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Global Logistics Service (GLS) Mid-Year Report

 International Federation
of Red Cross and Red Crescent Societies

MAA00028

31/08/2012

**This report covers the
period 1/01/2012 to
30/07/2012**

*Uploading of emergency supplies by
Philippine Red Cross relief workers for
dispatch to flood affected areas.
International procurement of supplies is
supported by the Zonal Logistics Unit in
KL. Photo by: Pablo Rayers/IFRC*



Overview

Operating within a five year strategic plan – Logistics 2015 – the IFRC Global Logistics Service (GLS) is working toward reinforcing and further developing its global logistics capacity to ensure that the IFRC – as a global network of National Societies – has access and control of a competent, efficient and effective logistics service to carry out its humanitarian assistance activities and achieve the goals outlined in *Strategy 2020*. The Logistics 2015 focuses on three strategic objectives, namely:

1. support the enhancement of National Society logistics capacity
2. increase the IFRC's logistics capacity to deliver logistics services for preparedness and operational activities
3. provide agreed logistics services to pre-selected humanitarian agencies

During the reporting period steady progress was achieved in the implementation of development projects that support the delivery of Logistics 2015 and its strategic aims.

- The GLS established initial logistics set-up in Africa zone.
- A complete review and revision of all logistics job descriptions was conducted.
- The scoping of the supply chain management system was finalized and official tender process completed.
- The process and tool for National Society Logistics Capacity Enhancement project was designed and ready to be pilot tested with three pre-selected National Societies prior to its introduction to the zones.

- A new GLS visual identity and communication plan were developed.
- A partnership agreement was signed between the IFRC and Airbus Corporate Foundation focusing on logistics cooperation.
- As from January 2012, the GLS moved to a full cost recovery scheme of operation.
- Logistics development work was combined with regular logistics support to operations.
- Finally, the GLS conducted a business case which looked at how the Federation logistics services should be carried out in the future for the delivery of international humanitarian assistance. This has been an additional task not foreseen in the scope of the GLS annual plan. The business case has required dedication of time and human resource capacity which has had an impact on the delivery of some other planned activities.

Working in partnership

The Global Logistics Service works with a number of partners on a range of projects as outlined below.

ICRC

The GLS has a continuous strategic cooperation with the ICRC's logistics service. Where appropriate, both organizations coordinate operational activities and implement joint projects in areas of common interest. Activities include revising the emergency items catalogue, working on quality assurance framework, jointly establishing supplier framework agreements and maintaining suppliers' social responsibility track records, among others. Regular meetings are held with ICRC to share information and agree on common approaches to current and future activities.

Logistics cluster

The GLS attends the global logistics cluster meetings and contributes to operational coordination mechanisms during emergency operations.

Fleet Forum

The Fleet Forum brings together numerous humanitarian organizations – the IFRC, UN agencies and NGOs – and provides a platform for humanitarian actors, donors, commercial companies and academia to meet annually to review and discuss best practices in fleet management. The IFRC's Global Logistics Service is a founding member of the Fleet Forum and a member of the Fleet Forum Board.

Cooperation with the logistics academic community

The GLS maintains links with a number of academic institutions that offer logistics within their curriculum and/or are actively involved in researching new practices and innovative approaches in the field of humanitarian logistics. A close relationship is maintained with researchers affiliated with the BI Norwegian Business School and Lund University, Georgia Institute of Technology, Massachusetts Institute of Technology (MIT), University of Istanbul and INSEAD Business School, on the development of case studies among others.

Partnership with Airbus Corporate Foundation

In June 2012, the IFRC signed a partnership agreement with the Airbus Corporate Foundation which fosters cooperation between the partners, focusing on air transportation and logistics staff development. The Airbus Foundation commits to facilitate several flights a year for transport of Emergency Response Units (ERUs), emergency supplies and associated staff members. The partnership also enables the parties to tap into each other's knowledge base and training capacity for exchanging expertise and relevant experiences.

Interagency cooperation

The IFRC, ICRC, UNICEF and UNHCR cooperate within an interagency Quality Assurance and Product Development Group. This is an initiative to promote interagency collaboration in sharing information and best practices with the aim to develop synergies related to quality assurance and product development of major relief items. This initiative consolidates best knowledge and expertise across humanitarian logistics and leads to development of technical solutions that ultimately benefit the wider humanitarian sector.

