



# New Supply Chain Strategy of the IFRC

**DIHAD – March 2023**

7 April 2023



# NS-Driven Supply Chain Review

Review started  
in July 2021



Identify co-chair(s)  
sub-group



Brief co-chairs  
in process (timeline) and role to play



Draft objectives  
(quantifiable) and indicators for ToR



Link objectives to  
problem analysis



Select optimal option  
(quantitative and qualitative  
analysis)



Identify and review  
options together with  
NS



Finalise ToR  
(agree among sub-group,  
finalise objectives)



Form sub-group  
(invite, brief and plan calls)



Identify NS profile linked  
to objectives to invite to  
sub-group



Review options  
between sub-groups



Revise / confirm  
selected options with NS



Develop implementation  
Plan of Action (PoA),



**Implementation  
from end 2022**



# Today's Perceptions of IFRC SC Services

Efficient international support "machine", up to 60% of response budgets, network of hubs, innovative fleet leasing model. BUT:

Outdated

Too expensive

Inconsistent & inefficient SC leads: multi-lateral & bi-lateral responses

Cost Recovery model disincentive for NS to access services

Not efficient, too slow, lacking connection & engagement to programme planning

Regional Logs Units – decentralised & disconnected

Passive, reactive, 'wait-to-be asked' mode

Limited performance monitoring / reporting & reacting

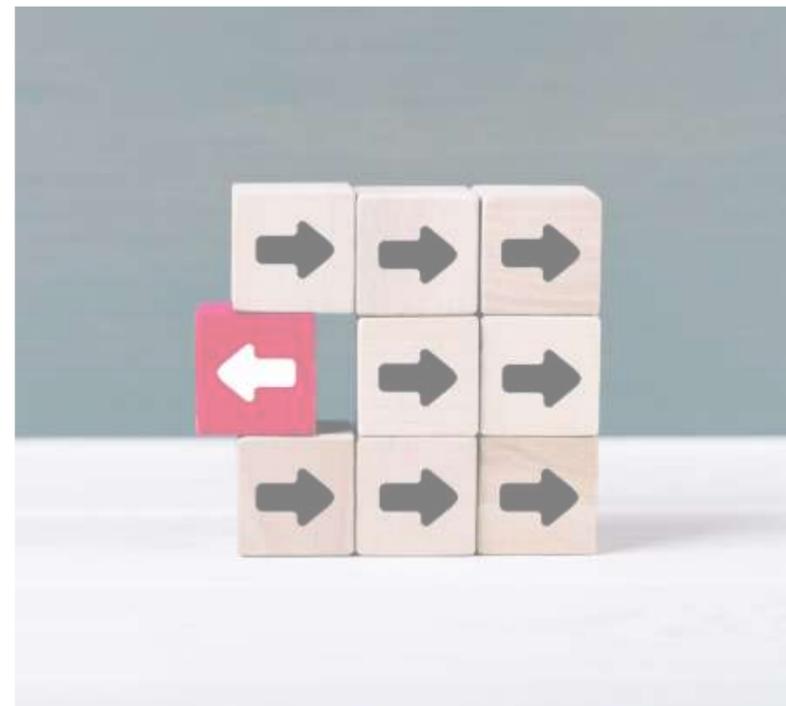


# With Initial Investment, There is an Opportunity to Scale Up and Maximize Purchasing Power

## TODAY

Current established system specifically serves IFRC supported multilateral actions - **CHF 300-600 mln.**

It doesn't support National Societies domestic activities with their own funding.



