's stock is now in place in the KL regional warehouse, and discussions continue with a number of other National Societies on pre positioning stock in the region.
- A terms of reference has been drafted to review existing systems and propose recommendations to support the logistics service delivery plan for the next five years. It is anticipated that this terms of reference will be sourced in the third quarter, and delivered in first quarter of 2011.

## **Programme Component 3 – Provision of cost-effective value-adding services to external agencies**

### **Outcome 3**

Logistics will meet the donor requirements of increased efficiency in logistics services through cooperation and coordination by offering measurable logistics service delivery to external agencies. This will in turn become income generating (non-profitable), and so support the sustainability of logistics service provision as a whole.

- The recognition of the IFRC LD as a Humanitarian Procurement Center has been renewed by DG ECHO until 2013. This means IFRC will continue to extend selected logistics

services to internal and external humanitarian actors using the established service provision platform of HPC.

- After the Haiti earthquake, there has been increasing number of external requests received by LD. The Haiti context has been used to review the business processes for external service provision, and to streamline the working mechanism between the logistics units. A final model of centrally coordinated external service provision has been agreed within the global logistics set up.
- During the reporting period, LD units dealt with increased procurement volumes and values (both internal and external). Compared to the first half of the previous year, the number of procurement orders has grown by 28 per cent, and the total value of procurement has gone up by 53 per cent.
- The LD procurement unit continues the initiative of maintaining long-term global framework agreements. During the reporting period, three long-term framework agreements (FA) for high and medium thermal blankets and Toyota vehicles were renewed.
- IFRC has started exploring the possibility of mutual cooperation with ICRC on a quality assurance framework, which is envisaged in the second half of 2010.

## Constraints or Challenges

- The recruitment of professional technical specialists with required competencies remains a challenge, particularly in terms of the time taken to find the sought skill-sets and competencies to match the job requirements.
- The large scale of the Haiti operation drew a lot of logistics resources to focus on operational support, as a result of which, LD has been extremely understaffed and some planned activities had to be put on hold. This fact has also had an impact on finalization of the logistics future service delivery plan.
- The current logistics infrastructure is not fully aligned to zonal structures, which imposes certain limitations in terms of access to logistics services and expertise, particularly in Europe, Africa and the Middle East and North Africa (MENA). This factor has been well considered when designing the future service delivery plan, and will be well addressed in the course of its implementation, subject to senior management approval.

## Working in partnership

- LD is an active member of the logistics cluster and participates in quarterly meetings. Facilitators from the IFRC, and participants from the ERU logistics rosters are actively engaged in the logistics response team trainings organized by the global logistics cluster cell. LD was also part of the reference group that developed a logistics tool for the humanitarian logistics community which is now available online at: <http://log.logcluster.org/index.html>.
- National Societies have concluded a service agreement with IFRC to utilize logistics services provided by the global logistics network. Among these National Societies are the Australian, American, Belgium, British, Canadian, Danish, German, Kenyan, Hong Kong, Iranian, Japanese, Luxemburg, Libyan, Netherlands, New Zealand, Norwegian, South Korean, Swiss and the Taiwan Red Cross Red Crescent Societies.
- IFRC's logistics hosted the Fleet Forum Board meeting in June 2010 in Geneva, which brought together representatives from World Vision, WFP, TNT, UNIVICITY and IFRC to discuss effective fleet management practices and agree on areas of common interest and potential cooperation.
- Participation in the UNHRD network meeting in April 2010 led to an agreement to apply jointly with UNHRD Dubai to the Government for heavy transport route exemptions during emergency operations.
- IFRC's logistics has made initial contacts with Airbus through the resource mobilization department. This may lead to a potential partnership with Airbus to utilize free of charge opportunities offered by Airbus within their regular flight schedules for transporting Federation goods.

## Contributing to longer-term impact

- The global logistics network is producing logistics tools and systems and is constantly developing its standards and performance indicators, which allows the IFRC to further professionalize its logistics capacity and skills and remain a leader in humanitarian logistics, promoting best practices with other actors.
- LD cooperates with academic institutions in logistics research and the development of case studies. Most recently three case studies have been developed in partnership with INSEAD business school, the first one focusing on IFRC's logistics response to the Yogyakarta earthquake in 2006, and the other two analysing IFRC's fleet management practices.
- IFRC's logistics is represented in international logistics forums and conferences.

## Looking ahead

Subject to the final endorsement of the logistics future delivery plan 2010-2015, the second half of the year will primarily focus on sustainably increasing and stabilizing the coverage and accessibility of all logistics services for National Society programmes and operations through the zonal structures. The overall stock-holding level will be increased with the creation of new subregional stock locations. Information software and tools will be streamlined to meet business requirements, and new tools will be developed to ensure enhanced accountability and impact measurements. The HPC portfolio will be widely promoted through intensive communication activities in order to clearly articulate capacities and service levels to potential service users.

In addition, building upon the existing global platform, IFRC's logistics will focus on areas which are important enablers for future service delivery. This will include quality assurance, accountability and inspection services; streamlining of business process and procedures; and more integrated logistics training. The implementation of the above activities will lead to the reinforcement of the global logistics services, logistics HR, the development of information technology systems and tools which will not only allow achieving concrete improvements in the identified logistics fields, but will ultimately promote synergy and integration within the broader disaster management context.

How we work	
<p><b>All Federation assistance seeks to adhere to the <a href="#">Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations (NGO's) in Disaster Relief</a> and is committed to the <a href="#">Humanitarian Charter and Minimum Standards in Disaster Response (Sphere)</a> in delivering assistance to the most vulnerable.</b></p>	
<p>The IFRC's vision is to:</p> <p>Inspire, encourage, facilitate and promote at all times all forms of humanitarian activities by National Societies, with a view to preventing and alleviating human suffering, and thereby contributing to the maintenance and promotion of human dignity and peace in the world.</p>	<p>The IFRC's work is guided by Strategy 2020 which puts forward three strategic aims:</p> <ol style="list-style-type: none"> <li>1. Save lives, protect livelihoods, and strengthen recovery from disaster and crises.</li> <li>2. Enable healthy and safe living.</li> <li>3. Promote social inclusion and a culture of non-violence and peace.</li> </ol>
Contact information	
<p>For further information specifically related to this report, please contact:</p> <ul style="list-style-type: none"> <li>• <b>Birgitte Olsen, Head of Logistics Department, Geneva; email: <a href="mailto:birgitte.olsen@ifrc.org">birgitte.olsen@ifrc.org</a>; phone: +41 22 730 4245; and fax: +41 22 730 4906.</b></li> </ul>	