Working Group on the use of Military and Civil Defence Assets (MCDA)

The IFRC cooperates within a dedicated working group focusing on the specifics of logistics MCDA under a joint chair of the IFRC and the World Food Programme. The objective of this logistics working group is to convene logistics specialists and planners within militaries, states, humanitarian actors and multilateral entities who can together determine how best logistics MCDA assets should be configured, deployed and coordinated – based on a common understanding that the use of logistics MCDA should be needs driven and used as an enabling capability for the humanitarian community.

Progress towards outcomes

During the reporting period work of the GLS focused on achieving the three strategic objectives of Logistics 2015. They are:

Objective 1: to support the enhancement of National Society logistics capacity, to help strengthen National Societies and to articulate the global capacity and effectiveness of the IFRC's logistics. (linked to [Business Line 1: Raise humanitarian standards](#); [Business line 2: Grow Red Cross Red Crescent services for vulnerable people](#) and [Business Line 5: Deepen our tradition of togetherness through joint working and accountability](#))

Objective 2: to increase the IFRC's logistics capacity to deliver logistics services for preparedness and operational activities, connecting National Society assets where possible, and making this self-sustaining by promoting the effective functioning of the IFRC. (linked to [Business line 2: Grow Red Cross Red Crescent services for vulnerable people](#) and [Business Line 5: Deepen our tradition of togetherness through joint working and accountability](#))

Objective 3: to provide agreed logistics services to pre-selected agencies to help ensure the sustainability and relevance of the supply chain, and therefore help protect the IFRC's ability to maintain its neutrality and voice in humanitarian diplomacy. (linked to [Business line 2: Grow Red](#)

Cross Red Crescent services for vulnerable people and Business Line 4: Heighten Red Cross Red Crescent influence and support for our work)

The Logistics 2015 six development projects and all ongoing activities implemented in the first half of 2012 contributed to the achievement of these strategic objectives. The information below lists each of the six projects with the objectives and achievements during the reporting period.

Project A: Management and Communication

Objective: Creation of a management platform to support the implementation of Logistics 2015 and to ensure business continuity. Design and implementation of a comprehensive communication plan ensuring that Logistics 2015 activities are effectively promoted and disseminated to key stakeholders.

Achievements

- The GLS established initial logistics set-up in Africa. The new post of head of Africa Zonal Logistics Unit was created and filled. Along with the recruitment process, the GLS developed a plan for future logistics set-up and roll out to Africa zone, which will be implemented in the second half of the year.
- The GLS engaged a professional company to design a visual identity and develop a market-oriented communication approach, to support the Logistics 2015 implementation. This has been a project implemented in close cooperation with the IFRC's communications department. After the official launch planned for September 2012, the GLS visual identity (logo) will be applied on all communication materials and publications, profiling the Global Logistics Service with a consistent and recognizable look under the IFRC's logo.
- A number of promotional materials were produced and disseminated to logistics stakeholders, among which the GLS calendar 2012, a leaflet *Global fleet solutions for humanitarian action* and a briefing document *IFRC global logistics services for National Societies*.
- Logistics 2015 strategy was promoted at internal and external meetings, including a number of individual briefings to National Societies and the ICRC, Health and Logistics Conference in Hamburg, Airbus Foundation Board Meeting, Transport Forum in Leipzig, MedAir Supply Chain Seminar in Lausanne, ERU meeting in Geneva, meetings with ECHO, DFID and the Global Fund.
- Following a formal negotiation process to identify areas of mutually beneficial cooperation, in June 2012 the IFRC and the Airbus Corporate Foundation concluded an official partnership agreement focusing on logistics cooperation in air transportation and staff development. The partnership has been widely promoted among the Movement stakeholders. Standard Operating Procedures are being developed for coordination of flight requests. Airbus has already been contacted on a number of occasions, seeking support for emergency flights.
- In April 2012, the GLS communicated an update to stakeholders on the implementation of Logistics 2015.

Project B: Logistics HR development

Objective: Development of a logistics human resource strategy that meets the needs of the GLS in delivering Logistics 2015.

Achievements

- The logistics HR strategy framework designed at the start of the project implementation was acknowledged by the IFRC as an organizational priority and was incorporated into the wider HR business processes improvement exercise.
- As part of the organizational process, the GLS conducted a complete revision of all logistics job descriptions for jobs at global, zonal and country level. To ensure consistency of approach, a professional company was commissioned to develop the standard job description templates, which then were adjusted to specific job requirements. This exercise was used to standardize the logistics job descriptions across the organization and align them to a more service-oriented approach which is in line with the Logistics 2015 strategy.

Project C: Sustainable funding

Objective: Development of the most optimal and automated financial management system for managing budgets, income and expenses, invoices and reports relating to global logistics service operations and its provision to internal and external service requesters.

