GLOBAL LOGISTICS CLUSTER PREPAREDNESS 2016 - 2018

May 2016

THE GLOBAL LOGISTICS CLUSTER’S PREPAREDNESS PATH TO RESILIENCE
CONTENTS

I  Context  3
II  Demand Statement  4
III  Approach  4
IV  Preparedness and Resiliency  5
V  Capacity Strengthening and Localisation (Intervention Pull Vs Push)  5
VI  Supply Chain Risk Management  6
VII  GLC Resiliency Driven Preparedness  7
VIII  Common Outputs and Common Outcomes  7
XI  Supply Chain Resiliency Programme (SCRP)  8
X  Supply Chain Resiliency Analysis (SCRA)  9
XI  Programme Scope and Implementation  10
XII  Programme Sustainability and Investment/Funding Model  11
XIII  Current Programme Status  12
XIV  Further Information  13
I. Context

Over the course of early-2016, Global Logistics Cluster (GLC) partners, have set in motion the updated Global Logistics Cluster Strategy, for the next 3 years, available at: http://www.logcluster.org/document/logistics-cluster-strategy-2016-2018

This paper is concerned with the first of the four new pillars for the GLC, that of Supply Chain and Logistics Preparedness, which reads as follows:

Goal 1: PREPARE

*Strengthen the immediate response capacity of national actors in disaster-prone countries and identify the best capacities for response.*

Objective 1: Strengthen logistics capacities on national and cross-border levels

Objective 2: Encourage active collaboration and ownership of tasks by LC community involving various actors such as civil protection, public and private sectors and other clusters.

The guidelines to achieve the above, center around the following activities:

- Identify and prioritise 6 disaster-prone countries
- Map capacities and gaps with local stakeholders using existing and new protocols
- Develop scenarios based on risk analysis
- Assess disaster impacts on infrastructure & capacities
- Support government and stakeholders to address gaps
- Identify organisations & local actors to address gaps

Preparedness is currently at a conceptual crossroads

The space of Preparedness in the Disaster Management cycle, has been developing in a myriad of ways for the different aid-system sectors. In the most recent past, since the United Nations General Assembly Resolution 46/182 (1999), as well as the steep learning curves of each emergency, for both the UN system and the aid-sector at large, Preparedness now finds itself at a conceptual crossroads between:

a) A singular focus on response and saving lives,

b) Pressure to expand and align with Disaster Risk Reduction (DRR)/Disaster Risk Management (DRM) objectives.

The demand for aid and assistance has outstripped the supply of response capacities and resources, together with calls for the sector to provide more transparency and accountability. The perpetual nature of response aid, although having saved many lives, is said to have left many
stuck within a dependency cycle, lessening development gains and lowering multi-generational prospects for the world’s neediest, as resiliency against future shocks are not built into the response system. DRR strategies and capacities are therefore more critical than ever, to help mitigate negative impacts on local, national and regional development and to lessen the demand and costs of response.

Preparedness is seen as a vital multi-dimensional activity that has the potential to bridge the Response-Development divide by taking its place as a key linkage between Emergency Management and DRR. When moving from the reactive approach of Disaster Management to the proactive approach of DRM, connecting the 3 key stages of Preparedness, Response and Recovery, is now the next logical and responsible step in the evolution of the sector. This is done by broadening our understanding, identification, anticipation, modification and mitigation of risk.

II. Demand Statement

At present, a long-term sustainable GLC Preparedness framework and strategy within risk management theory, does not exist and neither one that incorporates sectorally-related frameworks such as the Inter Agency Standing Committee (IASC) Emergency Response Preparedness (EPR) framework and the Sendai Framework for Disaster Risk Reduction 2015-2030. The above frameworks have components and priorities related to understanding and profiling multi-hazard disaster risks, investing in resilience and enhancing preparedness and planning, as well as identifying and developing supply chain strategies, Minimum Preparedness Actions (MPA) and Advanced Preparedness Actions (APA), in relation to the response phase.

The absence of a consultatively drafted and actioned framework and strategy within the GLC, hinders knowledge management and cross-learning; increases difficulty for funding and residual risk advocacy, and obscures lines between organisational preparedness and supply chain/logistics specific preparedness.

The GLC has conducted preparedness planning for many years, producing outstanding and sectoral-leading knowledge and strategies however at a wavering pace and quality, due to the absence of a soft-standard, dedicated staff, strategies and multi-year funding to do so. Partner involvement in concept, design and execution has also been limited, as expected due to the many recent emergencies demanding immediate and sustained response focus, over long-term project focus.

III. Approach

Simultaneously, a much stronger emergence of Government-led emergencies, National Cluster systems, private sector networks, partner engagements and technologies has given rise to a new
order of working. Deeper and wider collaboration with all possible parties is seen as the best way to bridge inter- and intra-sectoral strengths with weaknesses and raise the sectors system-wide capacity and capability to respond.

