



Australian Government

Department of Foreign Affairs and Trade

Review of the *Humanitarian Logistics Capability* | **MANAGEMENT RESPONSE**

The Humanitarian Logistics Capability (HLC) is a 10-year investment (1 July 2018 until 30 June 2028) that provides DFAT with the technical expertise and operational capability to support the Australian Government's commitment to respond within 48 hours of a request for assistance to humanitarian emergencies in the region.

In 2018, DFAT signed a five-year Deed with The Palladium Group (Palladium) as the Implementing Partner to deliver the capability, with an option to extend for up to a further five years.

The 2022 mid-term review (MTR), undertaken by Strategic Development Group, assessed the performance of the first 5 years of the HLC to identify areas for improvement over the remaining period, with an emphasis on informing management decisions around contract renewal and program design.

DFAT supports 17 of the 19 recommendations (reference pages vi, vii and 28-31). Most of the recommendations have already been actioned or are underway, and DFAT has committed to implementing several recommendations through an HLC re-design process.

Design Refresh and Contract Renewal Recommendations

| Recommendation | Response | Action plan | Timeframe |
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| <p>1. Design Refresh and Contract Renewal DFAT is recommended to refresh the design of the overarching HLC investment, clearly articulating the overarching intent of the investment. The review team recommend continuing DFAT’s HLC contract with its existing contractor and taking steps to articulate and execute clear implementation and governance arrangements. GEDSI considerations require significant efforts in order to meet the investment objectives. A review at 6 months is recommended to assess the extent to which the required implementation, governance, MEL and GEDSI arrangements have been established and embedded.</p> | Partially Agree | <p>DFAT has commenced the re-design through DFAT’s Adaptive Design and Procurement Pathway (ADAPT).</p> <p>Subject to the outcomes of HLC investment redesign, DFAT may be obligated to approach the market if there is a significant change to the program’s scope.</p> <p>DFAT, with the support of an independent contractor, will review if the required contractual implementation, governance, MEL and GEDSI arrangements have been established and embedded in the HLC, as per the MTR recommendations.</p> <p>The DFAT delegate will determine nature and duration of any contract extension, consistent with MTR findings, and the outcomes of the review.</p> <p>DFAT, with the support of an independent contractor, will review if the required contractual implementation, governance, MEL and GEDSI arrangements have been established and embedded in the HLC, as per the MTR recommendations.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> <p>Review will be complete by end-March 2023.</p> |
| <p>2. Humanitarian focus: It is recommended that the HLC Investment retains its “humanitarian” element and that the criteria for the mechanism’s activation be articulated clearly, including in the decision-making processes and channels.</p> | Agree | <p>This recommendation is being addressed through the HLC re-design.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> |
| <p>3. End of Investment Outcome 1: DFAT is recommended to retain Outcome 1.</p> | Agree | <p>This recommendation is being addressed through the HLC re-design.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> |

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| <p>4. End of Investment Outcome 2: DFAT is recommended to remove Outcome 2.</p> | <p>Partially Agree</p> | <p>DFAT’s Humanitarian Division (HPD) will consider whether to retain Outcome 2 through the HLC re-design in consultation with the Consular and Crisis Management Division (CCD).</p> <p>Non-activation of outcome 2 was not a reflection of poor performance.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> |
| <p>5. End of Investment Outcome 3: DFAT is recommended to retain Outcome 3 with modifications.</p> | <p>Agree</p> | <p>This recommendation is being addressed through the HLC re-design.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> |

Governance

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| <p>6. Governance Arrangements: DFAT is recommended to design and implement governance and management arrangements of the HLC investment, including roles and responsibilities, job descriptions, Standard Operating Procedures (SOPs), and skills and competencies required of the contractor, each partner and each staff member within DFAT in relation to delivering the HLC.</p> | <p>Agree</p> | <p>DFAT has implemented improved governance and management arrangements with the HLC investment. Broader governance and management arrangements, including skills and competencies required of the contractor are being addressed through the HLC re-design.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> |
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Technical advisory inputs

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| <p>7. Technical advisory inputs: DFAT is recommended to design and implement mechanisms by which to draw in technical advisory inputs that embed Australia’s humanitarian policies and codes of practice (e.g., GEDSI) either internally (within DFAT) or through DFAT partners (e.g., AHP), such that skills and knowledge are held at the institutional level.</p> | <p>Agree</p> | <p>This recommendation is being addressed through the HLC re-design.</p> | <p>The HLC re-design will be concluded by end-June 2023.</p> |
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Monitoring, Evaluation and Learning (MEL)

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| <p>8. MEL: DFAT is recommended to instruct Palladium to design and implement an overarching HLC Investment MEL strategy, in order to meet DFAT's M&E standards to enable effective M&E of progress and performance against intended outcomes. This should include: Theory of Change diagram and narrative, Components of the investment, Stakeholders involved and their roles and responsibilities in delivering HLC, and Results Framework.</p> | <p>Agree</p> | <p>DFAT and Palladium have finalised and implemented a MEL Plan including a GEDSI, Safeguarding, Sustainability and Greening Strategy.</p> <p>The MEL Plan and associated strategies support DFAT and Palladium to measure the effectiveness and efficiency of program outcomes and to meet DFAT's M&E standards and Investment Performance Reporting requirements.</p> | <p>The MEL Plan including GEDSI, Safeguarding, Sustainability and Greening Strategy was finalised in December 2022.</p> |
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Risk Management