Achievements

The business processes and systems requirements for logistics financial transactions were finalized and the project was integrated into the supply chain management systems project.

Project D: Legal status

Objective: Evaluation and recommendation on legal risk management and legal status issues related to new or enhanced logistics services, to be delivered under Logistics 2015.

Achievements

During the reporting period, the project consolidated and finalized the findings of assessment and analysis of all documentation pertaining to logistics service provision, including gap analysis and risk management strategy. The project also looked at issues around the legal status of the IFRC with a special focus on potential target countries. Based on this review and assessment, an executive report of the legal project findings was produced.

Project E: Supply chain management systems

Objective: Development of supply chain management systems to manage the delivery and measure the impact of logistics services in support of Logistics 2015. Assessment of existing systems and future needs, planning and implementation of logistics systems that fill the identified gaps.

Achievements

Based on the outcome of the detailed Gap and Requirement Analysis conducted in 2011 and involving key stakeholders from Logistics, Disaster Management, IT, Audit, Finance, Resource Mobilization and Legal, a comprehensive Terms of Reference was developed. An important achievement was the overall agreement to integrate programme and relief-specific requirements into the end-to-end process flow and the tender process, in order to have an integrated system.

From January to May 2012 the bid evaluation process analysed and shortlisted the offers received from vendors. The strategy was to follow a modular approach in order to remain scalable and fit the diverse needs between the different operational levels: global/headquarters, zonal/regional offices, country offices and field operations. In order to have maximum flexibility to choose the best suited

vendor for the various functional groups, the tender was structured in functional modules grouped in six different lots: separate interchangeable software components with clearly defined interfaces intended to support one or more supply chain processes. Particular emphasis was given in consideration of a supply chain structure from an end-to-end perspective and the needs of future system architecture to be scalable and flexible both in functionality and in organization within the IFRC, the field and in support of the National Societies. On that area a specific module will cover the current lack of IT systems for beneficiary registration, distribution planning, reporting and communication with beneficiaries (post-distribution/satisfaction surveys and complaint mechanism).

As the outcome of the tender process, one vendor was identified with the potential to cover all the functional and technical requirements using a single system. Its offer has been included in the 5-year total cost of ownership estimated with the key departments involved, considering: implementation; roll-out and training; user support, upgrades and server hosting; contingency.

In May, the GLS organised a joint session for the Relief and Logistics ERU representatives presenting the latest update on the systems project, during the ERU Working Group Meeting.

In June, GLS contributed to drafting of the SOPs for the Cash Based Programming. The support included guidance of business processes definition and technical feedback as one of the key stakeholder members.

The next step in the process is to secure the required funding for purchasing the system.

Project F: Infrastructure, assets and resources

Objective: Definition and set up of the required infrastructure – including locations, organization and assets in five zones – to provide adequate logistics services to internal and external partners.

Achievements

- During the reporting period the Global Logistics Service (GLS) initiated a project to develop a systematic approach to logistics capacity enhancement in National Societies. The NSLCE (National Society Logistics Capacity Enhancement) is a procedure and tool that supports persons involved in developing the logistics capacity of National Societies. The process and tool will be tested with three pre-selected National Societies. During the first half of 2012 the skeleton of the process and tool were completed and the NS to be considered have been shortlisted (Chile, Uganda, Thailand). The testing will take place in September and then rolled out to the Zonal Logistics Units in November. The NSLCE project will provide a systematic and replicable process to ensure all NS have or can develop appropriate sustainable logistics capacity, with indicators that can be reported across the Federation. The NSLCE approach is based on three fundamental elements. These are:
 - ✓ The National Society recognizes the importance of logistics and has the ambition and resources to develop capacity
 - ✓ The logistics capacity requirement of the National Society can be calculated by analysing its national and international role and responsibility
 - ✓ The capacity calculation, planning and implementation has to be carried out by professional logisticians

- At the request of the Secretary General, the GLS undertook an additional task of developing a logistics business case. The business case looked at how the Federation logistics services should be carried out in the future for the delivery of international humanitarian assistance. The main case was developed from a desk study. The findings from the desk study were cross referenced for reliability using the results from 3 case studies carried out independently from the GLS; (i) Haiti earthquake study carried out by a team affiliated with the Massachusetts Institute of Technology and a logistician from the French Red Cross; (ii) Van earthquake study carried out by a team affiliated with Georgia Institute of Technology and University of Istanbul with a logistician from the British Red Cross and (iii) Cote d'Ivoire Civil Unrest study carried out by a team from BI Norwegian Business School and Lugano University with a logistician from the British Red Cross. The business case will be completed by the end of July and presented to the IFRC Senior Management in September.