As disasters, risks and negative effects do not remain within the bounds of borders, the global perspective to address the global problem that affects all, necessitates linkages and partnerships in all possible directions. Prevalent at present, is for international response to more effectively complement and support national authorities. For the GLC, the historical way of conducting Preparedness, now necessitates deeper capacity strengthening, networking, technical support, localisation and planning with national and local actors, specifically, National and Regional Disaster Management authorities and line-ministries where possible. Pre-defining and addressing response gaps, on-going initiatives and gaps in preparedness, protocols and agreements, should be maintained with the mind-set of ‘when’, and not ‘if’, a response would be needed. Any avenues to reduce either the costs and time to respond, deserve a concentrated view, ensuring that logistics bottlenecks do not become supply chain grid-lock in an emergency.

IV. Preparedness and Resiliency

Managing risks as a means to lower the need to manage disasters, results in resiliency. For GLC preparedness, risks range from intrinsic supply chain partner risks to embedded supply network-design risks. Starting with the end in mind, _resiliency_ for GLC Preparedness is understood as:

• **Standing Capacity**: current country supply chain self-sufficiency in capacities and capabilities (i.e. goods, services, equipment, infrastructure, systems, processes, procedures, knowledge, expertise) _PLUS_;

• **Absorptive Capacity**: what can be augmented through increasing Standing Capacity internally and externally to a country, _PLUS_;

• **Readiness**: Early warning, early response/action.

By identifying and lowering supply chain and logistics network vulnerabilities through risk reduction strategies, upstream, midstream and downstream to a particular region and country, system resiliency is increased.

V. Capacity Strengthening and Localisation (Intervention Pull Vs Intervention Push)

At present, international intervention remains for most part, as the entire Absorptive Capacity of a country, and to varying degree, a portion of a countries Standing Capacity, based on context, location and country risk vulnerability.

International intervention is called upon to cover the gap in Standing Capacity – referred to as Intervention _Push_. International aid is therefore the default Absorptive Capacity provider.
Capacity strengthening, localisation and engaging with regional, national and local business networks would therefore be directly related to how and how much we are able to increase a country’s Standing Capacity under self-sufficiency, as well as how and how much of the Absorptive Capacity we are able to augment and handover, to raise total Standing Capacity. By understanding and monitoring these levels of interaction between capacity points, an Intervention Pull system could become a reality. We would therefore expect a direct relationship between a country’s capacity to cope and known humanitarian needs, in relation to Absorptive and Standing Capacity, as well as an inverse relationship with capacity to cope and lead time, timeline and scale of an international intervention. Ultimately, the GLC preparedness strategy aims to lower both the time and cost of a large-scale humanitarian emergency by:

- Capacity and capability building of first responders closer to points of demand
- Lower supply chain and logistics risks
- Pre-define response mechanisms
- Utilise the cluster platform to increase preparedness and response economies of scale, scope, density and frequency.

VI. Supply Chain Risk Management

By bridging the relief to development continuum, the above approach aims to utilise the following supply chain risk management protocols:

- **Proactive Risk Management**: Decrease the likelihood (probability) of a supply chain risk event - Identify all level supply-chain and logistics risks for proactive management and investment;
- **Incident Management**: Minimise the negative consequences of a supply chain event post-occurrence – Pre-define and solidify international GLC response intervention configurations and agreements;
- **Risk avoidance, risk transfer**: Advocacy for residual risks.

To conduct risk management, right-size and professionally plan a logistics network, supply and demand fundamentals are required to stress-test configurations and interrelatedness between network nodes and this in-turn requires joint scenario-driven analysis to determine expected demand fulfilment models, supply networks and shortfalls.
GLC preparedness will perform this function for expected participating partner and government configurations where possible, in 6 pilot priority countries listed below:

1) Haiti
2) Indonesia
3) Bangladesh
4) Myanmar
5) Nigeria
6) Madagascar

For an explanation of the above 6 choices, kindly review the document ‘Survey Note’ - April 2016.

