

# The central role of supply chain management at IFRC

by Bernard Chomilier, Ramina Samii and Luk N Van Wassenhove

*The Gujarat earthquake was a watershed for IFRC and more specifically for its Logistics and Resource Mobilisation Department. It was the first time that all IFRC's preparedness tools, mechanisms and practices, developed to better manage emergency supply chains, had come together.*

The Disaster Relief Emergency Fund allowed operations to be swiftly initiated. The arrival of a Field Assessment Coordination Team 48 hours after the disaster helped gauge relief requirements and develop plans for resource mobilisation. The quick deployment of the Emergency Response Units allowed relief activities to be swiftly kicked off. The relief mobilisation table<sup>1</sup> and the commodity tracking system helped mobilise, organise and coordinate the arrival of relief supplies. This together with IFRC's code of conduct limited the arrival of unsolicited goods. And finally the frame agreements with key suppliers ensured the quality of relief items and their prompt delivery at competitive prices. Three days after the Gujarat earthquake, IFRC's response plan was already in full swing. In the next 30 days, the IFRC's Logistics and Resource Mobilisation Department (LRMD) organised the delivery, by 45 charter planes, of 255,000 blankets, 34,000 tents and 120,000 plastic sheets, plus other relief items for some 300,000 people.

What was behind this level of response and coordination, unimaginable just five years before? IFRC had, after all, faced great difficulties in responding to Hurricane Mitch that hit a number of Central American countries in late 1998. During that emergency, it had failed to coordinate the relief contributions of the donating National Societies; its technical staff and relief delegates had arrived on the disaster scene far too late; its specialised equipment was only

deployed at the eleventh hour; and basic supplies took weeks to mobilise and distribute to the population.

The major lesson learned from Hurricane Mitch for IFRC was the need to work hard during disasters but even harder between disasters. It was agreed that two elements of disaster management have to be mastered before the right goods arrive at the right place at the right time: disaster preparedness and disaster response. The lead role taken by the LRMD was what made the difference during the Gujarat earthquake. The LRMD had geared up its supply chain preparedness, a pre-condition for effective simultaneous planning and execution.

## Supply chain management: improvements

### i. Organisational structure

Traditionally IFRC's logistics and resource mobilisation unit's activities were centred on the purchasing function. Over recent years, however, the role of the unit expanded to include all relevant supply chain activities from planning and warehouse management to training and reporting. In 2000 IFRC went through a major restructuring exercise that led to a clear separation between on-going development programmes and disaster management and coordination. During this restructuring, the enhanced profile of logistics was formally recognised and the unit was upgraded to a department. Improvements introduced over this

period of time focused on operational and process preparedness and standardisation of all processes and activities including procurement procedures.

IFRC's standardisation efforts, frame agreements, code of conduct and a basic commodity tracking system helped expedite mobilisation and delivery of relief goods during the Gujarat earthquake. The frame agreements with international and local suppliers for key relief items such as blankets and plastic sheets drastically simplified the procurement process. These agreements specify the good's price, quality and delivery requirements; in addition they oblige suppliers to stock at their own premises a certain level of inventory.

### ii. Unsolicited goods

IFRC's code of conduct<sup>2</sup> regulates private sector cash and in-kind donations. By setting standards that include ethical and operational issues, the Federation retains the right to refuse certain donations and thus avoid goods being pushed through its network. The newly institutionalised commodity tracking system of the LRMD helps contain the arrival of unsolicited goods. The system – still to be refined – enables IFRC headquarters as well as the field staff to monitor, in real time, who is sending what, with what means, where and when.

Compared to the Bangladeshi earthquake some ten years ago this system allowed for a drastic improvement. During the earlier crisis, a substantial amount of time and energy was spent on the management and disposal of unwanted goods constituting 95% of all goods received. In the case of Gujarat, the amount of unsolicited goods was kept as low as 5%. The system also allowed IFRC to provide donors with reliable information on the status of goods required, mobilised and on site.