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| <p>9. Risk Management: DFAT is recommended to design and implement risk assessment and risk mitigation arrangements.</p> | <p>Agree</p> | <p>DFAT, with Palladium, have formalised risk assessment and risk mitigation mechanisms.</p> | <p>Actioned and ongoing.</p> |
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DFAT Management of HLC

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| <p>10. Humanitarian and Logistics training: DFAT is recommended to reinstate humanitarian and logistics training for staff managing the HLC.</p> | <p>Agree</p> | <p>Training was disrupted by COVID-19. Humanitarian and Logistics training for HPD staff managing the HLC has recommenced.</p> | <p>Actioned and ongoing.</p> |
| <p>11. Crisis Cadre: DFAT is recommended to recommence training of Crisis Cadre or alternate structure that equips those likely to be tasked with supporting a response with the necessary skills and knowledge to support humanitarian responses including the utilization of the HLC.</p> | <p>Agree</p> | <p>DFAT's Humanitarian Division (HPD) and the Consular and Crisis Management Division (CCD) recommenced and enhanced training and induction for DFAT's Crisis Cadre and the Crisis Response Team in 2022.</p> | <p>Actioned and ongoing.</p> |

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| <p>12. HPD management mechanisms: The review team recommends that DFAT reintegrate HPD into crisis response / internal incident management mechanisms.</p> | <p>Agree</p> | <p>DFAT's Humanitarian Division (HPD) and Consular Crisis Division (CCD) have an integrated crisis activation mechanism in place.</p> <p>DFAT's Humanitarian Division (HPD) has revised its Standard Operating Procedures.</p> | <p>Actioned and ongoing.</p> |
| <p>13. Capacity and retention: The review team recommends that DFAT review HPD staff capacity and retention.</p> | <p>Agree</p> | <p>DFAT's Humanitarian Division (HPD) has reviewed staff resourcing to ensure contract compliance is adequately managed and delivered by DFAT and Palladium, and that staff have adequate training in humanitarian logistics, contract management, GEDSI and MEL. These include training on DFAT's updated and publicly available Design and Monitoring & Evaluation Standards.</p> <p>HPD's FTE levels remain under constant review.</p> <p>DFAT takes its occupational health and safety responsibilities to staff very seriously, as reflected in relevant policies.</p> <p>HPD staff capacity and retention are incorporated into DFAT's workforce planning processes.</p> | <p>Actioned and ongoing.</p> |

Implementation: HLC Contract with Palladium

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| <p>14. HLC contract management: In relation to HLC Contract management, DFAT is recommended to instruct Palladium to design and execute HLC Contract implementation arrangements (including robust M&E mechanisms) aligned with the overarching HLC Investment.</p> | <p>Agree</p> | <p>DFAT and Palladium have finalised and implemented a MEL Plan including a GEDSI, Safeguarding, Sustainability and Greening Strategy.</p> <p>The MEL Plan and associated strategies support DFAT and Palladium to measure the effectiveness and efficiency of program outcomes.</p> <p>DFAT will continue to monitor compliance.</p> | <p>The MEL Plan including GEDSI, Safeguarding, Sustainability and Greening Strategy was finalised in December 2022.</p> |
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| <p>15. Palladium management structure: Palladium is recommended to rearrange its management structure to include a broader skillset such as contract management and ensure a core team of response leads.</p> | <p>Agree</p> | <p>The Palladium leadership team is reviewing its management structure to deliver necessary oversight and contract compliance. DFAT will continue to monitor compliance with this recommendation.</p> | <p>New Palladium HLC Contractor Representative appointed January 2023.</p> <p>Management structure under review and any changes to be instituted in consultation with DFAT by early 2023.</p> |
| <p>16. GEDSI technical capacity: Palladium is recommended to maintain a designated GEDSI technical capacity ensuring that there is an appropriate level of knowledge and experience to manage the breadth of vulnerable groups that the investment needs to address.</p> | <p>Agree</p> | <p>Palladium recruited a GEDSI advisor in September 2022.</p> | <p>Completed in September 2022.</p> |
| <p>17. GEDSI strategy: Palladium is recommended to prioritise the development of a GEDSI strategy and implementation plan for the HLC.</p> | <p>Agree</p> | <p>A MEL Plan including GEDSI, Safeguarding, Sustainability and Greening Strategy was finalised in December 2022.</p> | <p>GEDSI advisor recruited in September 2022, and approved GEDSI Strategy and Implementation Plan finalised in December 2022.</p> |
| <p>18. GEDSI leadership: Palladium is recommended to promote GEDSI in all aspects of HLC investment through commitment and leadership by senior management.</p> | <p>Agree</p> | <p>Palladium recruited a GEDSI advisor to embed GEDSI in all aspects of the HLC investment. DFAT is monitoring compliance through the approved MEL Plan and engagement with Palladium leadership.</p> | <p>Actioned in September 2022 and ongoing.</p> |
| <p>19. GEDSI advice: DFAT is recommended to establish an HLC GEDSI reference group with advisory and accountability oversight responsibilities.</p> | <p>Agree</p> | <p>DFAT has convened a GEDSI reference group which convenes at regular program M&E meetings.</p> | <p>Actioned in December 2022 and ongoing.</p> |