VII. GLC Resiliency Driven Preparedness

The GLC Resiliency Driven Preparedness Framework, consists of a Supply Chain Resiliency Programme (SCRP), using a Supply Chain Resiliency Analysis (SCRA) process for the 6 priority countries. The framework will be used to identify and manage system risks and to better inform Preparedness and Contingency Planning and has the following overarching aims:

• Providing a Rationale for Engagement
• Identifying Scope, Focus and Goals (Why-What-Who-When-Where-How)
• Explaining the Delivery of Processes (Structure & Communication Flows)
• Clarifying Expected Results (Outputs/Outcomes/Indicators)
• Providing Timeline of Key Milestones
• Promoting Risk Sharing Partnerships (Cluster Ownership)
• Enabling Capacity Tasking & Capacity Reservation
• Providing a Business Case

VIII. Common Outputs and Common Outcomes

A consultatively drafted, proofed and executed GLC Resiliency Driven Preparedness Framework and Supply Chain Resiliency Analysis will:

• Build soft assets, knowledge and processes to manage events that have not yet happened;
• Better inform/update the generation of Preparedness/Contingency Plans per country;
• Map partner supply and demand scenario-set expectations and pre-identify logistics channels;
• Identify gaps in existing initiative integration for treatment and investment;
• Pre-define response arrangements & supply chain configurations at:
  o Strategic (Global)
  o Tactical (Regional) &
  o Operational (National/Local) levels;
• Help:
  o Support and integrate National Clusters and NDMO's/RDMO's into the Logistics Cluster system;
  o Support UNCT/HCT;
  o Engage with and better collaborate with multi-level Private Sector Networks;
  o Localise Preparedness with Business Continuity Principles;
  o Increase Readiness levels;
• Generate/update Cluster MPA'S and APA's (applicable to non-priority countries);
• Bridge the response-development divide;
• Incorporate DRR in Preparedness, Response and Recovery stages;
• Further professionalize the sector.

IX. Supply Chain Resiliency Programme (SCRP)

The SCRP is to primarily identify, recommend, prioritise, and track supply chain risk mitigation, modification and transfer efforts that are expected to be executed by GLC Preparedness Working Group partners and networks at the global, regional and national levels (‘Whole of Society’ approach), over the next 3 years of the strategy.

<table>
<thead>
<tr>
<th>TIME FRAME</th>
<th>PLAN</th>
<th>IMPLEMENT</th>
<th>INSTITUTIONALISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot</td>
<td>0-6 months</td>
<td>6-36 months</td>
<td>Perpetual</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>Resiliency Driven Preparedness</th>
<th>Supply Chain Resiliency Programme Definition &amp; Proof of Concept</th>
<th>Roll-Out SCRP</th>
<th>SCRP fully adapted</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PEOPLE</th>
<th>Whole of Society</th>
<th>Internal &amp; External Expertise + GLC Structure + Working Groups &amp; Partners + Stakeholders at Global/Regional/National Level</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PROCESS</th>
<th>Risk Management System</th>
<th>Supply Chain Resiliency Analysis Definition &amp; Proof of Concept</th>
<th>Roll-Out SCRA</th>
<th>Internalised system, expanded beyond pilot</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SCOPE</th>
<th>Framework</th>
<th>Tools Defined and Developed</th>
<th>Tools Deployed</th>
<th>Tools Adapted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Framework</td>
<td>Framework Defined</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|       | Engagement/Localisation | Private Sector(LET+Bus Network)/NDMO/National Cluster Engagement | Private Sector(LET+Bus Network)/NDMO/National Cluster Engaged | Global to National Clusters + Bus Networks Integrated |
|       | Initiative/Mapping      | Initiative and Partner Mapping Initiated | Continuous Mapping and Initiative Integration | Seamless Global to Local Initiative Framework |

www.logcluster.org
X. Supply Chain Resiliency Analysis (SCRA)

The SCRA is a live process underpinned by continuous improvement. It is intended for usage by Working Group field mission teams to guide supply chain risk management and resiliency building assessments, activities and to better inform Preparedness and Contingency Planning.

Phase 1 and 2 (Identify and Quantify) are for ascertaining the status of Standing Capacity, whilst Phase 3 and 4 (Mitigate and Respond) are for ascertaining the Absorptive Capacity requirements and investments. The analysis process is highly flexible to contexts and includes business continuity planning (envisioned for regional, national and local logistics service providers (3PL's) as a means for Preparedness Localisation and connect Preparedness, Response and Recovery phases of the DRM cycle. Phase 4 covers Respond, event monitoring and the tactical response/international Cluster intervention in the form of pre-designated live, firm, shared and agreed response arrangements of a Preparedness and Response Plan.

Coordination (Strategic/Tactical/Operational): Supply chain transparency driven response arrangements between cluster partners are envisioned to form into three integrated core-cells:

- Supply sensing;
- Demand sensing and fulfillment modelling;
- End-to-end logistics integration.