Ongoing activities

Combined with development projects, the Global Logistics Service supported the delivery of Logistics 2015 strategic objectives through ongoing work and regular logistics support to operations.

- The GLS continued to provide capacity-building support to National Societies through basic and tailor-made logistics workshops and individual staff mentoring. Development of regional logistics capacity was enhanced with a total of 8 workshops (280 participants), targeting the National Societies of Qatar, New Zealand, Indonesia, Guatemala, Israel, Jordan and Japan.
- The GLS continued to provide logistics services to the Red Cross Red Crescent network and to external humanitarian agencies – directly supporting the delivery of Logistics 2015 strategic objectives 2 and 3. In average, 27 operations per month have received logistics support.
- Under services to externals, the GLS has been approached by a number of humanitarian and government agencies requesting services from the GLS. Discussions have led to signing of formal service agreements with some of them. Part of the requested services has already been materialized.

Stakeholder participation and feedback

- The Global Logistics Service cooperates with stakeholders and where relevant actively involves them in the implementation of Logistics 2015 strategy. This is realized through many initiatives: (i) engaging with commercial stakeholders for development of mutually beneficial partnerships, cooperation and exchange of best practice and know how such as the recently concluded partnership with Airbus; (ii) working together with researchers affiliated with reputable academic institutions for development of logistics case studies; (iii) involving National Society experts in logistics development projects and connecting National Society assets and resources to extend the global network. The development of the recent business case has been a successful example of how stakeholder participation can combine various experiences and perspectives in developing a neutral and substantiated output.
- The GLS hosts or contributes to logistics forums and stakeholder meetings that bring together experts and practitioners from different sectors (aid and development, commercial, academia) to stimulate a sharing of best practices and innovation in humanitarian logistics. In April 2012, the GLS hosted the Annual Fleet Forum Conference at the Secretariat.

- The GLS calls for an annual meeting with National Societies to update the Movement stakeholders on logistics developments and consolidate their feedback on logistics management issues. The 2012 meeting has been scheduled for the second half of the year, pending the finalization of the GLS business case.

Key Risks or Positive Factors

Key Risks or Positive Factors	Priority	Recommended Action
	High Medium Low	
The GLS will not get the required support from the Secretariat to implement its 5 year strategic plan	H	Develop a business case and present to the IFRC Senior Management allowing an informed decision and direction on the way forward
GLS will not be able to secure self-sustainability due to low business level and premature cut of the core funding	H	Develop a mechanism of filling the funding gap allowing the GLS to catch up with business levels
GLS will not be able to implement the new supply chain management system	H	Treat this as a key prerequisite for the success of Logistics 2015 and embark on active fund raising
GLS will continue to access donor funding for development work	M	Keep GLS in the divisional portfolio for fundraising and advocate for logistics development

Lessons learned and looking ahead

The GLS will present the business case to the IFRC Senior Management in September 2012. The further implementation of the strategy and logistics priorities for the remaining part of the year will then be aligned according to the SM feedback.

The past one and a half year of the strategy implementation have confirmed the imperative to implement a new supply chain management system without which the success of Logistics 2015 will be put at stake. The system currently in use – the Humanitarian Logistics Software (HLS) - has not been originally designed to meet the requirements of a decentralized operating model. Consequently, it does not fully support the new business requirements and fails to ensure full audit compliance - a critical risk which has been highlighted in the independent audit review of HLS conducted in 2011.

The new supply chain management system, once implemented, will enable the IFRC to streamline the business processes required by the current operating model. From a broader perspective, an end-to-end integrated system will enable and support more efficient and timely delivery of humanitarian assistance harnessing the latest technology and innovations in relief and cash based

programming. Finally, the Federation-wide logistics reporting will enable to capture the full volume of logistics activities and charges, directly contributing to GLS self-sustainability.

Financial situation

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

How we work

All IFRC assistance seeks to adhere to the [Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations](#) (NGO's) in Disaster Relief and the [Humanitarian Charter and Minimum Standards in Disaster Response \(Sphere\)](#) in delivering assistance to the most vulnerable.

The IFRC's vision is to 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.



The IFRC's work is guided by Strategy 2020 which puts forward three strategic aims:

1. Save lives, protect livelihoods, and strengthen recovery from disaster and crises.
2. Enable healthy and safe living.
3. Promote social inclusion and a culture of nonviolence and peace.

Find out more on www.ifrc.org

Contact information

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