## FUTURE

Future system serves all 192 domestic activities with their own funding - **CHF 42 bln annual turnover** - by providing attractive services and respecting the territorial sovereignty and independence of NS and their collective role, integral to the wider RCRC Movement

Income sources for cost recovery will come from fleet (for Federation) as well as procurement against framework agreements (for both Federation and NS)

The cost-recovery model will be **gradually adjusted** to deliver value-for-money, **equal to or better** than like-for-like comparisons with other available options and promote the application of IFRC SC services by the members and **not serve as a deterrent of cooperation.**

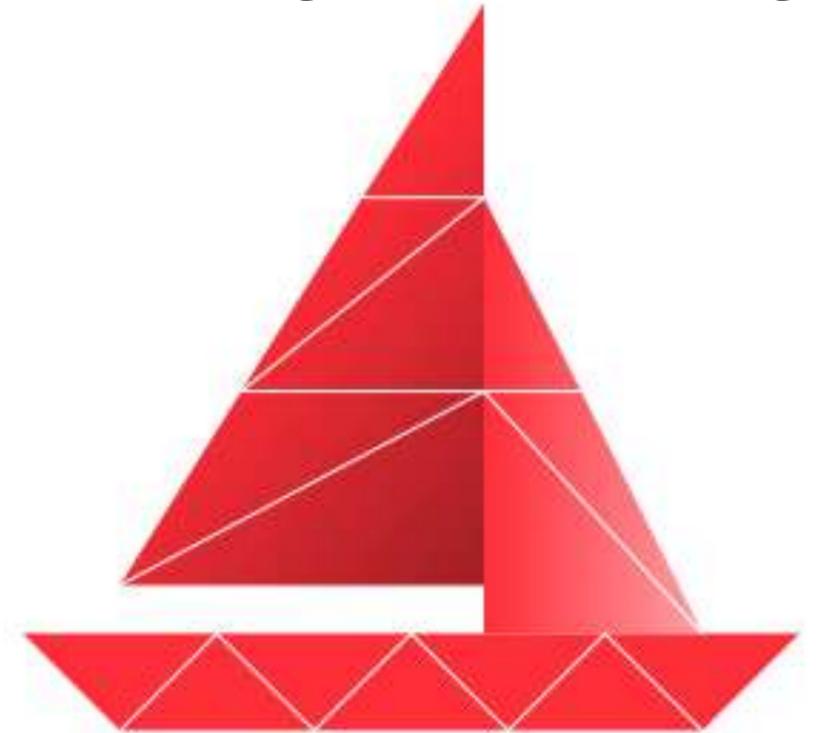
The revised GHS&SCM structure & required budget to deliver the SC Strategic objectives will be covered 100% through the cost-recovery model.



# Supply Chain Aligns With Strategic Shifts in IFRC

- **Services to all National Societies, international and domestic operations**
- **Dinamically updated systems, policies and procedures**
- **Global lean structure**
- **In partnership with the best in class humanitarian organisations.**

**Global network of strong and effective local and global actors that are mobilising for the good of humanity and alleviating human suffering**



**STRATEGY**  
**2030**



# Key Directions:

## Sustainable and Efficient Supply Chain

**DOMESTIC SUPPORT**

**LOCALISATION**

**COLLABORATION**

**DIGITALISATION**



**TRANSPORTATION**

**FLEET**

**STOCK & WAREHOUSE**

**PROCUREMENT**

## Strategic Focus:

1. DOMESTIC SUPPORT
2. FLEET
3. DIGITALISATION

**Σ** : Speed – Efficiency - Sustainability

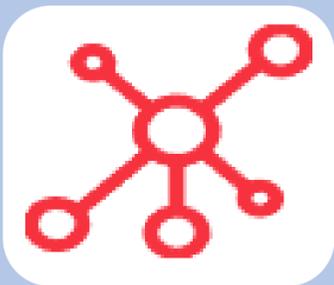


# Supply Chain Digital & Innovation Transformation

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-  Market Place
-  RCRC Stock
-  Warehouse
-  Fleet
-  Tracking: IKD / PO
-  **CARGO** Transport Request
-  Suppliers Hub
-  IM Platform
-  Tenders
-  Innovation Corner



# **Implementing Change while continuing operations and support**