GLOBAL LOGISTICS CLUSTER
SUPPLY CHAIN RESILIENCY ANALYSIS (SCRA)
Project Management, Mapping and Risk protocol tools that will be developed for the above analysis are:

- Risk Monitoring/Initiative Dashboard
- National Disaster Management Framework (NDMF) Analysis Tool
- Ratio Guidance: Days of Supply (DOS) & Time To Recovery (TTR)
- Scenario Event Simulation (S/D/I Triangle)
- Predictive Fault Tree Analysis - Backward Logic
- Predictive Event Tree Analysis - Forward Logic
- Bowtie Risk Analysis
- Residual Risk Advocacy Strategy
- Business Continuity Guidance and Assessment Tool
- Supply Chain and Logistics Network Mapping Tool and Guidance
- Partner Initiative Mapping Tool and Guidance
- Initiative Project Management Tools
- Logical Framework

XI. Programme Scope and Implementation

There are 3 interlinked activities required for the achievement of the SCRP:

• **Empowered Working Groups** at the following levels:
  - Global;
  - Regional;
  - National.

• **Mapping** and Working Group **Field Missions** of:
  - Partner Networks;
  - Existing Preparedness Initiatives;
  - Relevant Disaster Management and Civil Protection entities and mechanisms.

• **Private Sector Engagement, Localisation** and other linkages with:
  - Global, Regional, National and Local business networks;
  - Regional and National Disaster Management Organisations, Civil Protection and relevant line ministries;
  - National Clusters and national coordination mechanisms;
  - International Organisations/Entities with value-added technical competence transference possibilities;
  - International militaries involved in humanitarian response.
These core activities will augment targeted Standing Capacities by raising Absorptive Capacities through:

- **Initiative Integration**: Pre-defining Cluster Response Configurations, Channels, Flows, Mechanisms, Responsibilities and Timelines by pre-defining best capacities and supporting best capabilities to respond;
- **Initiative Identification**: Identifying new supply chain & logistics risk mitigation initiatives for integration and investment at all levels;
- **Identifying** residual risk for higher level advocacy

### XII. Programme Sustainability and Investment/Funding Model

As the SCRP is not a static exercise, nor is it a liner process, programme risk mitigation requires a long-term view, underpinned by a dedicated core-team and solidified by long-term multi-year investment. Investment and funding will be required for programme sustainability at two levels:

i. **Global Level** – to build, maintain and sustain the multi-partner, multi-year pilot programme;

ii. **National/Local Level** – once supply chain resilience initiative gaps and unmitigated risks are auto-prioritised in a common theatre - specific, targeted and timely investments will be required to lower system vulnerability and raise local resiliency. Although initially targeted for 6 priority countries, however if imminent and glaring supply chain risks and initiative gaps are found in other potential high-risk countries, mitigation, advocacy and awareness of such, will also be raised.

The investment/funding model, for the Global level of the 3-year pilot is shown below. Exact requirements are still being sought, on the basis of multi-partner Working Group willingness to engage with the programme.

- **GLC Staff**
  - Dedicated Project Manager
  - Dedicated Information Management/Communications Officer
  - Part-time Researcher
  - 20% Designated 6 Country Standby Desk Officers
  - 15% Budget Officer
  - 15% Admin Officer
• Working Group (Time + Facilities + Travel)
  
  Pre-Emergency
  o 20% of core working group participants time (multi-agency/organisations)
  o Processes, Procedures and Tools Development
  o Working group SCRA field missions
  o Working group preparedness (response) plan drafting
  o Annual on-site scenario response rehearsing & drills
  o Bi-Annual plan revision

  Onset & Mid-Emergency
  o Working group global, regional and national missions for real-time Response Plan adjustment (Coordination Cell Model at strategic, tactical and operational levels: Supply sensing, demand sensing and fulfilment modelling, end-to-end logistics integration)

  Post-Emergency
  o Plan revisions
  o Risk re-assessment
  o Continuous improvement of processes and tools

XIII. Current Programme Status
At present, GLC resources to build, maintain and sustain the programme in the short-term are inadequate. The Working Group is envisioned to be defined and formed at the upcoming Global Logistics Cluster Meeting in June 2016.

A first round of initiative mapping has been solely conducted and has already identified ongoing initiatives that require Cluster platform visibility and integration focusing on upstream (supply sensing), midstream (consolidation) and downstream (demand sensing and fulfillment models). Critical initiative gaps in other theatres have also been identified.

As half of the 6 priority countries are in the East, the GLC Preparedness Focal Point has undertaken a rapid mission to the WFP Asia and Pacific Bureau to meet with concerned WFP country office preparedness representatives and discuss the Preparedness strategy, find congruency and harmonization with current and planned initiatives within the region.
XIV. Further Information

For further information, please contact:

Faheem Araie
Global Logistics Cluster Preparedness Officer, WFP Rome, Italy: Faheem.araie@wfp.org

John Myraunet
Global Logistics Cluster Deputy Coordinator, WFP Rome, Italy: John.myraunet@wfp.org

Stephen Cahill
Global Logistics Cluster Coordinator, WFP Rome, Italy: Stephen.cahill@wfp.org