### iii. Emergency Response Units

What worked particularly well during the Gujarat earthquake was the deployment of the newly developed Emergency Response Units (ERUs) with specialist equipment and personnel. There are four generic types of ERUs: logistics, health care, telecommunications, and water and sanitation. Six were requested by the LRMD for the Gujarat crisis: three in the health care area (referral hospital, emergency unit and basic health care), one logistics, one telecommunications and one water and sanitation. Within days of the Gujarat earthquake, a combined referral hospital comprising 310 beds, a basic health care unit, an emergency clinic and over 100 specialist personnel was deployed. The specialised water and sanitation unit supported these units. A telecom unit operational within three days from the quake established a communication link between all units involved.

Typically activated before the arrival of the other ERUs and relief items, the logistics ERU is instrumental in building the appropriate operational environment around relief activities. Based on the relief mobilisation table and the conditions of the local infrastructure, this ERU estimates the need, size and number of required tent warehouses and determines the optimal erection site. It obtains special agreement (tax exemption for the imported goods) before clearing the goods through customs and arranges for the transportation (trucks, fuel, drivers, insurance, etc) of the goods to warehouses.

### Support for supply chain management

These developments within IFRC's supply chain management were supported by improvements in its preparedness in terms of human resources, knowledge management and finance.

#### i. Human resources

IFRC's improved level of human preparedness allowed it to respond promptly to the Gujarat earthquake. IFRC has developed its field assessment and coordination capability by establishing a Field Assessment Coordination Team (FACT) composed of experienced Red Cross/Red Crescent disaster managers, trained in

specific areas such as relief, logistics, health, nutrition, public health and epidemiology, water and sanitation, finance and administration. The LRMD is represented on the FACT through a logistics expert.

FACT is deployable within 12-24 hours for up to six weeks anywhere in the world. Its mandate is to carry out rapid field assessment immediately after a disaster, recommend and activate an appropriate relief operation, and ensure coordination with dozens of actors. Before the establishment of FACT, each donating and host country National Red Cross/Red Crescent Society used to send its own assessment team with obvious cost and coordination implications.

In order to build and maintain a core pool of about 200 experts from which FACT staff can be drawn, IFRC conducts FACT training sessions around the world. These sessions aim to impart a consistent methodology and build team spirit and a common pool of expertise. The training programmes are supported by on-the-job training.

#### ii. Knowledge management

IFRC is currently developing a Disaster Management Information System (DMIS) to ensure that the existing knowledge within the IFRC and its network of National Societies is captured, codified and made accessible to staff at large. In an emergency, IFRC needs to assemble and disseminate information on the geography, climate, population, food habits, living conditions and customs, infrastructure, duty customs and regulations of the affected region. One of the features of DMIS is the identification and creation of links to relevant websites that hold this type of key information. Immediately after the Gujarat earthquake, IFRC - using its DMIS - consulted a number of websites holding relevant information on the region in order to estimate the size of the affected population.

#### iii. Finance

One of the oldest tools available at IFRC is its Disaster Relief Emergency Fund. The Fund is called upon immediately after a disaster and before the issuance of a disaster-specific appeal. It provides seed money to initiate a speedy response on the ground - such as fielding FACT members, down-pay-

ments for initial supply purchases and deployment of ERUs. The Fund allowed IFRC to be the first humanitarian organisation to reach Gujarat and activate its disaster-specific emergency supply chain. This in return had a direct impact on its resource mobilisation capability and response outreach.

### Challenges remaining

To further improve the level of supply chain preparedness and response time, IFRC's LRMD has implemented an end-to-end humanitarian logistics planning and tracking system in collaboration with the Fritz Institute [see article by Lee pp34] which includes an automated and standardised 6,000 item catalogue. Together these improvements will allow greater coordination in a relief operation between logistics and finance, information technology, donor reporting and disaster operations.

However, like other relief organisations, the IFRC continues to face challenges in several areas including obtaining funds for disaster preparedness and capacity building, identifying optimal structures for coordination between headquarters and the field, and clearly defining the role of the secretariat in relation to those of the National Societies.

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1. A Relief Mobilisation table is a list of relief items plus quantities thereof that the IFRC believes are required to address the needs of an emergency. IFRC prepares and circulates this table among its National Societies in order to raise funds and/or in-kind contributions. The table helps to minimise unsolicited goods and as National Societies commit to the provision of an item, the table is updated and made accessible to them all.

2. See [www.ifrc.org/publicat/conduct](http://www.ifrc.org/publicat/conduct)